

# KARNATAKA STATE FINANCIAL CORPORATION

BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lakh)

Particulars	Schedule	As at 31-03-2023	As at 31-03-2022
<b><u>CAPITAL AND LIABILITIES:</u></b>			
Share Capital	A	94539.08	89539.08
Share Application Money	A	5460.00	5000.00
Reserve Fund and Other Reserves	B	35352.00	32992.11
Term Borrowings	C	52069.56	76836.57
Current Liabilities & Provisions	D	54823.71	59576.46
	<b>Total:</b>	<b>242244.35</b>	<b>263944.22</b>
<b><u>PROPERTY AND ASSETS</u></b>			
Cash & Bank Balances	E	10306.42	15730.42
Investments	F	3030.10	3264.06
Loans & Advances	G	197260.83	206548.36
Fixed Assets	H	4699.42	4570.65
Current Assets	I	10088.23	8645.63
Profit and Loss Account Balance		16859.35	25185.10
	<b>Total:</b>	<b>242244.35</b>	<b>263944.22</b>
Notes & Significant Accounting Policies forming part of Accounts	O		
For Karnataka State Financial Corporation  <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">                         Sd/- Asst.Gen.Manager(Controller)                     </div> <div style="text-align: center;">                         Sd/- Executive Director                     </div> </div>			



KARNATAKA STATE FINANCIAL CORPORATION

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakh)

Particulars	Schedule	Year Ended 31-03-2023	Year Ended 31-03-2022
<b>INCOME</b>			
Interest Income	J	29563.53	31763.85
Other Income	K	5903.16	4138.06
Provision for NPAs withdrawn		2662.03	2517.52
	<b>Total:</b>	<b>38128.72</b>	<b>38419.43</b>
<b>EXPENDITURE</b>			
Interest and Other Financial Expenses	L	9333.34	11854.19
Personnel Expenses	M	6935.68	7265.98
Administrative Expenses	N	1340.12	1164.85
Bad Debts Written Off		2662.03	2517.52
Provision for NPAs		2691.92	2409.60
Additional Provision for Substandard Advances		1000.00	1000.00
Additional Provision for COVID -19 Pandemic		0.00	1000.00
Payment/Prov for Gratuity/Leave		118.68	360.23
Depreciation/Amortization	H	169.11	115.18
	<b>Total:</b>	<b>24250.88</b>	<b>27687.55</b>
<b>Profit Before Tax</b>		<b>13877.84</b>	<b>10731.88</b>
Less: Provision for Income Tax		3009.00	1990.16
Less: Diff. Provision for previous year		137.72	0.00
<b>Profit after Tax</b>		<b>10731.12</b>	<b>8741.72</b>
Less: Transfer to Reserve u/s36(1)(viii) of IT Act		2330.62	2080.64
Add: Excess reserve of previous year withdrawn		33.96	0.50
Less: Reserve for Contingencies		108.71	
Add/Less: Loss Brought forward		-25185.10	-31845.68
Deficit carried to Balance Sheet		-16859.35	-25185.10
Notes & Significant Accounting Policies forming part of Accounts	O		
For Karnataka State Financial Corporation			
	Sd/-	Sd/-	
	Asst.Gen.Manager(Controller)	Executive Director	



*[Handwritten signature]*

KARNATAKA STATE FINANCIAL CORPORATION

Schedule to the Accounts	(₹ in Lakh)	
	As at 31-03-2023	As at 31-03-2022
<b>Schedule -A</b>		
<b>SHARE CAPITAL</b>		
Authorised Share Capital 10,00,00,000 shares of Rs. 100 each (P.Y. 10,00,00,000 shares of Rs. 100 each)	100000.00	100000.00
Issued and Paid up Capital 87784083 shares of Rs. 100 each fully paid up (P.Y. 77784083 shares of Rs. 100 each fully paid up)	92784.08	87784.08
1755000 shares of Rs. 100 each, issued under section 4 A of the SFCs Act 1951	1755.00	1755.00
<b>Total:</b>	<b>94539.08</b>	<b>89539.08</b>
<b>SHARE APPLICATION MONEY</b>		
Amount Received towards Shares Pending Allotment	5460.00	5000.00
<b>Total:</b>	<b>5460.00</b>	<b>5000.00</b>
<b>Schedule -B</b>		
<b>RESERVE FUND AND OTHER RESERVES</b>		
a) Special Reserve Fund u/s.35A of SFCs Act, 1951	250.00	250.00
b) Special Reserve for the purposes of Sec.36(1)(viii) of the Income Tax Act'1961	5365.37	3068.71
c) Capital Reserve	24293.85	24293.85
d) Reserve for Contingencies	2123.37	2014.66
e) Revaluation/Amortisation Reserve on Fixed Assets Opening Balance Less: Transferred to P&L A/c	3364.89 45.48	3453.79 88.90
<b>Total:</b>	<b>35352.00</b>	<b>32992.11</b>
<b>Schedule-C</b>		
<b>TERM BORROWINGS</b>		
1. Bonds Guaranteed by State Government Less: Current Maturity of Long Term Debt	47500.00 22500.00	70000.00 22500.00
2. Term Loan from SBI Guaranteed by State Government Less: Current Maturity of Long Term Debt (Repayable in 84 months)	21940.92 1074.48	20866.44 30523.54 3223.44
3. Term Loan from Union Bank Guaranteed by State Govt Less: Current Maturity of Long Term Debt (Repayable in 84 months)	36.49 0.00	2036.47 0.00
4. Term Loan from HDFC Bank without Guarantee Less: Current Maturity of Long Term Debt (Repayable in 60 months)	8166.67 2000.04	6166.63
<b>Total:</b>	<b>52069.56</b>	<b>76836.57</b>





