



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LTD**

24th

Annual Report

2018-19

www.ksbcdc.com

24th ANNUAL REPORT

2018-19



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

(A Government of Kerala Undertaking)
CIN-U75122KL1995SGC008705

"SENTINEL", 2ND FLOOR,
TC 27/588(7) &(8),
PATTOOR, VANCHIYOOR P.O
THIRUVANANTHAPURAM-695035

ANNUAL REPORT 2018-19

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KSBCDC ANNUAL REPORT 2018-19

NOTICE

Notice is hereby given that the 24th Adjourned Annual General Meeting of the Shareholders of Kerala State Backward Classes Development Corporation Limited will be held on Monday, the 22nd June 2020 at 11.00 a.m at the Registered Office of the Company situated at "SENTINEL" IIInd Floor, TC 27/588 (7) & (8), Pattoor, Vanchiyoore P.O., Thiruvananthapuram-695035 to transact the following businesses.

"(1) To receive, consider, approve and adopt the Directors' Report, Audited Accounts for the year ended 31st March 2019, Auditor's Report, the comments of the Comptroller & Auditor General of India, the Comments of the Finance Department and the replies thereon.

(2) To appoint R.Venkitachalam & Associates, Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2019-20."

By the order of the Board

For Kerala State Backward Classes Development Corporation Limited.,

25/05/2020

Thiruvananthapuram

Sd/-

R.Ram Ganesh
Company Secretary

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

Phone: 0471 2577539, 2577550. Fax: 0471 2577539. E Mail : ksbcdd@gmail.com Web : www.ksbcdd.com

"Freedom from poverty and backwardness"

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BOARD OF DIRECTORS



T.K. Suresh
Chairman



K. Narayan
MD, NBCFDC



Md. Shahbaz Ali
CMD, NMDFC



Gopi Kottamurickal
Ex. MLA



A.P. Jayan
Director



A. Mahendran
Director



Kannan T.
Director



Ferold Xavier SD
Additional
Secretary, Finance



Suresh Kumar P.N.
Additional
Secretary, BCDD



Sreevidya PI IAS
Director, BCDD



K.T. Balabhaskaran
Managing Director

Head Office - Senior Managers



Abhilash CU
General Manager
(Finance & Accounts)



R. Ram Ganesh
Company Secretary



Sabu S.
General Manager
(HRM & Admn)



B. Sherafudeen
General Manager (Projects)

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Committed to Succeed

It gives me great pleasure to place before you the highlights of the performance of your company during the financial year 2018-19. Details of the achievements and initiatives taken by your company are provided in the enclosed Annual Report for the year 2018-19.

Incorporated in the year 1995, Kerala State Backward Classes Development Corporation (KSBCDC) has been striving for the past 25 years to uplift the poor and the backward. Our journey so far has been marked with prompt, polite and proactive approach to the customers, going beyond the call of duty to make them feel valued. With a vision to reach greater heights, your company has taken committed efforts to better its outreach, service delivery mechanism and financial performance during the year 2018-19.

Over the years, your company has supported more than 5.14 lakh families(as on 31st Mar 2019) through various loan schemes. Your company's sources of funds are loans from National Backward Classes Finance and Development Corporation (NBCFDC) and National Minorities Development and Finance Corporation (NMDFC), budgetary support from Government of Kerala and own accruals.

Disbursement

During 2018-19, we targeted a disbursement of Rs. 450.00 Crore as against the previous years (2017-18) disbursement of 403.00 Crore.

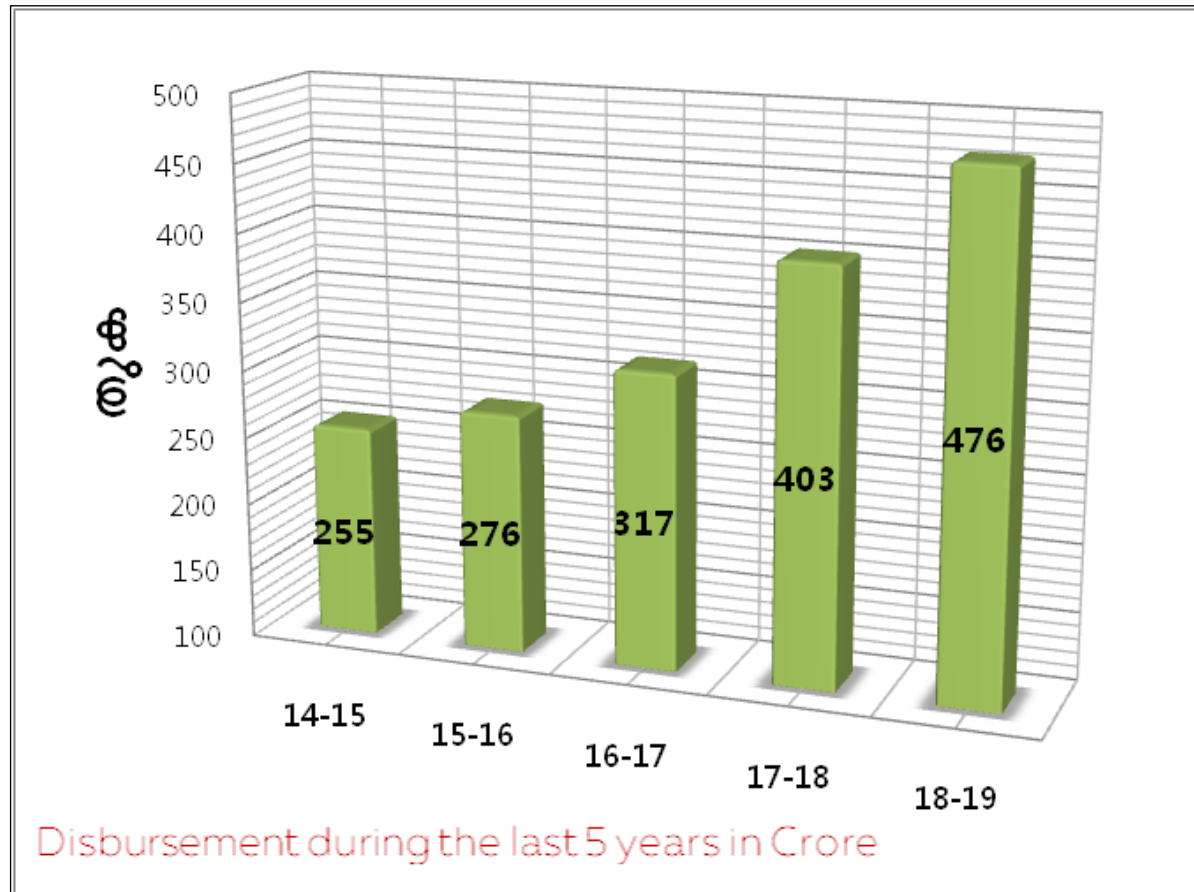
Surpassing the target, we achieved a disbursement of 475.52Crore during the year. 46719 beneficiaries were assisted during the year.

Fund wise break of the disbursement is given below:

Loans from National Backward Classes Finance and Development Corporation (NBCFDC)	Rs. 130.00 Crore
Loans from National Minorities Development and Finance Corporation (NMDFC)	Rs. 109.50 Crore
Own accruals	Rs. 236.02 Crore
Overall	Rs. 475.52Crore

Scheme wise break up of loan disbursement is given below:

- Rs.153.63Crore to 6622 beneficiaries under Individual Self Employment Loan Schemes.
- Rs.101.07 Crore to 30393 women under Micro Credit Loan Schemes.
- Rs.26.38Crore to 667 meritorious students for pursuing their higher education.
- Rs.69.33Crore to 3726 beneficiaries for the marriage of dependant girl.
- Rs.13.94Crore to 336 beneficiaries under the EnteVeedu loan scheme for constructing houses.
- Rs.67.60 Crore to 3189 beneficiaries under Suvarnasree (Multi-Purpose) Loan Scheme.
- Rs.40.30 Crore to 1628 beneficiaries under Personal Loan Scheme.
- Rs.3.27 Crore to 158 beneficiaries under other schemes.



Repayment from Beneficiaries

Loan Disbursement and Repayment are like two sides of a coin. Slackness in one department will affect the progress of the other. Hence your company gives prime importance to maintaining a good recovery rate.

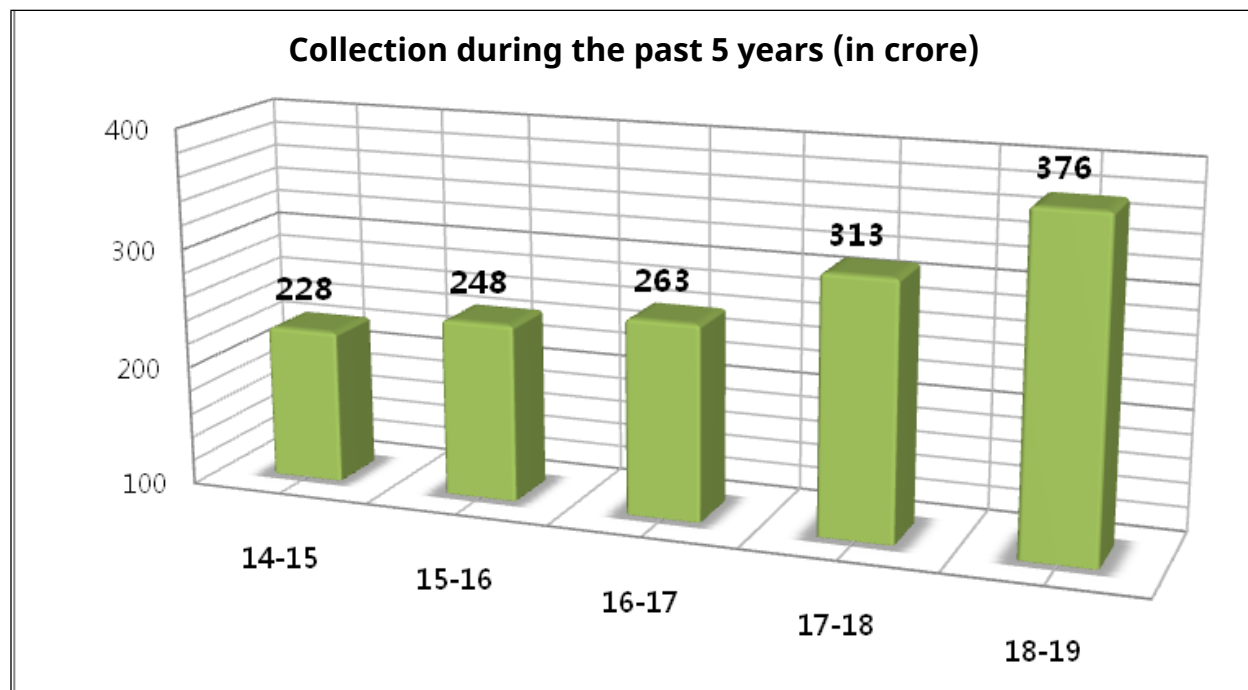
But the devastating flood and associated landslides that hit Kerala during August 2018 naturally affected the recovery activities of your company. Subsequent to the floods that claimed over 400 lives and affected 5.4 million people, your company announced moratorium for all loans availed by flood affected beneficiaries. During the financial year itself, 57484 beneficiaries were sanctioned a benefit of Rs. 1.23 Crore.

