KERALA FINANCIAL CORPORATION

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ISO 9001 2015 CERTIFIED

KFC/CS/BOND/2026-27 26.05.2026

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

Dear Sir,

Sub: Newspaper Publication of Audited Financial Results for the quarter and year ended March 31, 2026

In compliance with Regulation 52(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 we hereby inform that the Board of the Corporation approved the Audited Financials for the quarter and financial year ended March 31, 2026 at its meeting held on May 25, 2026 and published the Financial Results on May 26, 2026 in Financial Express having circulation in whole of India.

Enclosed herewith a copy of newspaper publication. Kindly take the same on record.

Yours Faithfully,

V. Nan

Nandhini Vijayaraghavan

Company Secretary & Compliance officer

Quad to meet today amid West Asia crisis

PRESS TRUST OF INDIA
New Delhi, May 25

United States Secretary of State Marco Rubio with wife Jeanette Rubio during their visit to the Taj Mahal on Monday AP

THE ECONOMIC FALLOUT of the West Asia crisis, the prevailing security situation in the Indo-Pacific and ways to boost cooperation in critical minerals and technology are expected to top the agenda at a crucial meeting of the Quad foreign ministers on Tuesday.

The New Delhi meeting will be attended by US Secretary of State Marco Rubio, Australian Foreign Minister Penny Wong and Japanese Foreign Minister Toshimitsu Motegi, with External Affairs Minister S Jaishankar presiding over it.

The Quad, comprising India, the US, Australia and Japan, has emerged as a key grouping largely focusing on peace, security and stability in the Indo-Pacific region.

India is hosting the meeting in its capacity as the current chair of the coalition.

The meeting comes nearly a year after the Quad foreign ministers met in Washington DC.

The Ministry of External Affairs indicated that the Quad's vision for a free and open Indo-Pacific would be the central focus of the deliberations.

The ministers will exchange views on advancing Quad cooperation across priority areas, review progress on ongoing initiatives and reflect on recent developments in the Indo-Pacific region and other international issues of mutual concern, it said last week.

Rubio visits Taj Mahal, Amber Fort

Rubio on Monday visited the Taj Mahal in Agra and the Amber Fort in Jaipur along with his wife Jeanette Rubio and US Ambassador to India Sergio Gor ahead of the crucial Quad foreign ministers' meeting on Tuesday.

● **GRETA ILEKYTE,** SENIOR ECONOMIST, SWEDBANK

'Lithuania's growth engine shifts to services'

Lithuania's economy is undergoing a structural shift, with services exports now matching goods exports for the first time. Even as growth remains resilient, inflation, energy dependence and geopolitical risks continue to shape the outlook, ***Greta Ilekyte****, senior economist at Swedbank tells* **Kshipra Petkar.**

How would you describe Lithuania's economic journey since it regained independence in 1991?

When Lithuania regained independence from Soviet rule, it was one of the poorest economies in Europe. GDP per capita and incomes were among the lowest in the region. Over the past three decades, the transformation has been substantial. Lithuania joined the European Union in 2004, NATO in 2005, and later adopted the euro. Today, GDP per capita adjusted for purchasing power is close to the EU average. Wages have grown around 10% annually over the past decade. The economy has shifted from low-cost manufacturing toward higher value-added services.

What does this structural shift look like now?

For many years, exports of goods — furniture, plastics and food products — were the main engine of growth. Recently, services exports matched goods exports for the first time, marking a structural turning point. As wages rise, Lithuania becomes less competitive in low-value manufacturing, but more competitive in IT, finance and business services. More workers are moving into high value-added sectors.

What is your growth outlook for Lithuania?

We recently revised our forecast slightly, from 3.2% to 3%. The downgrade is modest, reflecting slower global growth and geopolitical uncertainty. Domestic demand remains strong, and household consumption is expected to drive growth, while goods exports may remain softer.

WE EXPECT INFLATION TO AVERAGE CLOSE TO 5% THIS YEAR, WITH THE PEAK LIKELY AROUND NOW

How do you see inflation evolving?

