

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



ANNUAL ACCOUNTS

2013-2014

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
BALANCE SHEET AS AT 31st MARCH 2014

		(in INR)	
Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
A EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	2.1	929,600,000	829,600,000
(b) Reserve and Surplus	2.2	1,293,076,940	1,082,958,540
		2,222,676,940	1,912,558,540
2 Non - Current Liabilities			
(a) Long - term Borrowings	2.3	3,872,122,687	3,386,288,185
		3,872,122,687	3,386,288,185
3 Current Liabilities			
(a) Short-term Provisions	2.4	209,174,468	141,490,345
(b) Other Current Liabilities	2.5	24,912,399	112,248,405
		234,086,867	253,738,750
TOTAL		6,328,886,494	5,552,585,475
B ASSETS			
1 Non-current Assets			
(a) Fixed Asset			
(i) Tangible Asset	2.6	12,377,276	12,345,839
(ii) Intangible Asset		157,652	262,474
(b) Long -term Loans and Advances	2.7	5,755,673,845	4,966,558,837
		5,768,208,772	4,979,167,150
2 Current Assets			
(a) Cash and Cash Equivalents	2.8	520,497,266	532,937,147
(b) Other Current Assets	2.9	40,180,456	40,481,178
		560,677,722	573,418,325
Significant Accounting Policies And Notes On Accounts	1 & 2		
TOTAL		6,328,886,494	5,552,585,475

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:

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2014

(in INR)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
A Continuing Operations			
1 Revenue from operations	2.10	370,447,136	357,045,293
2 Other Income	2.11	122,241,084	22,857,258
3 Total Revenue (1+2)		492,688,220	379,902,551
4 Expenses			
(a) Employee benefits expenses	2.12	87,804,798	81,415,489
(b) Finance Costs	2.13	123,657,858	115,022,724
(c) Depreciation and amortization expenses	2.6	3,217,747	3,630,035
(d) Other expenses	2.14	69,837,152	35,922,730
Total Expenses		284,517,556	235,990,978
5 (3-4)		208,170,665	143,911,573
6 Exceptional items(prior period Expenses)		339,805	7,807,132
7 Profit before extraordinary items and tax (5-6)		207,830,860	136,104,441
8 Extraordinary items		-	-
9 Profit before tax (7-8)		207,830,860	136,104,441
10 Tax Expense:			
(a) Current Tax			-
(b) Deferred Tax			-
11 PROFIT FROM CONTINUING OPERATIONS (9-10)		207,830,860	136,104,441
B Discontinuing Operations			
12 OPERATIONS			-
C Total Operations			
13 PROFIT / (LOSS) FOR THE YEAR (11+12)		207,830,860	136,104,441
14 Earning per share (of Rs.100 each):			
(a) Basic		24.89	16.40
(b) Diluted		24.89	16.40
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:

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

		Figures in ` Lakhs	Figures in ` Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES:			
Profit for the year		2,078.31	1,361.04
Adjustments for:			
Depreciation	32.18		
	-----	32.18	36.30
Operating Profit before Working Capital Changes		2,110.49	1,397.04
Adjustment for (Increase)/ Decrease in Working Capital:			
Current Assets	(7,888.14)		
Current Liabilities and Provision	(196.52)		
Cash generated from Operations	-----	(8,084.66)	(5,687.90)
		(5,974.18)	(4,290.56)
Direct Taxes Paid	Nil		
Net Cash from Operating Activities	(A)	(5,974.18)	4,290.56
		-----	-----
B CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(32.01)		
Sale of Fixed Assets	0.57	(31.44)	(30.37)
		-----	-----
Net cash used in Investing Activities	(B)	(31.44)	(30.37)
		-----	-----
C CASH FLOW FROM FINANCING ACTIVITIES:			
Increase in Share Capital	1,000.00		
Share Application money received	-		
Increase in Reserves	22.88		
Long term Loans Availed/ (Paid) - Net	4,858.35		
Net Cash used in Financing Activities	-----	5,881.22	4,017.35
		-----	-----
	(C)	5,881.22	4,017.35
		-----	-----
Net Increase in Cash and Cash Equivalents	(A+B+C)	(124.40)	(303.58)
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		5,204.97	5,329.37
		=====	=====

