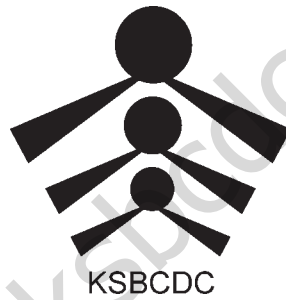


18th
ANNUAL REPORT
2012 - 2013



**Kerala State Backward Classes
Development Corporation Limited,**

“SENTINEL” 2nd Floor
T.C. No. 27/588 (7) & (8),
Pattoor, Vanchiyoor P.O.,
Thiruvananthapuram - 695 035
Phone : 2577539, 2577550

ANNUAL REPORT 2012 - 2013

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BOARD OF DIRECTORS

Shri. Mohan Sankar	Chairman
Shri. S. Kuttappan Chettiar	Director
Shri. Sahayadas. J	Director
Shri. Sathyan Vandichalil	Director
Shri. V. R. Joshi	Director
Shri. E. K. Prakash	Director
Shri. T.S. Nejimuddin	Director
Shri. N. Jaisukhlal	Director
Shri. Regi Varghese. P	Director
Shri. A.A. Naqvi	Director
Shri. B. Dileepkumar	Managing Director

Financial Consultant

Shri. Sunil Jose Thayil

Consultant Company Secretary

Shri. G. Gnanendra Kumar

Our Bankers

State Bank of Travancore
Kaithamukku Branch

**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LTD.**

(A Government of Kerala Undertaking)

No. AGM-18/KSBCDC/2014-15

Dated : 06 - 02 - 2015

NOTICE

NOTICE is hereby given that the Eighteenth Adjourned Annual General Meeting of the Kerala State Backward Classes Development Corporation Ltd., will be held on Friday, the 27th February 2015 at 11.00 AM at the Registered Office of the Corporation at "SENTINEL" 2nd Floor, T.C. No. 27/588(7) & (8), Pattoor, Vanchiyoar P.O., Thiruvananthapuram - 695 035 to transact the following business.

"To receive, consider and adopt the Directors Report, Audited Accounts for the year ended 31st March 2013, Auditors Report, the comments of Comptroller and Auditor General of India, the comments of Principal Secretary (Finance) and the replies thereon".

By order of the Board of Directors

Sd/-
Managing Director

Note : A member entitled to attend and vote at the time of meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.

Regd. Office: "SENTINEL", 2nd Floor, T.C. 27/588(7) & (8), Pattoor,
Vanchiyoar, P.O., Thiruvananthapuram - 695 035

Phone: 0471-2577539, 2577550, Fax : 0471-2577539 E-mail : ksbcdd@gmail.com Web : www.ksbcdd.org.

"Freedom from Poverty and Backwardness"

THE KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LTD.,

PATTOOR, THIRUVANANTHAPURAM

DIRECTORS' REPORT

Dear Shareholder,

Your Directors take pleasure in presenting the Eighteenth Annual Report on the business, operations and achievements of your Corporation together with the Audited Annual Accounts for the year ended 31st March 2013.

As you may be aware, your Corporation was incorporated on 28th February, 1995 under the Companies Act 1956 wholly owned by the Government of Kerala under the administrative control of the Backward Communities Development Department.

The Authorized share capital of the Corporation is Rs.100 crores out of which equity shares worth ₹.82.96 crores has already been issued. The main objective of the Corporation is to uplift the Backward Classes and Minority communities within the State of Kerala by rendering financial assistance for setting up self-employment ventures and by undertaking other welfare activities.

1. Operational activities and working results

<u>Financial Results</u>	For the year ended 31 st March 2013 (₹. In lakhs)	For the year ended 31 st March 2012 (₹. In lakhs)
A. INCOME		
Interest Earned	3570.45	3131.55
Other Income	228.57	205.83
	3799.02	3337.38
B. EXPENDITURE		
Interest Expended	1150.23	897.32
Payment & Provision for Employees	814.15	635.15
Administrative and Other Expenses	437.30	276.86
Depreciation	36.30	34.35
	2437.98	1843.68
Net Profit (A-B)	1361.04	1493.70

The profit earned by the Corporation during the period under report is ₹.1361.04 lakhs as against ₹.1493.70 lakhs during the previous year. The total profit was transferred to Reserves and Surplus and ₹ 100 lakhs being the dividend proposed during the Financial year 2011-12 was paid off from Reserves and Surplus where by the total reserve stands at ₹.10829.59 lakhs which includes Special Reserve of ₹.98.01 lakhs from 'Loanees' Distress Relief Fund.

2. BOARD OF DIRECTORS

The appointment and cessation of Chairmanship and Directorship during the relevant accounting year 2012-13 is as below.

Name	Designation	Date	
		Appointment	Cessation
Shri.Mohan Sankar	Chairman	07.05.2012	Continuing
Shri.B.Dileep Kumar	Managing Director	17.08.2011	Continuing
Shri.S.Kuttappan Chettiar	Director	18.08.2012	Continuing
Shri.Sathyan Vandichalil	Director	18.08.2012	Continuing
Shri.Sahayadas J	Director	18.08.2012	Continuing
Shri.Joshi V.R	Director	10.04.2012	Continuing
Shri.Reggi Varghese P	Director	31.10.2011	Continuing
Shri.A.A.Naqvi	Director	30.12.1997	Continuing
Shri.V.R.Padmanabhan	Chairman	10.06.2011	07.05.2012
Smt.Sabath Joseph Thoundassery	Director	13.10.2011	15.05.2013
Shri.M.A.Francis	Director	13.10.2011	15.05.2013
Shri.Suresh Kumar V.S.	Director	13.10.2011	15.05.2013

The Board would like to place on record the valuable services rendered by them during their tenure on the Board of Directors of Kerala State Backward Classes Development Corporation Ltd.,

3. DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of section 217(2AA) of Companies Act 1956, we confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed to the extent possible.

- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and the profit of the company for that period
- c. that the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- d. that directors had prepared the annual accounts on a going concern basis.

4. CORPORATE GOVERNANCE

Your Corporation being a Government Company has been following good corporate governance which involves transparency, full disclosure, independent monitoring of the state of affairs of the Corporation and the compliance of laws and regulations in accordance with the policies and guidelines of the Government from time to time.

5. CORPORATE SOCIAL RESPONSIBILITY

Your Corporation, as part of its philanthropic activity is stretching the helping hands to those loanees or his/her spouse who are suffering from financial difficulties either due to death or chronic illness, by waiving the whole or such portion of the pending amount, as is decided by the Board, on case to case basis. For this the Corporation is maintaining a special reserve “BCDC Loanees Distress Relief Fund”. 22 Nos. of LDRF Adalats were conducted in different Districts and 239 LDRF cases were settled during the year. Likewise 51 cases were settled on 7 Housing Adalats. ₹. 46,93,710/- has been provided for the CSR activities and of which ₹69,16,041/- was utilized. Thus 5% of the net profit is utilized during the year.

6. ONE TIME SETTLEMENT SCHEME (OTS)

In connection with the 1st Anniversary of the present Government, Government of Kerala, vide G.O(Ms)No. 78/2012/BCDD dated 02-06-2012 declared OTS as a relief to the loanees who could not close their loan accounts in time where the loan period was expired on 31-03-2011. Accordingly 100% penal interest + 50% of the outstanding interest waiver were given under the scheme. Moreover, in order to close very old loan accounts, your Board of Directors decided to provided up to 50% interest waiver for loans disbursed before 31-03-2002 (very old loans) through Adalats . The scheme was in force from 02-06-2012 to 31-12-2012 and later extended up to 30-06-2013. Thus the Corporation collected an amount of ₹.4.22 crores as on 31-03-2013 through the Scheme. Also 1561 loanees benefitted on the Scheme and ₹.3.68 crores were waived thus.

7. AUDIT COMMITTEE

The Board of Directors in their 142nd meeting held on 10-12-2012 constituted an Audit committee with Shri.S.Kuttappan Chettiar as Chairman and Directors Shri.Sathyan Vandichalil, Shri.Sahayadas J, Shri.V.R.Joshy and a director from the finance department.

8. ANNUAL ACCOUNTS 2009-10

The Annual Accounts for the year 2009-10 was approved by 134th Board Meeting held on 17/11/2011 and handed over to the Statutory Auditors M/s Ravi & Sabin, Chartered Accountants, Thiruvananthapuram and the audit report is yet to receive.

9. CAPITAL STRUCTURE

During the year the Paid up Equity Share Capital of the Corporation was remained the same as ₹.82.96 lakhs as that of previous year's capital.

10. FINANCIAL ASSISTANCE FROM NATIONAL AGENCIES AND GOVERNMENT OF KERALA

During the year, the loan assistance from NBCFDC, is ₹.5000 lakhs and from NMDFC is ₹. 4450 lakhs and the assistance from the Government of Kerala is ₹.600 lakhs.