We expect inflation to average close to 5% this year, with the peak likely around now. Lithuania is one of the most open economies in the world, so global energy prices affect us significantly. About 65% of passenger cars run on diesel, making fuel prices important. Wage growth has also kept services inflation elevated in recent years.

What is your view on the European Central Bank's rate path?

We expect two rate hikes this year, taking the deposit facility rate to 2.5%. Financial markets are pricing in three hikes, but we believe that may be too aggressive given weak European growth. Monetary policy cannot resolve supply-side shocks such as energy disruptions.

What is your outlook for the euro?

We expect the US dollar to weaken somewhat from current levels. Policy uncertainty in the US could weigh on the dollar, in our view. As a result, the euro has strengthened over the past couple of years and we expect it to remain relatively stronger against the dollar, with potential for some further appreciation.

Has geopolitics reshaped investment flows into Lithuania?

After 2022, Lithuania eliminated its energy dependence on Russia, but dependency shifted to other suppliers such as the US and Norway for gas, and the Middle East for oil. This has strengthened incentives to invest in renewable energy — not only for climate reasons, but for energy security. Foreign direct investment has slowed somewhat due to higher interest rates and Lithuania's proximity to Belarus and Russia. However, companies already present in Lithuania continue expanding, signalling confidence.

(For full interview, log on to www.financialexpress.com)
(The writer was in Vilnius, Lithuania, at the invitation of Hostinger)

FROM THE FRONT PAGE

Fuel prices hiked again

GLOBAL CRUDE PRICES have risen more than 50% since late February after the US-Israeli strikes on Iran and escalating tensions in West Asia disrupted shipping movements and pushed up freight and insurance costs.

Despite four successive revisions, analysts said OMC under-recoveries remain elevated because of higher crude prices, a weaker rupee and continuing losses on domestic LPG sales.

Prashant Vasisht, senior vice president and co-group head, corporate ratings, Icra, said the financial stress on fuel retailers remained severe even after the latest hikes. "Despite the latest hike in retail prices of auto fuels, oil marketing companies' under-recoveries remain stubbornly high due to increasing losses in domestic LPG sales and a high premium to the crude marker," Vasisht said.

Icra estimates that at crude oil prices of $120-125 per barrel, OMCs are still incurring losses of around ₹700-800 crore daily on petrol, diesel and LPG sales.

"This high level of under recoveries is unsustainable," he added. Financial services firm Emkay Global has estimated that petrol and diesel prices could rise by as much as ₹10 per litre in the near term as OMCs attempt to recover losses arising from elevated crude oil prices.

"We expect hikes of ₹10/litre to cover roughly 50% of under-recoveries, either in one shot or via creeping hikes over 2-3 weeks," Emkay Global said in a report released on May 15.

Harshraj Aggarwal, energy lead analyst, institutional equities, YES Securities, said the latest fuel revisions still leave substantial marketing losses on auto fuels. "The gross marketing loss as of today stands at ₹5.5/litre for petrol and ₹5/litre for diesel. So the expected price hikes could be more ₹2-4/litre if the crude prices don't fall further," Aggarwal said.

The latest increase pushed fuel prices to their highest levels since May 2022 after remaining largely frozen for more than two years, barring a ₹2-per-litre cut in March 2024 ahead of the general elections.

Earlier in the day, speaking at an event in Mumbai, Finance Minister Nirmala Sitharaman said the reduction in excise duty on petrol and diesel would have a revenue implication of nearly ₹1 lakh crore.

The rise in fuel prices is also adding to inflation concerns. Retail inflation accelerated to 3.48% in April from 3.40% in March, while wholesale inflation climbed to a 42-month high of 8.3%, driven largely by higher fuel and energy costs.

Meanwhile, shares of oil marketing companies rallied sharply on Monday after Brent crude prices fell more than 5% following indications that the Strait of Hormuz could reopen.

Shares of Bharat Petroleum Corporation (BPCL) rose 4.3% to close at ₹308.25 on the BSE after touching an intra-day high of ₹309. Hindustan Petroleum Corporation (HPCL) gained 3.5% to settle at ₹403.40 after rising as much as 5.9% during the session to hit ₹412.55. Shares of Indian Oil Corporation (IOC) advanced 3.1% to close at ₹143.90 after touching an intra-day high of ₹145.30.

