

26th ANNUAL REPORT 2020-21



**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

BOARD OF DIRECTORS



Adv. K Prasad
Chairman



K.T. Balabhaskaran
Managing Director



S.K. Dev Verman, IAS
Director



Gopi Kottamurickal
Director



A. Mahendran
Director



V P Kunhikrishnan
Director



S Pushpalatha
Director



Kannan T.
Director



S D Ferold Xavier
Additional Secretary,
Finance



N Devidas IAS
Director, BCDD



Sonia Washington
Additional
Secretary, BCDD

Directors Served during the Reporting Period, but Resigned / Retired / Relieved



T.K. Suresh
Chairman



A.P. Jayan
Director



Suresh Kumar P.N.
Director



K. Narayan
Director



Md. Shahbaz Ali
Director

Head Office - Senior Managers



R. Ram Ganesh
Company Secretary



Sajith G
General Manager
(HRM & Admn)



Sabu S.
General Manager (Projects)



Preethy Joseph
General Manager (F & A)

26th
ANNUAL
REPORT
2020-21

CONTENTS

Sl No.	Particulars	Page No.
1	Board of Directors	2-2, 4-4
2	Notice of Annual General Meeting	5-5
3.	Report of the Managing Director for the Financial Year 2020-21	7-10
4.	Directors' Report for the year 2020-21	11-21
5.	Review & Comments by Comptroller & Auditor General of India for the Audited Accounts ended 31st March 2021	22-22
6.	Reply to the Comment of the Comptroller & Auditor General of India	23-23
7.	Independent Auditor's Report for the year ended 31st March 2021	24-41
8.	Reply to Independent Auditor's Report for the year ended 31st March 2021	42-42
9.	Annual Accounts	43-69

BOARD OF DIRECTORS

Sl No:	Name	Designation
1	Shri.K.Prasad	Chairman
2	Shri.S.K.Dev Varman	Director
3.	Shri.S.D.Ferold Xavier	Director
4.	Smt.Sonia Washington	Director
5.	Shri.Devidas N	Director
6.	Shri. GopiKottamurickal	Director
7.	Shri.A.Mahendran	Director
8.	Shri.T.Kannan	Director
9.	Smt.S.Pushpalatha	Director
10.	Shri.V.P.Kunhikrishnan	Director
11.	Shri.K.T.Balabhaskaran	Managing Director

Company Secretary
R.Ram Ganesh

Statutory Auditors
M/s Thomas & Associates
Chartered Accountants,
Ambalathara
Thiruvananthapuram

Our Bankers
State Bank of India
Kaithamukku Branch
Thiruvananthapuram

South Indian Bank
Chackai Branch
Thiruvananthapuram



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

(A Government of Kerala Undertaking)
CIN-U75122KL1995SGC008705

NOTICE

Notice is hereby given that the 26th Adjourned Annual General Meeting of the Shareholders of Kerala State Backward Classes Development Corporation Limited will be held on Monday, the 20th December 2021 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 2021, Auditor's Report, the comments of the Comptroller & Auditor General of India, the Comments of the Finance Department and the replies thereon.

By the order of the Board
For Kerala State Backward Classes Development Corporation Limited.,

07/12/2021
Thiruvananthapuram


R. Ram Ganesh
Company Secretary





K.T. Balabhaskaran
Managing Director

Report of the Managing Director

Rising High; Crossing Multiple Milestones!!

It gives me great pleasure to place before you the highlights of the performance of your company during the financial year 2020-21. Details of the achievements and initiatives taken by your company are provided in the enclosed Annual Report for the year 2020-21.

Incorporated in the year 1995, Kerala State Backward Classes Development Corporation (KSBCDC) has been striving for the past 26 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 2020-21.



Over the years, your company has supported more than 6.31 lakh families(as on 31st Mar 2021) 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), National SafaiKaramcharis Finance & Development Corporation (NSKFDC), budgetary support from Government of Kerala and own accruals.

Disbursement

During 2020-21, we targeted a disbursement of Rs. 650Crores as against the previous years (2019-20) disbursement of 504.12Crores.

Your company was cruising forward towards surpassing the target, but the unprecedented outbreak of Second Wave of Covid 19 pandemic and the subsequent lockdown imposed to curb the disease, came in the way and hence we could only achieve a disbursement of 631.59Crores during the year and 73486 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. 100.39 Crores
Loans from National Minorities Development and Finance Corporation (NMDFC)	Rs. 150.33 Crores
Loans from National Safai Karamcharis Finance & Development Corporation (NSKFDC)	Rs. 141.80 Crores
Own accruals	Rs. 239.07 Crores
Overall	Rs. 631.59 Crores

Scheme wise break up of loan disbursement is given below:

- Rs.183.37Crores to 7397 beneficiaries under Individual Self Employment Loan Schemes.
- Rs.241.77Crores to 56069 women under Micro Credit Loan Schemes.
- Rs.21.44Crores to 500 meritorious students for pursuing their higher education.
- Rs.50.04Crore to 2650 beneficiaries for the marriage of dependant girl.
- Rs.19.97Crores to 330 beneficiaries under the EnteVeedu loan scheme for constructing houses.
- Rs.79.68 Crores to 3296 beneficiaries under Suvarnasree (Multi-Purpose) Loan Scheme.
- Rs.25.01 Crores to 915 beneficiaries under Personal Loan Scheme.
- Rs.10.32 Crores to 763 beneficiaries under other schemes.





Repayment from Beneficiaries

Your company was able to collect Rs. 459.21 Crores during the year 2020-21 towards repayment of loan instalments. This is Rs. 21 Crores more compared with previous year (Collection during 2018-19 – Rs.438.83 Crore)

Cumulative recovery as per the DCB for the month ended March 2021 is 97.46%

Handholding the Beneficiaries even during the Tough Times of Covid-19

Your Company took various initiatives to support the beneficiaries to come out of the stress imposed by the adverse Economic Conditions on account of spread of Covid-19 Pandemic. Some of the major initiatives taken by your Company are as follows;

1. Working Capital support to existing Beneficiaries

Many budding and existing entities came to a standstill on account of outspread of Covid- 19 Pandemic and your Company on knowing that it is indispensable to support the beneficiaries to survive in the economic distress, provided additional Working Capital to the tune of Rs. 5 lakhs @ 6 % Interest.

2. Joining hands with Kerala Government in “SubikshaKeralam”

In order to inspire entrepreneurs in the field of Agriculture, Animal Husbandry, Poultry Farm, Personal Loan to the tune of Rs 5 lakhs was made available at a concessional Interest Rate of 5%.

3. Empowering Women by Enhancing the Loan under Micro Credit/MSY

Evaluating the need for funding in the unstructured social sector, the Company enhanced the Limit of loan towards Micro Credit/MahilaSamridhiYojana from Rs. 2 Crores to Rs. 3 Crores.

4. Support to Immigrants under RE-TURN Scheme

Since the Covid-19 impact had a global impact, it was worst hit in the Middle East and various immigrants returned to their hometown jobless owing to Economic Distress in their work place. Your Company supported for their Rehabilitation and provided Loan to the Tune of Rs. 20 lakhs joining hands with NORKA where Capital Subsidy and Interest Subsidy are provided.

Spreading its wings to serve better

To improve and extend the operations of your Company, 7 new branches in the Taluk Level sanctioned by the Government of Kerala started functioning during 2020-21.

Sl No:	Unit Offices	Start Date
1	Nadapuram	27/06/2020
2	Kanhangad	01/07/2020
3.	Pathanapuram	01/07/2020
4.	Adoor	16/09/2020
5.	Kanjirappally	16/10/2020
6.	Thalassery	16/10/2020
7.	Mananthavady	16/10/2020

Grading of PSUs

Like Navarathna and Mini Ratnacategorization of Central Public Sector Undertakings, the State Government has also planned to categorize State Public Sector Undertakings to vest various autonomy and decision making authority without much interference of State Government to improve the efficiency. As per the report submitted by the Expert Committee appointed by the Government of Kerala, your Company's name has been recommended to get included in the Diamond Category wherein it is one among the Top 7 PSUs of the State.