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 ACCOUNTANTS

(Registration no.002841S)

B.Dileep Kumar
Managing Director

Mohan Sankar
Chairman

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

Thiruvananthapuram

Date:

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2014

Amounts in the financial statements are presented in Rupees, except where other wise stated

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

2.1 SHARE CAPITAL

Particulars	As at March 31, 2014	As at March 31, 2013
Authorized Capital:		
100,00,000 Equity shares of Rs.100/- each	1,000,000,000	1,000,000,000
Issued, subscribed, and paid up capital:		
92,96,000 Equity shares of Rs.100 each - fully paid up	929,600,000	829,600,000
(Previous Year 82,96,000 Equity shares of Rs.100 each - fully paid up)		
TOTAL	929,600,000	829,600,000

2.2 RESERVES AND SURPLUS

Particulars	As at March 31, 2014	As at March 31, 2013
(a) General Reserve		
Opening Balance as on 01.04.2013	1,073,156,798	947,052,357
Less : Dividend	0	10,000,000
	1,073,156,798	937,052,357
Add: Transferred from statement of Profit and Loss	207,778,086	136,104,441
	1,280,934,884	1,073,156,798
(b) Special Reserve		
BCDC Loanees Distress Relief Fund	12,142,056	9,801,742
	12,142,056	9,801,742
TOTAL	1,293,076,940	1,082,958,540

2.3 LONG-TERM BORROWINGS

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Term Loan Schemes:		
National Backward Class Finance and Development Corporation	1,964,146,165	1,605,110,148
National Minority Development and Finance Corporation	1,419,269,299	1,373,640,768
	3,383,415,464	2,978,750,916
(b) Micro Finance Schemes:		
National Backward Class Finance and Development Corporation	275,061,386	172,016,432
National Minority Development and Finance Corporation	213,645,837	235,520,837
	488,707,223	407,537,269
TOTAL	3,872,122,687	3,386,288,185

2.4 SHORT-TERM PROVISIONS

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Gratuity Payable	3,545,373	2,311,412
(b) Earned Leave Salary	10,331,356	8,679,243
(c) Provisions & Contingencies		
Provision on Loss Assets	65,666,769	
Provision on doubtful Assets	38,973,238	
Provision on Sub-standard assets	90,657,731	130,499,690
TOTAL	209,174,468	141,490,345

2.5 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Creditors for Expenses	8,532,027	24,050,349
(b) Security Deposits	138,747	206,778
(c) Earned Money Deposit	143,383	-
(d) Loan repayable	38,480	11,718
(e) Beneficiary contribution	89,167	89,167
(f) Advance receipt -training fund from NBCFDC	1,770,804	450,000
(g) Govt.assistance for CC Waiver	410,634	410,634
(h) Govt assistance for OTS interest waiver	13,786,157	16,825,511
(i) Govt assistance for equity & operational fund	-	60,000,000
(j) Fund in Transit	3,000	-
(k) Dividend payable	-	10,000,000
(l) Bank Accounts (SB & current) having credit balance	-	204,248
TOTAL	24,912,399	112,248,405

