



KERALA FINANCIAL CORPORATION

HO: VELLAYAMBALAM, THIRUVANANTHAPURAM - 695 033

Phone : 0471- 2315891, 2737566

e-mail : mdoffice@kfc.org website : www.kfc.org



KFC/F&A/BOND/2025-26

27.05.2025

The Manager
BSE Limited
P J Towers,
Dalal Street,
Mumbai -400001

Dear Sir/Madam,

Sub: Annual Secretarial Compliance Report for the financial year ended 31st March, 2025

Please find enclosed herewith Annual Secretarial Compliance Report of the Corporation issued by M/s. K. Narayana Swamy & Co., Practicing Company Secretaries, Bangalore for Financial Year ended March 31, 2025, pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Request you to kindly take the same on your record.

Thanking you.

**Yours Faithfully,
For Kerala Financial Corporation**

NANDHINI VIJAYARAGHAVAN
Company Secretary
Kerala Financial Corporation

Company Secretary & Compliance Officer

കേരള ഫിനാൻഷ്യൽ കോർപ്പറേഷൻ

(1951-ലെ സ്റ്റേറ്റ് ഫിനാൻഷ്യൽ കോർപ്പറേഷൻ ആക്ട് നം. LXIII പ്രകാരം രൂപീകൃതമായത്)
വെള്ളയമ്പലം, തിരുവനന്തപുരം-695033

**Secretarial Compliance Report of Kerala Financial Corporation
for the financial year ended March 31, 2025**

(Pursuant to Regulation 24A (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Kerala Financial Corporation,
HO: Vellayambalam,
Thiruvananthapuram - 695 033,
Kerala.

I have examined:

- (a) all the documents and records made available to me and explanation provided by **Kerala Financial Corporation - Pan No. AABCK1316M** ("KFC or the Listed Entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchange,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this Report,

for the financial year ended March 31, 2025 (Review Period) in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the SEBI.

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include :-

- (a) Securities and Exchange Board of India (LODR) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(Not Applicable)*
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not Applicable)*
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; *(Not Applicable)*
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) The Depositories Act, 1996;
- (i) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993;
- (j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;
- (k) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;
- (l) State Financial Corporations Act, 1951;
- (m) KFC General Regulations, 2003; &
- (n) Other Regulations as applicable and circulars/ guidelines issued thereunder.

K. Narayana Swamy & Co.
Company Secretaries



Based on the above examination, I hereby report that during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount Rs.	Observations / Remarks of the Practicing Company Secretary (PCS)	Management Response	Remarks
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- NIL -

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Observations / Remarks of the Practicing Company Secretary in the previous reports <i>(ASCR filed only from the FY ended 31.3.2023 onwards)</i>	Observations made in the Secretarial Compliance <i>(Reports for the year ended 31.3.2023 & 31.3.2024)</i>	Compliance Requirement (Regulations / Circulars / guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1	Appointment of of Company Secretary & Compliance Officer	Non-appointment of of Company Secretary & Compliance Officer - Already complied. <i>(In the Reports for the years ended 31.3.2023 & 31.3.2024)</i>	Regulation 6(1)	Delay. Penalty imposed by BSE - Rs.5,18,020/-	Appeal made for waiver of fine.	Company Secretary appointed on 14.12.2023. However, appeal made for waiver of fine is still pending.
2	Appointment of Share Transfer Agent.	Delay in appointment of Share Transfer Agent. Already complied. <i>(In the Report for the years ended 31.3.2023)</i>	Regulation 7(1)	Delay. Penalty imposed by BSE - Rs.2,14,760/-	Appeal made for waiver of fine.	RTA was appointed on 4.8.2022. However, appeal made for waiver of fine is still pending.
3	Submission of Annual Financial Results	Delay in submission of Annual Financial Results <i>(In the Report for the years ended 31.3.2023)</i>	Regulation 52(2)(d)	Delay. Penalty imposed by BSE - Rs.1,65,200/-	Appeal made for waiver of fine.	Appeal made for waiver of fine is still pending.
4	Intimation regarding dispatch of AGM Notice	Delay in intimation regarding dispatch of AGM Notice <i>(In the Report for the years ended 31.3.2023)</i>	Regulation 50(2)	Delay. Penalty imposed by BSE - Rs.5,900/-	Appeal made for waiver of fine.	Appeal made for waiver of fine is still pending.
5	Submission of Annual Report on the date dispatch to Shareholders	Delay in submission of Annual Report on the date dispatch to Shareholders <i>(In the Report for the years ended 31.3.2023)</i>	Regulation 53(2)	Delay. Penalty imposed by BSE - Rs. 3,06,800/-	Appeal made for waiver of fine.	Appeal made for waiver of fine is still pending.