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.

Acknowledgement

We express our profound gratitude to the Government of Kerala, National Backward Classes Finance and Development Corporation (NBCFDC), National Minorities Development and Finance Corporation (NMDFC) and National Safai Karamcharis Finance & Development Corporation (NSKFDC) 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

Dear Shareholder,

Your Directors take pleasure in presenting the Twenty Sixth Annual Report on the business, operations and achievements of your Corporation together with the Audited Annual Accounts for the year ended 31st March 2021.

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 139.92 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 31 st March 2021 (₹. In lakhs)	For the year ended 31 st March 2020 (₹. In lakhs)
A. INCOME		
Interest Earned	9057.06	8395.32
Other Income	402.30	167.89
	9459.36	8563.21
B. EXPENDITURE		
Finance Costs	3340.43	2594.42
Payment & Provision for Employees	1642.67	1527.46
Administrative and Other Expenses	2076.55	2989.56
Depreciation	39.90	30.42
	7099.55	7141.86
Net Profit (A-B)	2359.81	1421.35

The profit earned by the Corporation during the period under report is ₹ 2359.81 Lakhs as against ₹ 1421.35 Lakhs during the year. The Cumulative profit of the Company is ₹ 24841.48 lakhs which includes Special Reserve of ₹ 500.54 lakhs in the 'Loanees' Distress Relief Fund.

2. BOARD OF DIRECTORS

The appointment and cessation of Chairmanship and Directorship during the relevant accounting year 2020-21.

Name	Designation	Date of Appointment	Cessation
Shri.K.Narayan	Director	07.06.2016	31.03.2021
Shri.K.T.Balabhaskaran	Managing Director	20.07.2016	Continuing
Shri.Md.Shahbaz Ali	Director	19.12.2016	07.12.2021
Shri.GopiKottamurickal	Director	03.02.2017	Continuing
Shri.A.Mahendran	Director	03.02.2017	Continuing
Shri.A.P.Jayan	Director	03.02.2017	31.05.2021
Shri.Suresh Kumar P.N	Director	16.09.2017	30.04.2021
Shri.T.Kannan	Director	09.02.2018	Continuing
Shri.T.K.Suresh	Chairman	26.11.2018	13.12.2021
Shri. S.D. Ferold Xavier	Director	21.02.2019	Continuing
Smt. P.I. SriVidhya I.A.S	Director	20.11.2019	07.12.2021

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 ₹ 219.77 lakhs as CSR expenses which is 9.31% 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 ₹ 139.92 Crores as on date.

8. ACHIEVEMENTS DURING THE YEAR

- (i) 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 73486 beneficiaries belonging to Backward and Minority communities under various projects with a total disbursement of ₹ 63159 lakhs. The total disbursement made during the corresponding previous year was ₹ 50412 Lakhs.
- (ii) Collection and Recovery from Beneficiaries: Total recovery from the beneficiaries during the year is ₹ 45921 lakhs against the target of ₹55000 lakhs. As per the Demand Collection Balance (DCB) statement the cumulative collection percentage during the year is 97.46%.

9. PROJECTS UNDERTAKEN

- i) During the year 2020-21 the Corporation has extended its financial assistance to the society by giving assistance in the following manner:

SI No	Scheme	2020-21	
		No of Beneficiaries	Amount in Lakhs
1	Self-Employment Scheme-General	6210	15116.84
	Self-Employment Scheme- Re-turn	85	554.85
	Self-Employment Scheme- Start up	1	15.20
2	Education Loan Scheme	500	2143.81
3	Micro Finance Scheme	57635	24176.84
4	Marriage Assistance Scheme	2650	5004.35
5	Swasthagriha	74	224.93
6	Working Capital Loan	874	2130.09
7	Suvarnasree	3296	7967.8
8	Business Development Loan	69	234.54
9	Vehicle Loan	35	53.71
10	New Swarnima Scheme	158	285.52
11	Personal Loan	915	2500.63
12	AswasaKiranam	654	752.97
13	EnteVeedu- Housing Loan	330	1996.98
	TOTAL	73486	63159.07

DISCLOSURE

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.ksbcd.com.

- 1) 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.
- 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 :

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from same;
- b) 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;
- c) 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;
- d) The The directors had prepared the annual accounts on a going concern basis;
- e) 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;
- f) 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 2020-21

M/s Thomas & Associates Chartered Accountants, Thiruvananthapuram, was appointed as Statutory Auditors by C&AG for the Financial Year 2020-21.

2. Auditor's Report

Auditor's Report on the financial statements for the year 2020-21 together with the notes thereon 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 2020-21 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.ksbcdc.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 26 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 ₹ 5,00,000/- p.m. if employed for a part of the year or in excess of ₹ 5,00,000/- p.m. if employee for whole of the year 2020-21.

**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 2020-21	No. of Directorship in other entities
Shri.K.Narayan	Director	MD - NBCFDC	07.06.2016	31.03.2021	1/7	0/2	5
Shri.K.T.Balabhaskaran	Managing Director	MD-KSBCDC	20.07.2016	Continuing	7/7	2/2	0
Shri.Md.Shahbaz Ali	Director	CMD-NMDFC	19.12.2016	07.12.2021	7/7	0/2	7
Shri.GopiKottamurickal	Director	NA	03.02.2017	Continuing	5/7	0/2	0
Shri.A.Mahendran	Director	NA	03.02.2017	Continuing	3/7	0/2	0
Shri.A.P.Jayan	Director	NA	03.02.2017	31.05.2021	6/7	1/2	2
Shri.Suresh Kumar P.N	Director	Additional Secretary-BCDD	16.09.2017	30.04.2021	7/7	2/2	2
Shri.T.Kannan	Director	NA	09.02.2018	Continuing	5/7	1/2	0
Shri.T.K.Suresh	Chairman	NA	26.11.2018	13.12.2021	6/7	2/2	1
Shri.S.D.Ferold Xavier	Director	Additional Secretary-Finance Department	21.02.2019	Continuing	6/7	1/2	2
Smt.SriVidhya I.A.S	Director	Director-BCDD	20.11.2019	07.12.2021	0/7	0/2	1

Details of attendance of Directors for the Board Meeting held during the year 2020-21

Ordinal Number of the Meeting	Date of the Meeting	Attendees	Absentees
203	30-04-2020	T K Suresh	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		Ferold Xavier S.D	T Kannan
		A P Jayan	GopiKottamurickal
		K T Balabhaskaran	A Mahendran
			Sri Vidhya P.I
204	25-05-2020	T K Suresh	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		Ferold Xavier S.D	T Kannan
		A Mahendran	GopiKottamurickal
		K T Balabhaskaran	A P Jayan
			Sri Vidhya P.I
205	24-07-2020	GopiKottamurickal	Shahabaz Ali
		Sureshkumar PN	Shri.K.Narayan
		Ferold Xavier S.D	T K Suresh
		T Kannan	Sri Vidhya P.I
		K T Balabhaskaran	
		A P Jayan	
		A Mahendran	
206	17-09-2020	T K Suresh	Shahabaz Ali
		GopiKottamurickal	Shri.K.Narayan
		Sureshkumar PN	A Mahendran
		Ferold Xavier S.D	Sri Vidhya P.I
		T Kannan	
		K T Balabhaskaran	
		A P Jayan	
207	15-10-2020	T K Suresh	Shahabaz Ali
		GopiKottamurickal	Shri.K.Narayan
		Sureshkumar PN	A Mahendran
		Ferold Xavier S.D	Sri Vidhya P.I
		T Kannan	
		K T Balabhaskaran	
		A P Jayan	
208	31-12-2020	T K Suresh	Shahabaz Ali
		GopiKottamurickal	Shri.K.Narayan
		Sureshkumar PN	Sri Vidhyap.I
		Ferold Xavier S.D	
		T Kannan	