**Schedule -D**  
**CURRENT LIABILITIES & PROVISIONS**

**A) CURRENT LIABILITIES :**

1. Sundry Deposits		10226.37		7934.34
2. Current Maturity of Long Term Debt				
a) Bonds Guaranteed by State Government	22500.00		22500.00	
b) Term Loan from SBI Guaranteed by State Government	1074.48		3223.44	
c) Term Loan from Union Bank Guaranteed by State Govt	0.00		0.00	25723.44
d) Term Loan from HDFC Bank without Govt Guarantee	2000.04	25574.52		
3. Fixed Deposits				
a) Inter Corporate Deposit - NGEF Ltd., ***	0.00		5000.00	
b) Other Deposits	321.18	321.18	331.18	5331.18
4. Other Liabilities		279.77		168.79
5.a. Amount received pending adjustments	1026.10		840.86	
b. Amount received towards Subsidy	780.42		591.29	
c. Loan Application Fee Deposit	116.12		83.88	
d. Amount received from GOK towards SC Equity scheme	1001.30		1285.00	
e. Amount received from GOK towards ST Equity scheme	111.10		255.79	
f. Amount received from GOK towards Tex Grant- Gen	0.00	3035.04	0.00	3056.82
6. Margin Money :				
a. Towards Agencies – KSCSTDC/ KBCDC/KMDC/KWDC		4.80		4.80
b. Towards Seed Capital from SIDBI / IDBI		1180.16		1195.08
7.a) Interest Accrued & not due on loans		1186.67		1453.44
b) Int on SSC payable to SIDBI		0.43		0.04
c) Other Accrued expenses		37.19		82.29
<b>B) OTHER LIABILITIES &amp; PROVISIONS</b>				
1.Provision for Gratuity		0.00		223.18
2.Provision for Leave Salary		2700.62		3160.92
3.Others:a)Contingent Provision against Standard Assets		5938.79		7382.32
b) Provision for Economic Loss on Restructuring		329.18		327.60
4. Provision for Income Tax		3009.00		2532.22
5. Additional Provision for COVID -19 Pandemic		1000.00		1000.00
<b>Total:</b>		<b>54823.71</b>		<b>59576.46</b>



## KARNATAKA STATE FINANCIAL CORPORATION

(₹ in Lakh)

Schedule to the Accounts	As at 31-03-2023	As at 31-03-2022
<b>Schedule -E</b>		
<b>CASH AND BANK BALANCES</b>		
a) Cash on hand incl. Stamps on hand	13.58	22.14
b) Balances with Banks	---	---
i) Reserve Bank of India	3123.68	6355.73
ii) SBI & Other Scheduled Banks	0.00	947.59
Less: Canara Bank Drawal facility balance (Net)		
	3123.68	5408.14
c) Fixed Deposits with Banks	7169.16	10300.14
<b>Total:</b>	<b>10306.42</b>	<b>15730.42</b>
<b>Schedule-F</b>		
<b>INVESTMENTS</b>		
1. Investments in Shares		
i) Shares acquired pursuant to underwriting agreements		
Irredeemable Preference Shares fully paid	14.15	14.15
less: Provisions	14.15	14.15
	0.00	0.00
ii) Investment in Equity Shares	198.05	198.05
less: Provisions	137.54	137.54
	60.51	60.51
2. A. Investment in KITVEN FUND	458.33	412.65
Less : provisions	0.00	0.00
B. Investment in KAMCO & KATCO		
i) 16500 Shares of Rs.100 each in KAMCO		17.00
ii) 500 Shares of Rs.100 each in KATCO	5.00	5.00
C. Investment in KESOL EQUITY FUND	5.00	5.00
less: Provisions		
D. Investment in Insurance Cos for leave encashment	2494.26	2773.90
<b>Total:</b>	<b>3030.10</b>	<b>3264.06</b>