11. ACHIEVEMENTS DURING THE YEAR

- (i) By utilizing the resources mobilized from NBCFDC and NMDFC and also the financial assistance received from the Government of Kerala and own fund, financial assistance was provided to 47462 families belonging to Backward and Minority communities under various projects with a total disbursement of ₹ 21229 lakhs. This disbursement is against the target so fixed for ₹ 20000 lakhs during the year. The total disbursement made during the corresponding previous year was ₹ 16505 lakhs.
- (ii) Collection and Recovery from Beneficiaries: Total recovery from the beneficiaries during the year is ₹17800 lakhs. As per the Demand Collection Balance(DCB) statement the collection during the year is 95.58%. The cumulated arrears decreased from ₹ 4889 lakhs to ₹ 4563 lakhs

12. PROJECTS UNDERTAKEN

- i) During the year the Corporation has extended its hands to the community by giving assistance in the following manner :

Schemes	No. of Beneficiaries	Amount
Self employment	6923	700102800
New Swarnima	210	18933000
Education Loan	634	88167809
Micro Finance	31802	259297000
Marriage Assistance	3159	350011500
Computer Loan for students	132	6398800
Swasthagriha	1540	314124000
Working capital	662	64176500
Suvarnasree	1960	181615500
Mahila Samridhi Yojana	52	103156000
Business Development Loan	101	15412000
Vehicle Loan	120	8944400
Others	167	12583300
Total	47462	2122922609

ii) For understanding the requirement of the poor and thereby rendering a better service, the Corporation has decided to open six new Sub District Offices, at Varkala, Haripad, Chelakkara, Pattambi, Thirur and Vandoor . Of these excepts the sub district offices at Harippad & Varkala other offices were opened during the year. The responses from the people are overwhelming and there by the services that they are getting from the Corporation is increased.

iii) Vocational/skill development Training Programmes

Over the years, Vocational Training programmes in Home Nursing, Computer Awareness and MS Office etc. had been held to benefit eligible members of the Other Backward Class and Minority communities at free of cost. During the year your Corporation has organized the following training programmes with the support of National Agencies.

1. Diploma in Computer Application (DCA) and Diploma in Computerized Financial Management (DCFM) by NMDFC through C-DIT to 350 minority youths (25 trainees/batch) of 7 districts in Kerala namely Kottayam, Idukki, Ernakulam, Trissur, Malappuram, Wynad & Kannur
2. Desktop/Laptop Assembling, Servicing and Networking training was given through C-STED to 100 backward class beneficiaries (25 trainees/batch) which was in association with NMCFDC, and also for 200 candidates in 7 districts namely Kasargod, Kozhikode, Palakkad, Alappuzha, Pathanamthitta, Kollam and Thiruvananthapuram by your Corporation.
3. Entrepreneurship Development Training (EDP) to 1596 beneficiaries through 49 programmes (30 trainees/batch).
4. Capacity building training for 12413 beneficiaries through 64 programmes.

iv) Exhibition cum Trade Fair at Kozhikode (BCDC Expo 2012):

This was for making avenues for showcasing and marketing of the innovative and quality products made by the beneficiaries. For this your Corporation has conducted an Exhibition cum Trade Fair from 21/12/2012 to 25/12/2012 at Corporation Jubilee Hall, Kozhikode Corporation. 35 numbers of BCDC beneficiaries, members from 18 CDSs with innovative products from various districts had participated in the exhibition.

v) Management Development Training Programme for Managers (Revive – 2012)

Management Development Programme (MDP) was organized during the month of August 2012. The programme was conducted at Kerala Forest Research Institute, Peechi, Thrissur from 9th to 11 August 2012. Senior Managers, District Managers and Assistant Managers were the participants.

vi) Employees Training on Capacity Building

Training to all staff of KSBCDC was organized during the year as per the schedule noted below, in motivation and team building.

Sl. No.	Participants	No. of Participants
1	Project Assistants	20
2	Senior Assistants, PA to MD, Accountants and Steno Typists	32
3	Junior Assistants and Junior Project Assistants	21
4	Drivers, Peons, Watchmen and Sweepers	39

13. PERSONNEL

During the year, the affairs of the Corporation were carried on by regular employees of the Corporation, employees of various Government Departments and Public Sector Undertakings hired on deputation, contract employees and by those who were engaged on daily rate basis. With regard to disclosure of particulars of employees in terms of Section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975, it may report that none of the employees was in receipt of remuneration prescribed therein during the year.

14. STATUTORY AUDITORS

M/s S Ram & Co, Chartered Accountants, Thiruvananthapuram was appointed by the Comptroller and Auditor General of India, New Delhi, as Statutory Auditors for the year 2012-13 in terms of Section 619(2) of the Companies Act 1956. The comments of Statutory Auditors were replied in the Addendum to the Directors Report.

15. COMPLIANCE CERTIFICATE

A compliance certificate issued by the practicing Company Secretary, G.Gnanendrakumar ACS, 'Ardhra', TC 41/2259, Kalippankulam Road, Manacadu P O, Trivandrum 695009, which states about the various compliances under the Companies Act 1956 as well as other related statutes forms part of this Directors Report.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

As required by the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, it may be reported that Kerala State Backward Classes Development Corporation Ltd, being a non-manufacturing concern, the provisions of the said Rules have no application to the Corporation.

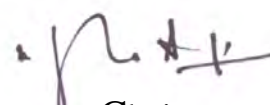
17. ACKNOWLEDGE

The Board of Directors would like to place on record its gratitude and appreciation to Government of Kerala, NBCFDC and NMDFC for the financial support and other valuable guidance rendered during the year under report. The Board would also like to express its thanks to its innumerable beneficiaries who have actively co-operated with various schemes that were implemented by the Corporation. The Board would also express its gratitude and sincere thanks for the co-operation and enthusiastic support received from the officers and staff of the Corporation in all its endeavours.

For and on behalf of the Board of Directors

Thiruvananthapuram

Dated : 04/02/2015



Chairman

At.
6/1/15



भारतीय लेखा तथा लेखापरीक्षा विभाग
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
प्रधान महालेखाकार (सामान्य एवं सामाजिक क्षेत्र
लेखापरीक्षा) का कार्यालय, केरल, तिरुवनन्तपुरम - 695001
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(GENERAL & SOCIAL SECTOR AUDIT),
KERALA, THIRUVANANTHAPURAM - 695 001

No.SGSII(HQ)/IV/12-2155/ 202

Dated: 02.01.2015.

To

The Managing Director,
Kerala State Backward Classes Development Corporation Limited
'SENTINEL' 2nd Floor, TC 27/588(7)&(8),
Pattoor, Vanchiyoor P.O,
Thiruvananthapuram -695035.

Sir,

**Sub: Comments under Section 619(4) of the Companies Act, 1956 on the
accounts of Kerala State Backward Classes Development Corporation
Limited for the year ended 31 March 2013**

I am to forward herewith the Nil comment certificate under Section 619(4) of the
Companies Act, 1956 on the accounts of Kerala State Backward Classes Development
Corporation Limited for the year ended 31 March 2013.

The following Comments may be rectified in next year's accounts:

- 1) Incorrect accounting of interest accrued on NBCFDC/NMDFC Loans: The
company has accounted only the interest paid to National agencies on the quarterly
demand. The quarterly demand is made by NBCFDC/NMDFC on equal
installment of principal and also interest on loan spread over the repayment period.
The company has neither made any provision nor any adjustment for difference
between interest due and quarterly installment of interest paid up to March 2012.
The prior period interest upto 31 March 2013 and the interest accrued for the
period 2013-14 may be worked out correctly during next year by taking into
consideration the interest due and quarterly installment paid upto 31 March 2013.

- 2) Non accounting of employer's share of Contribution of provident fund for the month of March 2013
- 3) Incorrect calculation of interest on NBCFDC/NMDFC loans for working out Guarantee Commission payable.
- 4) Non accounting of amount payable to M/s Graphic Creations for printing and stationery
- 5) Non accounting of interest on treasury savings account for the period 2012-13 credited by treasury on 01.04.13.

The Nil comment certificate may be placed before the Annual General Meeting complying with the provisions of Section 619(5) of the Act *ibid*.

Six copies of the Printed Annual Report and Accounts of the Company for the year 2012-13 duly incorporating the Nil comment certificate may be forwarded to this Office at the earliest.

Yours faithfully,

(M.K. Isac Kutty)
Deputy Accountant General (SGSII)



सत्यमेव जयते

प्रधान महालेखाकार (सामाजिक एवं सामान्य क्षेत्र लेखापरीक्षा) का कार्यालय, केरल,
तिरुवनन्तपुरम

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (G&SSA) KERALA,
THIRUVANANTHAPURAM**

31 मार्च 2013 को समाप्त वर्ष के लिए केरला स्टेट ब्रॉकवार्ड क्लासेस डेवलपमेंट कारपोरेशन लिमिटेड, तिरुवनन्तपुरम
के लेखाओं पर कम्पनी अधिनियम 1956 की धारा 619(4) के अधीन भारत के नियंत्रक - महालेखापरीक्षक की टिप्पणियाँ
**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF
THE COMPANIES ACT 1956 ON THE ACCOUNTS OF KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED, THIRUVANANTHAPURAM
FOR THE YEAR ENDED 31 MARCH 2013**

The preparation of financial statements of Kerala State Backward Classes Development Corporation Limited, Thiruvananthapuram for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 01 August 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Kerala State Backward Classes Development Corporation Limited, Thiruvananthapuram for the year ended 31 March 2013. The supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to enquiries to the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors Report under section 619 (4) of the Companies Act, 1956.