		K T Balabhaskaran	
		A Mahendran	
209	12-02-2021	A P Jayan T K Suresh	Shahabaz Ali
		Sureshkumar PN	SriVidhya P.I
		A.P.Jayan	T Kannan
		Gopi Kottamurickal	A Mahendran
		K T Balabhaskaran	
		A P Jayan	
		K Narayan	

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;

Sl No:	Financial Year	Ordinal Number of the AGM	Date	Time	Location
1.	2018-19	21 st Adjourned AGM	04.04.2018	11.00 a.m	Registered Office
2.	"	22 nd Adjourned AGM	10.08.2018	11.00 a.m	"
3.	"	23 rd AGM	29.09.2018	11.00 a.m	"
4.	"	23 rd Adjourned AGM	30.03.2019	11.00 a.m	"
5.	2019-20	24 th AGM	30.09.2020	3.00 p.m	"
6.	2020-21	24 th Adjourned AGM	22.06.2021	11.00 a.m	"
7.	2020-21	25 th AGM	30.09.2021	11.00 a.m	"

Details of the Sub Committees held during the Financial Year 2020-21

The Company has 5 Sub Committees of the Board of Directors and will be convened as per the requirement. The details and frequency of the Sub Committees held during the Financial Year 2020-21 is as follows;

1. Micro Credit/MahilaSamridhi Sub Committee:-

This Sub Committee of Board of Directors has 8 Directors as its Members and minimum 3 Directors are required to form the Quorum. This Sub Committee is usually convened to approve the Micro Credit and MahilaSamridhiYojana Loan Applications received from the Kudumbasree and NGOs. During the Financial Year 2020-21, the Committee met 14 times.

2. Audit Committee:-

The Audit Committee has 6 Directors as its members and minimum 3 Directors are required to form the quorum. The Audit Committee though not mandatory for the Companies as per Section 177 of the

Companies Act 2013, the same is constituted to supervise the Financial Performance and Financial Management of the Company including the Internal Control measures taken by the Company, time to time. During the Financial Year 2020-21, the Committee met 2 times.

3. LDRF Committee

This Sub Committee (Loanee Distress Relief Fund Committee) examines the application form received under LDRF Scheme which is implemented to rescue such loanes, who may fall into unfortunate situations like death of the loanee, death of the spouse who is the earning member, chronic disease etc. A Proportionate amount from Processing Fee charged on the loanes will be transferred to a Special Reserve Fund known as Loan Distress Relief Fund. This Sub Committee of Board of Directors has 8 Directors as its Members and minimum 3 Directors are required to form the Quorum. During the Financial Year 2020-21, the Committee met 9 times.

4. CSR Committee.

This Sub Committee (Corporate Social Responsibility Committee) is constituted as per Section 135 of the Companies Act 2013 and this committee scrutinizes the proposals of the schemes received for implementing various CSR Objectives of the Company. This Sub Committee of Board of Directors has 6 Directors as its Members and minimum 3 Directors are required to form the Quorum. During the Financial Year 2020-21, there was 1 meeting of the CSR Committee.

5, HRD Committee

The Human Resource Development Committee is constituted for the purpose of discussing employee related issues and recommends to the Board various welfare schemes and proposals for boosting up the employee morale of the Company. This Sub Committee of Board of Directors has 6 Directors as its Members and minimum 3 Directors are required to form the Quorum.



सत्यमेव जयते

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I) KERALA,
THIRUVANANTHAPURAM**

**COMMENTS OF THE COMPTROLLER AND 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 2021**

The preparation of financial statements of **Kerala State Backward Classes Development Corporation Limited, Thiruvananthapuram for the year ended 31 March 2021** in accordance with the financial reporting framework 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 the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 14 October 2021 which supersedes their earlier Audit Report dated 18 August 2021.

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 2021** 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.

In view of the revisions made in the financial statements by the management, as indicated in Note No.28 of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6) (b) of the Act.

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

Thiruvananthapuram
Dated: 06.12.2021


ANIMCHERIAN
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I),
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 2021

Nil

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



Independent Auditor's Report

To the Members of Kerala State Backward Classes Development Corporation Limited

Report on the Revised Financial Statements

We have examined the attached Financial Statements of Kerala State Backward Classes Development Corporation Limited as at 31st March 2021, which are the revised statements of the original Financial Statements adopted by the Board of Directors at the Board Meeting held on 11 August 2021 covered by our audit report dated 18 August 2021.

We have considered our audit report dated 18 August 2021 on the original accounts and have examined the changes made in Revised Financial Statements therein which are as under:

1. The company has recognized loss allowance for Expected Credit Losses on Financial Assets in line with the RBI notification no. RBI/2019-20/170 DOR (NBFC). CC. PD No. 109/22.10.106/2019-20 dated 13 March 2021. The surplus in Statement of Profit and Loss under Other Equity (Note 5(b)) as reported in the Original Financial Statements dated 11 August 2021 decreased by Rs 18.02 Crores due to above adjustment.
2. The Company has created 100 % provision on doubtful assets to the extent to which the advance is not covered by realizable value of the security to which the company has a valid recourse and realizable value is estimated on a realistic basis as per Prudential norms on Income Recognition, Asset classification and provisioning pertaining to advances issued by RBI. Since the loss allowance under ECL method is higher than provision required under prudential norms issued by RBI this adjustment does not have a standalone impact on surplus in Statement of Profit and Loss.
3. The Company has passed entries in the books to the tune of Rs 2.98 Crores with respect to interest accrued but not due on borrowings from National Backward Classes Finance & Development Corporation (NBCFDC). The surplus in Statement of Profit and Loss under Other Equity (Note 5(b)) as reported in the Original Financial Statements dated 11 August 2021 decreased by Rs 2.98 Crores due to above adjustment.

Qualified Opinion

We have audited the Revised Financial Statements of **Kerala State Backward Classes Development Corporation Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Revised 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 the matter described in the Basis for Qualified Opinion section of our report, the



Central Office : 7C 7th Floor PMJ Towers Panampilly Link Road Kochi 682 020 Kerala
Phone : +91 484 2317720 Fax :+91 484 2321262 Mobile : +91 98471 39717 e-mail : cthomas.associates@icai.org
Offices at : N. DELHI - MUMBAI - CHENNAI - BENGALURU - HYDERABAD - COIMBATORE - THIRUVANANTHAPURAM

aforesaid Revised Financial Statements give the information required by the Companies Act, 2013 (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, 2021, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- 1. Company has not passed entries with respect to the interest accrued but not due on borrowings from National Minority Development and Finance Corporation (NMDFC). The effect of liability arising out of the above as at the balance sheet date could not be quantified since the data was not provided.**
- 2. A nominal value of Re 1. is shown for Leasehold property under Property, Plant and Equipment. The Company is not having any documentary evidence to show the company is holding the land as leasehold land. Government of Kerala vide GO (MS) No. 360/14/Revenue allowed to construct a building at Kollam, for which an annual lease rent of Rs. 0.93 Lakhs is fixed. Company has spent an amount of Rs. 3.39 Lakhs for construction of compound wall in the above property, which is shown under the head Property, Plant and Equipment (Refer Note 2(a)). Since the company is not having ownership/leasehold right for more than one year, the expenditure incurred on construction ought to have been considered as revenue expenditure. The Surplus in Statement of Profit and Loss under Other Equity (Note 5(b)) and also the Property, Plant and Equipment (Note 2(a)) under non-financial assets in Balance Sheet is overstated to that extent.**
- 3. The Company has shown an amount of Rs. 180.25 Lakhs under Other Financial Assets (Note 1(c)) under financial assets in the Balance Sheet. The above balances are outstanding for years together without getting any sort of confirmation from the bank. Since there is no confirmation from banks and the efforts to reconcile the same over these periods has not become fruitful, provisions for loss have to be created for this amount. The surplus in statement profit and loss under Other Equity (Note 5(b)) and Other Financial Assets (Note 1(c)) under financial assets in the accompanying Revised Financial Statements are overstated to that extent since the company has not made any provisions on the loss that may arise on the bank balances mentioned above.**
- 4. Provisions for Earned Leave Salary for contract employees has not been provided by the Company, resulting in an understatement of Employee benefits under Provisions (refer Note 4(a)) in Non-Financial Liabilities and overstatement of the surplus in statement profit and loss under Other Equity (Note 5(b)). Further the company has not applied actuarial assumptions for recognizing and measuring the present obligations arising out of defined benefit plans for employees in accordance with IND AS - 19 Employee Benefits and has not complied with corresponding disclosure requirement as per IND AS 19. The effect of above could not be quantified since the relevant data was not provided.**