But your company was able to collect Rs. 374.58 Crore during the year 2018-19 towards repayment of

loan instalments. This is Rs. 61.58 Crore more compared with previous year (Collection during 2017-18 – Rs. 313.00Crore)

During these testing times, special one-time settlement schemes were introduced to settle loans in flood affected areas and loans disbursed before April 2000. These efforts helped your company to settle 3333 loans. 14.84 Crore was collected from these 3333 loans.

Cumulative recovery as per the DCB for the month ended March 2019 is 97.20 %.



EnteVeedu Loan Scheme

With the objective to serve better the target group, your company introduced a new housing loan scheme for OBCs - ENTE VEEDU. Loan up to Rs. 10.00 Lakhs will be sanctioned under the scheme for constructing houses to beneficiaries with no house of their own.

State level inauguration of Loan Disbursement under the EnteVeedu loan scheme was held at Palakkad on 21-05-2018. Honourable Chief Minister of Kerala, Sri. PinarayiVijayan inaugurated the scheme in the presence of Sri. A. K. Balan, Honourable Minister for Welfare of SC/ST and OBCs, Law, Culture and Parliamentary Affairs and several other dignitaries.



Spreading Awareness

Your company is always determined to serve better the target groups. In order to reach out to the poor and down-trodden, your company gives advertisement in print and electronic media, issue press release, distribute pamphlets and other information materials and display advertisement in cinema theatres.

Another effective mechanism for spreading awareness is to conduct awareness camps across the State. Prospective beneficiaries are invited to these programs. Disbursement of loans is also done in these Camps. Inaugural functions of these camps are often attended by prominent personalities. During the year your company organised 19 such Camps.





Promoting Women Empowerment through Entrepreneurship

Your company has been implementing the Micro Credit Scheme through Kudumbashree CDSs since 2009. Loan sanctioned to CDSs is distributed by them to their Neighbour Hood Groups (NHGs) and the NHGs in turn give loan to its members.

During 2018-19, your company disbursed Rs. 101.07 Crore under Micro Credit Loan Scheme to assist to 30393 women belonging to 89 Kudumbashree CDSs and 13 NGOs. This loan disbursed at 2.50 – 3.50% interest p.a is a great help to these women to improve their livelihood.

Showcasing the Kerala Model - Management Development Programme

Your Company hosted a Management Development Programme (MDP) from June 21- 23, 2018 under the patronage of National Backward Classes Finance and Development Corporation (NBCFDC). Managing Directors and Senior Officers of similar organisations from all over the country participated in the programme.

The delegates of the programme were introduced to the loan disbursement, recovery and online processing mechanism adopted by your company, which was widely appreciated and applauded. After this programme, delegates from Tripura and Rajasthan visited your company to study the system in detail.



Together we stand in difficult times

Your Company stood with the Government of Kerala and the flood affected population of the State. Rs. 50.00 lakh was contributed by your company to the Chief Ministers Distress Relief Fund (CMDRF). Also essential commodities and other necessities were distributed to the flood affected people of various districts. In addition the employees of your company expressed their solidarity to the State in the time of crisis by contributing a month's salary to CMDRF.



Workshop on IFCI Venture Capital Fund

Your company hosted a workshop on the Government of India initiative – IFCI Venture Capital for SCs and OBCs on 05-10-2018. The gathering was attended by more than 250 entrepreneurs from across the state. Smt. Poonam Garg, General Manager, IFCI Venture Capital Funds Ltd and other officials attended the programme on behalf of IFCI.



Excellence Award for Kavassery Project

Your Company implemented a scheme for Skill-upgradation and modernization of Traditional Craft among the Pottery workers of Kavassery in Palakkad District during 2017-18. National Backward Classes Finance and Development Corporation (NBCFDC) supported this initiative as part of their Corporate Social Responsibility (CSR) Scheme.

Total of 50 families living below the poverty level were selected for the assistance. They were provided Entrepreneurial and skill up gradation training so as to equip them to produce products with high quality standards and also to facilitate successful management of their unit. Also Pug mills and Pottery Wheels were distributed to these families and amount to procure clay was also provided.

Implementation of this scheme in systematic and time phased manner was widely applauded. NBCFDC presented your company with the "Excellence Award" for the implementation of this project on 11-01-2019.

Your company is committed to take up such newer initiatives for improving the living standards of traditional OBC communities.

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Spreading its wings to serve better

Government of Kerala sanctioned opening of 10 more branches of your Company. 40 new posts were also created by the government for the purpose. 3 out of these 10 offices commenced its operations during 2018-19.

Perambra office in Kozhikode district was inaugurated on 19-02-2019. On 23-02-2019, office was inaugurated at Neyyattinkara, Thiruvananthapuram and on 25-02-2019, office at Vadakkenchery in Palakkad District was inaugurated.



Re-Life – an initiative for widow livelihood.

Your Company implemented the Re-Life programme, under the CSR Programme of NMDFC. Under the programme 100 widows from Nileshtar, Kasargod District were supplied with Sewing Machines. In addition to the sewing machine, a tool kit with basic necessities, tailor scissors and tailor stools were also distributed to these 100 women. Your Company also provided free training to these selected women so as to earn a sustainable income from the project.



Future Kerala Brand Awards 2018

Your company was honoured as the Most Responsible Social Brand of Kerala in the Future Kerala Brand Awards 2018. This award instituted to honour the achievements of Kerala brands, its promoters and strategists was presented on 27 March 2019. Chairman & Managing Director of your company received the honours from Jeremy Pilmore-Bedford, Honourable British Deputy High Commissioner, Chennai.



BPE Rating

Your company has the honour to inform that we have been graded 7th in terms of profitability in the report for the year 2018-19 by the Bureau of Public Enterprises, Kerala.

Steps to Improve Performance

Your company sets unit wise targets annual target for loan disbursement and monthly target for recovery. Achievement of the units against the targets is reviewed on a day to day basis and is displayed in the home screen of the application software – BCDC Online. Also monthly review letters are sent to all units and Quarterly Review Meetings attended by the Managing Director, Senior Managers, all Unit Managers, Assistant Managers and concerned section heads at unit offices is held during every quarter to critically evaluate the performance of all units. This exercise also helps in improving our performance.

Also the Company has introduced Performance Award for the best performing unit offices. This award which includes memento and cash award is yet another measure which inculcates a spirit of competitiveness among all Units and thereby improving the overall performance.



Way Forward

Road ahead is expected to be challenging, as the after effects of the devastating floods puts certain constraints in the recovery side and the stringent RBI prudential norms is yet another aspect that could dig into our profit.

Yet we anticipate that the odds could be overcome with determination and tireless efforts and expect the year ahead to be more promising.

We express our profound gratitude to the Government of Kerala, National Backward Classes Finance and Development Corporation (NBCFDC) and National Minorities Development and Finance Corporation (NMDFC) for the support extended to us throughout this journey, our customers for their trust and cooperation and our employees for their tireless efforts towards achieving our goals.

DIRECTORS' REPORT



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

(A Government of Kerala Undertaking)

CIN-U75122KL1995SGC008705

Dear Shareholder,

Your Directors take pleasure in presenting the Twenty Forth Annual Report on the business, operations and achievements of your Corporation together with the Audited Annual Accounts for the year ended 31st March 2019.

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 and is a Non-Banking Finance Company registered with RBI.

The Authorized share capital of the Corporation is Rs.150 Crores out of which equity shares worth ₹.137.63 Crores has already been issued as on date. The main objective of the Corporation is the uplifting of the Backward Classes and Minority Communities within the State of Kerala and this is by way of rendering financial assistance, setting up self-employment ventures and also by undertaking such other welfare activities.

1. Operational activities and working results

Financial Results	For the year ended 31st March 2019 (₹. In lakhs)	For the year ended 31st March 2018 (₹. In lakhs)
A. Income		
Interest Earned	7051.92	6749.28
Other Income	274.97	384.94
	7326.90	7134.22
B. Expenditure		
Finance Costs	2123.14	1817.92
Payment & Provision for Employees	1593.30	1601.03
Administrative and Other Expenses	1656.27	955.21
Depreciation	35.42	30.82
	5408.13	4404.99
Net Profit (A-B)	1918.77	2729.22

The profit earned by the Corporation during the period under report is ₹1918.77Lakhs as against ₹ 2729.22 Lakhs during the year. The Cumulative profit of the Company is ₹ 23825.23 lakhs which includes Special Reserve of ₹ 414.91 lakhs in the 'Loanees' Distress Relief Fund.

2. BOARD OF DIRECTORS

The appointment and cessation of Chairmanship and Directorship during the relevant accounting year 2018-19.

Name	Designation	Date of Appointment	Cessation
Shri.K.Narayan	Director	07.06.2016	Continuing
Shri.K.T.Balabhaskaran	Managing Director	20.07.2016	Continuing
Shri.SangeethChakrapani	Chairman	14.11.2016	21.11.2018
Shri.Md.Shahbaz Ali	Director	19.12.2016	Continuing
Shri.GopiKottamurickal	Director	03.02.2017	Continuing
Shri.A.Mahendran	Director	03.02.2017	Continuing
Shri.A.P.Jayan	Director	03.02.2017	Continuing
Shri.P.Pughazhendhi I.F.S	Director	24.07.2017	05/03/2019
Shri.Suresh Kumar P.N	Director	16.09.2017	Continuing
Shri.V.Rajappan	Director	26.10.2017	13.01.2019
Shri.T.Kannan	Director	09.02.2018	Continuing
Shri.T.K.Suresh	Chairman	26.11.2018	Continuing
Shri.S.D.Ferold Xavier	Director	21.02.2019	Continuing
Smt.Saradha S	Director	05.03.2019	11.11.2019

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

3. DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of section 134(5) of Companies Act 2013, we confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed to the extent possible along with proper explanations relating to the material departures.
- 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
- 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 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 contemplated in Schedule VII the Companies Act 2013 formed a seven member committee known as the Corporate Social Responsibility Committee with the Chairman and three independent Directors of the Corporation making the number of independent directors to four, one Director from the Kerala Government Secretariat one from the Backward Community Development Department and the Managing Director altogether forms the committee. Also it was decided that the presence of at least five of the above said members is sufficient enough to make the decisions of the sub-committee valid. During the year your Corporation has expended ` 50,42,414/- as CSR expenses which is 2.6% of the Corporation's total profit of the year.

6. AUDIT COMMITTEE

The Board of Directors has constituted an Audit committee with Shri.GopiKottamurickal as Chairman and Directors Shri.A.P.Jayan, Shri.Suresh Kumar P.N, Shri.S.D.Ferold Xavier & Shri.A.Mahendran, Shri.T.Kannan as its members.

7. CAPITAL STRUCTURE

The Authorized Share Capital of the Corporation is ` 150 crores and the Company has allotted Shares to the Government of Kerala for Rs. 137.63Crores as on date

8. ACHIEVEMENTS DURING THE YEAR

By utilizing the resources mobilized from NBCFDC, NMDFC and the financial assistance made by the Government of Kerala in addition to the own fund, financial assistance was provided to 46719 beneficiaries belonging to Backward and Minority communities under various projects with a total disbursement of ` 47551.63 lakhs. The total disbursement made during the corresponding previous year was ` 40285.53 Lakhs.

Collection and Recovery from Beneficiaries: Total recovery from the beneficiaries during the year is ` 37463 lakhs against the target of ` 45872 lakhs. As per the Demand Collection Balance (DCB) statement the cumulative collection percentage during the year is 97.2%.