6	Intimation regarding Board Meeting date	Delay in intimation regarding Board Meeting date (In the Report for the years ended 31.3.2024)	Regulation 50(1)	Delay. Penalty imposed by BSE – Rs.5,900/-	Appeal made for waiver of fine.	Appeal made for waiver of fine is still pending.
7	Intimation regarding Record Date	Delay in intimation regarding Record Date (In the Report for the years ended 31.3.2024)	Regulation 60(2)	Delay - Penalty imposed by BSE – Rs.11,800/-	Appeal made for waiver of fine.	Appeal made for waiver of fine is still pending.
8	Asset Cover	Delay in intimation regarding Asset Cover (In the Report for the years ended 31.3.2024)	Regulation 54 (2)	Delay. Penalty imposed by BSE – Rs.3,540/-	Appeal made for waiver of fine.	Appeal made for waiver of fine is still pending.

I hereby report that during the review period the compliance status of the listed entity is given below with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes /No /NA)	Observations/Remarks by PCS
1.	Secretarial Standards: The Compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	<i>However, KFC is not able to fully comply with Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) with reference to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) since the Corporation was not having a qualified Company Secretary till 13th December, 2023 and also due to subsequent change in the appointment of Company Secretary.</i> <i>KFC also represents that the Corporation, being a Government Organisation, established under the State Financial Corporations Act, 1951, has faced certain practical challenges in fully complying with the above requirements. It is expected that full compliance with SS-1 and SS-2 will be achieved from the financial year 2025-26 onwards.</i>
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circular/guidelines issued by SEBI. 	Yes	<i>SEBI has vide Notification dated 27th March, 2025 has introduced a new Chapter, viz., Chapter VA – "Corporate Governance norms for listed entity (HVDLEs)" which has listed its non-convertible debt securities, with effect from 1st April, 2025.</i> <i>Although some of the Policies are already in vogue, KFC represents that the Corporation, being a Government Organisation, established under the State Financial Corporations Act, 1951, has faced certain practical challenges in fully complying with specific requirements. It is expected that full compliances will be achieved from the financial year 2025-26 onwards.</i>
3.	Maintenance and disclosure on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents / information under a separate section on the website. 	Yes	

	<ul style="list-style-type: none"> Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website. 		
4.	Disqualification of Director(s): None of the Director(s) of the company is/are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.	Yes	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	NA	There are no Material Subsidiary Companies under the Corporation. Therefore, doesn't arise.
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	No	KFC is following a well established Internal Policy for preservation and maintenance of documents and records. In addition, KFC represents that a New Policy is being framed in line with the requirements of SEBI (LODR) Regulations, 2015, and the same will be formally adopted and implemented from the financial year 2025-26.
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	No	KFC represents that performance evaluation of the Board, Independent Directors, and Committees will be formally undertaken from the financial year 2025-26 upon the appointment of Independent Directors and adoption of the requisite Policy, which is currently under process with the approval of the Government of Kerala.
8.	Related Party Transactions: (a). The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	NA	There were no Related Party Transactions during the period under review. Therefore, doesn't arise.
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	NA	KFC represents that Policy on PIT is being framed and the same will be approved by the Board and implemented soon.
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity / its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder (or) The actions taken against the listed entity/its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	Yes	No action has been taken by SEBI against KFC. However, BSE has taken certain actions for "non-compliance" as per details given in (b) above (pages 2/ 3 above).
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries:		

	In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	N.A.	<i>There is no change in statutory auditors. Therefore, doesn't arise.</i>
13.	Additional Non-Compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc., except as reported above.	No	<i>As on date, there are some outstanding dividend amounts lying with KFC for want of required details of the Shareholders. Presently, companies having valid CIN can only transfer the unclaimed amount to the Investor Education and Protection Fund (IEPF). Since KFC is not a company incorporated under the Companies Act and as it does not have CIN, KFC is not able to transfer the unclaimed dividend amount to the IEPF. However, KFC represents that the Corporation is current in the process of opening a separate Bank Account for this purpose and the transfer to the IEPF will be effected promptly upon completion of necessary formalities.</i>

I further report that the listed entity is in compliance/ not in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations.

- N A -

NOTES:

KFC made representations vide its letters dt. 30.1.2023; 20.2.2023, 15.3.2023 & 13.5.2024 requesting SEBI/BSE to grant exemption from complying with Reg.17(1C), Reg.17(4), Reg.17(10), Reg.17A, Reg.25 & Reg.26 of Chapter IV (Corporate Governance) of SEBI (LODR) Regulations, 2015.

However, SEBI has vide Notification dated 27th March, 2025 introduced a new Chapter, viz., Chapter VA – "Corporate Governance norms for listed entity (HVDLEs)" which has listed its non-convertible debt securities, with effect from 1st April, 2025. Accordingly, KFC shall comply with the new requirements.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. My responsibility is to report based upon examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial records and books of account of the listed entity.



4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.



(K. Narayana Swamy)
Company Secretary in Practice
FCS No. 1838 / CP No. 9878
Peer Review Cert. No.1744/2022

UDIN NO. F001838G000450726

Place : Bengaluru

Date : 27th May, 2025

