



KERALA FINANCIAL CORPORATION

(INCORPORATED UNDER THE STATE FINANCIAL CORPORATIONS ACT No. LXIII OF 1951)

H.O. VELLAYAMBALAM, THIRUVANANTHAPURAM - 695033

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IS / ISO 9001



KFC/ACCTS/BOND/

/2015-16

17.10.2015

Annexure - 1

The Manager,
Bombay Stock Exchange Ltd.
Mumbai

Dear Sir,

**Re : Half yearly communication for dissemination to debenture holders
(In Compliance to Listing Agreement)**

With reference to the above, we submit herewith the information and documents as per the provisions of SEBI (Issue & Listing of Debt Securities) Regulations, 2008 , SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 , as amended from time to time and the Listing Agreement thereunder, for dissemination to the debenture holders as mentioned below:

1. Following issues of Non-Convertible Debentures have been listed with your Stock Exchange:

Details of listed NCDs:

Series / Tranche	Date of Allotment	Date of Listing	No. of NCDs	Face value (Rs. in cr.)	Amt. of Issue (Rs. in cr.)	Latest credit rating
KERALAFIN-8.72% 6-6-23-PVT	07.06.2013	24.06.2013	2000	1000000	2000000000	BWR A-(SO)
KERALAFIN-9.15% 30-10-24-PVT	30.10.2014	17.11.2014	2000	1000000	2000000000	BWR A-(SO)

2. The latest Credit Rating in respect of the said issues is mentioned in the statement under Sr. No.1 above and we confirm that credit rating is not downgraded in respect of any of the above issues, since the respective dates of the said NCDs issues.
3. The said NCDs are unsecured guaranteed by Govt. of Kerala.
4. The Debt Equity Ratio is 3.74.
5. Composition of the Board of Directors/Management of the Corporation and if there is any change in it during half year ending on 30.09.2015. (Annexure-5)
6. The due date of payment of principal and interest and the actual date of payment for the half-year ending on 30.09.2015 are as under:

Details of redemption & payment of interest during last half year ending 30.09.2015:

Series / Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)	Actual date of payment
KERALAFIN-8.72% 6-6-23-PVT	Interest	06.06.2015	87200000.00	06.06.2015
KERALAFIN-9.15% 30-10-24-PVT	Interest	30.04.2015	91249315.07	30.04.2015

കേരള ഫിനാൻഷ്യൽ കോർപ്പറേഷൻ

(1951 - ലെ സ്റ്റേറ്റ് ഫിനാൻഷ്യൽ കോർപ്പറേഷൻ ആക്റ്റ് നം. LXIII പ്രകാരം രൂപീകൃതമായത്)

വെള്ളയമ്പലം, തിരുവനന്തപുരം - 695033

7. The due date of principal and interest of the above said NCDs during next half-year i.e. 01.10.2015 to 31.03.2016 are as under:

Details of redemption & interest due in the next half-year:

Series / Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)
KERALAFIN-8.72% 6-6-23-PVT	Interest	06.12.2015	87200000.00
KERALAFIN-9.15% 30-10-24-PVT	Interest	30.10.2015	91750684.93

Corporation does not expect default in payment of principal / interest due in next half year.

8. The provisional results for the year ending on 30.09.2015 are attached as per the format in Annexure-II of Listing Agreement.
9. No event as detailed in clause 19 of the Listing Agreement has taken place during half year ending on 30.09.2015, requiring this Corporation to notify to Stock Exchange or Debenture Trustees.
10. The name, designation and contact details of "Compliance Officer" of this Corporation are as under:
- (A) Name of Compliance Officer : Sri Premnath Ravindranath
(B) Designation : GM (F&M)
(C) Correspondence Address : KFC, Vellayambalam
(D) Phone, Fax No. : 9496030120
(E) Email ID : premnathravindranath@kfc.org
11. We confirm that the information submitted as above is true and correct and the undersigned has authority to submit the same to you and that we are aware that above information is expected to be placed on the website of your Stock Exchange and that of Debenture Trustees.

Thanking you,

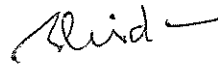
Yours sincerely,



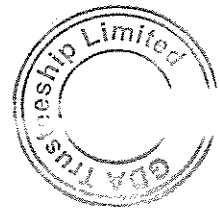
Name: Premnath Ravindranath, GM (F&M)
Authorized Signatory
17.10.2015



Countersigned by:



For GDA Trusteeship Ltd.
Debenture Trustees



Annex - 2

Series No.	Dt. of Trust Deed	ISIN No.	Dt. Of Allotment	Amount	Rate of interest	Dates of Redemption	Amt. redeemed during year	Balance Outstanding	Interest due date	Dt. Of payment of interest	Credit rating
KFC Non SLR Bond series 1/2013	05.09.13	ING818F08029	07.06.13	200 Cr	8.72%	25% of Face value at the end of 7,8,9,10 th year 06.06.20 06.06.21 06.06.22 06.06.23	NIL	200 Cr	06.06.2015	06.06.2015	BWRA (SO)
KFC Non SLR Bond series 1/2014	14.01.15	ING818F08037	30.10.14	200 Cr	9.15%	25% of Face value at the end of 7,8,9,10 th year 30.10.21 30.10.22 30.10.23 30.10.24	NIL	200 Cr	30.04.2015	30.04.2015	BWRA (SO)

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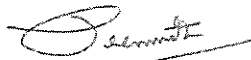
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Annexure – 3

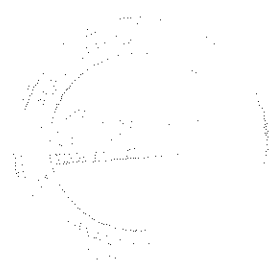
Declaration

We hereby certify and declare that ---

- (A) the proceeds the respective issues of NCDs / Bonds of the Corporation, were utilized for the purpose as mentioned in the respective Information Memorandum of the respective issues
- (B) The Cash-Flow of the Corporation is adequate for payment of interest and redemption of principal of the NCDs issued
- (C) This Corporation is 'State Financial Corporation' and the NCDs mentioned above are privately placed and hence no 'Debenture Redemption Reserve' is required to be created for the year ending on 30.09.2015.
- (D) All the general and specific terms and conditions of each issue of debentures are complied with and there is no breach of any of them.
- (E) The company has complied with all the statutory and regulatory compliances and there are no proceedings initiated / pending against the company for non-compliance



Authorized Signatory



Annexure - 4

Details of Complaints:

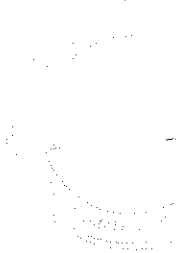
A) Status of Investor Grievance:

No. of Complaints pending at the end of previous half-year (30.09.2015)	No. of Complaints received during the half-year (01.04.2015 to 30.09.2015)	No. of Complaints resolved during the half-year
NIL	NIL	NIL

B) Details of complaints pending for more than 30 days:

No. of Complaints pending for more than 30 days	Nature of complaints			Steps taken for redressal	Status of complaint (if redressed, date of redressal)
	Delay in payment of interest	Delay in payment of redemption	Any other		
NIL	NIL	NIL	NIL	NIL	NIL

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Board of Directors of the Corporation as on 30.09.2015

Board of Directors

Shri P Joy Oommen, IAS
Chairman & Managing Director,
Kerala Financial Corporation,
Vellayambalam, Thiruvananthapuram.

Contact Details

(Office): 0471 2315891
(Fax): 0471 2328980
Email : cmd@kfc.org

Shri Sreenivas, IAS
Secretary, Finance Department,
Government of Kerala, Thiruvananthapuram.

(Office): 0471 2326456
(Fax): 0471 2328980
Email : secy-expenditure@finance.kerala.gov.in

Shri P M Francis, IAS
Special Secretary,
Industries (IP) Department,
Government of Kerala, Thiruvananthapuram.

(Office): 0471 2336602
(Res): 0471 2733783
(Fax): 0471 2336602
Email : asip@industry.kerala.gov.in

Shri Ramnath,
General Manager,
Small Industries Dev. Bank of India, (SIDBI),
SME Development Centre, C-11,
G Block Bandra- Kurla Complex,
Mumbai - 400 051

(Office): 022 67531126
Email : ramnath@sidbi.in

Shri A Aravind,
General Manager (Treasury),
State Bank of Travancore,
Head Office, Poojappura, Thiruvananthapuram.

(Office) : 0471 2351906
(Fax): 0471 2357324
Email : gmty@sbt.co.in

Shri. Vatsakumar,
Deputy General Manager,
Small Industries Dev. Bank of India, Finance Towers,
2nd Floor, Kaloor, Kochi - 682 017.

(Office): 0484 2401794
(Mob): 08089000040
Email : aesahu@sidbi.in

Shri M S Shaji,
Senior Divisional Manager,
Life Insurance Corpn. Of India,
Pattom, Thiruvananthapuram.

(Office): 0471 2541631, 2540851
(Fax): 0471 2541405

Smt. Premilla V. Nair,
FCA, DISA (ICAI),
F.C.4/1274, 'Krishna',
Kuravankonam, Kowdiar P.O.,

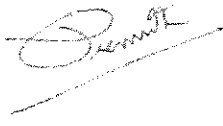
(Res): 0471 2437321
(Mob): 9495937320
Email : premilla364@yahoo.com

Thiruvananthapuram.

Adv. K Ponnachan.
Kizhakkethil.
Palayam, Thiruvananthapuram.

(Mob): 9446748315

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KERALA FINANCIAL CORPORATION
Provisional Balance Sheet as at 30.09.2015

Particulars		Note No.	As at 30.09.2015	As at 31.03.2015
			Amount in	Amount in
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
	(a) Share capital	1	2,218,642,800.00	2,218,642,800.00
	(b) Reserves and surplus	2	2,251,029,802.23	974,180,592.23
	(c) Money received against share capital		46,400,000.00	46,400,000.00
2 Share application money pending allotment				
2 Non-current liabilities				
	(a) Long-term borrowings	3	15,744,926,888.00	14,085,776,519.00
	(b) Deferred tax liabilities (net)		20,152,865.60	20,152,865.60
	(c) Long-term provisions	4	897,934,136.00	897,934,136.00
3 Current liabilities				
	(a) Short-term borrowings	5	1,179,528,292.94	1,526,373,857.07
	(b) Other current liabilities	6	415,783,185.08	457,325,016.48
	(d) Short-term provisions	7	788,749,664.67	731,256,007.51
TOTAL			23,563,147,653.92	22,007,722,515.00
B ASSETS				
1 Non-current assets				
	(a) Tangible Assets	8	36,694,724.13	33,950,479.13
	(b) Non-current investments	9	4,950,000.00	4,950,000.00
	(c) Other non-current assets	10	228,090,414.38	230,309,349.16
2 Loans and Advances				
		11	21,856,590,368.90	20,381,831,825.00
3 Current assets				
	(a) Current investments	12	92,000,000.00	100,000,000.00
	(b) Cash and cash equivalents	13	100,380,633.97	548,527,405.95
	(c) Other current assets	14	1,244,441,512.54	1,018,153,720.63
4 Significant Accounting policies and Notes to Accounts				
TOTAL			23,563,147,653.92	22,007,722,515.00

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[Signature]

KERALA FINANCIAL CORPORATION
Statement of Profit and Loss for the year ended 30.09.2015

Particulars		Note No.	for the half year ended 30.09.2015	for year ended 31.03.2015
			Amount in	Amount in
A	CONTINUING OPERATIONS			
1	Revenue from operations	15	21,774,129,307.33	2,845,561,943.86
2	Other income	16	7,110,851.00	25,060,741.66
3	Total revenue		1,381,235,558.33	2,870,622,685.46
4	Operating Expenses			
	(a) Interest expenses	17	779,420,977.24	1,437,089,390.26
	(b) Employee benefits expense	18	160,796,817.16	259,820,210.53
	(c) Administrative Expenses	19	26,546,412.11	52,697,717.29
	(d) Depreciation and amortisation expense		-	5,505,256.00
	(e) Bad debts written off		-	427,955,178.00
	Total expenses		966,764,206.51	2,182,567,558.08
5	Operating Profit before exceptional and extraordinary items and tax		414,471,351.82	688,055,127.38
6	Add: Prior Period Income		-	-
7	Operating Profit After exceptional and extraordinary items and tax		414,471,351.82	688,055,127.00
8	Less: (a) Provision for Bad and Doubtful debts		-	381,120,197.00
	(b) Provision for Diminution in value of Investment		-	6,000,000.00
9	Profit before tax		414,471,351.82	300,935,930.00
10	Tax expense:			
	Less: Current tax expense - (a) Provision for Income Tax		106,758,546.10	177,070,442.00
	(b) Provision for Deferred Tax		-	620,422,624.00
B	Discontinuing operations			
11	Net Profit after tax for the period		277,695,805.72	143,687,912.00
12	Earnings per share (Equity shares of Rs 100/- each):			
	(a) Basic			6.48
	(b) Diluted			9.31
C	Profit and loss appropriation			
	Balance in Profit & Loss A/c b/f		886,725,996.91	919,688,707.00
	Net Profit for the year		277,695,805.72	143,687,912.00
	Total profit available for appropriation		1,164,421,802.63	1,063,376,619.00
	Total		1,164,421,802.63	1,063,376,619.00
	Less: Appropriations			
	Proposed Dividend		-	66,550,284.00
	Provision for Dividend tax		-	12,703,505.00
	Transfer to Reserve u/s 36 (1) (viii)		-	126,538,451.00
	Balance Profit after appropriations		1,134,421,802.63	857,572,599.00
	Less: Prior Period Adjustments		-	-
	Balance Profit carried to Balance sheet		1,134,421,802.63	857,572,599.00

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annexure 1:

Half Yearly Financial Results				
(As per SEBI (Issue & Listing of Debt Securities) Regulations, 2008				
& SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012				
Particulars	Rs. In Lakhs			
	6months Ended 30.09.2015	Corresponding 9 Months ended in the previous year 30.09.2014	Year to Date figures for current Period ended 30.09.2015	Previous Accounting year ended 31.03.2015
	Unaudited*	Audited	Unaudited*	Audited
1. Interest earned (a)-(b)-(c)-(d)	13,837.99	12,581.29	13,837.99	27,044.10
(a) Interest disc. on advances- bills	0.00	0.00	0.00	0.00
(b) Income on investments	0.00	0.00	0.00	0.00
(c) Interest on balances with Reserve Bank of India and other inter bank funds	13.08	91.42	13.08	58.33
(d) Others	13,824.91	12,489.87	13,824.91	26,986.07
2. Other Income	1,301.67	580.78	1,301.67	1,037.90
3. Total Income (1+2)	15,139.65	13,162.07	15,139.65	31,082.30
4. Interest Expended	8,868.10	6,929.81	8,868.10	16,330.32
5. Operating Expenses (i)-(ii)	2,126.84	1,817.98	2,126.84	2,571.41
(i) Employees cost	1,607.97	1,407.08	1,607.97	2,595.20
(ii) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	518.87	410.90	518.87	5,276.21
6. Total Expenditure ((4+5) excluding provisions and contingencies)	10,994.94	8,747.79	10,994.94	24,201.74
7. Operating Profit before Provisions and Contingencies (3-6)	4,144.71	4,414.28	4,144.71	6,880.56
8. Provisions (other than tax) and Contingencies	0.00	0.00	0.00	3,811.20
9. Exceptional Items	0.00	0.00	0.00	66.99
10. Profit (+) Loss (-) from Ordinary Activities	4,144.71	4,414.28	4,144.71	3,065.36



before tax (7-8-9)				
11. Tax expense	1,367.76	1,500.41	1,367.76	1,566.48
12. Net Profit(+) Loss(-) from Ordinary Activities after tax (10-11)	2,776.96	2,913.87	2,776.96	1,436.88
13. Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00
14. Net Profit (+) Loss (-) for the period (12-13)	2,776.96	2,913.87	2,776.96	1,436.88
15. Paid-up equity share capital (Face Value of the Share shall be indicated)	22,186.43	21,197.30	22,186.43	22,186.43
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	22,510.30	21,197.21	22,510.30	19,741.81
17. Analytical Ratios	0	0	0	
(i) Capital Adequacy Ratio	0	0	0	20.47%
(ii) Earnings Per Share (EPS)				6.48
18) NPA Ratios	0	0	0	0
a) Gross Net NPA	0	0	0	0
b) % of Gross Net NPA	0	0	0	0.85% 3.71%
c) Return on Assets	0	0	0	1.33

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