2.6. FIXED ASSETS

KSBCDC CONSOLIDATED FIXED ASSETS SCHEDULE FOR THE YEAR 2013-2014								
FIXED ASSETS 2013-2014								
		GROSS BLOCK (AT WDV)				DEPRECIATION / IMPAIRMENT		NET BLOCK
Sl. No.	Description of Assets	As at 01.04.2013	Additions	Sales/Adj	As at 31.03.2014	Rate in %	For the year	As at 31.3.2014
					Rs.			
	Furniture & Fixtures							
1	Furniture & Fixtures	2,305,965	1,875,619.00		4,181,584	18.10%	534,799	3,646,785
A		2,305,965	1,875,619	0	4,181,584		534,799	3,646,785
2	Office Equipment	326,674	104,224.00		430,898	13.91%	51,002	379,896
3	Generator	297,054	646,875.00		943,929	13.91%	125,630	818,298
4	UPS	975,998	109,040.00	1,669	1,083,369	13.91%	160,055	923,314
5	Printers	517,448	61,334.00	5,177	573,605	13.91%	75,087	498,518
6	Fax Machine	112,087	7,300.00		119,387	13.91%	15,630	103,757
7	Franking machine	449,819			449,819	13.91%	62,570	387,249
8	Fake currency detector	37,982	58,700.00		96,682	13.91%	11,646	85,036
9	Digital Camera	55,388			55,388	13.91%	8,307	47,081
10	EPABX System	11,728			11,728	13.91%	1,631	10,097
11	Photocopier	55,961			55,961	13.91%	7,784	48,176
12	Riso Machine	67,924	10,824.00		78,748	13.91%	9,547	69,201
13	water purifier	1,076			1,076	13.91%	150	926
14	Air conditioner	171,859			171,859	13.91%	23,906	147,954
15	LCD Projector	93,697			93,697	13.91%	13,033	80,664
16	Fire extinguisher	686			686	13.91%	95	591
B		3,175,380	998,297	6,846	4,166,831		566,075	3,600,757
17	Electrical Fittings			0	0			0
	Electrical Fittings	126,644			126,644	20.00%	25,329	101,315
C		126,644	0	0	126,644	20.00%	25,329	101,315
	Computers			0	0			0
19	Computer	1,759,247	305,860.00	9,267	2,055,840	40.00%	728,899	1,326,941
20	Computer software	262,753			262,753	40.00%	105,101	157,652
D		2,022,000	305,860	9,267	2,318,593		834,001	1,484,592
	Vehicles		0	0	0	25.89%		
21	Vehicle	4,978,323	21,312	40,614	4,959,022	25.89%	1,257,544	3,701,478
E		4,978,323	21,312	40,614	4,959,022		1,257,544	3,701,478
	Total:	12,608,313	3,201,088	56,727	15,752,675		3,217,747	12,534,928

NOTES:

- 1 The Gross Block as on 31.03.2014 do not involve any foreign exchange for its acquisition.

2.7 LONG-TERM LOANS AND ADVANCES

Particulars		As at March 31, 2014	As at March 31, 2013
(Unsecured considered good)			
(a) General Term Loans:			
(i) Loans out of NBCFDC Funds	1,296,278,053		
Add: Interest accrued and due	31,343,668	1,327,621,721	1,257,946,867
(ii) Loans out of NMDFC Funds	1,038,970,627		
Add: Interest accrued and due	18,600,842	1,057,571,469	953,210,075
(b) Micro Finance Scheme:			
(i) Loans out of NBCFDC Funds	285,717,653		
Add: Interest accrued and due	380,241	286,097,894	169,587,809
(ii) Loans out of NMDFC Funds	164,848,220		
Add: Interest accrued and due	146,986	164,995,206	115,806,174
(c) Loans out of Own Funds	2,771,889,960		
Add: Interest accrued and due	37,226,859	2,809,116,819	2,363,124,083
(d) Loan out of HUDCO Fund	1,703,643		
Add: Interest accrued and due	1,761,858	3,465,501	5,965,434
(e) Employees Personal Loan Scheme EHBA		28,748,933	27,547,047
(f) Penal interest accrued		78,056,302	73,371,348
TOTAL		5,755,673,845	4,966,558,837

2.8 CASH AND CASH EQUIVALENT

Particulars		As at March 31, 2014	As at March 31, 2013
(a) Cash on hand		6,005,671	5,217,544
(b) Stock of Stamps		40,286	65,791
(c) Balance with scheduled banks:			
In Current Accounts (with fund in transit)		23,761,603	22,046,988
In Savings Bank Accounts		347,451	340,178
In Term Deposit Accounts (FD)		437,270,717	438,633,935
Balance with Government of Kerala Treasury SB Account		53,071,539	66,632,711
(The account is held as per instructions from Government of Kerala . Maximum balance outstanding at any time during the year Rs.675.067 Lakhs; Previous Year Rs.666.327 Lakhs)			
TOTAL		520,497,266	532,937,146