5. *As per the reconciliation statement of periods prior to the period of accompanying Revised Financial Statements for the principal portion of the amount due to National Minority Development and Finance Corporation (NMDFC), entries have not been passed in the books of the Company to the tune of Rs. 4.07 Lakhs and NMDFC has not accounted the payments of Rs. 27.51 Lakhs. Further as per the reconciliation statement of period pertaining to the accompanying Revised Financial Statements, entries have not been passed in the books of the Company to the tune of Rs 2.72 Lakhs. NMDFC has not accounted the payments of Rs. 54 Lakhs. We are unable to determine whether any adjustment might have been necessary in respect of these differences.*
6. *The Company has not disclosed Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Circular - Disclosure in Financial Statements - 'Notes to Accounts DBR.BP.BC No.23/21.04.018/2015-16 issued by RBI dated July1, 2015 with respect to maturity pattern of assets and liabilities, exposure to real estate sector and movement of NPAs.*

We conducted our audit in accordance with the Standards on Auditing (SAs) prescribed 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 ethical requirements that are relevant to our audit for the Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Revised Financial Statements.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Revised Financial Statements:

Note 12 to the Revised Financial Statements which describes the uncertainty related to the outcome of lawsuits filed and orders against the Company aggregating to Rs. 208.25 Lakhs is under litigation and pending at various forums.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises information included in the Company's annual report, but does not include the Revised Financial Statements and our auditors' report thereon.

Our opinion on the Revised Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Revised Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



with the Revised Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibility of Management for the Revised 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 Revised 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 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 Revised Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Revised financial statements, management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Revised Financial Statements

Our objectives are to obtain reasonable assurance about whether the Revised 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 Revised Financial Statements.

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

- Identify and assess the risks of material misstatement of the Revised Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Revised Financial Statements 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 in the Revised Financial Statements made by Management and Board of Directors
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on 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 Auditors' report to the related disclosures in the Revised 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 Auditors' 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 Revised Financial Statements, including the disclosures, and whether the Revised Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

- A. 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 ("the act"), we give in the "Annexure B" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. 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 except for the matters referred in basis of qualified opinion above.



- 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 except for the matters referred in basis of qualified opinion above.
- c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account except for the matters referred in basis of qualified opinion above.
- d. In our opinion, the aforesaid Revised Financial Statements comply with the Accounting Standards specified under Section 133 of the Act except for the matters referred in basis of qualified opinion above.
- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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 A".
- 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 Revised Financial Statements – Refer Note 12 to the Revised 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 except for the matters referred in basis of qualified opinion above;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Revised Financial Statements since they do not pertain to the financial year ended 31 March 2021.



- C. With respect to the matter to be included in the Auditors' Report under section 197(16):
In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- D. As required by section 143(5) of the Act, we give in "Annexure C" a statement on the compliance to the directions issued by the Comptroller and Auditor General of India, as applicable to the Company for the year under audit.

For C Thomas & Associates
Chartered Accountants
Firm Regn.No. 008921S

Jom Jose
Partner
Mem No. 238608



UDIN : 21238608AAAAMD2384

Place: Thiruvananthapuram
Date : 14 October 2021

Annexure A to the Independent Auditors' report on the financial statements of Kerala State Backward Classes Development Corporation Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid Revised Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

Qualified Opinion

We have audited the internal financial controls with reference to the Revised Financial Statements of **Kerala State Backward Classes Development Corporation Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the Revised Financial Statements of the Company for the year ended on that date.

According to the information and explanations given to me us and based on our audit, the following material weaknesses have been identified as at March 31, 2021:

- (a) *There is a material weakness in the area of reconciliation of balances with borrowers (National Minority Development and Finance Corporation) (Note 3(b)) with respect to transaction during the year and period prior to the audit which is also reported under audit report of previous years which may result in variation in surplus as per Statement of Profit and Loss under other equity (Note 5(b)) as reported in the basis of qualified opinion paragraph in the Independent Auditor's report.*
- (b) *There is material weakness in the area of reconciliation of balances with bank (Note 1(c)) pending over years, which is also reported in audit report of previous years which may result in variation in surplus as per Statement of Profit and Loss under other equity (Note 5(b)) as reported in the basis of qualified opinion paragraph in the Independent Auditor's report.*
- (c) *There is a weakness in the area of recognition of property, plant and equipment (Note 2(a)) which may result in variation in surplus as per Statement of Profit and Loss under other equity (Note 5(b)) as reported in the basis of qualified opinion paragraph in the Independent Auditor's report.*
- (d) *There is a weakness in the area of recognition of employee benefit expenses (Note 4(a)) which may result in variation in surplus as per Statement of Profit and Loss under other equity (Note 5(b)) as reported in the basis of qualified opinion paragraph in the Independent Auditor's report.*

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has in all material aspects, maintained adequate internal financial controls over financial reporting as of March 31, 2021, 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 except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2021.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 Revised Financial Statements of the Company, and these material weaknesses does not affect our opinion on the Revised Financial Statements of the Company.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements 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 ("the guidance note") issued by 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 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 financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act")

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such 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 evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to the Revised Financial Statements over financial reporting.



Meaning of Internal Financial controls with Reference to Financial Statement

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For C Thomas & Associates
Chartered Accountants
Firm's Registration No:008921S


Jom Jose
Partner

Membership No:238608

UDIN : 21238608AAAAMD2384

Place: Thiruvananthapuram

Date: 14 October 2021



Annexure B to the Independent Auditors' Report - 31 March 2021

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Revised Financial statements for the year ended 31 March 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management according to a programme of phased verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the fixed assets have been physically verified by management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the Property, Plant and Equipment held by the company includes Leasehold Land situated in Kollam, shown at nominal value of Rs. 1.00 in books of accounts. The lease deed for the same is not available with the company.
- ii. The Company does not hold any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act except for the matters referred below.
- iv. According to the information and explanations given to us and based on the audit procedures conducted by us, the provisions of section 185 of the Act are not applicable to the Company. The Company has complied with the provisions of section 186 of the Act, to the extent applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any activities conducted/ services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.



According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they become payable.

(i) Income tax TDS demand

Financial Year	Amount in INR
2020-21	3,830
2014-15	10,470
2011-12	2,920
2010-11	40,610
2009-10	9,230
Total	67,060

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the following dues have not been deposited by the Company on account of any disputes—

Name of the statute	Nature of Dues	Amount (in INR lakhs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	4.07	2014-15	CESTAT, Bengaluru
Finance Act, 1994	Service Tax	12.43	2011-12 to 2013-14	CESTAT, Bengaluru
Finance Act, 1994	Service Tax	0.32	2015-16	The Commissioner [Appeals]
Finance Act, 1994	Service Tax	175.98	2012-13 to 2017-18	The Commissioner [Appeals]
Finance Act, 1994	Service Tax	9.45	2016-17 to 2017-18	The Commissioner [Appeals]

- viii. According to the information and explanations given to us and based on our examination of the records, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks during the year, except for the matters referred to in the basis of qualified opinion paragraph in the Independent Auditors Report. The Company did not have any borrowings from debenture holders or the government during the year.