9. PROJECTS UNDERTAKEN

During the year 2018-19 the Corporation has extended its financial assistance to the society by giving assistance in the following manner :

Sl No	Scheme	2018-19	
		No of Beneficiaries	Amount in Lakhs
1	Self-Employment Scheme-General	5749	13040.43
	Self-Employment Scheme- Re-turn	189	808.55
	Self-Employment Scheme- Start up	4	23.85
2	Education Loan Scheme	667	2638.2
3	Micro Finance Scheme	30393	10106.88

4	Marriage Assistance Scheme	3726	6934.14
5	Swasthagriha	109	281.13
6	Working Capital Loan	604	1306.88
7	Suvarnasree	3189	6760.12
8	Business Development Loan	65	171.54
9	Vehicle Loan	35	35.25
10	New Swarnima Scheme	11	10.76
11	Personal Loan	1628	4030.23
12	AswasaKiranam	14	9.63
13	EnteVeedu- Housing Loan	336	1394.05
	TOTAL	46719	47551.63

DISCLOSURE

- 1. Extract of Annual Return :** In compliance to provisions of Section 134(3)(a) read with provisions of sub-section (3) of Section 92 of the Companies Act, 2013, extract of annual return will be placed at the Website of Corporation i.e. www.ksbcdc.com.
- 2. Statement on Declaration of Independent Directors :** Provision of Section 134 (3) (d) read with sub-section (6) of Section 149 of the Companies Act, 2013 (requiring a statement on declaration given by independent Directors), is not applicable to the Company.
- 3. Disclosure on Company's policy on Directors' appointment and remuneration :** It is to report that the requirements of disclosing Company's policy on Directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 are not applicable.
- 4. Explanations of comments by the Board on every qualification etc :** The reply to Comments/Qualification of the Independent Auditor is separately attached to the report.
- 5. Secretarial Audit Report:** By virtue of provisions of Section 204 of the Companies Act, 2013 read with Rule 9(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2013, your Corporation is not required to obtain Secretarial Audit Report for the period under review.
- 6. Particulars of loans, guarantee or investments :** Pursuant to provisions of Section 186 of Companies Act, 2013, No investments have been made by your Company and hence no disclosure required.
- 7. Particulars of contracts or arrangements with related parties :** The Company has not entered into any contracts or arrangement with any of its related party.
- 8. Dividend :** The Board has not recommended any Dividend for this Financial Year.
- 9. Material Changes and Commitments :** The Material Changes have been separately disclosed in the notes to accounts.
- 10. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The activities undertaken by your Corporation do not fall under the purview of disclosures of particulars under Section 134(3)(m) of the Companies Act, 2013, in so far as it relates to the conservation of energy, technology absorption, foreign earnings and outgo.

DIRECTORS' RESPONSIBILITY STATEMENT

- Pursuant to Section 134(3)(c) read with sub - section 5 of the Section 134 of the Companies Act 2013, your Directors state that :
- In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from same;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis;
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- The directors had devised proper systems to ensure proper compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

Board Committees

- a. **CSR Committee** : In pursuance to the provisions of Section 135 of the Companies Act, 2013 read with rule 5 of Companies (Corporate Social Responsibility Policy) Rule, 2014, the Board of Directors vide 191st Meeting constituted CSR Committee comprising of 5 directors, namely, Shri.T.K.Suresh, K.T.Balabhaskaran, S.D.Ferold Xavier, Suresh Kumar P.N, Srividhya P.I & Kannan T . 1 meeting of CSR Committee was held during the year.
- b. **Audit Committee** : The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings, of Board and its Powers) Rule, 2014 specifying the classes of Companies to constitute Audit Committee are not applicable on your Corporation. However, the Board of Directors of your Corporation has constituted and Audit Committee for seeing the Annual Accounts. One meeting of Audit Committee was held during the year.
- c. **Nomination & Remuneration Committee and Stakeholders Relationship Committee** : Provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings and Board and its Powers) Rules, 2014, your Corporation is not required to constitute a Nomination and Remuneration Committee of the Board.
- d. **Vigil Mechanism** : As per provisions of sub-section(9) of Section 177 of the Companies Act, 2013 read with Rule 7(1) of Companies (Meetings of Board and its Powers) Rules, 2014, your Corporation is outside the purview of formation of Vigil Mechanism. However, the employees are encouraged to report unethical behavior, actual or suspected fraud, if any, to the higher authorities.

AUDIT & AUDITORS

1. Appointment of Auditors for the financial year 2018-19

M/s R.Venkitachalam & Co Chartered Accountants, Thiruvananthapuram, was appointed as Statutory Auditors by C&AG for the Financial Year 2019-20.

2. Auditor's Report

Auditor's Report on the financial statements for the year 2018-19 together with the notes there-

on is attached. A perusal of the statement reflects that it certifies true and fair view of the state of affairs of the Company and it self-explanatory.

3. Observation of C&AG

The Company had submitted the financial statement for the year 2018-19 together with the report of the Auditors to the office of C&AG for their review and comment and the Comments and the reply of the Company has been included in the Annual Report.

STATUTORY DISCLOSURE

Disclosure under Companies Act, 2013

The details of other disclosure or reporting with regard to following matters are not required, as there were no transactions on these items during the year:-

- a. Details relating to deposits as stipulated in Chapter V of the Companies Act, 2013.
- b. Issue of equity shares with differential rights to dividend, voting or otherwise.
- c. Issue of shares (including sweat equity shares) to the employees of the Corporation under any scheme.
- d. No significant material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and operations of the Corporation.

Disclosure under the Sexual harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In Compliance to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) act, 2013, citing out the requirements by every Corporation regarding disclosure in its Annual Report of any instance or case received under the Act, during the year under review, there were no cases received under this Act. The guidelines have also been forwarded to women employees of the Corporation.

Information placed on Website

As per statutory requirements, Company is required to place various policies/ documents/ Information on its website i.e. www.ksbcd.com. Corporation has a functional website and all the requisite information is uploaded thereat.

Implementation of Right to Information Act, 2005

As per the Right to Information Act, 2005, the Corporation has nominated Public Information Officers, and also an appellate Authority. The Information required to be disclosed under clause 4(1)(b) of RTI Act has already been placed on the website, along with the Annual status of receipt and disposal of the RTI Applications and Appeals. The quarterly and Annual Reports on implementation of RTI Act are also being submitted online to the Central Information Commission.

During the year, a total number of 15 applications under RTI were received and all have been disposed off.

Particulars of Employees U/S 134(3) of the Companies Act, 2013

None of the employees of the Corporation, was drawing a remuneration in excess of ` 2,00,000/- p.m. if employed for a part of the year or in excess of ` 2,00,000/- p.m. if employee for whole of the year 2018-19.

Details of Appointment and Cessation of Directors and their attendance in the Board & General Meeting

Name	Designation	Capacity	Date of Appointment	Cessation	Attendance w.r.t Board Meeting	Attendance in the AGMs/AAGMs held during 2018-19	No. of Directorship in other entities
Shri.K.Narayan	Director	MD - NBCFDC	07.06.2016	Continuing	0/9	0/4	5
Shri.K.T.Balabhaskaran	Managing Director	MD-KSBCDC	20.07.2016	Continuing	9/9	4/4	0
Shri.SangeethChakrapani	Chairman	NA	14.11.2016	21.11.2018	5/5	3/3	NA
Shri.Md.Shahbaz Ali	Director	CMD-NMDFC	19.12.2016	Continuing	0/9	0/4	7
Shri.GopiKottamurickal	Director	NA	03.02.2017	Continuing	7/9	1/4	0
Shri.A.Mahendran	Director	NA	03.02.2017	Continuing	5/9	0/4	0
Shri.A.P.Jayan	Director	NA	03.02.2017	Continuing	5/9	0/4	2
Shri.P.Pughazhendhi I.F.S	Director	Director- BCDD	24.07.2017	05.03.2019	0/8	0/4	NA
Shri.Suresh Kumar P.N	Director	Additional Secretary- BCDD	16.09.2017	Continuing	9/9	4/4	2
Shri.V.Rajappan	Director	Special Secretary- Finance Department	26.10.2017	13.01.2019	6/6	1/3	NA
Shri.T.Kannan	Director	NA	09.02.2018	Continuing	8/9	0/4	0
Shri.T.K.Suresh	Chairman	NA	26.11.2018	Continuing	4/4	0/1	1
Shri.S.D.Ferold Xavier	Director	Additional Secretary- Finance Department	21.02.2019	Continuing	2/2	0/1	2
Smt.Saradha S	Director	Director- BCDD	05.03.2019	11.11.2019	0/1	1/1	NA

Details of attendance of Directors for the Board Meeting held during the year 2018-19

Ordinal Number of the Meeting	Date of the Meeting	Attendees	Absentees
186	30-04-2018	SangeethChakrapani	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		V Rajappan	A P Jayan
		Kannan T	GopiKottamurickal
		K T Balabhaskaran	A Mahendran
			P.Pugazhendhi IFS
187	14-06-2018	SangeethChakrapani	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		V Rajappan	P.Pugazhendhi IFS
		Kannan T	
		A P Jayan	
		GopiKottamurickal	
		A Mahendran	
		K T Balabhaskaran	
188	10-08-2018	SangeethChakrapani	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		V Rajappan	A P Jayan
		Kannan T	P.Pugazhendhi IFS
		GopiKottamurickal	A Mahendran
		K T Balabhaskaran	
189	14-09-2018	SangeethChakrapani	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		V Rajappan	P.Pugazhendhi IFS
		T Kannan	
		A P Jayan	
		A Mahendran	
		GopiKottamurickal	
		K T Balabhaskaran	
190	21-11-2018	SangeethChakrapani	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan

		V Rajappan	P.Pugazhendhi IFS
		GopiKottamurickal	
		T Kannan	
		A P Jayan	
		A Mahendran	
		K T Balabhaskaran	
191	14-12-2018	T K Suresh	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		T Kannan	P.Pugazhendhi IFS
		V Rajappan	A P Jayan
		GopiKottamurickal	A Mahendran
		K T Balabhaskaran	
192	25-01-2019	T K Suresh	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		A.P.Jayan	P.Pugazhendhi IFS
		A Mahendran	T Kannan
		K T Balabhaskaran	GopiKottamurickal
193	08-02-2019	T K Suresh	Shahabaz Ali
		A P Jayan	Shri.K.Narayan
		A Mahendran	P.Pugazhendhi IFS
		GopiKottamurickal	
		Sureshkumar PN	
		T Kannan	
		K T Balabhaskaran	
194	14-03-2019	T K Suresh	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		Ferold Xavier	A P Jayan
		T Kannan	A Mahendran
		GopiKottamurickal	Sarada S.
		K T Balabhaskaran	

Details of Annual general Meeting held during the last 3 Financial Years

The Annual General Meetings of the Company are held at the Registered Office of the Company and the details of Annual General Meeting held during the last 3 Financial Years are as follows;

SI No:	Financial Year	Ordinal Number of the AGM	Date	Time	Location
1.	2016-17	21 st AGM	05.12.2016	11.00 a.m	Registered Office
2.	"	15 th Adjourned AGM	28.01.2017	11.00 a.m	"
3.	"	20 th Adjourned AGM	28.01.2017	11.30 a.m	"
4.	2017-18	22 nd AGM	28.09.2017	11.00 a.m	"
5.	2018-19	21 st Adjourned AGM	04.04.2018	11.00a.m	"
6.	"	22 nd Adjourned AGM	10.08.2018	11.00 a.m	"
7.	"	23 rd AGM	29.09.2018	11.00 a.m	"
8.	"	23 rd Adjourned AGM	30.03.2019	11.00 a.m	"



सत्यमेव जयते

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

**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS
OF KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED,
THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2019**


The preparation of financial statements of **Kerala State Backward Classes Development Corporation Limited, Thiruvananthapuram** for the year ended 31 March 2019 in accordance with the financial reporting frame work prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 15 November 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala State Backward Classes Development Corporation Limited, Thiruvananthapuram** for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

*For and on behalf of
the Comptroller and Auditor General of India*

Thiruvananthapuram
Dated: 12.05.2020


S. SUNIL RAJ
ACCOUNTANT GENERAL (G&SSA), KERALA

**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)

CIN-U75122KL1995SGC008705

**Replies to Comments of the Accountant General on the
Audited Accounts of the Company for the year ended
31st March 2019**



R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Kovil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

INDEPENDENT AUDITOR'S REPORT

To the Members of

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of **KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the basis for qualified opinion section of our report, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2019, and profit/loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

I. Non-Reconciliation of Loans Outstanding with NMDFC:

The balance due to NMDFC as per Accounts is 3,37,55,86,907/- and as per their confirmation obtained is Rs. 3,50,45,78,739/- thereby showing a difference of Rs. 12,89,91,832/-. We are unable to verify by any alternative means, the amount payable to





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NMDFC included in the Balance Sheet. We were unable to determine whether any adjustments might have been found necessary in respect of the differences.