2.9 OTHER CURRENT ASSETS

Particulars		As at March 31, 2014	As at March 31, 2013
(a) Recoverable in cash or kind for value to be received		3,853,890	3,078,856
(b) Interest accrued on Fixed Deposits		11,145,521	12,196,687
(c) BCDC Loanes Distress Relief Fund Receivable		168,085	180,635
(d) Advance for expenses		12,960	25,000
(e) Govt share on OTS interest waiver receivable		25,000,000	25,000,000
TOTAL		40,180,456	40,481,178

2.10 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(a) Interest on Term Loans/Micro Finance	320,634,672	282,518,905
(b) Interest on EHBA	1,579,007	1,465,119
(c) Interest from Banks (FD)	23,982,056	22,902,460
(d) Interest from Short FD	10,820,766	12,594,314
(e) Interest from SB Account	8,874	7,385
(f) Penal Interest on scheme loans	13,421,761	37,557,110
TOTAL	370,447,136	357,045,293

2.11 OTHER INCOME

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(a) Incentive Received from NBCFDC	-	1,793,750
(b) Miscellaneous Receipts	115,994,270	16,038,432
(c) Interest rebate received	6,246,814	5,025,076
TOTAL	122,241,084	22,857,258

2.12 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(a) Salaries, Allowances and Bonus	79,634,698	74,014,968
(b) Contribution to Provident and Other Funds	7,970,342	6,257,586
(c) Staff Welfare Expenses	199,758	1,142,935
TOTAL	87,804,798	81,415,489

2.13 FINANCE COSTS

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(a) NBCFDC Fund	50,157,218	47,146,596
(b) NMDFC Fund	46,263,901	43,805,530
(c) Guarantee Fee to Govt. of Kerala	26,487,190	23,334,742
(d) Green card	749,549	735,856
TOTAL	123,657,858	115,022,724

2.14 OTHER EXPENSES

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(a) Rent, Rates, Taxes and Insurance	6,518,020	6,828,230
(b) Printing & Stationery	3,618,162	2,089,982
(c) Postage and Telephone Charges	2,916,073	2,645,315
(d) Travelling & Conveyance	1,335,383	1,301,260
(e) Loan Mela and Awareness and EXPO Programme Expenses	1,322,215	1,152,412
(f) Audit Fee	120,931	95,000
(g) Fee for Professional Services	1,866,916	1,783,044
(h) Filing Fee	7,517	8,868
(i) Electricity and Water Charges	638,010	636,588
(j) Advertisements	3,556,456	954,755
(k) Maintenance & Up-keep	3,175,563	3,032,563
(l) General Expenses	5,182,369	4,153,000
(m) Project evaluation fee	-	269,390
(n) Revenue Recovery Charges	129,136	-
(o) Adjustment on NBFC Provision (RBI prudential norms)	39,450,401	10,972,323
TOTAL	69,837,152	35,922,730

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

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 2013. 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

- i) 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.
- ii) Depreciation has been provided on written down value method on all fixed assets in accordance with Schedule II of the Companies Act, 2013. 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.
- iii) Expenditure on computer software is capitalized along with computers and depreciation is charged at the prescribed rates.
- iv) 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

- i) Interest on loans and advances to borrowers is recognised on accrual basis.
- i) 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.

k. Books of Accounts in electronic mode:

The Corporation has online in-house software 'BCDC Online' to monitor its lending business all over the State of Kerala. The statutory financial books of account are maintained with the aid of Tally Accounting Software at the head office and at the respective branches of the Corporation. Back-up of the books of account and other books and papers of the company so maintained in electronic mode are kept in servers physically located in India on periodic basis.

2A.

1. The authorized Share Capital of the Corporation is Rupees Hundred Crores consists of One Crore Equity shares of Rs. 100/- each. All the shares were issued in the name of the Governor of Kerala. The issued subscribed and paid up share capital of the Corporation is Rs. 92.96 Crores of which Rs. 10 Cores were subscribed during the year vide G.O.(Rt)No.25/2014/BCDD dated 12/02/2014
2. 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).
3. 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. The fund is used to meet the Corporate Social Responsibility of the Corporation.
4. 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. The Government has identified the alternate land and steps are being taken for the assignment of the land in the name of the Corporation. However, the asset so transferred has been written off in accordance with the accounting standard AS-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India.
5. 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.
6. 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 31/03/2009; against personal security on which no collection has been made and the realisability is so remote are included and an amount of ₹.656.67 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 ₹.145.31 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 ₹. 244.43lakhs.