- ix. According to the information and explanations given to us and based on our examination of the records, the Company has utilised the money raised during the year by way of terms loans for the purpose for which they were raised. During the year, the Company has not raised moneys by way of rights issue or initial public offer or further public offer.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or any instance of material fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review except for the 2.29 Lakh shares issued to Government of Kerala referred to in Note 5(a) of the Revised Financial Statements.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.



- xvi. According to the information and explanations given to us, the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

For C Thomas & Associates
Chartered Accountants
Firm's Registration No: 008921S



Jom Jose
Partner
Membership No:238608



UDIN : 21238608AAAAM02384

Place: Thiruvananthapuram
Date: 14 October 2021

www.ksbcdcd.com

**Annexure C to the Independent Auditors report on the Financial statements of
Kerala State Backward Classes Development Corporation Limited for the year ended 31 March 2021**

Directions under section 143(5) of Companies Act 2013

Sl No.	Directions	Auditor's Comments
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 IT system on the integrity of the accounts along with the financial implications, if any, may be stated	The Company uses 'BCDC online' software to account its lending business transactions on cash basis throughout Kerala. Other than this, the company is using 'Tally ERP' software to record its other transactions, by adopting the transactions from the BCDC Online. Manual intervention by passing the adjustment entries for the transactions in the 'BCDC online' through Tally ERP is performed by the management.
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, NSKFDC. The Company is regularly repaying the debts. There is no restructuring of any loan or waiver/write off of loans made by the lender due to company's inability to repay the loan. Not applicable
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	1) Company has not passed entries with respect to the interest accrued but not due on borrowings from National Minority Development and Finance Corporation. The effect of liability arising out of the above as at the balance sheet date could not be quantified since the data was not provided. Refer Basis of Qualified Opinion -Para 1 for further details. 2) As per the reconciliation statement of periods prior to the period of accompanying Revised Financial Statements for the principal portion of the amount due to National Minority Development and Finance Corporation (NMDFC), entries have not been passed in the books of the Company to the tune of Rs. 4.07 Lakhs and NMDFC has not accounted the payments of Rs. 27.51 Lakhs. Further as per the reconciliation statement of period pertaining to the accompanying Revised Financial Statements, entries have not been passed in the books of the Company to the tune of Rs 2.72 Lakhs. NMDFC has not accounted the payments of Rs. 54 Lakhs. We are unable to determine whether any adjustment might have been necessary in respect of these differences. Refer Basis of Qualified Opinion -Para 5 for further details.

For C Thomas & Associates
Chartered Accountants
Firm Registration No: 008921S

[Signature]

Jerin Jose
Partner
Membership No. 238608
Thiruvananthapuram
Date : 14 October 2021



UDIN : 21238608AAAAM02384

Sector Specific Sub- Directions under section 143(5) of The Companies Act, 2013

Sl No.	Sector Specific Sub-Directions	Auditor's Comments
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 generally complied with the directions issued by Reserve Bank of India, except for the matters referred to Basis of Qualified Opinion Paragraph No. 6 of Audit Report The company has complied with the Prudential Norms on Income Recognition, Asset Classification and Provisioning Norms. The company has complied with the Capital Adequacy norms for NBFC
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 sufficient system to ensure that loans were secured by adequate security, free from encumbrances and 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 Company has the following schemes for settlement of dues and extension thereto: 1) Aashwasakiranam Scheme 2) One Time settlement (OTS) 2) BCDC Loanes Distress Relief Fund (LDRF) 4) Fishermen's Debt Relief Fund (FDRF) Settlements of dues is done only after approval from the Board 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.	Company does not have any trade receivables, other than loans and advances as on 31.03.2021. Periodical confirmation certificates have not been received from the Loanes. Company has not obtained any confirmations with respect to trade payables. With regard to Bank account and cash, confirmations has not been received in certain cases which is specifically reported in the main report. With respect to borrowings, the balances as per the books of the company are in agreement with the balance as per books of borrowers except for the matters referred to in para 1 & para 5 of the Basis for Qualified Opinion of the Audit Report.
5	Whether the bank guarantees are revalidated in time?	According to the information and explanations provided to us, the company is not having any bank guarantees as on 31.03.2021 and hence reporting requirement does not arise as per this clause.

For C Thomas & Associates
Chartered Accountants
Firm Registration No: 008921S

John Jose
Partner
Membership No. 238608
Thiruvananthapuram
Date : 14 October 2021



UDIN : 21238608AAAA M02384

STATUTORY AUDITOR'S REPORT

We have examined the books of accounts and other records of Kerala State Backward Classes Development Corporation Ltd. for the Financial Year ending 31 March 2021 On the basis of the information submitted to us, we certify the following:

Sl.	Particulars	Details
1	Name of the company	Kerala State Backward Classes Development Corporation Limited
2	Certificate of Registration No.	COR No. N-16.00180 TVM
3	Registered office Address	TC 27/588 (7) & (8), "Sentinel", 2nd Floor, Pattoor, Vanchiyoor P.O, Thiruvananthapuram- 695035
4	Corporate office Address	TC 27/588 (7) & (8), "Sentinel", 2nd Floor, Pattoor, Vanchiyoor P.O, Thiruvananthapuram- 695035
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 is 100% owned by Government of Kerala)
6	Net Owned Fund (Rs in Crore) (Calculation of the same is given in the Annex)	377.19
7	Total Assets (Rs in Crore)	1,485.23
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* (Refer Note 1) b) % of Financial Income to Gross Income	99.89% 99.67%
9	Whether the company was holding any Public Deposits, as on March 31 2021? If Yes, the amount Rs. Crore	NA
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec 45-IC of the RBI Act, 1934).	Yes. Out of the total Reserve Fund amounting to Rs.11.16 crores transferred to statutory reserve as per section 45-IC of The RBI Act, 1934, Rs. 6.44 crores was appropriated from opening balance of General Reserve pertaining to statutory reserve to be created for the FY 2018-19 & FY 2019-20 and Rs. 4.72 crores pertains to FY 2020-21
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	NA
12	If the company is classified as an NBFC- Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	NA
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; 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	NA
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/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)	NA

* Note 1: The total financial assets includes outstanding balances from banks for which the confirmation statement has not been received. Refer Basis of Adverse Opinion -Para 6 for further details.

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.

For C Thomas & Associates
Chartered Accountants
Firm Registration No: 008921S


Jon Jose
Partner

Membership No. 238608



UDIN: 21238608AAAAM02384

Place: Thiruvananthapuram
Date: 14 October 2021

Annexure-1

Sl. No.	Capital Funds - Tier I	Rs. in crore
1	Paid up Equity Capital	139.93
2	Pref. shares to be compulsorily converted into	-
3	Free Reserves:	
	a. General Reserve	232.25
	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)	5.01
4	Special Reserves	
	Total of 1 to 4	377.19
5	Less: i. Accumulated balance of loss	-
	ii. Deferred Revenue Expenditure	-
	ii. Deferred Tax Assets (Net)	-
	iii. Other Intangible Assets	-
	Owned Fund	377.19
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	-
8	Total of 6 and 7	-
9	Amount in item 8 in excess of 10% of Owned Fund	-
10	Net Owned Fund	377.19



REPLY TO THE INDEPENDENT AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2020-21

1. Calculation w.r.t Interest Accrued but not due w.r.t Loan from NMDFC

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 2022.

2. Leasehold Property at Kollam

It is hereby submitted that the Company is holding the Land as Leasehold Land and the Company has already requested the government to extend the tenure of the Lease from 3 years to 30 Years and the decision from the Government in this context is awaited.

3. Non Receipt of Confirmation from Banks

Observation pointed out by the Independent Auditor is noted and necessary actions will be taken to rectify the same in the Financial Statements for the year 2021-22.

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 2021 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.

W.r.t Actuarial Valuation, action will be taken for to comply the requirement as per IND AS 19 in the Financial Year 2021-22.

5. Non Reconciliation of Loans Outstanding with NMDFC

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.