For and on behalf of
The Comptroller & Auditor General of India

एन. नागराजन

N. Nagarajan

तिरुवनन्तपुरम

Thiruvananthapuram
Dated: 02.01.2015

प्रधान महालेखाकार (सामाजिक एवं सामान्य क्षेत्र लेखापरीक्षा) केरल
**PRINCIPAL ACCOUNTANT GENERAL (G&SSA),
KERALA**

ADDENDUM TO DIRECTORS' REPORT

Replies to the comments of the Comptroller and Auditor General of India under section 619(4) of the Companies Act 1956, on the Accounts of Kerala State Backward Classes Development Corporation Ltd., Thiruvananthapuram for the year ended 31st March 2013 – Replies thereto:

Comments in the Comptroller and Auditor General of India.

Nil Comments



GOVERNMENT OF KERALA

No.69172/PUC3/14/Fin

Finance (PUC) Department

Dated : 22/09/2014

From

The Additional Chief Secretary (Finance)

To

The Managing Director,
KERALA STATE BACKWARD CLASSES DEVELOPMENT
CORPORATION LIMITED.
"SENTINEL", 2nd Floor, Pattoor
Vanchiyoore (PO)
Thiruvananthapuram 695 035

Sir,

Sub:- Audited Annual Accounts of Kerala State Backward Classes
Development Corporation Ltd. For the year 2012-2013-Comments
forwarding of - reg-

Ref :- Your Letter No. A4/2879/KSBCDC/2012-13 dated 02/08/2014.

I am to forward herewith the comments of Additional Chief
Secretary, Finance on the Audited Annual Accounts of Kerala State
Backward Classes Development Corporation Limited for the year 2012-
2013. You are requested to forward 5 printed copies of Annual Report
incorporating the above comments to this Department. Please acknowledge
receipt of the Comments Certificate.

Yours faithfully,

B.S. Preetha

Deputy Secretary

For Additional Chief Secretary (Finance)

Approved for Issue

Section Officer



GOVERNMENT OF KERALA

No. 69172/PUC3/14/FIN

FINANCE (PUC) DEPARTMENT

COMMENTS OF ADDITIONAL CHIEF SECRETARY (FINANCE)
ON THE AUDITED ACCOUNTS OF 'KERALA STATE BACKWARD
CLASSES DEVELOPMENT CORPORATION LIMITED' FOR THE
YEAR 2012-13

1. The income and expenditure of the Corporation for the year under review is Rs. 37.99 crore and Rs. 23.60 crore respectively and the net profit of the corporation has decreased to Rs. 13.61 crore from the previous year's Rs. 14.93 crore.
2. Eventhough the revenue from operations has been increased, the total expenses has been increased to Rs. 23.60 crore which is 28% more than the previous year's expenses. The expenditure should be pruned to the optimum level.
3. The suspense accounts shown has to be detected and brought into the accounts.
4. The adoption of audited accounts of 2008-2009 at the Annual General Meeting should be done and the audit of annual accounts of 2009-2010 should be finalized. The audit has to be updated urgently as required in the Companies Act.

ADDITIONAL CHIEF SECRETARY, (FINANCE)

Thiruvananthapuram
22/09/2014

ADDENDUM TO DIRECTOR'S REPORT

Replies to the Comments/Remarks of Additional Chief Secretary (Finance) on the Audited Accounts of Kerala State Backward Classes Development Corporation Ltd., for the year 2012-13

1. The Income and expenditure of the Corporation for the year under review is Rs 37.99 crore and Rs. 23.60 Crore respectively and the net profit of the Corporation has decreased to Rs 13.61 crore from the previous year's Rs. 14.93 crore.

Even though the revenue of the Corporation has made a significant increase from 33.37 Cr. to 37.99 Cr. the expenses were also increased simultaneously from 18.3 Cr. to 23.60 Cr. which resulted into a dip in profit from 14.93 Cr. to 13.61 Cr. The major increasing factors in the case of expenses were the salary revision made effective from 2009 and the payment of arrears so made, increase in finance cost from 8.97 Cr. to 11.50 Cr. and the increase in certain other expenses such as rent, rates, taxes and Insurance, printing and stationery charges, postage and telephone charges, travelling and conveyance etc, which altogether made an increase in Other Expenses from 2.62 Cr. to 3.59 Cr. and which ultimately resulted into a dip in profit from 14.93 cr. to 13.61 cr.

2. Even though the revenue from operations has been increased, the total expenses have been increased to 23.6Cr which is 28% more than the previous year's expenses. The expenditure should be pruned to the optimum level.

There is a system followed in the Corporation where in only unavoidable expenses are entertained and expended. Also the management is ensuring that, this system is followed consistently by making internal audit and through awareness programme amongst the employees within the Corporation, to ensure that the control systems so introduced by the Corporation is working effectively.

3. The Suspense accounts shown has to be detected and brought into the accounts.

The Management is planning to introduce a mechanism in collaboration with the Bank of the Corporation to identify the exact person who makes payment and thus can avoid the Suspense account in future.

4. The adoption of the audited accounts of 2008-09 at the Annual General Meeting should be done and the audit of annual accounts of 2009-10 should be finalized. The audit has to be updated urgently as required in the Companies Act.

The audited accounts of the Corporation for the year 2008-09 was adopted at the Annual General Meeting held on 20th September 2014. The annual account of 2009-10 is now under the consideration of the auditor, and the Corporation is waiting for the report.

www.ksbcdcd.com

INDEPENDENT AUDITOR'S OPINION**To the Members of Kerala State backward Classes Development Corporation****Report on the Financial Statements**

We have audited the accompanying financial statements of State backward Classes Development Corporation ("the Company"), which comprise the Balance Sheet as at 31st March , 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.





S.Ram & Co
Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Based on our audit, we have made the following major observations:

- **Loans with Credit Balance :** KSBCDC has received collections into loan accounts in excess of the loan paid. This "credit balance loans" total to Rs.1,31,12,294. These excess is paid back to the loanees as and when they raise the demand. The net of the excess collected and repaid during a year is accounted under "prior period adjustment" and is taken in the Profit and loss account.
By charging this amount to the P & L Account, KSBCDC has overstated the profit. They have also deviated from the accounting principles and have reckoned a liability as income.
- **Guarantee Commission:** The guarantee commission computed and paid by KSBCDC is in excess of the actual dues to the tune of Rs 10 Lakh. This occurred due to the overstatement of the opening balance of interest taken for computation. This error is seen made in the previous years also.
- **Accounts of 2008-09 and 2009-10:** The accuracy of the opening balance in accounts cannot be commented as accounts for the years 2008-09 and 2009-10 has not been audited and adopted in the Annual General Meeting.
- **Others :**
 - The interest on NBCFDC and NBDFO are paid to the Government of India on the basis of demand raised by the latter. KSBCDC does not maintain any register for the same nor is the demand verified.
 - As on 31/03/2013, there is suspense account balance of Rs. 13,49,255.42
 - Provisions have not been made in the accounts for the amount fraudulently collected by an employee of District Office, Alappuzha and the amount misappropriated by late K.R. Mohanan at District Office, Idukki.
 - A few of the advances pointed out by the previous audit is still pending closure.

Subject to the above, as per our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.





S.Ram & Co

Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) As KSBCDC is a government company, pursuant to circular No 8/2002 dated March 22, 2002, issued by Government of India, the provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 are not applicable to the company..

**for S.Ram & Co,
Chartered Accountants
FRN 002841S**

Thiruvananthapuram
01/08/2014



**D.S.Remma B.Tech, F.C.A.
M No 200923**

Annexure to the Auditor's Report for the year ended 31st March 2013

On the basis of such checks as we considered appropriate and in terms of the information and explanation given to us by the management, we report that –

1.
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verifications.
 - c. Since there is no disposal of substantial part of fixed assets during the year, the preparation of financial statements on going concern basis is not affected.
2. As the company does not maintain any inventory and hence paragraphs 4(ii) (a), (b), and (c) of The Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
3. As informed, the company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in register maintained under section 301 of the companies act, 1956. Accordingly, paragraphs 4(iii) (a) to (g) of the companies (Auditor's Report) order , 2003 (as amended)are not applicable
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of the business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control of the company.
5. According to the information and explanations provided by the management, we are of the opinion that no contracts or arrangements referred in section 301 of the Act that needs to be entered in to the register maintained under section 301. Accordingly, paragraphs 4(v) (b) of the companies (Auditor's Report) order , 2003 (as amended)are not applicable
6. The company has not accepted any public deposits. Accordingly, paragraphs 4 (vi) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of the business.
8. Maintenance of cost records has not been prescribed under section 209(1) (d) of the Companies Act, 1956 by the central government. Accordingly, the provisions of clause 4 (vii) of the Companies (Auditor's Report) Order , 2003 (as amended) are not applicable.



- 9.
- a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been regular in depositing with the appropriate authorities undisputed statutory dues mentioned in Para 9(b)
 - b. There are no statutory dues payable as on 31/03/2013 which are outstanding for a period of more than 6 months from the date they became payable.
 - c. According to the information and explanations given to us, the company does not have any outstanding statutory dues on account of any dispute.
10. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks and financial institutions. The company has no outstanding dues in respect of the debenture holder.
12. According to the information and explanations provided to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi or a mutual benefit fund/ society. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures, or any other investments. Accordingly, provisions of clause 4(ixv) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. Based on the information and explanations given to us by the management and on the basis of the examination of the documents, no term loans has been taken from the banks.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.