KARNATAKA STATE FINANCIAL CORPORATION

(₹ in Lakh)

Schedule to the Accounts	As at 31-03-2023		As at 31-03-2022	
	<b>Schedule-G LOANS AND ADVANCES</b>			
TERM LOANS AND ADVANCES (Net)	203267.92	197260.83	210083.60	206548.36
Less: NPA Provisions	6007.09		3535.24	
<b>Total:</b>		<b>197260.83</b>		<b>206548.36</b>
<b>Schedule - I CURRENT ASSETS</b>				
Other Deposits		2505.19		1274.47
Advances to Staff	657.83		903.33	
Less: Provisions	6.16	651.67	6.16	897.17
Deposits and Other Advances.	166.15		181.18	
Less: Provisions	0.25	165.90	0.25	180.93
Other Assets		62.85		62.85
Margin Money receivable from Diamond and Gem Development Corporation		4.80		4.80
Seed Capital receivable from Parties		1168.19		1192.21
Assets acquired in satisfaction of loans	9.32		9.32	
Less: Provision for loss on acquired assets	9.32	0.00	9.32	0.00
Advance Tax incl. TDS	2868.40		1970.81	
Service Tax Fee Deposit	64.09	2932.49	64.09	2034.90
Prepaid Expenses		2.97		2.69
Accrued Interest on Loans & Advances		2594.17		2995.61
<b>Total:</b>		<b>10088.23</b>		<b>8645.63</b>





**KARNATAKA STATE FINANCIAL CORPORATION**

(₹ in Lakh)

Schedule to the Accounts	Year Ended 31-03-2023	Year Ended 31-03-2022
<b>Schedule – J</b>		
<b><u>INTEREST INCOME</u></b>		
Interest on Loans & Advances (Net)	27273.48	28865.57
Interest - Prudential written off accounts	2290.05	2898.28
<b>Total:</b>	<b>29563.53</b>	<b>31763.85</b>
<b>Schedule -K</b>		
<b><u>OTHER INCOME</u></b>		
One Time Disbursement Fee	279.82	220.52
Sale of Application Forms	0.78	0.51
Interest on Bank Deposits & Other investments	575.79	358.53
Interest on staff advances	52.73	74.62
Premium on pre-mature closure of Accounts	14.48	31.73
Other income from Leasing & Merchant Banking	1.36	3.19
Dividend on Investments	8.76	10.71
Income from Financial Services	51.98	40.16
Rent received	119.58	128.04
Profit from Sale of Fixed Assets	13.77	16.49
Bad Debts recovered	4060.54	2697.54
Loan Processing Fee	421.28	220.18
Interest Income from Inv in Insurance Cos (E Leave)	173.19	192.11
Miscellaneous Income	83.62	54.83
Revaluation/Amortization Reserve withdrawn	45.48	88.90
<b>Total:</b>	<b>5903.16</b>	<b>4138.06</b>



**KARNATAKA STATE FINANCIAL CORPORATION**

*(₹ in Lakh)*

Schedule to the Accounts	Year Ended 31-03-2023	Year Ended 31-03-2022
<b>Schedule – L</b>		
<b><u>INTEREST AND OTHER FINANCIAL EXPENSES</u></b>		
Interest on Bonds	5754.62	7545.34
Interest on borrowings from Banks	2399.17	2956.26
Interest on Fixed Deposits:		
Inter Corporate Deposit	237.25	30.98
Other Deposits	10.11	0.72
Guarantee Commission to State Government	907.51	1295.56
Stamp Duty to GOK /Others	12.01	0.48
Arrangers' Fee, Rating & Surveillance Fee on Bonds	12.67	24.85
<b>Total:</b>	<b>9333.34</b>	<b>11854.19</b>
<b>Schedule– M</b>		
<b><u>PERSONNEL EXPENSES</u></b>		
Salaries and Allowances		
(a) Managing Director	3.23	3.32
(b) Staff & Officers	6064.74	6423.65
(c) VRS Compensation	83.38	85.44
Medical Expenses		
(a) Managing Director	0.42	0.56
(b) Staff & Officers	116.70	82.09
Contribution to Provident Fund	549.85	587.57
Staff Welfare Expenses	117.36	83.35
<b>Total:</b>	<b>6935.68</b>	<b>7265.98</b>
<b>Schedule–N</b>		
<b><u>ADMINISTRATIVE EXPENSES</u></b>		
Traveling Expenses:		
i) Managing Director	0.43	0.63
ii) Staff & Officers	219.94	240.23
Sitting Fees to Directors	2.07	1.17
TA & Other Allowances- Directors	0.13	0.10
Rent, Taxes & Insurance	192.85	180.05
Postage, Telegrams & Telephones	16.26	17.03
Motor Car Expenses	98.10	78.60
Printing & Stationery	25.04	18.28
Publicity and Advertisement	6.37	5.96
Books, Periodicals & Newspapers	2.35	2.35
Repairs, Renewals and Maintenance	453.63	322.99
Bank charges & Commission	3.36	5.08
Audit fees	8.17	4.65
Legal charges	16.23	10.54
Professional and Consultancy charges	52.97	26.40
Board Meetings / Other Meeting/AGM expenses	11.49	4.85
Membership fees / Subscriptions for Institutions	0.92	0.94
Sponsorship Fees	0.27	1.09
Addl prov for loss on sale of acquired assets (exp)	0.00	0.26
Other Expenses	229.54	243.65
<b>Total:</b>	<b>1340.12</b>	<b>1164.85</b>