6. Non-Disclosure of Details as required by RBI Directions w.r.t Maturity Pattern of Assets Performance Linked Grant in Aid

Observation pointed out by the Independent Auditor is noted and necessary actions will be taken to rectify the same in the Financial Statements for the year 2021-22

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705
BALANCE SHEET AS AT 31ST MARCH, 2021

		(Rupees in Lakhs)	
Particulars	Note No	Year ended March, 2021	Year ended March, 2020
A ASSETS			
Financial Assets			
a) Cash and cash equivalents	1(a)	1,795.02	11,176.93
c) Loans	1(b)	1,44,290.04	1,19,844.10
d) Other financial assets	1(c)	2,276.53	4,298.72
TOTAL		1,48,361.59	1,35,319.75
Non Financial Assets			
a) Property, plant and equipment	2(a)	126.05	90.91
b) Capital work - in - progress		34.50	34.50
c) Intangible Assets	2(b)	0.78	0.95
TOTAL		161.33	126.36
Total Assets		1,48,522.92	1,35,446.11
B LIABILITIES AND EQUITIES			
LIABILITIES			
Financial Liabilities			
(a) Payables	3(a)	180.31	66.60
(b) Borrowings (other than debt securities)	3(b)	1,07,878.65	95,498.91
(c) Other financial liabilities	3(c)	1,303.88	819.80
TOTAL		1,09,362.84	96,385.31
Non Financial Liabilities			
(a) Provisions	4(a)	324.87	303.84
(b) Other non financial liabilities	4(b)	1.14	4.37
TOTAL		326.01	308.21
EQUITY			
(a) Equity Share Capital	5(a)	13,992.60	13,763.80
(b) Other Equity	5(b)	24,841.48	24,988.79
TOTAL		38,834.08	38,752.59
Total Equities and Liabilities		1,48,522.92	1,35,446.11

Accompanying notes forms part of the Financial Statements.
As per our report of events date attached

1 - 30

For C Thomas & Associates
Chartered Accountants
Firm Registration No: 0089215

For and on behalf of the Board of Directors
Kerala State Backward Classes Development Corporation Limited


Jom Jose
Partner
Mem No. 238608




R. Ram Ganesh
Company Secretary
Mem No. F8633


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


T K Suresh
Chairman
(DIN: 00449654)

UDIN: 21838608 AAAAM02-384
Date : 14 October 2021

Place: Thiruvananthapuram
Date: 12 October 2021

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705
STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

		(Rupees in Lakhs)	
Particulars	Note No	Year ended March, 2021	Year ended March, 2020
Revenue from Operations			
i) Interest Income	6(a)	9,156.27	8,235.84
ii) Processing charges	6(b)	272.09	256.56
I Total Revenue from operations		9,428.36	8,492.40
II Other Income	7	31.00	70.81
III Total Income (I+II)		9,459.36	8,563.21
Expenses:-			
(a) Finance Costs	8	3,340.43	2,594.42
(b) Employee Benefits Expenses	9	1,642.67	1,527.46
(c) Depreciation, amortization and impairment	2(a)	39.90	30.42
(d) Impairment on financial instruments	10	1,417.89	2,564.71
(e) Other Expenses	11	658.66	424.85
IV Total Expenses		7,099.55	7,141.86
V Profit before exceptional and tax (III-IV)		2,359.81	1,421.35
VI Exceptional Items		-	-
VII Profit from continuing operations (V-VI)		2,359.81	1,421.35
VIII Tax Expense:			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
11 Profit for the year (VI-VII)		2,359.81	1,421.35
12 Profit from discontinued operations		-	-
13 Profit or loss for the period (11+12)		2,359.81	1,421.35
14 Other Comprehensive Income		-	-
15 Total Comprehensive Income for the year (13+14)		2,359.81	1,421.35
16 Earnings per Share (for Continuing operations)	25		
(a) Basic (Rs)		16.86	10.44
(b) Diluted (Rs)		16.86	10.44
17 Earnings per Share (for Discontinued operations)			
(a) Basic (Rs)		-	-
(b) Diluted (Rs)		-	-
18 Earnings per Share (for Continuing operations and for Discontinued operations)	25		
(a) Basic (Rs)		16.86	10.44
(b) Diluted (Rs)		16.86	10.44

Accompanying notes forms part of the Financial Statements.
As per our report of events date attached

1 - 30

For C Thomas & Associates
Chartered Accountants
Firm Registration No: 0089215


Jom Jose
Partner
Membership No. 238608



For and on behalf of the Board of Directors
Kerala State Backward Classes Development Corporation Limited


R. Ram Ganesh
Company Secretary
Mem No. F8633


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


T K Suresh
Chairman
(DIN: 00449654)

UDIN : 21238608 AAAAM02384
Date : 14 October 2021

Place Thiruvananthapuram
Date 12 October 2021

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

		(Rupees in Lakhs)	
	Particulars	Year ended March, 2021	Year ended March, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before income tax from continuing	2,359.81	1,421.35
	Profit before income tax from discontinued	-	-
	Profit before income tax from continuing and discontinued	2,359.81	1,421.35
	Adjustments to reconcile profit before tax to net cash flow		
	Adjustments for: Non Cash Expenses		
	Impairment on financial instruments	1,417.89	2,564.71
	Depreciation	39.90	30.42
	Operating Profit before Working Capital Changes	3,817.60	4,016.48
	Adjustment for (Increase)/ Decrease in Working Capital:		
	Other Financial assets	2,022.19	(1,490.11)
	Provisions	21.03	2,559.72
	Loans Granted (Net)	(25,863.82)	(15,672.07)
	Payables	113.71	-51.83
	Other Financial Liabilities	302.03	32.33
	Cash generated from Operation Activities	(19,587.26)	(10,605.48)
	Net Cash from Operating Activities	(19,587.26)	(10,605.48)
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Property Plant and Equipment	(74.89)	(45.58)
	Net cash used in Investing Activities	(74.89)	(45.58)
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from issue of Equity shares	228.80	228.80
	Decrease in Reserves	(2,507.12)	(124.22)
	Repayment/Proceeds from Borrowings(Net)	12,379.74	19,414.09
	Non Current liabilities	178.82	277.15
	Net Cash used in Financing Activities	10,280.24	19,795.82
	Net Increase/(Decrease) in Cash and Cash Equivalents	(9,381.90)	9,144.76
	Cash and Cash Equivalents at the beginning of the year	11,176.93	2,032.17
	Cash and Cash Equivalents at the end of the year	1,795.03	11,176.93

Notes

1. The above Cash Flow statement has been prepared under the indirect method as set out in IND AS 7 on 'Statement of Cash Flows'.
2. During the year, the company has incurred an amount of Rs 219.77 Lakhs in cash (31 March 2020: Nil) towards Corporate Social Responsibility (CSR) Expenditure (Refer Note 17)

Accompanying notes forms part of the Financial Statements.
As per our report of events date attached

For C Thomas & Associates

For and on behalf of the Board of Directors

Chartered Accountants
Firm Registration No: 0089215

Kerala State Backward Classes Development Corporation Limited


Jom Jose
Partner
Membership No. 238608



  
R. Ram Ganesh K. T. Balabhaskaran T K Suresh
Company Secretary Managing Director Chairman
Mem No. F8633 (DIN : 07593504) (DIN: 00449654)

UDIN : 81238608 AAAA MO 2384
Date : 14 October 2021

Place: Thiruvananthapuram
Date: 12 October 2021

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705
STATEMENT OF CHANGES IN EQUITY