S.Ram & Co
Chartered Accountants

18. The company has not made any preferential allotment of shares to parties or companies covered in register maintained under section 301 of the companies act, 1956 in the current financial year.
19. The company has not issued any debentures. Accordingly, provisions of clause 4(xix) The Companies (Auditor's Report) Order , 2003 (as amended) are not applicable to the company.
20. The company has not raised any money through public issue during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

for S.Ram & Co,
Chartered Accountants
FRN 002841S

Thiruvananthapuram
01/08/2014



A handwritten signature in blue ink, appearing to read 'D S Rema'.

D.S.Remma B.Tech, F.C.A.
M No 200923

ADDENDUM TO DIRECTOR'S REPORT

Replies to the Comments/Remarks to Independent Auditors in their Report on the Annual Accounts of Kerala State Backward Classes Development Corporation Ltd., for the year 2012-13

1. Loans with Credit Balance: KSBCDC has received collections into loan accounts in excess of the loan paid. This "credit balance loans" total to Rs. 1,31,12,294. These excess is paid back to the loanees as and when they raise the demand. The net of the excess collected and repaid during a year is accounted under "prior period adjustment" and is taken in the profit and loss account.

By charging this amount to P&L Account KSBCDC has overstated the profit. They have deviated from the accounting principles and have reckoned a liability as income.

Rs. 1,31,12,294 as mentioned above is the sum total of the amount collected so far by the Corporation from the very inception. However this amount is not a reflection of the excess collection received against the loan so paid. There are cases where the loanee or the surety, makes payment through bank in a different loan account not related to that loanee/surety, resulting that his loans remains open while the other loan against which the payment is received remains closed/excessively paid. By considering these facts, the Corporation intimates periodically all the loanees or sureties as the case may be the information of excess/short payment made by them, and with the evidence they produce the amount so collected is returned to them or adjusted against the exact loan amount. From the experience so gained, the Corporation consistently followed a practice of, accounting the net excess amount, after the adjustments so made in each year based on the evidence so produced, as income of that year, and whenever those approach the Corporation with sufficient proof of such excess payment subsequently, then such amount will be returned and adjusted in the profit and loss account of the subsequent year. During the year 2012-13 the amount so adjusted comes Rs 815137.

2. Guarantee Commission : The Guarantee Commission computed and paid by KSBCDC is the excess of the actual dues to the tune of Rs. 10 Lakh. This occurred due to the overstatement of the opening balance of interest taken for computation. This error is seen made in the previous years also.

Noted

3. Accounts of 2008-09 and 2009-10: The accuracy of the opening balance in accounts cannot be commented as accounts for the years 2008-09 and 2009-10 has not been audited and adopted in the Annual General Meeting.

The audited accounts of the Corporation for the year 2008-09 was adopted at the Annual General Meeting held on 20th September 2014. The annual account of 2009-10 is now under the consideration of the auditor, and the Corporation is waiting for the report.

4. Others:

- The Interest on NMDFC and NBCFDC are paid to the Government of India on the basis of demand raised by the latter. KSBCDC does not maintain any register for the same nor is the demand verified.
- As on 31/03/2013 there is a suspense account balance of Rs 13,49, 255.42
- Provisions have not been made in the accounts for the amount fraudulently collected by an employee of District Office Alappuzha and the amount misappropriated by late K.R. Mohan at District Office Idukki.
- A few of the advances pointed out by the previous audit is still pending closure.

The Interest on NMDFC and NBCFDC are paid to these respective Corporations on the basis of demand so raised. The statement so sent by these respective Corporations is meticulously verified by KSBCDC before processing for the payment. A receipt and Payment register showing all the receipts and payments in this regard with all the supporting documents so received are kept at the Corporation.

Regarding Suspense Account, it is noted for future reference.

An amount of Rs. 188819/- was set apart from the DCRG of Shri. K.R. Mohan and Revenue Recovery procedures were initiated against him for recovering the balance amount of misappropriation so done. Also the veracity of the allegation so raised against the employee of the District Office at Alappuzha has not been proved since there being no written complaint raised against him, in the absence of which the Corporation cannot make any loss assessment on the allegation.

Regarding advances pointed out by previous audit, it is noted for future action.

**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED
THIRUVANANTHAPURAM**



ANNUAL ACCOUNTS

2012-2013

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

BALANCE SHEET AS AT 31st MARCH 2013

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
<i>(In ₹)</i>			
A EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	2.1	82,96,00,000	82,96,00,000
(b) Reserve and Surplus	2.2	1,08,29,58,540	95,90,76,430
		1,91,25,58,540	1,78,86,76,430
2 Share application money pending allotment		-	-
3 Non - Current Liabilities			
(a) Long - term Borrowings	2.3	3,38,62,88,185	2,97,23,30,199
		3,38,62,88,185	2,97,23,30,199
4 Current Liabilities			
(a) Short-term Provisions	2.4	14,14,90,345	18,01,41,529
(b) Other Current Liabilities	2.5	11,22,48,405	81,13,749
		25,37,38,750	18,82,55,278
TOTAL		5,55,25,85,475	4,94,92,61,907
B ASSETS			
1 Non-current Assets			
(a) Fixed Asset			
(i) Tangible Asset	2.6	1,23,45,839	1,27,63,212
(ii) Intangible Asset		2,62,474	4,37,458
(b) Long -term Loans and Advances	2.7	4,96,65,58,837	4,36,59,24,443
		4,97,91,67,150	4,37,91,25,113
2 Current Assets			
(a) Cash and Cash Equivalents	2.8	53,29,37,147	56,32,94,962
(b) Other Current Assets	2.9	4,04,81,178	68,41,832
		57,34,18,325	57,01,36,794
Significant Accounting Policies And Notes On Accounts	1 & 2		
TOTAL		5,55,25,85,475	4,94,92,61,907

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

As per our Report of even date

For S. Ram & Co

CHARTERED ACCOUNTANTS

(Registration no.002841S)

B.Dileep Kumar

Managing Director

Mohan Sankar

Chairman

D.S.Rema, FCA

Partner

(Membership No.200923)

Thiruvananthapuram

Date: 01/08/2014

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

		(In ₹)	
Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
A Continuing Operations			
1 Revenue from operations	2.10	35,70,45,293	31,31,55,082
2 Other Income	2.11	2,28,57,258	2,05,83,369
3 Total Revenue (1+2)		37,99,02,551	33,37,38,451
4 Expenses			
(a) Employee benefits expenses	2.12	8,14,15,489	6,35,15,275
(b) Finance Costs	2.13	11,50,22,724	8,97,31,765
(c) Depreciation and amortization expenses	2.6	36,30,035	34,59,482
(d) Other expenses	2.14	3,59,22,730	2,62,33,455
Total Expenses		23,59,90,978	18,29,39,977
5 (3-4)		14,39,11,573	15,07,98,474
6 Exceptional items(prior period Expenses)		78,07,132	14,28,339
7 Profit before extraordinary items and tax (5-6)		13,61,04,441	14,93,70,135
8 Extraordinary items		-	-
9 Profit before tax (7-8)		13,61,04,441	14,93,70,135
10 Tax Expense:			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
11 PROFIT FROM CONTINUING OPERATIONS (9-10)		13,61,04,441	14,93,70,135
B Discontinuing Operations			
12 OPERATIONS		-	-
C Total Operations			
13 PROFIT / (LOSS) FOR THE YEAR (11+12)		13,61,04,441	14,93,70,135
14 Earning per share (of Rs.100 each):			
(a) Basic		16.40	18.01
(b) Diluted		16.40	19.59
Significant Accounting Policies and Notes On Accounts	1&2		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

As per our Report of even date

For S.Ram & Co

CHARTERED ACCOUNTANTS

(Registration no.002841S)

B.Dileep Kumar

Managing Director

Mohan Sankar

Chairman

D.S.Rema, FCA

Partner

(Membership No.200923)

Thiruvananthapuram

Date: 01/08/2014

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013		Figures in ₹ Lakhs	
		As at March 31, 2013	As at March 31, 2012
A CASH FLOW FROM OPERATING ACTIVITIES:		1,361.04	1,493.70
Profit for the year			
Adjustments for:			
Depreciation	36.30	36.30	34.59
	-----	-----	-----
		1,397.34	1,528.30
Operating Profit before Working Capital Changes			
Adjustment for (Increase)/ Decrease in Working Capital:			
Current Assets	(6,342.73)		
Current Liabilities and Provision	654.83	(5,687.90)	(4,255.94)
Cash generated from Operations	-----	-----	-----
		(4,290.56)	(2,727.65)
Direct Taxes Paid	Nil	-----	-----
		(4,290.56)	(2,727.65)
Net Cash from Operating Activities	(A)	-----	-----
B CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(30.54)	(30.37)	(45.44)
Sale of Fixed Assets	0.17	-----	-----
		(30.37)	(45.44)
Net cash used in Investing Activities	(B)	-----	-----
C CASH FLOW FROM FINANCING ACTIVITIES:			
Increase in Share Capital	-		
Share Application money received	-		
Increase in Reserves	(122.23)		
Long term Loans Availed/ (Paid) - Net	4,139.58	4,017.35	4,967.42
Net Cash used in Financing Activities	-----	-----	-----
		4,017.35	4,967.42
	(C)	-----	-----
		(303.58)	2,194.34
Net Increase in Cash and Cash Equivalents	(A+B+C)	5,632.95	3,438.61
Cash and Cash Equivalents at the beginning of the year		5,329.37	5,632.95
Cash and Cash Equivalents at the end of the year		-----	-----

NOTES:

The Cash Flow Statement has been prepared under 'Indirect Method' as set out in Accounting Standard AS-3 'Cash Flow Statements'.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

As per Report of even date

For S.Ram & Co.
CHARTERED ACCOUNTANT
 (Reg.NO.002841S)

D.S.Rema, FCA

Partner

(Membership No. 200923)

B.Dileep Kumar
 Managing Director

Mohan Sankar
 Chairman

Thiruvananthapuram

Date: 01/08/2014

3



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

Amounts in the financial statements are presented in ₹, except where otherwise stated

The previous period figures have been regrouped/ reclassified, wherever necessary to confirm to the current period presentation

(In ₹)

2.1 SHARE CAPITAL

Particulars

Authorized Capital:

100,00,000 Equity shares of Rs.100/- each

Issued, subscribed, and paid up capital:

82,96,000 Equity shares of Rs.100 each - fully paid up

(Previous Year 75,96,000 Equity shares of Rs.100 each - fully paid up)

	As at March 31, 2013	As at March 31, 2012
100,00,000 Equity shares of Rs.100/- each	1,00,00,00,000	1,00,00,00,000
Issued, subscribed, and paid up capital:		
82,96,000 Equity shares of Rs.100 each - fully paid up	82,96,00,000	82,96,00,000
(Previous Year 75,96,000 Equity shares of Rs.100 each - fully paid up)		
TOTAL	82,96,00,000	82,96,00,000

2.2 RESERVES AND SURPLUS

Particulars

(a) General Reserve

Opening Balance as on 01.04.2012

Less : Dividend for the Year 2011-12

Add: Transferred from statement of Profit and Loss

(b) Special Reserve

BCDC Loanees Distress Relief Fund

	As at March 31, 2013	As at March 31, 2012
(a) General Reserve		
Opening Balance as on 01.04.2012	94,70,52,357	79,76,82,222
Less : Dividend for the Year 2011-12	1,00,00,000	0
	93,70,52,357	79,76,82,222
Add: Transferred from statement of Profit and Loss	13,61,04,441	14,93,70,135
	1,07,31,56,798	94,70,52,357
(b) Special Reserve		
BCDC Loanees Distress Relief Fund	98,01,742	1,20,24,073
	98,01,742	1,20,24,073
TOTAL	1,08,29,58,540	95,90,76,430

2.3 LONG-TERM BORROWINGS

Particulars

(a) Term Loan Schemes:

National Backward Class Finance and Development Corporation

National Minority Development and Finance Corporation

(b) Micro Finance Schemes:

National Backward Class Finance and Development Corporation

National Minority Development and Finance Corporation

	As at March 31, 2013	As at March 31, 2012
(a) Term Loan Schemes:		
National Backward Class Finance and Development Corporation	1,60,51,10,148	1,48,06,11,829
National Minority Development and Finance Corporation	1,37,36,40,768	1,25,36,52,675
	2,97,87,50,916	2,73,42,64,504
(b) Micro Finance Schemes:		
National Backward Class Finance and Development Corporation	17,20,16,432	10,12,94,859
National Minority Development and Finance Corporation	23,55,20,837	13,67,70,836
	40,75,37,269	23,80,65,695
TOTAL	3,38,62,88,185	2,97,23,30,199

2.4 SHORT-TERM PROVISIONS

Particulars

(a) Gratuity Payable

(b) Earned Leave Salary

(c) Provisions & Contingencies

Provision on Loss Assets

Provision on doubtful Assets

Provision on doubtful Assets-sub standard

	As at March 31, 2013	As at March 31, 2012
(a) Gratuity Payable	23,11,412	25,90,305
(b) Earned Leave Salary	86,79,243	70,93,491
(c) Provisions & Contingencies		
Provision on Loss Assets	4,54,19,605	
Provision on doubtful Assets	6,26,96,464	
Provision on doubtful Assets-sub standard	2,23,83,621	13,04,99,690
TOTAL	14,14,90,345	18,01,41,529

2.5 OTHER CURRENT LIABILITIES

Particulars

(a) Creditors for Expenses

(b) Security Deposits

(c) Loan repayable

(d) Beneficiary contribution

(e) Advance receipt -training fund from NBCFDC

(f) Govt.assistance for CC Waiver

(g) Govt assistance for OTS interest waiver

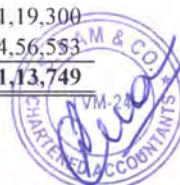
(h) Govt assistance for operational fund

(i) Dividend payable

(j) Other liabilities

(k) Bank Accounts (SB & current) having credit balance

	As at March 31, 2013	As at March 31, 2012
(a) Creditors for Expenses	2,40,50,349	47,48,566
(b) Security Deposits	2,06,778	88,307
(c) Loan repayable	11,718	21,222
(d) Beneficiary contribution	89,167	89,167
(e) Advance receipt -training fund from NBCFDC	4,50,000	1,80,000
(f) Govt.assistance for CC Waiver	4,10,634	4,10,634
(g) Govt assistance for OTS interest waiver	1,68,25,511	-
(h) Govt assistance for operational fund	6,00,00,000	-
(i) Dividend payable	1,00,00,000	-
(j) Other liabilities	-	1,19,300
(k) Bank Accounts (SB & current) having credit balance	2,04,248	24,56,553
TOTAL	11,22,48,405	81,13,749



Note.2.6**TANGIBLE ASSETS**

(In ₹)

Sl. No.	Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION / IMPAIRMENT				NET BLOCK	
		As at 01.04.2012	Additions	Sales/Adj	As at 31.03.2013	Rate in %	As at 31.03.2012	Sales /Adj	For the year	As at 31.03.2013	As at 31.03.2012
1	Furniture & Fixtures	71,38,674	3,93,390	0	75,32,064	18.1	47,41,985	0	4,81,514	52,23,499	23,96,689
2	Office Equipment	58,91,165	2,54,686	0	61,45,851	13.91	30,15,812	0	5,00,201	35,16,013	28,75,353
3	Electrical Fittings	9,76,557	4,200	0	9,80,757	20	6,02,901	0	35,861	6,38,762	3,73,656
4	Computers	1,09,83,475	6,71,585	0	1,16,55,060	40	85,91,269	0	9,76,673	95,67,942	23,92,206
5	Vehicles	1,42,78,592	17,30,352	16,534	1,59,92,410	25.89	95,53,284	0	14,60,802	1,10,14,086	47,25,308
	Total (A)	3,92,68,463	30,54,213	16,534	4,23,06,142	-	2,65,05,251	0	34,55,051	2,99,60,302	1,27,63,212

INTANGIBLE ASSETS

1	Computer Software	8,93,308	0	0	8,93,308	40	4,55,850	0	1,74,984	6,30,834	2,62,474	4,37,458
	Total (B)	8,93,308	0	0	8,93,308		4,55,850	0	1,74,984	6,30,834	2,62,474	4,37,458
	TOTAL (A) + (B)	4,01,61,771	30,54,213	16,534	4,31,99,450		2,69,61,101		36,30,035	3,05,91,136	1,26,08,313	1,32,00,670
	Previous Year:	3,61,01,334	45,48,569	4,800	4,01,61,771	-	2,39,84,951	0	34,59,482	2,69,61,101	1,32,00,669	1,21,16,383

NOTES:

1 The Gross Block as on 31.03.2013 do not involve any foreign exchange for its acquisition.



(In ₹)

2.7 LONG-TERM LOANS AND ADVANCES

Particulars		As at March 31, 2013	As at March 31, 2012
(Unsecured considered good)			
(a) General Term Loans:			
(i) Loans out of NBCFDC Funds	1,22,49,84,680		
Add: Interest accrued and due	3,29,62,187	1,25,79,46,867	1,14,07,42,929
(ii) Loans out of NMDFC Funds	93,32,57,040		
Add: Interest accrued and due	1,99,53,035	95,32,10,075	91,70,57,440
(b) Micro Finance Scheme:			
(i) Loans out of NBCFDC Funds	16,94,10,501		
Add: Interest accrued and due	1,77,308	16,95,87,809	5,25,92,446
(ii) Loans out of NMDFC Funds	11,57,41,116		
Add: Interest accrued and due	65,058	11,58,06,174	2,04,35,338
(c) Loans out of Own Funds	2,32,84,91,199		
Add: Interest accrued and due	3,46,32,884	2,36,31,24,083	2,08,87,35,790
(d) Loan out of HUDCO Fund	33,14,959		
Add: Interest accrued and due	26,50,475	59,65,434	1,04,54,409
(e) Employees Personal Loan Scheme EHBA		2,75,47,047	2,54,52,608
(f) Penal interest accrued		7,33,71,348	11,04,53,483
TOTAL		4,96,65,58,837	4,36,59,24,443

2.8 CASH AND CASH EQUIVALENT

Particulars		As at March 31, 2013	As at March 31, 2012
(a) Cash on hand		52,17,544	22,92,269
(b) Stock of Stamps		65,791	1,52,416
(c) Balance with scheduled banks:			
In Current Accounts (with fund in transit)		2,20,46,988	19,93,70,466
In Savings Bank Accounts		3,40,178	4,89,430
In Term Deposit Accounts (FD)		43,86,33,935	34,43,00,845
Balance with Government of Kerala Treasury SB Account		6,66,32,711	1,66,89,536
(The account is held as per instructions from Government of Kerala . Maximum balance outstanding at any time during the year Rs.666.327 Lakhs; Previous Year Rs.765.478 Lakhs)			
TOTAL		53,29,37,147	56,32,94,962

2.9 OTHER CURRENT ASSETS

Particulars		As at March 31, 2013	As at March 31, 2012
(a) Recoverable in cash or kind for value to be received		30,78,856	24,13,947
(b) Interest accrued on Fixed Deposits		1,21,96,687	41,78,945
(c) BCDC Loanes Distress Relief Fund Receivable		1,80,635	1,96,775
(d) Advance for expenses		25,000	52,165
(e) Govt share on OTS interest waiver receivable		2,50,00,000	-
TOTAL		4,04,81,178	68,41,832



		(In ₹)	
2.10 REVENUE FROM OPERATIONS		Year ended March 31,	Year ended March 31,
Particulars		2013	2012
(a) Interest on Term Loans/Micro Finance		28,25,18,905	26,51,35,327
(b) Interest on EHBA		14,65,119	21,08,187
(c) Interest from Banks (FD)		2,29,02,460	1,44,94,243
(d) Interest from Short FD		1,25,94,314	46,62,134
(e) Interest from SB Account		7,385	15,412
(f) Penal Interest on scheme loans		3,75,57,110	2,67,39,779
TOTAL		35,70,45,293	31,31,55,082
2.11 OTHER INCOME		Year ended March 31,	Year ended March 31,
Particulars		2013	2012
(a) Incentive Received from NBCFDC		17,93,750	31,89,738
(b) Miscellaneous Receipts		1,60,38,432	1,27,92,842
(c) Interest rebate received		50,25,076	46,00,789
TOTAL		2,28,57,258	2,05,83,369
2.12 EMPLOYEE BENEFITS EXPENSES		Year ended March 31,	Year ended March 31,
Particulars		2013	2012
(a) Salaries, Allowances and Bonus		7,40,14,968	5,75,22,122
(b) Contribution to Provident and Other Funds		62,57,586	59,20,441
(c) Staff Welfare Expenses		11,42,935	72,712
TOTAL		8,14,15,489	6,35,15,275
2.13 FINANCE COSTS		Year ended March 31,	Year ended March 31,
Particulars		2013	2012
(a) NBCFDC Fund		4,71,46,596	3,61,78,075
(b) NMDFC Fund		4,38,05,530	3,29,33,043
(c) Guarantee Fee to Govt. of Kerala		2,33,34,742	2,02,14,078
(d) Green card		7,35,856	4,06,569
TOTAL		11,50,22,724	8,97,31,765
2.14 OTHER EXPENSES		Year ended March 31,	Year ended March 31,
Particulars		2013	2012
(a) Rent, Rates, Taxes and Insurance		68,28,230	33,61,855
(b) Printing & Stationery		20,89,982	16,55,933
(c) Postage and Telephone Charges		26,45,315	24,97,525
(d) Travelling & Conveyance		13,01,260	7,95,055
(e) Loan Mela and Awareness Programme Expenses		11,52,412	13,57,574
(f) Audit Fee		95,000	75,000
(g) Fee for Professional Services		17,83,044	12,49,137
(h) Filing Fee		8,868	12,027
(i) Electricity and Water Charges		6,36,588	5,02,258
(j) Advertisements		9,54,755	4,53,422
(k) Maintenance & Up-keep		30,32,563	20,72,931
(l) General Expenses		41,53,000	20,13,190
(m) Project evaluation fee		2,69,390	-
(n) Merit Scholarships		-	20,000
(o) Adjustment on NBFC Provision (RBI prudential norms)		1,09,72,323	1,01,67,548
TOTAL		3,59,22,730	2,62,33,455



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

1. Significant Accounting Policies

a. Accounting Concepts:

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in conformity with the accounting principles generally accepted in India and on all the material aspects of mandatory accounting standards issued by the Institute of Chartered Accountants of India and all the relevant provisions of the Companies Act 1956. Also, taxes, other Government levies, income, and expenses that cannot be identified with certainty are accounted for on cash basis.

b. Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost less depreciation. Costs comprise of cost of acquisition, cost of improvements and any cost attributable for bringing the asset into the condition or situation of its intended use. Interest on loans taken if any, for procurement of specific assets, accrued up to the date of acquisition/ installation of the said asset is capitalized along with the cost of that asset.
- b) Depreciation has been provided on written down value method on all fixed assets in accordance with Schedule XIV of the Companies Act, 1956. In respect of assets added/ disposed of during the year, depreciation is charged on pro-rata basis with reference to the date of addition/ disposal. Individual assets costing less than 5000 rupees is fully written off in the year of purchase.
- c) Expenditure on computer software is capitalized along with computers and depreciation is charged at the prescribed rates.
- d) Impairment: At each balance sheet date, the Corporation reviews the carrying value of tangible and intangible assets for any possible impairment. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount

c. Impairment of Assets:

Carrying amount of assets is reviewed at each balance sheet date, if there is indication of impairment, based on the internal and external factors. The assets are treated as impaired when the carrying amount of the assets exceeds its recoverable amount and such impairment loss is charged to Profit and Loss account in the year in which such impairment is identified. The impairment loss recognised in prior accounting period(s) is reversed to the extent of decrease in the impairment loss.

d. Investments

Long term investments are carried at cost. However, provision for diminution in the value is made only if such a decline is other than temporary in the opinion of the management.

e. Revenue Recognition

- a) Interest on loans and advances to borrowers is recognised on accrual basis.
- b) Any other income such as interest on SB, Short –Term Deposits etc. are recognized as and when it is received.



- f. Grants sanctioned by Government or the channel partners for programmes undertaken for the development of the target group are recognised and deducted from related expenses in the profit and loss account. Unspent grants and grants received in advance are taken to current liabilities. Grants receivable as compensation for expenses incurred in a previous accounting period are recognised in the profit and loss account of the period in which it becomes receivable.

g. Retirement Benefits

Retirement benefits to employees are provided for by contribution to provident and other funds. The accrued liability for leave encashment is ascertained under the assumption that such benefit is payable to all employees at the end of the accounting year. Every employee who has completed five years or more service receives gratuity on leaving the Corporation at 15 days last drawn salary for each completed year of service. A policy has been subscribed under Group Gratuity Insurance Scheme of LIC which covers both insurance and actuarial valuation, thus complying 'AS 15' on employee benefits issued by the Institute of Chartered Accountants of India. Contribution as is applicable to the employees on deputation is paid to the respective parent Departments.

h. Taxation

Provision for income tax has not been made in the accounts as the income of the Corporation is exempt under section 10(26B)& 10(26BB) of the Income Tax Act, 1961. Consequently the Accounting Standard AS-22 on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India on deferred taxes is not applicable to the Corporation.

i. Contingent Liabilities

Contingent liabilities are disclosed by way of notes to the balance sheet. Provision is made in the accounts in respect of those contingencies that are likely to materialise into liabilities after the year-end, until the finalisation of the accounts that have material effect on the position stated in the balance sheet.

j. Prior Period Items

Identifiable items of income and expenditure pertaining to previous years are accounted in prior period expenses/ income account.



2A.

1. Secured Loan represents loan availed from National Backward Classes Finance and Development Corporation, and National Minority Development and Finance Corporation, bearing interest as determined by the said agencies from time to time and are repayable in four quarterly installments. Penal interest is payable for default, if any. The loans have been fully covered under a block guarantee given by the Government of Kerala. The Corporation is paying 0.75 percentage of the total actual loan, including interest penal interest etc., which remain outstanding as on 31st March of the preceding year, as Guarantee Commission to the Government of Kerala (GO(MS) No. 487/04/Fin. Dated Thiruvananthapuram 16th October 2004).
2. The Corporation has set up a fund styled 'BCDC Loanees Distress Relief Fund' which is considered adequate to meet any future contingencies that may arise out of death or accidental disablement of the loanees. The Fund is raised out of one-time marginal contribution from the beneficiaries, appropriation of a certain portion of the annual profits of the Corporation as determined by the Board of Directors of the Corporation from time to time, and out of possible contributions from Related Parties. The reserve is not represented by any earmarked investments.
3. The Corporation was in possession of 80.5 cents of freehold land in Thiruvananthapuram which has been surrendered to Government of Kerala for the development of the Trivandrum International Airport. Though there were promises to provide alternate immovable property, in lieu of monetary consideration, the matter is still pending before the Government. However, the asset has been written off in accordance with the accounting standard AS-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India.
4. In the opinion of the Directors, the Current Assets, Loans & Advances have the value as stated in the balance sheet if realised in the ordinary course of business.
5. The Corporation is holding registration as a Non-Banking Financial Company with Reserve Bank of India. In view of the Notification No. DNBC (PD) CC No. 12/02-01/99-2000 dated 13.01.2000, being a Government Company, the Corporation is exempted from following the prudential norms applicable to non-banking financial institutions. However, the Corporation is in the process of formulating its own norms for making provisions on certain overdue loans since the business carried on has been categorized as 'financial institution'. To improve the quality of accounts, the NBFC prudential norms as per RBI notification No.DFC.119/DG(SPT)/98 is complied to the maximum extent possible as noted below:

a. Asset Classification:

- i. Loss Asset: In respect of loss asset, 100% provision has been made. Under this category, All loans viz; loans issued prior to 31/03/2003; against personal security on which no collection has been made and the realisability is so remote are included and an amount of ₹.454.19 lakhs has been provided for.

ii. Doubtful Asset:

All loans disbursed against personal security where collection was not forthcoming for past 24 months other than included under (i) above are classified under the category, and 80% provision has been made, amounting to ₹.248.98 lakhs.