RBI may favour liquidity, forex tools over rate hike

SAKSHI GUPTA, PRINCIPAL economist, HDFC Bank, said the central bank could continue supporting liquidity through variable rate repo auctions and buy/sell swaps, and may even consider a temporary cut in the cash reserve ratio (CRR) to ease pressure on interest rates arising from the credit-deposit mismatch in the banking system.

Anubhuti Sahay, head of India Economics Research at Standard Chartered, said a June pause without additional external-sector measures could increase the risk of second-round effects on inflation and the rupee. "A June pause without measures to support the external sector can raise the risk of second-order effects on CPI," Sahay said.

Analysts at Barclays said the RBI could consider measures such as smoothing importer demand for dollars, encouraging higher exporter dollar conversions, reintroducing FCNR deposits at concessional rates, relaxing ECB norms, easing hedging requirements for foreign investors, and expanding limits under the fully accessible route (FAR) for bond investors.

"Still, while such measures may slow the pace of INR depreciation, we continue to see a weaker path for the currency to USD/INR 98.00 in the weeks ahead, albeit at a less rapid pace than witnessed in recent weeks," the brokerage said in a recent report. The rupee has come under sustained pressure since the escalation of the West Asia conflict in late February, largely due to a sharp increase in crude oil prices. Brent crude rose by as much as 60% to touch $118 per barrel, while the rupee weakened to a record low of 96.97 against the dollar last week before recovering on the back of aggressive RBI intervention and some moderation in oil prices. The currency has declined more than 6% so far this calendar year and closed at 95.29 on Monday.

Economists warned that imported inflation risks are widening beyond crude oil to freight, shipping and broader commodity costs, raising concerns about second-round inflationary pressures. They also noted that a narrowing India-US bond yield differential could reduce the attractiveness of Indian assets for foreign investors if rupee depreciation continues.

Despite the currency pressure, economists said the RBI still has room to pause, given moderating domestic growth and headline inflation remaining within the central bank's tolerance band. However, they expect the MPC to adopt a more hawkish tone in June, with greater emphasis on external-sector stability and upside risks to inflation.

Most economists expect any rate hikes to come only in the second half of FY27, with the immediate focus likely to remain on measures aimed at attracting dollar inflows and rebuilding foreign exchange reserves.

Kanika Pasricha, chief economic adviser at Union Bank of India, expects three rate hikes beginning in the third quarter, but said the RBI's immediate priority should be restoring confidence through measures such as ECB relaxations and changes to the FCNR framework.

"What matters more is confidence-building through verbal intervention, which has already begun, and policies to attract quick dollar inflows, which can be announced either during the policy meeting or earlier. In the short term, we need action to address a genuine balance-of-payments shortfall," she said.

FM: Fuel, fertiliser, forex biggest risks

"HIGH INTERNATIONAL CRUDE prices... unimaginable increase in fertiliser prices, and high gold prices are creating some challenges on the external front," she said.

India's forex reserves had hit an all-time high of $728.5 billion at the end of February. Since then, reserves have fallen to around $688.9 billion by the week ended May 15, implying a decline of nearly $39.6 billion, or about 5.4%. Crude prices have remained above $100 per barrel for a considerable period since the Iran conflict began on February 28, while fertiliser import prices have, in many cases, doubled.

Petrol and diesel prices were raised again on Monday, marking the fourth increase in May, taking cumulative hikes since May 15 to nearly ₹7.5 per litre.

Sitharaman said the Centre's decision to cut excise duties on petrol and diesel by ₹10 per litre would result in a revenue sacrifice of nearly ₹1 lakh crore in FY27, but added that the move was necessary to cushion consumers and businesses from the energy shock. "The West Asia crisis is not only a diplomatic or geopolitical issue. For businesses and common people, it can mean higher fuel cost, delayed cargo, costlier shipping, shortage of inputs, pressure on working capital and uncertainty in export orders," she said.

The minister outlined several measures taken by the government to mitigate the impact of the crisis, including a ₹2.55-lakh-crore credit guarantee scheme, a 100% sovereign guarantee for the Bharat Maritime Insurance Pool, and simplification of customs procedures to help exporters reroute stranded cargo. At the same time, Sitharaman pushed back against criticism that the economy was weakening, saying the challenges were largely externally driven. "We must also recognise that India's domestic economic situation remains positive and resilient even today," she said.

To underline the economy's resilience, Sitharaman cited strong macroeconomic indicators. Gross GST collections in FY26 crossed ₹22 lakh crore, up 8.3% year-on-year, while April indicators pointed to robust domestic demand with tractor sales rising 26%, passenger vehicle sales 25%, two-wheeler sales 28% and life insurance premiums 39%.

She also highlighted improving banking sector health, noting that gross non-performing assets of public sector banks had fallen to 1.93%, while credit growth to retail, agriculture and MSMEs remained strong. Sitharaman also raised concerns over delayed payments to MSMEs, saying around ₹8.1 lakh crore remains locked in unpaid dues, hurting working capital cycles and business expansion.

Re extends gain for 3rd straight session

IN AN INTERVIEW with Mint, RBI Governor Sanjay Malhotra acknowledged that the rupee may now be undervalued. He added that the rupee is likely to strengthen once the war ends and geopolitical conditions stabilise.

In the calendar year so far, the rupee has declined over 6%. The real effective exchange rate (REER) fell further to 90.96 in April from 92.57 in March, the latest RBI bulletin showed. REER is a weighted index that compares a country's currency against a basket of 40 foreign currencies, adjusted for inflation. "Along with renewed optimism about peace talks and a fall in oil prices, the RBI's intervention also supported the rupee. The central bank was active selling dollars at 95.35 and 95.45," said Anil Kumar Bhansali, head of treasury, Finrex Treasury Advisors.

US-Iran peace hopes bring back the bulls

GOING FORWARD, KASAT expects market direction to depend on crude oil prices, geopolitical developments, foreign institutional flows and domestic macroeconomic indicators.

"On the macro front, global bond yields softened modestly, while rupee depreciation appears to have stabilised, aided by RBI commentary highlighting that the currency is undervalued. However, it is still early to confirm a sustained trend. The durability of the current momentum will depend on a credible de-escalation of geopolitical tensions and continued stability in crude oil prices," Nair added.

From a technical perspective, Nandish Shah, deputy vice-president at HDFC Securities, said the Nifty has decisively crossed the key resistance level of 23,800, resulting in a breakout from its recent consolidation phase. He expects the next resistance levels at 24,370 and 24,600, while 23,800 is likely to act as immediate support.

Sectorally, 23 of the 25 BSE indices ended in positive territory. Banking and financial services stocks led the gains. Hospitals and FMCG were the only sectors to close marginally lower. Among individual stocks, major gainers included Bajaj Finance, Larsen & Toubro, HDFC Bank, Eternal and Bajaj Finserv. IT majors Infosys and TCS, along with Hindustan Unilever and Sun Pharma, were losers.

Diesel up, freight rates flat: Truckers caught in a squeeze

"THE DEMAND FOR different destinations was very docile and mixed due to uncertain availability of loads from factory gates," IFTRT said in its latest market assessment.

Industry estimates suggest that diesel and fuel costs account for around 50-60% of transporter operating expenses, making operators highly sensitive to fuel price changes. However, transporters said prevailing market conditions have prevented timely pass-through of cost increases.

According to Crisil Intelligence, a ₹5-per-litre increase in diesel prices would typically require freight rate revisions of around 2.5-2.8% to preserve transporter profitability. A ₹10-per-litre increase may require freight rate hikes of 5-5.6%.

"The ability of transporters to implement timely freight rate pass-throughs will remain critical, particularly for small and mid-sized fleet operators functioning on structurally thin margins," Crisil said.

Industry estimates show that diesel and fuel costs account for around 50-60% of transporter operating expenses

Harish Sabharwal, national president, AIMTC, said truckers were continuing operations despite financial stress because of repayment obligations. "Truckers are still operating and bearing losses because of EMI obligations. But this situation cannot continue for long," he said.