**FINANCIAL CORPORATION  
SCHEDULE - H**

SI No		Particulars	COST			DEPRECIATION			NET BALANCE		
			Gross Block as on 01-04-2022	Additions during the Period	Sale/ Adjustments	Gross Block as on 31-03-2023	Up to 01-04-2022	Adjustment during the Period	For the Period	Up to 31-03-2023	As at 31-03-2023
a) Fixed assets											
1		Land	761.33	0.00	0.00	761.33	0.00	0.00	0.00	761.33	761.33
2		Land on Revaluation - Freehold - Leasehold	1589.03 2455.80	0.00 0.00	0.00 0.00	1589.03 2455.80	0.00 636.72	0.00 0.00	0.00 45.48	1589.03 1773.60	1589.03 1819.08
3		Buildings *	1123.06	0.00	0.00	1123.06	1123.06	0.00	0.00	0.00	0.00
4		Blids on Revaluation - Freehold - Leasehold	317.56 853.30	0.00 0.00	0.00 0.00	317.56 853.30	317.56 853.30	0.00 0.00	0.00 0.00	317.56 853.30	0.00 0.00
5		a) Computers incl software b) Software- CWIP	693.27 151.87	3.59 0.00	0.00 0.00	695.71 151.87	629.77 0.00	1.02 0.00	17.29 0.00	49.67 151.87	63.50 151.87
6		Motor Vehicles	283.51	257.75	41.44	499.82	127.38	41.44	93.78	179.72	320.10
7		Motor Cycle	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8		Bicycles	0.20	0.20	0.00	0.20	0.20	0.00	0.00	0.20	4.03
9		Electrical Fittings	120.90	21.82	0.99	141.73	116.87	0.00	4.24	121.11	18.91
10		Office Equipments.	178.45	2.61	0.00	181.06	159.54	0.99	5.95	164.50	0.75
11		Internal Telephone	35.09	0.00	0.00	35.09	34.34	0.00	0.15	34.49	6.01
12		Furniture & Fixtures	364.96	12.24	0.35	376.86	358.95	0.35	2.22	360.82	16.04
Total (A)			8928.33	298.01	43.93	9182.42	4357.69	43.80	169.11	4483.00	4699.42
b) Assets given on Lease											
Total (B)			225.98	0.00	0.00	225.98	225.98	0.00	0.00	225.98	0.00
<b>Grand Total (A+B)</b>			<b>9154.31</b>	<b>298.01</b>	<b>43.93</b>	<b>9408.40</b>	<b>4583.67</b>	<b>43.80</b>	<b>169.11</b>	<b>4708.98</b>	<b>4699.42</b>
											<b>4570.64</b>

\* Includes Rs. 517.17 Lakhs on Leasehold Land taken from Karnataka Red Cross Society on a lease for a period of 75 years.

- The land allotted by KIADB at Harohalli Industrial Area measuring 10 acres is on lease cum sale basis for the development of industrial park. The Corporation has taken possession of the land. The development is yet to be taken up. The titles are yet to be conveyed in favour of the Corporation.
- As a policy, depreciation is charged at specified percentages on various categories of fixed assets. Due to non-reconciliation in the past years, the percentages are not strictly tallying (vide 4(iv) of significant Accounting Policies) to the percentages of left over depreciation to be charged for the remaining chargeable period of assets after netting off number of years of depreciation charge already made. For the year, chargeable depreciation has been calculated as residual balance after strictly keeping the depreciation at quantum level equal to the left-over percentages of depreciation chargeable prescribed to the remaining chargeable years. This has resulted in certain amount of excess/short depreciation (asset-wise) calculated in terms of percentages for the current year on building and bicycles.
- Software-CWIP of Rs. 151.87 lakhs as per SI.No.5(b) was paid to Centre for Smart Governance, a GOK undertaking towards getting Enterprise Software Application as 30% advance for development of software. Since the development of the software is under progress, depreciation is not charged on the same.