Other loans, secured by landed property, on which collection is not forthcoming for more than 24 months are also classified under doubtful assets and 75% provision has been made amounting to ₹. 377.98 lakhs.

iii. Sub-standard Assets:

All loans disbursed against personal and land security where collection was not forthcoming for past 3 months other than included under (i) above are classified under the category, and 50% provision has been made, amounting to ₹.223.83 lakhs.



b. Income Recognition:

The interest and penal interest due but not realized on loss assets, doubtful asset secured by personal surety and doubtful asset secured by landed property are not recognised as income during the period.

6. The Board of Directors in its 150th meeting held on 05/10/2013 resolved to propose dividend of ₹.1 crore to the equity share holders, from its profits during the year 2011-12, and the proposal was accepted by the corporation in its 17th adjourned Annual General Meeting held on 30/10/2013. The payment was made during the year 2013-14 and is incorporated in the financial year 2012-13 by making an adjustment in the Shareholders' Fund
7. Advances Recoverable include ₹. 1637,955.47 misappropriated by the late K R Mohanan at District Office, Idukki. Orders have been issued by the Government of Kerala to recover the money from the DCRG due to the said individual; however, the possible amount of recovery is limited to ₹. 3,07,500. The Board is yet to take a decision upon the fate of the balance sum due ₹. 13,30,455.47. No provision has been made in this respect in the books of account.
8. Interest accrued but not received represent interest accrued on term deposits one year and above with scheduled banks/ sub-treasury.
9. Payment to Directors of the Company:

Sl.No.	Particulars	Current Year ₹	Previous Year ₹
a.	Salaries & Allowances (Managing Director)	9,12,398	4,95,018
b.	Honorarium to Chairman	62,323	12,000
c.	Traveling Expenses (Managing Director)	95,779	1,239
d.	Traveling Expenses (Directors)	1,64,666	25,234
e.	Leave Travel Concession	NIL	NIL
f.	Sitting Fee	49,600	6,000
g.	Value of Perquisites in cash or in kind	NIL	NIL

10. Debt due by Directors or other Officers of the Company and the maximum amount outstanding at any time during the year.

	Maximum amount due at Any time during the year	Amount due at the close of the year
Directors	NIL (Previous Year NIL)	NIL (Previous Year NIL)
Officers	NIL (Previous Year NIL)	NIL (Previous Year NIL)

13. The remuneration to statutory auditors for statutory audit of accounts (net of service tax) for the year is ₹.95,000 (Previous year is ₹.75,000), for other services Rs. NIL (Previous Year Rs. NIL).
14. The information required as per item 4C of Part II of Schedule VI to the Companies Act about licensed capacity, installed capacity and quantitative particulars of the consumption of raw material, turn over etc are not applicable to the Company.



15. Information required as per item 4D of Part II of Schedule VI to the Companies Act.:

a) Value of Imports calculated on CIF basis	NIL	Previous Year	NIL
b) Expenditure in foreign currency	NIL	"	NIL
c) Amount remitted in foreign currency towards dividends	NIL	"	NIL
d) Earning in Foreign exchange	NIL	"	NIL
e) Value imported and indigenous raw material, spare parts and components, consumed and % of each to total consumption	NIL	"	NIL

16. Every employee who has completed five years or more service receives gratuity on leaving the Corporation at 15 days last drawn salary for each completed year of service. The group gratuity scheme with LIC of India subscribed by the Corporation which covers both insurance and actuarial valuation, thus complying 'AS 15' on 'Employee Benefits' issued by the Institute of Chartered Accountants of India.

Provision for earned leave salary has been provided for based on the eligible leaves of each employee as at the balance sheet date.

17. The Corporation has switched over to the in-house software 'BCDC Online' to monitor its lending business all over Kerala State. The adjustments that were required in the accounts for transition into 'BCDC Online' have been charged to Prior Period Adjustments and adjusted in the Profit and Loss Account for the year. The statutory financial books of account are maintained with the aid of Tally Accounting Software in the head office and branches of the Corporation. The strength and reliability of the software's have been vetted as fool-proof by the system administrator.

18. The Corporation has only one reportable business segment which is providing finances at concessional rate of interest to eligible persons belonging to the backward classes and minority communities of Kerala State. Accordingly, no separate disclosures of segment information have been made as per Accounting Standard AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

19. As per Accounting Standard AS-18 on Related Party disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related party as defined in the Accounting Standard are given below:

- a) Nature of relationship of related parties as identified by the Corporation and relied upon by the Auditors:

Nature of Relationship	Name of Related Party
Entities having significant influence in the enterprise	a. National Backward Classes Finance and Development Corporation (NBCFDC)
	b. National Minority Development and Finance Corporation (NMDFC)
Key Management Personnel	Sri. B.Dileep Kumar , Managing Director



b) Transactions with related parties during the year:

Transactions with NMC FDC and NMDFC	NBC FDC		NMDFC	
	Term Loan Scheme	Micro Fin. Scheme	Term Loan Scheme	Micro Fin. Scheme
Opening balance	1,48,06,11,829	10,12,94,859	1,25,36,52,674	13,67,70,835
Funds Received during the year	38,00,00,000	12,00,00,000	31,50,00,000	13,00,00,000
Repayment during the year	25,55,01,681	492,78,427	19,50,11,906	3,12,49,998
Closing Balance	1,60,51,10,148	17,20,16,432	1,37,36,40,768	23,55,20,837
Interest due and paid	4,14,03,095	57,43,501	4,27,30,509	10,75,021
Key Management Personnel:				
Remuneration Paid	₹.9,12,398/- (Previous Year ₹. 4,95,018/-)			

20. The disclosure required by Accounting Standard 19 – “Leases”: The Corporation has taken various offices and residential premises under operating lease or license agreements. These are generally not non-cancelable and range between 11 months to 3 years and are renewable by mutual consent on mutually agreeable terms. The Corporation has given refundable, interest free security deposits under these agreements. Lease payments are recognised in the Profit and Loss Account under ‘Rent’ in Schedule 14.
21. In case of such loanes, where the Corporation receives an amount in excess than what is required at the time when such loan is closed, then the Corporation, after scrutinizing such payment so received, being satisfied, intimate the concerned person to collect such excess payment from the company within a stipulated period and even in cases where they become late for such collection, the company releases the payment to them as and when they made the demand. However after considering the diversity in each case of settlement, and the materiality of such amount remained unpaid as well as from the previous experience on the demand, the unclaimed amount is brought under the revenue head, after making necessary adjustments on the amount so demanded.
22. The pay revision of employees of the Corporation - The Government has vide GO.(Ms)No.5/2013/BCDC dated Thiruvananthapuram, 25/05/2013 accorded sanction for the revision of pay and allowances to the employees of the corporation, which was made effective from 01-07-2009 to all the eligible employees mentioned therein. Necessary provisions were made in the current financial year after considering the liability related to the previous year starting from 01-07-2009. The liability of the company based on the said order as disclosed in the statement of accounts of the company comes ₹1,65,34,456/- . This amount includes the liability related to the previous years also.
23. The Government of Kerala vide GO(Ord).No/27/2013/BCDD dated Thiruvananthapuram , 14/03/2013 has issued an order sanctioning ₹ 6 Crores as Government assistance for the utilization in the normal course of its operation, subject to the conditions contained therein.
24. The Government of Kerala vide GO(Ms) 78/2012/BCDD dated Thiruvananthapuram 02.06.2012 issued order permitting the Corporation to waive 50% of the interest portion and 100% of the penal interest portion of those loanes who are the defaulters since 31.03.2011 due to their financial difficulties. The total amount waived by the Corporation based on the said Order is ₹81,74,489/-



25. The audit of accounts of the Corporation for the period 2009-10 is pending. Also the accounts for the period 2008-09 even though the audit was completed, are waiting for the reply from the Office of C&AG for adoption at the AGM. Steps have already been taken, to complete and file with ROC with in the stipulated period of Five years.

26. Earnings per share:

Earnings per equity share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity share are as stated below:

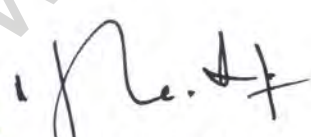
Sl.No.	Description	Current year	Previous Year
(a)	Net Profit available for equity shareholders in Rupees	13,61,04,441	14,93,70,135
(b)	Weighted average number of equity shares in Nos.	82,96,000	76,24,767
(c)	Basic Earnings per share (Face Value ₹. 100 each)	16.40	18.01
(d)	Diluted Earnings per share (Face Value ₹.100 each)	16.40	19.59

27. Claim against the company not acknowledged as debt Rs. NIL (Previous Year NIL)

28. The previous year's figures have been recast/and regrouped wherever necessary to suit current year's groupings. Current year figures have been rounded off to the nearest rupee, wherever applicable.