EQUITY Particulars	(Rupees in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Shares outstanding at the beginning of the reporting period	13,763.80	13,535.00
Shares Issued during the period	228.80	228.80
Shares Bought back during the period	-	-
Shares Outstanding at the end of the reporting period	13,992.60	13,763.80
OTHER EQUITY		
Particulars	(Rupees in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
(a) Share Application Money pending allotment	-	-
(a) Balance at the beginning of Reporting Period	-	-
(b) Shares allotted	-	-
(c) Balance at the end of the Reporting Period	-	-
(b) General Reserve	-	-
(a) Balance at the beginning of Reporting Period	24,508.31	23,281.75
(b) Less: Effect of Changes in Accounting Policy	2,349.44	5.00
(c) Less: OB adjusted for Statutory Reserve RBI as per Section 45-IC of the RBI Act 1934	643.92	-
(d) Restated balance at the beginning of the reporting period	21,514.95	23,276.75
(e) Transfer from Profit and Loss Account	1,710.11	1,231.57
(f) Less: Utilized for dividend	-	-
(g) Balance at the end of the Reporting Period	23,225.05	24,508.32
(c) Surplus/(Deficit) in Statement Profit and Loss	-	-
(a) Balance at the beginning of Reporting Period	-	-
(b) Add: Total Comprehensive Income for the year	2,359.81	1,421.35
(c) Less: Transfer to BCDC LDRF Special Reserve	177.74	189.78
(d) Less: Transfer to Statutory Reserve - RBI as per Section 45-IC of the RBI Act 1934	471.96	-
(d) Less: Transfer to General Reserve	1,710.11	1,231.57
(e) Balance at the end of the Reporting Period	-	-
(d) BCDC LDRF Special Reserve	-	-
(a) Balance at the beginning of Reporting Period	480.48	414.92
(b) Add: Additions	177.74	189.78
(c) Less: Transferred	157.68	124.22
(e) Balance at the end of the Reporting Period	500.54	480.48
(e) Statutory Reserve as per section 45-IC of the RBI Act 1934	-	-
(a) Reserve for FY 2018-19 & 2019-20	643.92	-
(b) Add: Additions	471.96	-
(c) Balance at the end of the Reporting Period	1,115.88	-

Accompanying notes forms part of the Financial Statements.
As per our report of events date attached

For C Thomas & Associates
Chartered Accountants
Firm Registration No: 0089215

[Signature]

Jom Jose
Partner
Membership No. 238608



UDIN : 21236608AAAAMO2384

Date : 14 October 2021

Place Thiruvananthapuram

Date: 12 October 2021

For and on behalf of the Board of Directors
Kerala State Backward Classes Development Corporation Limited

[Signature]
Ram Ganesh
Company Secretary
Mem No. F8633

[Signature]
K. T. Balabhaskaran
Managing Director
(DIN : 07593504)

[Signature]
T K Suresh
Chairman
(DIN: 00449654)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

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

B - Significant Accounting Policies

a. Basis of preparation of Financial Statements:

The financial statements of the company have been prepared in accordance with Ind AS notified under the companies (Indian Accounting Standards) Rules, 2015 and with companies (Indian Accounting Standards) (Amendment) Rules, 2016 and comply in all material aspects with the relevant provisions of the Companies Act, 2013. Up to the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

The company adopted Ind AS w.e.f. April 01, 2019. The financial statements have been prepared on accrual basis and are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Lakhs of Indian Rupees and all values are rounded to the nearest Lakhs and decimals.

b. Classification of Assets and Liabilities as Financial and Non-Financial

All assets and liabilities have been classified as Financial and non – Financial as per the relevant Ind AS. Assets and Liabilities are not classified as current and non-current in line with Division III to Schedule III of Companies Act 2013.

Further, the Company follows prudential norms on 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.

c. Use of estimates:

The preparation of financial statements in conformity with Ind AS 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.

d. Property, Plant and Equipment and Intangible Assets

- i) Property, Plant and Equipment 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) The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date as per Ind AS 16.
- iii) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.
- iv) Depreciation has been provided on written down value method on all Property, plant and equipment 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.
- v) The Company has elected to continue with the carrying value of all of its intangible assets recognized as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date. 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 Ind AS 38. Expenditure on separate software is capitalized as intangible assets and depreciation provided at prescribed rate.
- vi) Assets acquired out of Grant in Aid which are adjusted against Grant received in the current year itself and is shown at nominal value of Rs. 1.00 for each assets and no depreciation is charged in respect of these assets.
- vii) Assets costing less than Rs 5,000/- are fully depreciated in the period of purchase
- viii) Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

e. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rental expense on operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Lease rental income is accounted on accrual basis. The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.



f. Impairment of Non-Financial 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.

g. Financial Asset

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The company reviews the credit quality of its loans based on the ageing of the loan at the period end. There is no significant credit risk of any individual customer that may impact adversely, and hence the Company has calculated its ECL allowances on a collective basis.

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets into stages primarily based on the Days Past Due status.

Stage 1 : 0-90 days past due

Stage 2 : 90-365 days past due

Stage 3 : More than 365 days past due

The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgments and estimates. The impact of the pandemic on the long-term prospects of businesses in these sectors is uncertain and may lead to significant credit losses on specific exposures, which may not be fully captured in ECL estimates. The final impact of this pandemic and the Group's impairment loss allowance estimates are inherently uncertain, and hence, the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.



The Group considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 365 days past due on its contractual payments.

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

The Group has made the following assumptions in the ECL Model:

"Loss given default" (LGD) is common for all three Stages and is based on loss in past portfolio.

"Probability of Default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD at 100%. This is calculated based on last 3 years yearly movement of default rates.

ECL is measured as follows:

Financial assets that are not credit impaired at the reporting date: for Stage 1, gross exposure is multiplied by PD and LGD percentage to arrive at the ECL. For Stage 2, future Expected Cash flows for respective future years is initially multiplied by respective years Marginal PDs and LGD percentage and then by conversion factor for converting into stage 3.

Financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and actual cash flows till reporting date;

Disclosure as required by RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 notification issued by RBI. (All Amounts in INR Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	129,210.54	-	129,210.54	522.39	-522.39
	Stage 2	1,958.7	125.52	1,833.18	7.83	117.69
	Stage 3	38.25	20.9	17.35	0.15	20.75
Non-Performing Assets (NPA)						
Substandard	Stage 2	9,450.89	605.58	8845.31	945.05	-339.47
	Stage 3	148.47	81.12	67.35	14.82	66.30
Doubtful - up to 1 year	Stage 3	4,954.96	2,706.91	2,248.05	1,902.12	804.79
1 to 3 years	Stage 3	3,910.08	2,104.72	1,805.36	1,737.06	367.66
More than 3 years	Stage 3	551.24	288.36	262.88	294.86	-6.50
Loss	Stage 3	99.00	99.00	-	99.00	-
Subtotal		150,322.14	6,032.10	144,290.03	5,523.13	508.83
Total	Stage 1	129,210.55	-	129,210.54	522.39	-522.39
	Stage 2	11,409.59	731.08	10,678.50	952.88	-221.78
	Stage 3	9,702.00	5,301.02	4,400.99	4,047.86	1,253.00
	Total	150,332.14	6,032.10	144,290.03	5,523.13	508.83



h. Effective Interest Method

Interest revenue shall be calculated by using the effective interest method. This shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the entity shall apply the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) Financial assets that are not purchased or originated credit impaired financial assets but subsequently have become credit impaired financial assets. For those financial assets, the entity shall apply the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

The entity does not have any such Assets and therefore Effective Interest Rate is not applicable.

i. Revenue Recognition:

- (i) Interest on loans and advances to borrowers is recognised on accrual basis on Performing Assets(Standard Assets) and interest on Non Performing Assets is recognized on actual receipt basis as per RBI norms.
- (ii) Any other income such as interest on SB, Short -Term Deposits etc. 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 Ind AS 18.

j. Grant in Aid

Grants sanctioned by Government or the channel partners for programmes undertaken for the development of the target group are recognized in the Profit and Loss Account as income and matching expenses are disclosed separately 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.

k. 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 'Ind AS 19' 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.

l. 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 Indian Accounting Standard 12 on Income Taxes issued by the Institute of Chartered Accountants of India on deferred taxes is not applicable to the Corporation.

m. 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 materialize into liabilities after the year-end, until the finalization 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.

n. 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.

o. 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.

p. Loans:


Loans are stated at fair value i.e., the amount advanced, as reduced by the amounts received up to the balance sheet date.



q. Earnings per share:

Basic Earnings per equity share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares (calculated on a monthly basis). Diluted Earnings per equity share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding (calculated on a monthly basis).