II. Provision for Service Tax Demand

The Company has received Service Tax Orders/show cause notice during the year 2018-19 for short payment of service tax in relation to Notice Charges, Legal Fee etc., Sitting Fee paid to Directors and Excess utilisation of Cenvat Credit for previous years aggregating to Rs. 44,73,682/-. The Company has admitted and paid an amount of Rs. 2,47,927/- up to 31.03.2019 and Rs.3,57,447/- has been admitted but not paid as on 31.03.2019. The amount of Rs. 16,82,262/-, which is disputed, is shown under Contingent Liabilities, since the appeals are pending at various appellate authorities. The amount of Rs. 3,57,447/- being admitted has to be shown as a liability. Hence the Net Profit of current year is overstated by Rs. 3,57,447/- and Current Liabilities are understated to the same extent.

III. GST on Legal Services

In our opinion, the Company is not discharging GST liability under Reverse Charge Mechanism for Legal Services received in District and Sub District Offices. As a result, Net Profit of the Company is overstated and Current Liabilities are understated to this extent. The exact amount could not be quantified due to lack of necessary information.

IV. Provision for Earned Leave Salary

Provision for Earned Leave Salary of Contract Employees has not been provided by the Corporation. This has resulted in an understatement of non-current liabilities and overstatement of Net Profit. The effect of this could not be quantified.





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V. Performance Linked Grant in Aid

The Company has received an amount of Rs. 10,00,000/- from NBCFDC as Performance Linked Grant in Aid (PLGIA) on 19.03.2019 which is credited to profit and loss account. As per the information furnished to us, an amount of Rs. 6,55,847/- is spent during the year out of this amount, but the liability is not provided for the balance amount, which has not been expended till the close of the Financial Year. In our opinion, the balance is to be shown under current liability as on 31.03.2019. As a result, Net Profit for the year is overstated by Rs. 3,44,153/- and Current Liabilities are understated to the same extent.

VI. Provision on NPA Asset

Provision on Sub-Standard Assets and Provision on Doubtful Assets of Rs. 7,74,03,769/- and Rs. 8,70,08,624/- respectively has been disclosed as 'Short Term Provisions' under Equity and Liabilities. Schedule III of Companies Act states that Provisions for bad and doubtful loans and advances to be disclosed separately under the relevant heads as Long-term loans & advances. As a result, Current Liabilities are overstated to the extent of Rs. 16,44,12,393/- and Long-Term Loans and Advances are overstated to the same extent.

VII. Fishermen Debt Relief Fund

Fishermen Debt Relief Fund has been classified as 'Other Current Liabilities' in the Equity and Liabilities head of the Balance Sheet. It shows a negative balance of Rs. 57,241/-. This disclosure is incorrect according to Schedule III of Companies Act, 2013. This has resulted in an understatement of Current Liabilities to the extent of Rs. 57,241/- and under statement of Assets to the same extent.





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VIII. Prepaid Expenses

Advance for Expenses, grouped under 'Other Current Assets', amounts to Rs. 21,76,561/-. This includes Prepaid expenses of Rs. 2,83,217/- brought forward from past few years and is remaining unadjusted. The balance needs to be written off since outstanding for more than two years. Hence there is an overstatement of Current Assets to the extent of Rs. 2,83,217/- and overstatement of Reserves and Surplus to the same extent.

IX. Recoverable in cash or kind for value to be received

Recoverable in cash or kind for value to be received of Rs. 52,89,544/- is grouped under the head 'Other Current Assets'. This includes Fund receivable from NBCFDC & NMDFC and Retention Money having a negative balance of Rs. 1,88,725/- and Security Deposit having a negative balance of Rs. 3,16,292/-. This credit balance should have been grouped under 'Other Current Liabilities' in the Balance Sheet instead of netting the same with Current Assets. This has resulted in an understatement of Current Assets to the extent of Rs. 5,05,017/- and understatement of Current Liabilities to the same extent.

X. Suspense

Suspense Accounts show a debit balance of Rs. 14,95,355.42/- and a credit balance of Rs. 1,90,565/- carried forward from previous years. These figures are outstanding from past years remaining unadjusted and hence the effect of these differences in the Financial Statements could not be identified.

According to the decision taken in the 178th Board Meeting of Kerala State Backward Classes Development Corporation held on 09/06/2017, Suspense accounts worth Rs. 2,68,999/- was decided to be shown as income. This has not been recognized as such in the books of accounts. Hence the net profit is understated to the extent of Rs. 2,68,999/- and the current liabilities is overstated to the same extent.





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XI. Fixed Deposits

Confirmations are not available for Fixed Deposits totaling to Rs. 12,13,046/- in District Offices and in respect of TDR – Short Term Deposits at Head Office, Bank confirmations are not available for an amount of Rs. 13,70,24,587/- (out of total term deposit of Rs. 13,82,37,633/-) as on 31.03.2019. The accuracy of bank balance to the extent of Rs. 13,82,37,633/- could not be verified due to the non availability of confirmations and reconciliation. Hence the cash and cash equivalents is overstated to that extent. We are unable to determine the effect of corresponding adjustment which is necessary, with respect to the above difference.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the accounting Standards specified under section 133





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of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and





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obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

- I. The Company has recognised an advance payment for Building under Construction in Kollam of Rs. 34,50,092/- as 'Capital Work in Progress'. The Company had earlier accepted the comments of C&AG to account this advance payment to be accounted as 'Advances under Current Assets'. However, no such rectification has been done by the Company during the current year.

The Company has received a stop memo from the Kollam Municipal Corporation. Steps have been taken by the Company to rectify this. The Company expects to resume construction soon.

- II. Micro Finance Loans given by the Company, out of NBCFDC Funds and NMDFC Funds, as on 31.03.2019 amount to Rs. 52,59,73,432/- and 19,99,28,653/- respectively (out of the Total Micro Finance Loans of Rs. 72,59,02,085/-). This balance has been brought forward from the previous year. No movement is there in the balances during the year 2018-19.

- III. The Corporation has bank balances worth Rs. 8,93,43,409 in its current bank accounts. Bank Balance Confirmations have not been received for an amount





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equal to Rs. 8,100/-. We are unable to determine whether any adjustments might have been found necessary in respect of the difference.

- IV. Confirmations of a bank account having bank account number: Treasury Acc No 799010100093418 with a balance of Rs. 100 as on 31.03.2019 is found. However, this balance is not incorporated in the books of accounts and hence the cash and cash equivalents is understated to the extent of Rs. 100/-. We are unable to determine whether any adjustments might have been found necessary in respect of the above bank balance and its corresponding income or liability as on that date.
- V. The Company has claimed Input Tax on Food & Beverages amounting to Rs. 5,439/- during the year. As per Section 17(5) of CGST Act, 2017 Input Tax credit on Food and Beverages is a blocked credit and hence, cannot be claimed by the Corporation.
- VI. TDS Liability of the Company existing as on 31.03.2019 amounts to Rs. 76,294/- as per the Income tax site. The Company has not provided for this liability as on 31.03.2019. Hence, the Net Profit is overstated to the extent of Rs. 76,294/- and the Current Liabilities are understated to the same extent.
- VII. The Company has prior period expenses of Rs. 76,76,922/- during the year. Schedule III of Companies Act, 2013 requires disclosure of information regarding prior period items by way of notes. This disclosure has not been made by the Company in their Notes to Accounts.
- VIII. A difference of Rupee 1 (due to round off) is noticed between the Financial Statements and the Notes to the Financial Statements with regard to Profit on Sale





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of Fixed Asset. The Profit on sale of fixed asset as per Cash Flow Statement is Rs. 32,440/- and as per Notes to the Financial Statements is Rs. 32,439/-.

- IX. The Company has received Service Tax Show cause notices for non payment of service tax Rs. 1,75,97,816/- under reverse charge in relation to Guarantee Commission paid to Government during the period 2012-13 to 2016-for which reply has been filed objecting to the assessment. This amount is shown by the Company under Contingent Liabilities.

Our opinion is not modified in respect of the matters mentioned above.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and 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, the 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the





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Companies (Accounts) Rules, 2014, except for the matters specifically mentioned in this report.

- (c) On the basis of Notification no G.S.R.163 (E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Section 164 (2) of the Act "Disqualification of Directors" is not applicable to the company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Thiruvananthapuram

Date: 15th November, 2019



For
R. VENKITACHALAM & ASSOCIATES
Chartered Accountants

R. VENKITACHALAM
Partner (M.N. 23172)
Firm Reg. No. 0046643



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ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

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 between the books and the physical fixed assets have been noticed on such verification.

(c) The Company does not own any immovable properties.

2. There is no inventory held, in view of the nature of operations of the company. Hence, paragraph 3 (ii) of The Companies (Audit Report) Order, 2016 is not applicable.

3. According to the information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of The Companies (Audit Report) Order, 2016 is not applicable.

4. According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or given any security or made any investments under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable.

5. The Corporation has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, is not applicable. Accordingly, paragraph 3 (v) of The Companies (Audit Report) Order, 2016 is not applicable and is not commented upon.





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6. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Companies Act for the services rendered by the Company. Accordingly, paragraph 3 (vi) of The Companies (Audit Report) Order, 2016 is not applicable and is not commented upon.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities.

(b) According to the information and explanation given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited as on 31st March 2019 on account of dispute except the following:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates- Financial Year	Amount involved
Service Tax	Service tax,/interest & ineligible CENVAT Credit as per show cause notice	CGST & Central Excise, North Division, Thiruvananthapuram	01.04.2016-30.06.2017	13,32,952/-
Service Tax	Service tax,/interest & ineligible CENVAT Credit	CGST & Central Excise, North Division, Thiruvananthapuram	01.04.2015-31.03.2016	32,496/-
Service Tax	Service tax,/interest & penalty	Commissioner of Central Excise, Customs & Service, Cochin	01.04.2011-31.03.2014	24,60,922/-





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramaraj', Gandhari Amman Kovil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

Service Tax	Service tax,/interest & penalty	Office of the Commissioner of Appeals, Cochin	01.04.2014- 31.03.2015	4,54,507/-
TOTAL				42,80,877/-

8. Based on our audit procedures and according to the information and explanations given to us and on the basis of the books of accounts and other records examined by us, the Company has not defaulted in repayment of any dues, loans or borrowings to banks, financial institution, or government and has not issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable.
9. According to the information and explanations given to us and on the basis of the books of accounts and other records examined by us, The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3 (ix) of The Companies (Audit Report) Order, 2016 is not applicable.
10. Based on our audit procedures and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees was noticed during the period of audit.
11. According to the information and explanations given to us, the provisions of Section 197 read with Schedule V of the Companies Act 2013 are not applicable to the Company since it is not a Public Company and hence paragraph 3(xi) of the Order is not applicable.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

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Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

14. Based upon the audit procedures performed and the information and explanations given by the management, the Company's allotment of shares during the year under review is in compliance with the provisions of Companies Act, 2013.
15. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
16. The Company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in section 45-IA of the Reserve Bank of India Act, 1934.

Place: Thiruvananthapuram

Date: 15th November, 2019



For
R. VENKITACHALAM & ASSOCIATES
Chartered Accountants

R. VENKITACHALAM
Partner (M.N.: 23478)
Firm Reg. No: 0046645



R. VENKITACHALAM & ASSOCIATES **Chartered Accountants**

T.C. 25/85, 'Ramaraj', Gandhari Amman Kovil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):

We have audited the internal financial controls over financial reporting of Kerala State Backward Classes Development Corporation Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

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Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that;

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are





R. VENKITACHALAM & ASSOCIATES Chartered Accountants

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Date: 15.11.2019

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of the Chartered Accountants of India".

Place: Thiruvananthapuram

Date: 15th November, 2019



For
R. VENKITACHALAM & ASSOCIATES
Chartered Accountants

R. VENKITACHALAM
Partner (M.N.: 23478)
Firm Reg. No: 0046645



R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramraj', Gandhari Amman Kovil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED THIRUVANANTHAPURAM

Report under section 143(5) of the Companies Act 2013 for the year ended
31.03.2019

1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside the IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has a system in place to process all the accounting transactions through IT system i.e. Tally ERP Software. The Company also uses a software 'BCDC Online' to account its lending business in all districts of Kerala.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	The Company is availing loans from NBCFDC and NMDFC. Regular repayment is done by the Company. There has been no restructuring of an existing loan or waiver/ write off of loans made by the lender due to the Company's inability to repay the loan.
3	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	The Company has received an amount of Rs. 10,00,000 as Performance Linked Grant In Aid (PLGIA) from NBCFDC on 19.03.2019 which has not been expended till the close of the Financial Year.





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

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Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

SECTOR SPECIFIC SUB - DIRECTIONS UNDER 143(5)

FINANCE SECTOR

1	Whether the Company has complied with the directions issued by Reserve Bank of India for : • Non - Banking Finance Companies (NBFCs); • Classification of non-performing assets; and • Capital adequacy norms for NBFCs.	The Company has complied with the directions issued by Reserve Bank of India with regard to Non - Banking Finance Companies, Classification of non-performing assets and Capital adequacy norms for NBFCs. Disclosure in Balance sheet regarding CRAR, Exposure to Real Estate Sector, and Maturity pattern of assets and liabilities is not complied with.
2	Whether the Company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets. Further, instances of undue delay in disposal of seized units may be reported.	The Company has a sufficient system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets. The Company has a mechanism of recovering unpaid loans through the Kerala Revenue Recovery Act, 1968.
3	Whether introduction of any scheme for settlement of dues and extensions thereto are in compliance with the policy guidelines of the Company/ Government.	The Corporation has One Time Settlement (OTS) Scheme, BCDC Loanes Distress Relief Fund (LDRF) Special Reserve, Fishermen's Debt Relief Fund (FDRF) for settlement of dues. Settlement of dues is done only after Board Meeting approval which is in compliance with the policy guidelines.
4	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash.	The Company does not have any Trade Receivables and Trade Payables as on 31.03.2019. With regard to Bank accounts and Cash, confirmations have been received which do not match with the books of accounts for which reconciliations have been provided. No





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

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Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

		confirmations were received with respect to Term Deposits and thus, could not be verified by us.
5	Whether the bank guarantees are revalidated in time?	The Company is not having any bank guarantees as on 31.03.2019. Thus, reporting under the said direction would not be applicable.

Place: Thiruvananthapuram

Date: 15th November, 2019



For
R. VENKITACHALAM & ASSOCIATES
Chartered Accountants

R. VENKITACHALAM
Partner (M.N : 23478)
Firm Reg. No: 0046645



R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

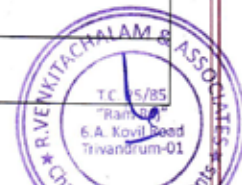
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Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

STATUTORY AUDITOR'S CERTIFICATE

We have examined the books of accounts and other records of Kerala State Backward Classes Development Corporation Ltd for the Financial Year ending March 31, 2019 on the basis of the information submitted to us, we certify the following:

Sl. No.	Particulars	Details
1	Name of the Company	Kerala State Backward Classes Development Corporation Ltd.
2	Certificate of Registration No.	COR No.N-16.00180 TVM
3	Registered office Address	T.C. 27/588 (7)&(8), "SENTINEL", 2 nd Floor, Pattoor, Vanchiyoore P.O, Thiruvananthapuram -35
4	Corporate Office Address	T.C. 27/588 (7)&(8), "SENTINEL", 2 nd Floor, Pattoor, Vanchiyoore P.O, Thiruvananthapuram -35
5	The company has been classified by RBI as (Investment Company / Loan Company / AFC / NBFC - MFI / NBFC -Factor / IFC / IDF - NBFC)	Systemically Important Company - Non-Deposit Taking Non-Banking Financial Company (NBFC-ND-SI) (This Company is 100% Owned by Government of Kerala)
6	Net Owned Fund (Rs. in Crore) (Calculation of the same is given in the Annex)	373.60
7	Total Assets (Rs. in Crore)	1163.85
8	Asset - Income pattern : (in terms of RBI Press Release 1998. 99/1269 dated April 8, 1999) (NBFC-Factor / NBFC-MFI / AFC/ IFC may also report separately below)	
	a) % of Financial Assets to Total Assets	95.75
	b) % of Financial income to Gross income	92.36
9	Whether the company was holding any Public Deposits, as on March 31, 2019? If Yes, the amount in Crore	No
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to	NA





R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

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Date: 15.11.2019

	Reserve Fund ? (in terms of Sec 45 - IC of the RBI Act, 1934)	
11	Has the company received any FDI ? If Yes, did the company comply with the minimum capitalization norms for the FDI ?	No
12	If the company is classified as an NBFC - Factor	NA
	a) % of Factoring Assets to Total Assets	
	b) % of Factoring Income to Gross income	
13	If the company is classified as an NBFC-MFI % of Qualifying Assets to Net Assets (refer to Notification DNBS PD No.234 CGM (US) 2011 dated December 02, 2011)	NA
14	If the company is classified as an AFC	NA
	a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets	
	b) % of income generated out of these assets to total income	
15	If the company is classified as an NBFC- IFC % of infrastructure Loans to Total Assets	NA
16	Has there been any takeover / acquisition of control U change in shareholding / Management during the year which required prior approval from RBI? (please refer to per DNBR (PD) CC.No.065/03.10.001/2015-16 dated July 09/2015 on the subject for details)	No

In terms of paragraph 2 of Notification No. DNBS 201/DG/(VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the Company has been made.

I have read and understood paragraph 5 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008.

Thiruvananthapuram

15th November, 2019



For
R. VENKITACHALAM & ASSOCIATES
Chartered Accountants

R. VENKITACHALAM
Partner (M.N : 23478)
Firm Reg. No: 0046645



R. VENKITACHALAM & ASSOCIATES

Chartered Accountants

T.C. 25/85, 'Ramraj', Gandhari Amman Kovil Road, Puthenchanthai, Thiruvananthapuram - 695 001
Phone: 2330078, 2331022, E-mail: rvenkit_54@yahoo.co.in

Date: 15.11.2019

Annexure

Sl. No.	Capital Funds - Tier I	Rs. in crores
1	Paid up Equity Capital	135.35
2	Pref. shares to be compulsorily converted into equity	
3	Free Reserves.	
	a. General Reserve	234.10
	b. Share Premium	
	c. Capital Reserves	
	d. Debenture Redemption Reserve	
	e. Capital Redemption Reserve	
	f. Credit Balance in P & L Account	
	g. Other free reserves (LDRF Special Reserve)	4.15
4	Special Reserves	
	Total of 1 to 4	373.60
5	Less : i) Accumulated balance of loss	
	ii) Deferred Revenue Expenditure	
	iii) Deferred Tax Assets (Net)	
	iv) Other Intangible Assets	
	Owned Fund	373.60
6	Investment in shares of	
	i) Companies in the same group	
	ii) Subsidiaries	
	iii) Wholly Owned Subsidiaries	
	iv) Other NBFCs	
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P.) and lease finance) made to, and deposits with:	
	i) Companies in the same group	
	ii) Subsidiaries	
	iii) Wholly Owned Subsidiaries / Joint Ventures Abroad	
8	Total of 6 and 7	
9	Amount in item 8 in excess of 10% of Owned Fund	
10	Net Owned Fund	373.60





KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

(A Government of Kerala Undertaking)

CIN-U75122KL1995SGC008705

REPLY TO THE INDEPENDENT AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2018-19

1. Non Reconciliation of Loans Outstanding with NMDFC(AE 20)

We may submit that we have taken all efforts to reconcile the Loan Outstanding Balance with NMDFC and have sent letter seeking clarifications to submit the balances inline with the books of accounts with NMDFC. However, the reply from NMDFC is pending and once it is received, the same may be rectified accordingly.

2. Provision for Service Tax Demand

The observation pointed out by the Independent Auditor is noted and will be rectified in the Finalisation of Accounts for the year ended 31st March 2020.

3. GST on Legal Services

We may submit that the Company acts as a pure agent and not earning any margin whatsoever w.r.t Legal Services. It is pertinent to note that the amount of Legal Services received from the beneficiaries is amount charged by the Panel Advocates for Legal Scrutiny of Documents for processing the loans for which the Company pays on behalf of the beneficiary from the amount it receives from the beneficiaries.

4. Provision for Earned Leave Salary for Contract Employees

Like in case of Regular Employees, Leave Earned by Contract Employees to the tune of 15 days per year of their Contract can be encashed. However it is submitted that the period of employment of Contract Employees need not extend upto 1 year since it depends upon the conditions prescribed in the contract executed. Hence, the completion of 1 year contract is not certain. Accordingly though determining the Earned Leave of Contract Employees as on 31st March 2020 may not be payable and provisioning need not serve the purpose in this context. Moreover, since the service is uncertain and the joining period of contract employees varies, there is no uniformity of tenure of Contract Employees and hence provision for ELS of Earned Leave Employees not been provided.

5. Performance Linked Grant in Aid

The adjustment w.r.t PLGIA will be done the financials for the year ended 31st March 2020 and the qualification as pointed out by the Independent Auditor will be dispensed accordingly.

6. Provision on NPA Asset

The observation pointed out by the Independent Auditors is noted and necessary disclosures will be made as per the Provisions of Companies Act 2013 and IND AS in this regard, hence forth.

7. Fishermen Debt Relief Fund

The adjustments and necessary entries have been passed in the Financial Year 2019-20 and the observation/qualification pointed by the Independent Auditors is dispensed accordingly.

8. Prepaid Expenses

Necessary entries have been passed in the Financial year 2019-20 and the observation/qualification pointed by the Independent Auditors is dispensed accordingly.

9. Recoverable in Cash or kind for value to be received.

The observation with regard to Intra head adjustments pointed out by the Independent Auditor is noted and the rectification will be done during the finalization of accounts for the Financial Year 2019-20.

10. Suspense

Necessary adjustment and setting off entries would be passed in the Financial Statements of the Company for the year 2019-20 while adopting IND AS format and the qualification will be dispensed accordingly.

11. Fixed Deposits

An external Chartered Accountant has been appointed in this context, once the report is submitted, necessary entries will be passed to set off the untraced Fixed Deposit which is reflected in Financial Statement over the years.

ANNUAL ACCOUNTS 2018-19

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

CIN - U75122KL1995SGC008705

BALANCE SHEET AS AT 31ST MARCH, 2019

(INR)

Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
A EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	2.1	1,35,35,00,000	1,31,85,00,000
(b) Reserve and Surplus	2.2	2,38,25,23,836	2,20,32,78,280
Sub-Total(1)		3,73,60,23,836	3,52,17,78,280
2 Share Application Money for Pending allotment	2.3	-	3,50,00,000
Sub-Total(2)		-	3,50,00,000
3 Non - Current Liabilities			
(a) Long - term Borrowings	2.4	5,99,27,90,625	5,06,24,33,907
(b) Long - term Provisions	2.5	4,65,68,814	5,45,54,051
(c) Other Non Current Liabilities	2.6	1,49,36,436	-
Sub-Total(3)		6,05,42,95,875	5,11,69,87,958
4 Current Liabilities			
(a) Short-term Provisions	2.7	22,14,14,819	12,40,75,022
(b) Other Current Liabilities	2.8	1,62,67,38,450	1,30,16,16,413
Sub-Total(4)		1,84,81,53,269	1,42,56,91,435
TOTAL (1+2+3+4)		11,63,84,72,980	10,09,94,57,673
B ASSETS			
1 Non-current Assets			
(a) Fixed Asset			
(i) Tangible Asset	2.9	75,39,787	67,83,564
(ii) Intangible Asset	2.10	1,29,919	1,77,929
(iii) Capital Work in Progress		34,50,092	34,13,445
(b) Long Term Loans and Advances	2.11	11,14,35,02,535	9,52,50,81,733
Sub-Total(1)		11,15,46,22,333	9,53,54,56,671
2 Current Assets			
(a) Cash and Cash Equivalents	2.12	25,76,38,315	18,94,14,840
(b) Other Current Assets	2.13	22,62,12,332	37,45,86,162
Sub-Total(2)		48,38,50,647	56,40,01,002
TOTAL(1+2)		11,63,84,72,980	10,09,94,57,673
Significant Accounting Policies	1		
Contingent Liabilities	3		

See accompanying notes to the Financial Statements.

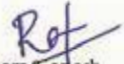
For and on behalf of the Board of Directors

As per our Report of even date


For R. Venkitachalam & Associates


CHARTERED ACCOUNTANTS

(Registration No. 0046645)



R. Ram Garish
Company Secretary

Thiruvananthapuram
Date: 27/09/2019


K. T. Balabhaskaran
Managing Director
(DIN : 07593504)


T. K. Suresh
Chairman
(DIN: 00449654)




Venkitachalam Ramaswamy
Partner
(Membership No. 023478)

15 NOV 2019

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705

STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

(INR)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
1 Revenue from Operations	2.14	70,51,92,620	67,49,28,347
2 Other Income	2.15	2,74,97,481	3,84,94,526
3 Total Revenue (1+2)		73,26,90,101	71,34,22,873
4 Expenses:-			
(a) Employee Benefits Expenses	2.16	15,93,30,300	16,01,03,651
(b) Finance Costs	2.17	21,23,14,129	18,17,92,347
(c) Depreciation and Amortization Expenses	2.9; 2.10	35,42,251	30,82,252
(d) Other Expenses	2.18	17,33,03,383	9,42,28,883
Total Expenses		54,84,90,063	43,92,07,133
5 Profit before exceptional and extraordinary items and tax (3-4)		18,42,00,038	27,42,15,740
6 Exceptional Items (Prior Period Expenses - Net)		76,76,922	12,93,770
7 Profit before extraordinary items and tax (5-6)		19,18,76,960	27,29,21,970
8 Extraordinary Items			
9 Profit before tax (7-8)		19,18,76,960	27,29,21,970
10 Tax Expense:			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
11 PROFIT FROM CONTINUING OPERATIONS (9-10)		19,18,76,960	27,29,21,970
12 PROFIT/LOSS FROM DISCONTINUING OPERATIONS			
13 Tax expense of discontinuing operations		-	-
14 Profit/Loss from Discontinuing operations (After Tax) (12-13)		-	-
15 PROFIT /(LOSS) FOR THE YEAR (11+14)		19,18,76,960	27,29,21,970
16 Earnings per Share			
(a) Basic		14.37	27.21
(b) Diluted		14.37	27.21

Significant Accounting Policies

1

See accompanying notes to the Financial Statements.


For and on behalf of the Board of Directors


As per our Report of even date


For R. Venkitachalam & Associates


CHARTERED ACCOUNTANTS

(Registration No. 0046645)


R. Ram Ganesh
Company Secretary


K. T. Balabhaskaran
Managing Director
(DIN : 07593504)


T K Suresh
Chairman
(DIN: 00449654)


Venkitachalam Ramaswamy
Partner
(Membership No. 023478)

Thiruvananthapuram

Date: 27/09/2019



15 NOV 2019

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

CIN - U75122KL1995SGC008705

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(INR)

Particulars	As at 31st March, 2019	As at 31st March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES:	₹	₹
Profit before extraordinary items and tax	191,876,960	272,921,970
Adjustments for:		
Prior Period Expenses- Non Cash		-
Provisions	(7,985,237)	35,614,141
Depreciation	3,542,251	3,082,252
Profit on Sale of Fixed Asset	(32,440)	(15,474)
Loss on Sale of Fixed Asset	29,517	7,165
Operating Profit before Working Capital Changes	187,431,050	311,610,054
Adjustment for (Increase)/ Decrease In Working Capital:		
Other Current Assets	148,373,830	(354,357,432)
Current Liabilities and Provision	422,461,834	372,984,928
Cash generated from Operations	758,266,714	330,237,550
Fund Advanced to Customers	(1,618,420,802)	(1,323,104,282)
Net Cash from Operating Activities	(860,154,088)	(992,866,732)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Asset	(4,329,065)	(5,938,455)
Sale of Fixed Asset	44,879	19,276
Net cash used in Investing Activities	(4,284,186)	(5,919,179)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Share Capital	35,000,000	318,500,000
Decrease in Reserves	(12,631,405)	(14,409,830)
Share Application money received	(35,000,000)	(213,500,000)
Long term Loans Availed/ (Paid) - Net	930,356,718	738,159,593
Non Current liabilities	14,936,436	
Net Cash used in Financing Activities	932,661,749	828,749,763
Net Increase in Cash and Cash Equivalents	68,223,475	(170,036,148)
Cash and Cash Equivalents at the beginning of the year	189,414,840	359,450,988
Cash and Cash Equivalents at the end of the year	257,638,315	189,414,840

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

For and on behalf of the Board of Directors

As per our Report of even date
For R. Venkitachalam & Associates
CHARTERED ACCOUNTANTS
(Registration No. 0046645)

R. Ram Ganesh
Company Secretary

K. T. Balabhaskaran
Managing Director
(DIN : 07593504)

T K Suresh
Chairman
(DIN: 00449654)

Venkitachalam Ramaswamy
Partner
(Membership No. 023478)

Thiruvananthapuram
Date: 27/09/2019



15 NOV 2019

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

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KSBCDC ANNUAL REPORT 2018-19

1. A – Overview

Kerala State Backward Classes Development Corporation Ltd, herein after referred to as the Corporation is a Government Company Registered under the Companies Act, 1956 with 100% shares held by the Government of Kerala. The Corporation is formed in the year 1995 for giving loans to the people belong to Other Backward and Minority communities and thus categorized it as a Non-Banking Finance Company registered under Section 45-IA of the Reserve Bank of India Act, 1934

1. B - Significant Accounting Policies

a. Basis of preparation of Financial Statements:

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in conformity with the Generally Accepted Accounting Principles (GAAP) in India, in relation to all the material aspects of mandatory accounting standards issued by the Institute of Chartered Accountants of India and in accordance with Section 133 of the Companies Act 2013 read with Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and in such criteria as set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months starting from first of April every year for meeting the current / non-current classification of assets and liabilities.

Further, the Company follows prudential norms on Income Recognition, assets classification and such provisioning in case of Non-performing assets (NPA) on the basis of the Master Directions issued by Reserve Bank of India dated 31st May 2018. Accordingly, Standard Assets are those loans accounts where there have been no defaults in payment of EMI as on 31st March 2019 and defaults upto 4 EMIs and a provision of .4% of total outstanding was given. For the Sub Standard Assets, 10% provision was given on those loan accounts where more than 4 EMIs where at default and less than 22 EMIs. W.r.t Doubtful Assets, it is categorized into 3 viz;- with EMI defaults more than 23 EMIs but less than 35 EMIs, with EMIs defaults more than 35, but less than 59 EMIs and more than 59 EMIs with a provision of 20,30 & 50% of total outstanding respectively.

b. Use of estimates:

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles ("IGAAP") requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



c. 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.
- 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. Expenditure on computer software used along with computers is capitalized along with computers and depreciation is charged at the prescribed rates based on useful life as estimated by the Corporation as per AS 26. Expenditure on separate software is capitalized as intangible assets and depreciation provided at prescribed rate.

d. Impairment of Assets:

Carrying amount of assets is reviewed at each balance sheet date based on the indications of impairment, which comprises of both 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 recognized in prior accounting period(s) is reversed to the extent of decrease in the impairment loss.

e. Revenue Recognition:

- (i) Interest on loans and advances to borrowers is recognised on accrual basis.
- (ii) Any other income such as interest on SB, Short -Term Deposits etc. are recognized are also recognized on accrual basis.
- (iii) The Company has also recognized Pre Fixed Interest ie:- the interest which is cumulated between installments, for loans which are disbursed over multiple installments till the date of fixing the EMI as per AS 9.

f. Grant in Aid

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. Since the Group Gratuity Insurance Scheme of LIC covers only the regular employees, the gratuity calculation for employees who are on contract basis more than 5 years are computed on actual basis as on date of the Balance Sheet as per Payment of Gratuity Act 1972.

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. Provisions, Contingent Liabilities, and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. 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. Contingent assets are recognized in the financial statements where there is certainty and documentation in support of the same.

j. Prior Period Items

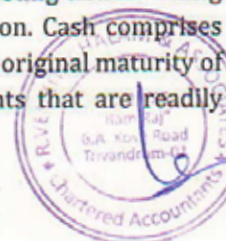
Identifiable items of income and expenditure pertaining to previous years are accounted in prior period expenses/ income account.

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 in the Head Office and Branches of the Corporation. Back-up of the books of account and other books and papers of the company maintained in electronic mode are kept in servers physically located in India on a periodic basis.

l. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Corporation are segregated based on the available information. Cash comprises cash on hand, cash at banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily



convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

m. Loans:

Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date and loans assigned.



Amounts in the financial statements are presented in Rupees, except where otherwise stated
The previous period figures have been regrouped/ reclassified, wherever necessary to conform to the current period presentation

(₹)

2.1 SHARE CAPITAL

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Authorized Capital:				
150,00,000 Equity Shares of Rs. 100/- each	1,50,00,000	1,50,00,00,000	150,00,000	1,50,00,00,000
Issued, Subscribed and Paid Up Capital:				
135,35,000 Equity Shares of Rs. 100 each - Fully Paid Up	1,35,35,000	1,35,35,00,000	131,85,000	1,31,85,00,000
(Previous Year 10,00,000 Equity Shares of Rs. 100 each - Fully Paid Up)				

Rights Attached to Each Class of Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 100/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the No. of Shares outstanding at the beginning & at the end of the reporting period				
Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	131,85,000	1,31,85,00,000	10,00,000	1,00,00,00,000
Shares Issued during the period	35,00,000	3,50,00,00,000	31,85,000	31,85,00,00,000
Shares Bought back during the period	-	-	-	-
Shares Outstanding at the end of the year	135,35,000	1,35,35,00,000	131,85,000	1,31,85,00,000

Particulars of shareholders holding more than 5 Per Cent

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Government of Kerala	13,53,50,000	1,35,35,00,000	13,18,50,000	1,31,85,00,000

Particulars of Shares Issued during the Previous 5 Years

Particulars	During the Year/ Period				
	2017-18	2016-17	2015-16	2014-15	2013-14
Equity Shares of Rs. 100/- Each					
(a) Aggregate No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
(b) Aggregate number & class of shares allotted as fully paid up by way of bonus shares	-	-	-	-	-
(c) Aggregate number & class of shares bought back	-	-	-	-	-
(d) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.	-	-	-	-	-
(e) Any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	-	-	-	-	-
(f) Calls unpaid (showing aggregate value of calls unpaid by directors and officers)	-	-	-	-	-
(g) Forfeited shares (amount originally paid-up).	-	-	-	-	-



		(₹)	
2.2	RESERVES AND SURPLUS	As at 31st March, 2019	As at 31st March, 2018
	Particulars		
	(a) General Reserve		
	Opening Balance	2,16,68,75,380	1,90,96,11,558
	Less : Dividend	-	-
		2,16,68,75,380	1,90,96,11,558
	Add: Transfer from Surplus in Profit and Loss Statement	17,41,57,398	25,72,63,822
	Closing Balance	2,34,10,32,778	2,16,68,75,380
	(b) Special Reserve:-		
	(i) BCDC LDRF Special Reserve		
	Opening Balance	3,64,02,901	3,51,54,582
	Add: Current Year Transfer	1,77,19,562	1,56,58,148
	Less: Utilization during the Current Year	1,26,31,405	1,44,09,830
	Closing Balance	4,14,91,058	3,64,02,900
	(c) Surplus In Profit and Loss Statement		
	Opening Balance	-	-
	Add: Profit for the year	19,18,76,960	27,29,21,970
	Less: Appropriation:-		
	(a) Transfer to BCDC LDRF Special Reserve	1,77,19,562	1,56,58,148
	Less: Transfer to General Reserve	17,41,57,398	25,72,63,822
	Closing Balance	-	-
	TOTAL	2,38,25,23,836	2,20,32,78,280
2.3	SHARE APPLICATION MONEY PENDING ALLOTMENT		(₹)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Share application money for pending allotment	-	3,50,00,000
	TOTAL	-	3,50,00,000
2.4	LONG-TERM BORROWINGS		(₹)
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Unsecured Loans:-		
	(a) Term Loan from other Parties:-		
	Term Loan Schemes:-		
	(i) National Backward Class Finance and Development Corporation	3,46,58,22,833	3,00,03,96,009
	(ii) National Minority Development and Finance Corporation	2,51,72,25,461	2,19,26,14,298
		5,98,30,48,294	5,19,30,10,307
	Micro Finance Schemes:-		
	(iii) National Backward Class Finance and Development Corporation	61,90,18,604	52,40,91,210
	(iv) National Minority Development and Finance Corporation	85,83,61,446	50,18,65,052
		1,47,73,80,050	1,02,59,56,262
	Less:-		
	Current Maturity of Long Term Borrowings:-		
	Term Loan Schemes:-		
	(i) National Backward Class Finance and Development Corporation	54,11,24,854	45,02,54,848
	(ii) National Minority Development and Finance Corporation	39,63,43,403	28,69,38,137
		93,74,68,257	73,71,92,985
	Micro Finance Schemes:-		
	(iii) National Backward Class Finance and Development Corporation	37,60,35,916	30,89,95,894
	(iv) National Minority Development and Finance Corporation	15,41,33,546	11,03,43,783
		53,01,69,462	41,93,39,677
	TOTAL	5,99,27,90,625	5,06,24,33,907

2.4.1 All the above Loans are unsecured and Guaranteed by Government of Kerala to the tune of ₹ 823 Crores as on Balance Sheet Date.

2.4.2 These loans are under various schemes, the repayment of which ranges from 4 to 10 years.

2.4.3 Out of the above, no amounts are under default as on balance sheet date

2.4.4 Out of the Long Term Borrowings, the amounts due within a period of 12 months are shown under Other Current Liabilities.



		(')	
2.5	LONG-TERM PROVISIONS	As at 31st March, 2019	As at 31st March, 2018
	Particulars		
	(a) Provision for Employee Benefits:		
	Earned Leave Salary	2,39,89,092	2,10,33,811
	(b) Provision for Repayment Over Due NBCFDC	2,19,32,039	3,29,32,039
	(c) Gratuity Payable for Contract employees	6,47,683	5,88,201
	TOTAL	4,65,68,814	5,45,54,051
		(')	
2.6	OTHER LONG TERM LIABILITIES	As at 31st March, 2019	As at 31st March, 2018
	Particulars		
	(a) NORKA Subsidy	1,49,36,436	-
	TOTAL	1,49,36,436	-
		(')	
2.7	SHORT-TERM PROVISIONS	As at 31st March, 2019	As at 31st March, 2018
	Particulars		
	(a) Group Gratuity Premium Payable	54,64,479	24,72,450
	(b) Provisions & Contingencies		
	Provision on Standard Assets	4,05,37,947	
	Provision on Sub Standard Assets	7,74,03,769	
	Provision of Doubtful Assets	8,70,08,624	
	Provision on Loss Assets	-	11,06,02,572
	(c) Provision for Repayment Over Due NBCFDC	1,10,00,000	1,10,00,000
	TOTAL	22,14,14,819	12,40,75,022
		(')	
2.8	OTHER CURRENT LIABILITIES	As at 31st March, 2019	As at 31st March, 2018
	Particulars		
	(a) Current Maturities of Long Term Borrowings:-		
	Term Loan Schemes:		
	(i) National Backward Class Finance and Development Corporation	54,11,24,854	45,02,54,848
	(ii) National Minority Development and Finance Corporation	39,63,43,403	28,69,38,137
		93,74,68,257	73,71,92,985
	Micro Finance Schemes:		
	(iii) National Backward Class Finance and Development Corporation	37,60,35,916	30,89,95,894
	(iv) National Minority Development and Finance Corporation	15,41,33,546	11,03,43,783
		53,01,69,462	41,93,39,677
	(b) Creditors for Expenses	1,42,51,450	3,44,71,600
	(c) Security Deposits	1,71,621	1,71,622
	(d) Earned Money Deposit	3,28,599	2,86,756
	(e) Loan repayable	67,474	67,474
	(f) Beneficiary contribution	89,167	89,167
	(g) Govt. assistance for CC Waiver	4,10,634	4,10,634
	(h) Fishermen Debt Relief Loan Repayable	13,42,619	11,97,984
	(i) Fishermen Debt Relief Fund	(57,241)	8,77,996
	(j) NMDFC Repayment Due	14,08,81,208	10,46,26,518
	(k) Start Up Subsidy from BCDD	16,15,200	28,84,000
	TOTAL	1,62,67,38,450	1,30,16,16,413



2.9. Tangible Assets

Sl. No.	Asset	FOR BALANCE AS ON 01.04.2018				FOR ADDITIONS DURING THE PERIOD				NET BALANCE AS ON 31.03.2019		(Rupees)
		WDV as on 01.04.2018	Sale/Adj.	Depreciation (A)	Residual Value	Cost	Sale/Adj.	Depreciation (B)	Residual Value	Net Depreciation for the year (A+B)	WDV as on 31.03.2019	
I	BUILDING	3,38,504	-	32,147	21,399	-	-	-	-	32,147	3,06,357	
II	MOTOR VEHICLES	21,26,471	169	6,87,080	3,46,591	-	-	-	-	6,87,080	14,39,223	
III	COMPUTERS AND DATA PROCESSING UNITS	11,99,784	6,256	0,36,209	2,31,004	4,46,427	-	-	22,321	9,56,738	6,03,218	
IV	FURNITURE AND FITTINGS	20,63,185	-	5,68,855	2,71,827	17,10,362	-	-	1,20,529	6,89,460	30,84,086	
V	ELECTRICAL FITTINGS	1,06,915	-	29,910	10,294	1,77,559	-	-	1,20,465	53,830	2,30,644	
VI	OFFICE EQUIPMENTS	5,79,092	35,531	2,65,163	1,54,654	17,80,597	-	-	8,878	9,46,704	13,77,454	
VII	ELECTRICAL EQUIPMENTS	3,69,614	-	1,04,968	55,418	1,77,473	-	-	24,184	1,28,282	4,19,805	
TOTAL		67,83,565	41,956	25,23,462	10,91,187	42,92,418	-	9,70,780	2,14,621	34,94,241	75,39,787	

2.10. Intangible Assets

Sl. No.	Asset	FOR BALANCE AS ON 01.04.2018				FOR ADDITIONS DURING THE PERIOD				NET BALANCE AS ON 31.03.2019		(Rupees)
		WDV as on 01.04.2018	Sale/Adj.	Depreciation (A)	Residual Value	Cost	Sale/Adj.	Depreciation (B)	Residual Value	Net Depreciation for the year (A+B)	WDV as on 31.03.2019	
I	SOFTWARES	1,77,929	-	48,010	16,908	-	-	-	-	48,010	1,29,919	
TOTAL		1,77,929	-	48,010	16,908	-	-	-	-	48,010	1,29,919	
GRAND TOTAL (I, II)		69,61,494	41,956	25,71,472	11,08,095	42,92,418	-	9,70,780	2,14,621	35,42,251	76,69,706	

Note: The Building relates to compound wall constructed in the leasehold land at Kollam