For and on behalf of the Board of Directors


B. DILEEP KUMAR
Managing Director


MOHAN SANKAR
Chairman

As per our Report of even date

For **S.Ram & Co.**
CHARTERED ACCOUNTANTS
(FRN.002841S)


D.S.Remma,FCA
Partner
(Membership No.200923)

Thiruvananthapuram

Date: 01/08/2014



Balance Sheet Abstract and Company's Business Profile

I. Registration Details:

Registration Number	CIN	U75122KL1995SGC008705	
State Code	09	Balance Sheet Date	31.03.2013

II. Capital raised during the year (Amount in ₹. Thousands):

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation & Deployment of Funds (Amount in ₹. Thousands):

Total Liabilities	5552585	Total Assets	5552585
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Equity and Liabilities:

Paid up Capital	829600	Reserves and Surplus	1082958
Non-current liabilities	3386288	Current Liabilities	253738

Assets:

Net Fixed Assets	12608	Loans and advances	4966558
Current Assets	573418		

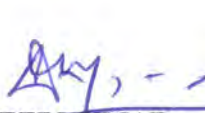
IV. Performance of the Company (Amount in ₹. Thousands):

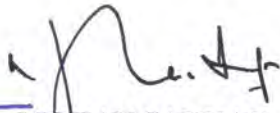
Turnover	2127062	Total Expenditure	235990
Profit/ (Loss) before Tax	136104	Earnings per share	16.40

V. Generic Names of Three Products/ Services of the Company (As per monetary terms):

Item Code No. (ITC Code)	
Product Description	

For and on behalf of the Board of Directors


B.DILEEPKUMAR
 Managing Director



MOHAN SANKAR
 Chairman

Thiruvananthapuram

Date: 01/08/2014

As per our Report of even date

For **S.Ram & Co.**
 CHARTERED ACCOUNTANTS
 (FRN.002841S)


D.S.Remma,FCA

Partner
 (Membership No.200923)





COMPLIANCE CERTIFICATE

CIN: U75122KL1995SGC008705

Authorized Capital: Rs. 1,000,000,000.00

Paid up Capital : Rs. 829,600,000.00

To,

The Members

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

T C 27/588(7) & (8), "SENTINEL" 2ND FLOOR,

PATTOOR, VANCHIYOOR P O

Trivandrum - 695035

Kerala

I have examined the registers, records, books and papers of Kerala State Backward Classes Development Corporation Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the memorandum and Articles of Association of the Company for the Financial Year 01.04.2012 to 31.03.2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents,

I certify that in respect of the aforesaid financial year:—

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.



3. The company being State Government company, has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 3(Three) excluding its present and past employees and the company during the period under scrutiny:
4. The Board of directors met 9(Nine) times on 26th day of May 2012, 23rd day of June 2012, 31st day of July 2012, 18th day of September 2012, 29th day of October 2012, 10th day of December 2012, 31st day of January 2013, 18th day of February 2013 and 27th day of March 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company was not required to close its Register of Members during the period.
6. The seventeenth Annual General meeting of the Company with respect to the Financial year 2011-2012 and thirteenth adjourned General meeting with respect to the Financial year 2007-2008 was held on 17th July 2012 after giving proper notices during the financial year under scrutiny.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. As informed to us, the Company during the financial year has not advanced any loan to its Directors and/or persons or Firms or Companies referred to in Section 295 of the Act.
9. The company has not entered with any contract falling within the provisions of section 297 of the Act during the period under scrutiny.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The company has not appointed any of the relatives of its directors during the period, under the provisions of section 314.
12. The company has not issued any duplicate share certificates during the period under consideration.
13. The Company :—
 - a) has delivered all share certificates for the transfer of 3 equity shares of Rs.100 each bearing share certificate as 01, 02, 03 respectively with distinctive numbers 01, 02, 03 and except that there were no allotment/transfer/transmission of securities during the period
 - b) was not required to deposit any amount in a separate Bank Account as no dividend was declared during the period.
 - c) was not required to post warrants to any member of the company as no dividend was declared during the period.



- d) was not required to transfer any amount to the Investors Education & Protection Fund as there was no amount due for transfer to the above said account relating to unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon as remain unpaid or unclaimed for a period of 7 years
 - e) has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is reconstituted due to the appointment of Mr. Kuttappan Chettiar Subrahmonian Chettiar, Mr. Vandichalil Sathyan , Mr. Sahayadas on 18/08/2012, Mr. Joshi Valammanal Ramankutty on 10/04/2012 and Mr. Mohan Sankar on 07/05/2012 as directors and Cessation of Mr. Padmanabhan Varikkananikal Raman from directorship of the Company on 07/05/2012 and apart from that there were no other appointment of alternate directors and directors to fill casual vacancy during the period under scrutiny.
 15. Mr. Dileep Kumar Bhargavan appointed on 17/08/2011 is continuing as the Managing director of the Company and apart from that there were no other appointment of Whole-time Director or Manager during the period under scrutiny.
 16. The company has not appointed any sole-selling agents during the period under scrutiny.
 17. The company was not required to obtain approval of the Central Government/ Registrar of Companies, Company Law Board, Regional Director, and/or any other such authorities prescribed under the various provisions of the Act during the financial year.
 18. The directors have disclosed their interest in other firms/companies to the Board of directors pursuant to the provisions of the Act and the rules made there under.
 19. As per records of the Company, the Company has not issued shares/ debentures/securities during the financial year.
 20. The company has not bought back any shares during the period under scrutiny.
 21. There were no redemption of preference shares or debentures during the period under scrutiny.
 22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A or 58AA during the period under scrutiny.
 24. The provisions of Section 293(1) (d) of the Companies Act, 1956 is not applicable.
 25. The Company being a Non – Banking Financial Company registered under Section 45 IA of the Reserve Bank of India Act, 1934 is exempt from the provisions of Section 372A of the Act.
 26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the period under scrutiny.



27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the period under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the period under scrutiny.
29. The company has not altered the provisions of the memorandum of association of the company with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association of the company during the financial year.
31. There were no prosecution initiated against and no fines or penalties or any other punishment was imposed on the company during the period for offences under the Act.
32. The company has not received any money as security from its employees during the period and hence there were no need for complying with the provisions of section 417(1) of the Act.
33. The company has not constituted any trust of PF for its employees under section 418 of the Companies Act, 1956. The company has deducted amount from the employees and made contribution towards the Provident Fund as per the details provided by the Company during the period under scrutiny.

Place: Trivandrum

Date: 08/01/2015



G. Gnanendra Kumar. ACS
Company Secretary
M.No. 25205
CP No. 9059



Annexure A

Registers as maintained by the Company

1. Register of member under section 150
2. Register of directors under section 303
3. Register of director's share holding under section 307
4. Books of accounts under section 209
5. Minutes book of board meeting under section 193
6. Minutes book of General meetings under section 193
7. Board meeting attendance register.
8. General meeting attendance registers.

Place: Trivandrum

Date: 08/01/2015



G. Gnanendra Kumar, ACS
Company Secretary
M.No. 25205
CP No. 9059



Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the period from 01.04.2012 to 31.03.2013.

SL. No.	Forms	Filed under section	Purpose	Challan/ Document ID	Date	Remarks
1.	Form 32	303(2)	Appointment of Mr. Kuttappan Chettiar Subrahmonian Chettiar, Mr. Vandichalil Sathyan and Mr. Sahayadas as directors on 18/08/2012	D-20121102-9286598	31/10/2012	
2.	Form 23B for period 010410 to 310311	224(1A)	Appointment of Thomas Jacob & CO., Chartered Accountants, T.C. 13/386, Kunnukuzhi, MRA 186 Trivandrum - 695037 as Statutory Auditors of the Company for the Financial year 2010-2011	D-20120806-6803421	03/08/2012	
3.	Form 23B for period 010411 to 310312	224(1A)	Appointment of Thomas Jacob & CO., Chartered Accountants, T.C. 13/386, Kunnukuzhi, MRA 186 Trivandrum - 695037 as Statutory Auditors of the Company for the Financial year 2011-2012	D-20120806-6803011	03/08/2012	



4.	Form 32	303	Appointment of Mr. Joshi Valammanal Ramankutty as director on 10/04/2012	D-2012060 4-5107601	28/05/2012	
5.	Form 32	303	Appointment of Mr. Mohan Sankar as director and Cessation of Mr. Padmanabhan Varikkananikal Raman from directorship of the Company on 07/05/2012	D-2012060 4-5107591	28/05/2012	
6.	Form 23AC&23A CA	220	Annual filing year ended 2011 (Balance sheet and Profit & loss account)	D-2013033 1-3989460	30/03/2013	
7.	Form 20 B	159	Annual filing year ended 2012 (Annual Return)	D-2012080 9-6946860	08/08/2012	
8.	Form 23AC&23A CA	220	Annual filing year ended 2008 (Balance sheet and Profit & loss account)	D-2012072 6-6471852	25/07/2012	

Forms and Returns as filed by the Company with Regional Director during the Financial Year 01.04.2012 to 31.03.2013

Nil

Forms and Returns as filed by the Company with Central Government or other authorities during the Financial Year 01.04.2012 to 31.03.2013

Nil

Place: Trivandrum

Date: 08/01/2015




G. Ghanendra Kumar, ACS
Company Secretary
M.No. 25205
CP No. 9059