

3. KERALA FINANCIAL CORPORATION

I Date of incorporation	1st December, 1953		
II Address - Registered Office	Vellayambalam, Trivandrum - 695 033		
III Phone, Gram, Fax Email	2318319 0471-2311750 kerfinco@ sancharnet.in		
IV Administrative Dept. (Under Govt.)	Finance Department		
V Name of Chairman	Shri R. Narayanan IAS (Retd.)		
VI Name of Managing Director	Dr. V.M. Gopala Menon IAS		
VII Present Activities	Providing finance to industries and service sector		
VIII Manpower as on 31-3-2005	No.	Average Emoluments per person (Rs. per month)	
a. Workers (all non-supervisory employees in factory, office and field) (Asst.& below)	97	10847	
b. Supervisory Staff (in factory, office and field)	144	15249	
c. Executives (Dy. Managers)	58	20310	
d. Senior Executives (Heads of department and above) (Managers & above)	48	25261	
Total	347		
	2002-03	2003-04	2004-05
IX Bonus			
a. Payable (%)		Payment of Bonus Act is not applicable.	
b. Paid (%)		Performance linked incentive allowance is being paid	
X Financial Position (Rs.in lakhs)			
A. Liabilities			
1. Capital			
a. Authorised capital	20000.00	20000.00	2000.00
b. Paid up capital	13475.00	14506.00	15506.00
c. Advance share capital	1031.00	1000.00	200.00
2. Reserves & Surplus	-	-	-
a. Other reserves	2144.00	2514.00	2533.00
3. Long term Loans			
a. Financial Institutions	36044.00	30323.00	33980.00
b. Public deposits	329.00	359.00	181.00
c. Other	37564.00	35314.00	21804.00
4. Current liabilities & provisions			
a. Other current liabilities & provisions	2264.00	2387.00	2499.00
Total	92851.00	86403.00	76703.00

B. Assets

5. a. Fixed Assets: Gross Block	-	-	-
b. Less: Depreciation	-	-	-
c. Net fixed assets	406.00	373.00	343.00
6. Investments (Loans & Advances)	78796.00	73533.00	64179.00
7. Current assets			
a. Cash & Bank balance	6634.00	5663.00	4519.00
b. Dividend Deficit	-	-	579.00
8. Miscellaneous expenditure not written off/adjusted			
a. P&L Account (Accumulated Loss, if any)	7015.00	6834.00	7083.00
Total	92851.00	86403.00	76703.00

C. Other Details

1. Share distribution(%)			
a. State Govt.	89.61	90.28	90.41
b. Financial Institutions	10.38	9.70	9.58
c. Public	0.01	0.02	0.01
Total	100.00	100.00	100.00
2. Net worth	9635.00	11186.00	11156.00
3. Capital employed	4776.00	3649.00	2942.00
4. Capital invested	88443.00	81502.00	71671.00
5. Working capital (Current assets - Current liabilities)	4370.00	3276.00	2599.00

XI Working results (Rs. in lakhs)**1. Income**

a. Sales/Service charges	11446.00	11790.00	8762.00
b. Other Income	254.00	250.00	742.00
Total	11700.00	12040.00	9504.00

2. Expenditure

a. Personnel expenses	849.00	1011.00	954.00
b. Interest & Bank Charges	9326.00	8025.00	7348.00
c. Bad debts written off	1095.00	1765.00	878.00
d. Administration expenses	231.00	230.00	223.00
e. Depreciation	84.00	56.00	47.00
Total	11585.00	11087.00	9450.00

Operating profit/loss(+/-)	115.00	953.00	53.00
-Provision for income tax	26.00	209.00	13.00
-Provision for bad & doubtful debts	675.00	192.00	270.00
Reserve under IT Act	44.00	371.00	19.00
Net Profit/loss (+/-)	-630.00	181.00	-249.00

XII Taxes & duties: Nil Nil Nil

XIII Dividend

Dividend paid (Rs. in lakhs) Nil Nil Nil

XIV Long Term Loans (Rs. in lakhs) (including interest)	Financial Institution SIDBI	Others Bank/RBI	Total
a. Opening balance (01-04-04)	30324		30324
b. +Additional loans availed during the year	4582	1000	5582
c. +Interest due for the year			0
d. -Payments made during the year (Principal + Interest)	1926		1926
e. Closing balance (as on 31-03-05)	32979	1000	33980
f. Loan amount covered by Govt.guarantee (SLR Bond & FD)	21985.00	-	-
XV Interest charges on term loans	Nil	Nil	Nil
XVI Statutory dues as on 31-03-05	Opening Balance as on 01-04-04	Amount paid during the year	Balance to be paid on 31-03-05
a. Provident Fund (Corporation Contribution)	-	78.28	-
b. Guarantee Commission	-	297.94	-
XVII Production:	Nil	Nil	Nil
XVIII Sales Nil Nil			Nil
XIX Financial/Operating Ratios	2002-03	2003-04	2004-05
a. Debt-equity ratio	5.10:1	4.26:1	3.56:1
b. Current ratio	2.93:1	2.37:1	2.04:1
c. Net profit to sales(%)	-5.50	1.54	-2.84
d. Return on investment (%)	-13.19	4.96	-8.46
XX Status of Accounts			
a. Year up to which Accounts have been finalised by the company	2004-05		
b. Year up to which audit is complete	2004-05		
XXI Employee Development:	2002-03	2003-04	2004-05
(i) Training Actually spent (Rs.in lakhs)	2.60	3.34	0.57
(ii) No. of persons sent for external training pogrammes	20	12	9
(iii) No. of in-house programmes	1	1	-
(iv) No. of persons covered in in-house programmes	30	30	-
XXII Income-tax Benefits/Reduction/Relief			
a) Have you initiated any activity or project during the year that would result in income			

tax benefits/reduction/relief for the company?

No

XXII Summary of Performance:

During the year under review, the gross income earned by the Corporation has come down by 26.68% to Rs.9504 lakhs as against Rs.12040 lakhs in 2003-04. Its operating profit has also decreased drastically to Rs.53 lakhs as compared to a profit of Rs.953 lakhs during the previous year. After providing for bad and doubtful debts and reserves under IT Act the Corporation has incurred a loss of Rs.249 lakhs as against a profit of Rs.181 lakhs during 2003-04.

It is reported that the Quality Management System certificate awarded to KFC upto June 2004 has been extended to June 2007 (all the 16 branches). The Corporation has decided to implement the uniform accounting standards of SFC from 2005-06, whereby the cash system will be replaced by the mercantile system. It is also reported that KFC is setting up a Venture Capital Fund with a corpus of Rs.20 crores along with KSIDC and SIDBI.

The audit of accounts of KFC is up-to-date.