		(₹)	
2.11	LONG-TERM LOANS AND ADVANCES	As at 31st March, 2019	As at 31st March, 2018
	Particulars		
	Unsecured Considered Good:-		
	(a) General Term Loans:		
	(i) Loans out of NBCFDC Funds	2,92,45,24,398	2,42,38,36,039
	(ii) Loans out of NMDFC Funds	2,29,74,39,520	1,76,64,79,209
	(b) Micro Finance Scheme:		
	(i) Loans out of NBCFDC Funds	52,59,73,432	52,59,73,432
	(ii) Loans out of NMDFC Funds	19,99,28,653	19,99,28,653
	(c) Loans out of KSBDC	5,07,86,36,163	4,51,09,01,719
	(d) Loan out of HUDCO Fund	6,20,988	7,32,186
	(e) Employees Personal Loan Scheme		
	EHBA	3,29,32,209	3,54,02,945
	(f) Interest Accrued but not receivable	8,34,47,172	6,18,27,550
	TOTAL	11,14,35,02,535	9,52,50,81,733
2.11.1	Loans & Advances due by Directors - Nil		
2.11.2	Loans & Advances due by Other Officers - Rs. 1,97,768/-		
2.12	CASH AND CASH EQUIVALENTS	(₹)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	(a) Balance with Banks:-		
	In Current Accounts	8,93,43,409	13,74,29,329
	In Savings Bank Accounts	-	4,399
	In Term Deposit Accounts	13,82,37,633	1,82,37,633
	(b) Cash on hand	59,96,692	72,67,783
	(c) Others:-		
	Stock of Stamps	36,420	44,290
	Balance with Government of Kerala Treasury SB Account	40,24,161	64,31,406
	Fixed Deposit with Government of Kerala Treasury	2,00,00,000	2,00,00,000
	TOTAL	25,76,38,315	18,94,14,840
2.12.1	More than 1 year Deposit - Nil		
2.13	OTHER CURRENT ASSETS	(₹)	
	Particulars	As at 31st March, 2019	As at 31st March, 2018
	(a) Recoverable in cash or kind for value to be received	52,89,544	54,22,016
	(b) Interest accrued on Fixed Deposits	9,61,582	1,72,186
	(c) BDCD Loanee's Distress Relief Fund Receivable	1,63,935	1,63,935
	(d) Advance for expenses	21,76,561	8,64,232
	(e) Govt share on OTS Interest waiver receivable	1,12,13,843	1,12,13,843
	(f) Chief Ministers DRF	3,72,260	3,15,853
	(g) Training Fund Receivable	11,39,761	32,37,761
	(h) Government of Kerala Fund Receivable	77,756	14,07,77,756
	(i) Interest Accrued on Scheme Loans	15,47,44,038	13,39,19,615
	(j) Penal Interest Accrued on Scheme Loans	3,75,10,949	6,45,71,565
	(k) Pre Fixed Interest Accrued and Receivable	1,25,49,143	1,39,14,440
	(l) Franking Machine balance receivable	12,960	12,960
	TOTAL	22,62,12,332	37,45,86,162



				(')
2.15	OTHER INCOME	As at 31st March, 2019	As at 31st March, 2018	
	Particulars			
	(a) NMDFC Grant in Aid	-	25,00,000	
	(b)NBCFDC PLGIA	10,00,000	10,00,000	
	(c) Interest from Banks (Long FD)	15,72,298	62,44,836	
	(d) Interest from Banks (Short FD)	1,51,09,706	1,73,09,615	
	(e) Interest from SB Account	31,811	8,131	
	(h) Miscellaneous Income	97,83,666	1,14,31,944	
	TOTAL	2,74,97,481	3,84,94,526	
				(')
2.16	EMPLOYEE BENEFIT EXPENSES	As at 31st March, 2019	As at 31st March, 2018	
	Particulars			
	(a) Salaries, Allowances and Bonus	14,30,01,391	14,73,30,572	
	(b) Contribution to Provident and Other Funds	1,59,85,256	1,19,85,919	
	(c) Staff Welfare Expenses	3,43,653	7,87,159	
	TOTAL	15,93,30,300	16,01,03,650	
				(')
2.17	FINANCE COSTS	As at 31st March, 2019	As at 31st March, 2018	
	Particulars			
	(a) Interest Expense:-			
	(i) Interest on NBCFDC Fund	9,00,66,797	7,92,31,792	
	(ii) Interest on NMDFC Fund	6,88,98,169	5,84,96,826	
	(b) Other Financial Services:-			
	(i) Green Card	66,91,599	47,70,358	
	(ii) Guarantee Fee to Govt. of Kerala	4,66,42,249	3,92,93,371	
	(iii)Ashwasakirnam Scheme	15,315		
	TOTAL	21,23,14,129	18,17,92,347	
				(')
2.18	OTHER EXPENSES	As at 31st March, 2019	As at 31st March, 2018	
	Particulars			
	(a) Rent, Rates, Taxes and Insurance	1,22,61,495	98,88,561	
	(b) Printing & Stationery	47,32,845	21,60,742	
	(c) Postage and Telephone Charges	27,56,057	31,37,238	
	(d) Travelling & Conveyance	44,00,055	36,94,736	
	(e) Loan Mela and Awareness and EXPO Programme Expenses	5,75,118	34,39,073	
	(f) Audit Fee	1,45,000	1,30,000	
	(g) Fee for Professional Services	54,17,014	45,83,466	
	(h) Filing Fee	97,989	38,86,102	
	(i) Electricity and Water Charges	10,19,388	8,37,110	
	(j) Advertisements	25,56,072	38,27,635	
	(k) Maintenance & Up-keep	44,38,508	46,68,508	
	(l) General Expenses	59,61,680	33,92,930	
	(m) Revenue Recovery Charges	4,33,283	4,81,103	
	(n) CSR Expenditure	50,42,414	95,75,000	
	(o) Adjustment on NBFC Provision (RBI Prudential Norms)	12,20,23,604	(34,69,025)	
	(p) NBCFDC CSR Expenses	1,39,650	-	
	(q) Repayment Over Due -NBCFDC	-	4,39,95,704	
	(r) Ineligible Input Tax Credit	13,03,211		
	TOTAL	17,33,03,383	9,42,28,883	



3 CONTINGENT LIABILITIES

Particulars

As at 31st March, 2019

As at 31st March, 2018

(a)	The Corporation has filed Service Tax appeal No. ST/20438/2019-DB against the Order No.TVM-EXCUS-000-APP-07-2019 dtd 16/01/2019 with CESTAT, Bengaluru on 09/04/2019 ,where decision still pending .	4,06,507
(b)	The Corporation has filed Service Tax appeal No. ST/20439/2019-DB against the Order No.TVM-EXCUS-000-APP-1151-2019 dtd 03/01/2019 with CESTAT, Bengaluru on 09/04/2019 ,where decision still pending .	12,43,260
(c)	The Corporation has filed Service Tax Appeal No.78/ST/TVM/2019 against the Order No.89/ST/DC/DIV/2018-19 dtd 21/01/2019 with The Commissioner [Appeals], Cochin on 02/04/2019 ,where decision still pending .	32,495
(d)	Showcause Notice No. 05/2019-2020 ST (KoZu) dtd 13/04/2019 received from Directorate General Of GST Intelligence towards the Payment of Service Tax on Guarantee Commission Paid to the Govt of Kerala from 2012-13 to 2016-17	1,75,97,816

For and on behalf of the Board of Directors

As per our Report of even date
For R. Venkitachalam & Associates
CHARTERED ACCOUNTANTS
(Registration No. 0046645)


R. Ram Ganesh
Company Secretary


K. T. Balabhaskaran
Managing Director
(DIN : 07593504)


T K Suresh
Chairman
(DIN: 00449654)


Venkitachalam Ramaswamy
Partner
(Membership No. 023478)

Thiruvananthapuram
Date: 27/09/2019

15 NOV 2019



2.19. Explanations:

- a. The Authorized share Capital of the Corporation as on date of the Balance Sheet(31/03/2018) was Rs 150 Crores which was enhanced vide GO (Ms) No: 1/2018 BCDD dated 03/01/2018. The Corporation during the year under audit allotted Shares for Rs.3,50,00,000 which was pending for allotment in the Previous on 10th August 2018 vide Board Resolution No: 6/182 in the 182nd Meeting of Board of Directors.
- b. 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 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).
- c. 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.
- d. 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 alternative land and steps are being taken for the assignment of the land in the name of the Corporation. 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.
- e. 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.
- f. Interest accrued but not received include interest accrued on short term fixed deposits, other term deposits with maturity one year and above with scheduled banks/ sub-treasury



2. Payment to Directors of the Company:

Sl.No.	Particulars	Current Year	Previous Year
a.	Salaries & Allowances (Managing Director).	16,31,430	11,65,494
b.	Honorarium to Chairman	2,27,333	83,322
c.	Traveling Expenses (Managing Director)	1,64,322	99,231
d.	Traveling Expenses (Directors)	1,99,580	57,079
e.	Leave Travel Concession	NIL	NIL
f.	Sitting Fee	91,200	62,730

3. The remuneration to statutory auditors for statutory audit of accounts for the year is ₹1,45,000/-.

4. Corporate social Responsibility:

The Corporation has expended Rs.50,42,414/- as its CSR expenses during the year, on the decision made by the Board based on the recommendations of the Sub-Committee so constituted in this regard in accordance with the relevant sections and schedule of the Companies Act, 2013.

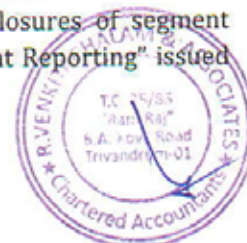
5. Information required as per item 5 of Part II of Schedule III to the Companies Act.:

	Current year	Previous Year
a) Value of Imports calculated on CIF basis	NIL	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

6. 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.

7. 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.



8. As per clause 9 and 10.13 of Accounting Standard AS-18, Related Party disclosures issued by the Institute of Chartered Accountants of India is not applicable to the Company.
9. The disclosure required by Accounting Standard 19 – "Leases": The Corporation has taken various offices and residential premises under operating lease. 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 Notes 2.18.
10. In case of such loanees, 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.

11. 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	19,18,76,960	27,29,21,970
(b)	Weighted average number of equity shares in Nos.	1,33,51,849	1,00,29,822
(c)	Basic Earnings per share (Face Value ` 100 each)	14.37	27.21
(d)	Diluted Earnings per share (Face Value ` 100 each)	14.37	27.21

12. The Corporation, vide Order GO (MS) No. 360/14/Revenue dated Thiruvananthapuram 20.08.2014, holds 4.05 Ares of lease hold Government land at Kollam Village (Resurvey 2), in Kollam Taluk of Kollam District for constructing its Kollam District Office by paying rent of ` 93,150/- per annum for 3 years. The construction of the office building had started and the amount spent for the same is disclosed as Capital Work in Progress for Rs. 34.50 lacs.
13. 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.



14. The writ petition filed by Koppara Entreprises for Rs. 6 lacs is pending before High Court of Kerala.

For and on behalf of the Board of Directors


R. Ram Ganesh
Company Secretary


K.T. Balabhaskaran
Managing Director


T.K. Suresh
Chairman

As per our Report of even date

For **R. Venkitachalam & Associates**

CHARTERED ACCOUNTANTS
(Registration No. 004664S.)


Venkitachalam Ramaswamy
Partner
(Membership No. 023478.)

Thiruvananthapuram

Date: 27/09/2019

15 NOV 2019



Balance Sheet Abstract and Company's Business Profile

I. Registration Details:

Registration Number	CIN	U75122KL1995SGC008705		
State Code	09	Balance Sheet Date	31.03.2019	

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	1,16,38,472	Total Assets	1,16,38,472
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Equity and Liabilities:

Paid up Capital	13,53,500	Reserves and Surplus	23,82,523
Non-current liabilities	60,54,295	Current Liabilities	18,48,153

Assets:

Net Fixed Assets	11,119	Loans and advances	1,11,43,502
Current Assets	4,83,850		

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

Turnover	7,32,690	Total Expenditure	5,40,813
Profit/ (Loss) before Tax	1,91,876	Earnings per share	14.37

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

For and on behalf of the Board of Directors

As per our Report of even date
For **R.Venkitachalam & Associates**
CHARTERED ACCOUNTANTS
(Registration No.004664S.)


R. Ram Ganesh
Company Secretary


K.T Balabhaskaran
Managing Director


T.K Suresh
Chairman


Venkitachalam Ramaswamy
Partner
(Membership No.023478.)

Thiruvananthapuram

Date: 27/09/2019



NOV 2019



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LTD

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