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 ₹.906.58 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.

7. Interest accrued but not received represent interest accrued on term deposits one year and above with scheduled banks/ sub-treasury.

8. Payment to Directors of the Company:

Sl.No.	Particulars	Current Year ₹	Previous Year ₹
a.	Salaries & Allowances (Managing Director)	10,04,833	9,12,398
b.	Honorarium to Chairman	1,72,267	62,323
c.	Traveling Expenses (Managing Director)	40,995	95,779
d.	Traveling Expenses (Directors)	2,19,810	1,64,666
e.	Leave Travel Concession	NIL	NIL
f.	Sitting Fee	60,600	49,600
g.	Value of Perquisites in cash or in kind	NIL	NIL

9. 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 ₹.95000/- (Previous year is ₹.95,000), for other services Rs. NIL (Previous Year Rs. NIL).

14. 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 completes five years or more service receives gratuity at leaving the Corporation based on 15 days last drawn salary for each completed year of service. The Corporation is subscribing for the group gratuity scheme of LIC of India which covers both insurance and actuarial valuation. The compliance of 'AS 15' relating to 'Employee Benefits' issued by the Institute of Chartered Accountants of India is ensured thus.
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 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.
18. 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 NMCFC and NMDFC	NBCFDC		NMDFC	
	Term Loan Scheme	Micro Fin. Scheme	Term Loan Scheme	Micro Fin. Scheme
Opening balance	1,60,51,10,148	17,20,16,432	1,37,36,40,768	23,55,20,837
Funds Received during the year	66,50,00,000	18,50,00,000	26,50,00,000	4,00,00,000
Repayment during the year	30,59,63,983	8,19,55,046	21,93,71,469	6,18,75,000
Closing Balance	1,96,41,46,165	27,50,61,386	1,41,92,69,299	21,36,45,837
Interest due and paid	3,44,12,855	59,99,433	4,82,07,996	15,54,021
Key Management Personnel: Remuneration Paid ₹.10,04,833 /- (Previous Year ₹. 9,12,398/-)				

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 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. The amount utilized during the year is accounted in accordance with the provisions contained in AS 12 relating to Government Grants.
23. 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 loanees 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 ₹1,12,13,843/-. The amount expected to be realized from the Government comes ₹ 2,50,00,000/- and is disclosed under the head Government Share on OTS Interest Waiver Receivable coming under Other Current Assets.
24. The audit of accounts of the Corporation for the period 2009-10 is pending. Steps have already been taken, to complete and file with ROC with in the stipulated period of Five years.
25. 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	20,78,30,860.	13,61,04,441
(b)	Weighted average number of equity shares in Nos.	92,96,000	82,96,000
(c)	Basic Earnings per share (Face Value ₹. 100 each)	24.89	16.40
(d)	Diluted Earnings per share (Face Value ₹.100 each)	24.89	16.40

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

As per our Report of even date

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

B.DILEEPKUMAR

Managing Director

MOHAN SANKAR

Chairman

D.S.Reman,FCA

Partner
(Membership No.200923)

Thiruvananthapuram

Date:

Balance Sheet Abstract and Company's Business Profile

I. Registration Details:

Registration Number	CIN	U75122KL1995SGC008705	
State Code	09	Balance Sheet Date	31.03.2014

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	6328886	Total Assets	6328886
Equity and Liabilities:			
Paid up Capital	929600	Reserves and Surplus	1293076
Non-current liabilities	3872122	Current Liabilities	234086
Assets:			
Net Fixed Assets	12534	Loans and advances	5755673
Current Assets	56067		

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

Turnover	492688	Total Expenditure	284517
Profit/ (Loss) before Tax	207830	Earnings per share	24.89

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

As per our Report of even date

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

B.DILEEPKUMAR

Managing Director

MOHAN SANKAR

Chairman

D.S.Reman,FCA

Partner
(Membership No.200923)

Thiruvananthapuram

Date: