

## 15. KERALA POWER FINANCE CORPORATION LIMITED

<b>I Date of incorporation</b>	20th March, 1998
<b>II Address - Registered Office</b>	TC.5/2639(1), Manikanta Towers, Kowdiar, Jawahar Nagar, Thiruvananthapuram - 695 041
<b>III Phone, Fax, E-mail</b>	0471-2318620, Fax:0471- 2311589 kpfcl@md4.vsnl.net.in/kpfdltd@eth.net. www.kpfcl.org
<b>IV Administrative Dept. (Under Govt.)</b>	Power Department
<b>V Name of Chairperson</b>	Smt.Lizzie Jacob IAS
<b>VI Name of Managing Director</b>	Shri M.P Aiyappan
<b>VII Present Activities</b>	Financing for power projects/ power related activities undertaken by KSEB and to SSI units, firms and companies engaged in manufacturing and supply of electrical components in the State. The funds are raised by the Corporation for its lending programme by issue of bonds collected fixed deposits from public and term loan from banks and financial institutions

<b>VIII Manpower as on 31-3-05</b>	No.	Average Emoluments Per Person
a. Workers (all non-supervisory employees in factory, office and field)	7	3375.00
b. Executives	3	18710.00
c. Senior Executives (Heads of department and above)	1	27005.00
<b>Total</b>	<b>11</b>	

	2002-03	2003-04
<b>2004-05</b>		

<b>IX Bonus</b>	Nil	Nil	Nil
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### **X Financial Position (Rs.in lakhs)**

#### **A. Liabilities**

1. Capital			
a. Authorised capital	10000.00	10000.00	10000.00
b. Paid up capital	2340.00	2340.00	2665.00
c. Advance Share Capital	-	-	-
2. Reserves & Surplus			
a. Retained earnings	420.57	563.44	712.47
b. Other reserves	325.39	402.03	118.81
3. Long term Loans			
a. Banks - State Bank of Travancore	1743.55	3501.44	8085.06
- Indian Overseas Bank	1800.00	-	-
- Dhanalekshmi Bank	-	1542.03	1300.02
- Union Bank of India	-	1565.39	1191.72
b. Public deposit & bonds	21496.98	86492.74	86970.70
4. Current liabilities & provisions			
a. Outstanding expenses	18.57	77.95	474.71
b. Other current liabilities	262.52	2608.89	2602.99
<b>Total</b>	<b>28407.58</b>	<b>99093.91</b>	<b>104121.48</b>

#### **B. Assets**

5.	a.	Fixed assets:Gross Block	27.07	65.90	61.94
	b.	Less: Depreciation	8.27	13.87	14.07
	c.	Net fixed assets	18.80	52.03	47.87
	d.	Capital work in progress	-	9.49	49.50
6.		Current assets			
	a.	Cash & Bank balance	937.22	1595.53	3228.64
	b.	Advances	27207.32	96083.73	99209.59
	c.	Prepaid expenses	0.52	0.99	0.73
	d.	Accrued income	-	-	-
	e.	Other current assets (deposits for telephone, gas cylinder, etc.)	243.72	1352.14	1585.15
7.		Miscellaneous expenditure not written off/adjusted			
	a.	Preliminary expenses	-	-	-
		<b>Total</b>	<b>28407.58</b>	<b>99093.91</b>	<b>104121.48</b>

**C. Other Details**

1.		Share distribution(%)			
	a.	State Govt.	59.00	59.00	59.00
	b.	Other	41.00	41.00	41.00
		<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
2.		Net worth	3085.96	3305.47	3496.28
3.		Capital employed	28126.49	96407.07	101043.78
4.		Capital invested	27380.53	95441.60	100212.50
5.		Working capital (Current assets-Current liabilities)	28107.69	96345.55	100946.41

**XI Working results: (Rs. in lakhs)**

**Income**

a.	Sales/Service charges	1727.86	7152.98	10143.47
b.	Other income	73.35	39.79	60.18
	<b>Total</b>	<b>1801.21</b>	<b>7192.77</b>	<b>10203.65</b>

**Expenditure**

a.	Preliminary expenses (preliminary & operative expenses-interest, guarantee commission)	74.40	314.93	715.60
b.	Power,fuel and water charges	0.94	1.03	0.8
c.	Other expenses	0.41	8.72	61.30
d.	Personnel expenses (Employees salaries & allowances)	13.01	14.72	15.66
e.	Interest & Bank charges	1414.45	6449.05	9057.50
f.	Administration expenses	16.39	20.83	17.29
g.	Depreciation	4.51	5.21	5.00
	<b>Total</b>	<b>1524.11</b>	<b>6814.49</b>	<b>9873.15</b>

Operating profit/loss (+/-)	277.10	378.28	330.50
+/-Prior period adjustment	4.69	-10.34	-2.70
Net Profit/Loss (+/-)	281.79	367.94	327.80
-Provision for income tax (if any)	67.34	84.46	81.24
-Proposed dividend (if any)	34.77	56.69	49.31
Net profit after tax and dividend	179.68	226.79	197.25

<b>XII Taxes &amp; duties:</b>	N.A	N.A	N.A	N.A
<b>XIII Dividend</b>				
a. Dividend paid (Rs. in lakhs)	34.77	56.69	49.31	
b. Dividend paid (%)	16.21	20.00	20.00	
<b>XIV Long Term Loans (Rs. in lakhs)</b>	Dhanalekshmi	UBI	SBT	Total
(including interest)	Bank			
a. Opening balance (01-04-04)	1509	1530	3500	6539
b. +Additional loans availed during the year	-	-	-	0.00
c. +Interest due for the year	106.97	108.29	258.18	473.44
d. -Payments made during the year (Principal + Interest)	315.95	446.58	197.77	960.30
e. Closing balance (as on 31-03-05)	1300.02	1191.71	3560.41	6052.14
f. Loan amount covered by Govt. Guarantee	1277.00	-	-	1277.00
<b>XV Interest charges on term loans</b>	Dhanalekshmi	UBI	SBT	Total
	Bank			
a. Opening Balance (Interest outstanding)	-	-	-	-
b. +Interest due for the year	106.97	108.29	258.18	473.44
c. -Interest paid during the year	83.95	86.58	197.77	368.30
d. Closing balance (Interest outstanding)	23.02	21.71	60.41	105.14
<b>XVI Statutory dues as on 31-03-05</b>	Opening Balance as on 01-04-04	Amount paid during the year		Balance to be paid on 31-03-05
a. Provident Fund	-	1.05		-
b. Gratuity (Provision)	-	-		0.54
c. Guarantee Commission	-	715.60		-
<b>XVII Production:</b>	Not applicable			
<b>XVIII Sales</b>	Not applicable			
<b>XIX Financial / Operating ratios</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	
a. Debt-equity ratio	10.70:1	39.79:1	36.60:1	
b. Current ratio	101.00:1	36.86:1	33.80:1	
c. Consumption to sales (%)	4.31	4.40	7.05	
d. Net profit to income (%)	16.31	5.14	3.23	
e. Return on investment (%)	1.00	0.38	0.32	
<b>XX Status of Accounts</b>				
a. Year up to which Accounts have been finalised by the company	2004-05			
b. Year up to which audit is complete	2004-05			
<b>XXI Employee Development:</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	
(i) Training				
a. Budget provision (Rs.in lakhs)	-	0.10	1.00	
b. Actually spent (Rs.in lakhs)	0.03	0.10	0.04	
(ii) No. of persons sent for external training programmes	3	3	-	
<b>XXII Income-tax Benefits/Reduction/Relief</b>				
a) Have you initiated any activity or project				

during the year that would result in income tax benefits/reduction/relief for the company?

Yes

If yes, give details of such activities/projects.

The company is a non-banking finance company engaged in providing financial assistance for infrastructure activities (power sector) is already availing income-tax benefit U/S 36(i) (viii), wherein 40% of the income derived from infrastructure lending is exempted from IT.

**XXIII Summary of performance:**

Kerala Power Finance Corporation Limited has registered significant increase in the gross income earned during the year 2004-05. The gross income has increased to Rs.10203.65 lakhs as against Rs.7192.77 lakhs during the previous year. However, the net profit of the Corporation has decreased by 12% to Rs.327.80 lakhs during 2004-05. The Corporation has declared dividends worth 20% for this year also.

It is reported that the Corporation has disbursed an amount of Rs.97.43 crores as loan to KSEB for its various projects during 2004-05. It has mobilised an amount of Rs.5.38 crores through FD schemes and Rs.100 crores by way of short term loan during 2004-05 to KSEB.

The Corporation has expanded its business operation by providing financial assistance by way of short term loan to firms supplying electrical components to KSEB against supply bill.

**The audit of accounts is complete and up-to-date.**