Kerala State Financial Enterprises (KSFE) Becomes India’s First MNBC to Cross 1 Trillion Business

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In a landmark achievement for the financial sector in India, Kerala State Financial Enterprises (KSFE), a Kerala government owned financial institution, became the countrys first Miscellaneous Non-Banking Company (MNBC) to achieve 1 lakh crore business. The historic milestone was officially announced by the Honorable Chief Minister of Kerala, Shri Pinarayi Vijayan, at a celebratory event held at Thiruvananthapuram.

Kerala Finance Minister K. N. Balagopal at the KSFE event, celebrating a monumental achievement: becoming the first PSU in India to reach Rs.1 lakh crore in business volume

Speaking at the ceremony, **Chief Minister Pinarayi Vijayan** lauded KSFEs transformative journey and its pivotal role in the states development. “*Kerala State Financial Enterprises serves as a vital financial alternative for the Creating a New Kerala concept. Its unique people-centric model, can serve as a global model for how a state-led financial institution can drive inclusive and sustainable growth*,” he stated.

The achievement underscores KSFEs financial robustness, operational excellence, and unwavering commitment to its customers.

The differentiated MNBC status in view of the RBI guidelines, places KSFE in a unique category, allowing it to offer a wider and more diverse range of financial services under a robust regulatory framework. The MNBC classification has been empowering KSFE to enhance its operational flexibility, innovate new financial products, and further its mission of providing accessible credit and investment opportunities to all sections of society, thereby contributing significantly to the states economic prosperity.

“*A grassroots financial institution that understands the pulse of the people can stand with them in their holistic growth*,” **the Chief Minister** stated. He has highlighted that KSFEs journey, which began with just 10 branches and a capital of Rs. 2 lakh, has now grown to 683 branches and a business volume of Rs. 1 lakh crore, a testament to its popular support.

In 2016, KSFE’s business stood at Rs. 30,000 crore. This has now tripled. It is a significant achievement that a public sector company is the first MNBC in the country to reach this milestone.

KSFE has become an integral part of daily life in Kerala, a place people can turn to for any financial need. The Chief Minister recalled that it was the E.M.S. Namboodiripad government that introduced a public alternative to the private chit system. KSFEs growth has followed that same vision. The company’s operating profit has also more than doubled from Rs. 236 crore in 2016 to over Rs. 500 crore today.

Since 2016, extensive efforts have been made to make KSFE more accessible to the public, with initiatives like the Pravasi Chitty (Chit fund for non-resident Keralites) contributing significantly to its growth. This increased credibility, embraced by the public and customers, has fueled spectacular growth. While many financial institutions worldwide were in crisis during the global financial slowdown, India’s demonetisation, and the COVID-19 pandemic, KSFE provided a resilient model for the country. KSFE stands as a strong alternative where many financial institutions have failed due to policy flaws.

Finance Minister K. N. Balagopal, who presided over the event, stated that KSFEs achievement is the result of the hard work of multiple generations. He has noted that KSFE is a constant source of support for both common people and businesses, and consistently provides dividends to the government. With a new vision, the company is now looking to the future.

The total financial transactions handled by Keralas government financial institutions are equivalent to the states budget, with KSFE contributing a lions share. This highlights the publics trust in public sector institutions, the Minister added.

The Finance Minister launched KSFE's new initiatives: "**Mission One Crore**," which aims to reach one crore customer base. The company currently has 59.52 lakh customers. On achieving this, KSFE will become the first MNBC with the largest consumer base in the country. The "**Fraternity Fund**," a new age chit scheme aimed at the youth and new-age professionals.

KSFE Chairman K. Varadarajan said that credibility, transparency, and government assurance are the core strengths of KSFE. He expressed pride that the business volume has doubled from Rs. 50,000 crore to Rs. 1 lakh crore since he took charge in 2021.

KSFE Managing Director Dr. S. K. Sanil attributed the companys success to innovative goals, complete modernisation, appropriate techniques, and flawless technology. He noted that KSFE has created a service model that truly reflects the public mindset of Kerala, and KSFE posted a profit of Rs. 512 crore in the 2024-25 fiscal year, confirming its status as a consistently profitable public sector enterprise.

With its impressive business surge and market leadership, KSFEs journey shows the critical role that MNBCs will play in India's money circulation. This trend will have significant and lasting effects on how these institutions contribute to the countrys economic rise.