For C Thomas & Associates
Chartered Accountants
Firm Registration No: 008921S


Jom Jose
Partner
Mem No. 238608



UDIN: 21235605AAAA MO 2384
Date: 14 October 2021
Thiruvananthapuram
Date: 12 October 2021

For and on behalf of Board of Directors
Kerala State Backward Classes Development Corporation


R. Ram Ganesh
Company Secretary
Mem No. F8633


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


T K Suresh
Chairman
(DIN: 00449654)

		(Rupees in Lakhs)	
1.(a)	CASH AND CASH EQUIVALENTS	As at 31st March, 2021	As at 31st March, 2020
	Particulars		
	(a) Cash on hand	51.61	0.57
	(b) Balance with Banks:-		
	In Current Accounts	719.42	6,345.45
	(c) Balance with Government of Kerala Treasury SB Account	23.76	30.00
	(d) In Term Deposit Accounts with original maturity upto 3 months	1,000.00	4,800.00
	(e) Others:-		
	Stock of Stamps	0.23	0.91
		<u>1,795.02</u>	<u>11,176.93</u>

More than 1 year Deposit - Nil

Cash on Hand and Stock of Stamps are physically verified and certified by Individual Unit Heads.

		(Rupees in Lakhs)	
1.(b)	LOANS (at amortized cost)	As at 31st March, 2021	As at 31st March, 2020
	Particulars		
	Secured by tangible assets		
	(a) General Term Loans:		
	(i) Loans out of NBCFDC Funds	20,076.62	16,708.39
	(ii) Loans out of NMDFC Funds	17,977.37	15,857.43
	(iii) Loans out of KSBCDC Funds	41,857.30	36,174.09
	(iv) Loans out of HUDCO Funds	3.82	3.82
	(b) Employees House Building Advance	297.45	305.89
	Less: Impairment allowance	(4,556.73)	(2,731.83)
	TOTAL(Net)	75,655.84	66,317.79
	Unsecured Considered Good:-		
	(a) General Term Loans:		
	(i) Loans out of NBCFDC Funds	9,987.08	8,692.62
	(ii) Loans out of NMDFC Funds	6,504.87	6,036.93
	(iii) Loans out of KSBCDC Funds	21,346.35	21,360.30
	(b) Micro Finance Scheme:		
	(i) Loans out of NBCFDC Funds	6,374.73	11,816.83
	(ii) Loans out of NMDFC Funds	11,505.67	7,285.97
	(iii) Loans out of NSKFDC Funds	14,230.86	180.24
	(c) Employees Personal Loan Scheme	61.00	35.80
	Less: Impairment allowance	(1,376.37)	(1,882.38)
	TOTAL(Net)	68,634.19	53,526.31
	Unsecured Considered Bad:-		
	(a) General Term Loans:		
	(i) Loans out of NBCFDC Funds	48.54	-
	(ii) Loans out of NMDFC Funds	18.91	-
	(iii) Loans out of KSBCDC Funds	31.55	-
	Less: Impairment allowance	(99.00)	-
	TOTAL(Net)	0.00	-
	GRAND TOTAL (Net)	1,44,290.04	1,19,844.10

- Note:
- 1) Secured loans are secured by Equitable mortgage against Land/ Property.
 - 2) Unsecured loans to individual beneficiaries are guaranteed by employee surety.
 - 3) Unsecured loans under Micro Finance schemes to CDS are guaranteed by interse agreement between beneficiaries.
 - 4) Unsecured loans under Micro Finance schemes to NGOs are guaranteed by assets of NGO.
 - 5) Secured loans to employees under EHBA are secured by Equitable mortgage against Land/ Property.
 - 6) Unsecured loans to employees under EPLS are guaranteed by employee surety.
 - 7) Loans & Advances due by Related parties - Nil (March 2020: Nil)
 - 8) There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL
 - 9) Impairment allowance are computed based on RBI Norms



1.(c)

OTHER FINANCIAL ASSETS

Particulars

As at 31st March,
2021

(Rupees in Lakhs)

As at 31st March,
2020

(a) Pre Fixed Interest Accrued and Receivable	1,074.50	858.84
(b) Interest Accrued on Scheme Loans	752.66	2,140.14
(c) Other Financial assets	92.65	86.16
(d) Govt share on OTS interest waiver receivable	112.14	112.14
(e) Government of Kerala Fund Receivable (Refer Note 1)	30.98	29.18
(f) Grant in Aid Receivable	25.00	-
(g) Training Fund Receivable	5.92	9.62
(h) Penal Interest Accrued on Scheme Loans	2.35	876.65
(i) Interest accrued on Fixed Deposit(remaining maturity less than 3 months)	0.08	-
(j) Fisherman Debt Relief Fund	-	2.02
(k) Chief Ministers DRF	-	3.72
(l) Term Deposits with banks	180.25	180.25
TOTAL	2,276.53	4,298.72

Note 1: On 31 March 2021, Rs 30,98.227(March 2020: 29,18.339) was deducted by Government of Kerala as per Govt order no 57/2021/FIN dated 27 March 2021 from savings bank no. 799012700000510 held with Sub Treasury, Vellayambalam. As per circular No 33/2021 issued by Government of Kerala citing guidelines for release of funds resumed vide GO (P) 57/2021/FIN Kerala State Backward Classes Corporation has submitted request through letter dated 16 June 2021.



2(a) Property, Plant and Equipment										Rupees in Lakhs
Particulars	Lease hold Land	Buildings	Vehicles	Computers And Data Processing Units	Furniture And Fixtures	Electrical Fittings	Office Equipment	Electrical Equipments	Grant In Aid Assets	Total
GROSS CARRYING AMOUNT										
Balance as at 01 April, 2019	-	3.39	21.26	16.40	37.74	2.84	23.24	5.47	-	110.34
Additions during the year	-	-	-	3.13	19.96	3.90	9.38	9.20	0.00	45.57
Disposals/Deductions during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2020	-	3.39	21.26	19.53	57.69	6.75	32.62	14.67	0.00	155.91
Balance as at 01 April, 2020										
Additions during the year	-	3.39	21.26	19.53	57.69	6.75	32.62	14.67	0.00	155.91
Disposals/Deductions during the year	-	-	-	17.12	38.88	6.33	12.46	-	-	74.79
Balance as at 31 March, 2021	-	3.39	21.26	36.65	96.57	13.08	45.08	14.67	0.00	230.70
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES										
Balance as at 01 April, 2019	-	0.32	6.87	9.57	6.89	0.54	9.47	1.28	-	34.94
Additions during the year	-	0.29	4.64	3.16	9.78	0.90	8.32	2.97	-	30.07
Disposals/Deductions during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2020	-	0.61	11.52	12.72	16.67	1.44	17.78	4.26	-	65.01
Balance as at 01 April, 2020										
Additions during the year	-	0.61	11.52	12.72	16.67	1.44	17.78	4.26	-	65.01
Disposals/Deductions during the year	-	0.26	3.13	8.55	14.65	2.11	8.21	2.73	-	39.64
Balance as at 31 March, 2021	-	0.87	14.65	21.27	31.32	3.55	25.99	6.99	-	104.65
NET CARRYING AMOUNT										
As at 31 March, 2020	-	2.77	9.74	6.81	41.02	5.31	14.83	10.41	0.00	90.90
As at 31 March, 2021	-	2.51	6.61	15.38	65.25	9.53	19.08	7.68	0.00	126.05

Note:

- 1) Fixed Assets are physically verified at unit level.
- 2) Leasehold Land in which building is constructed in Kollam is shown at nominal value of Rs. 1.00 in books of accounts.
- 3) There are 64 Assets acquired out of Grant in Aid which are adjusted against Grant received in the current year itself and is shown at nominal value of Rs. 1.00 for each assets.
- 4) Building represents Compound wall built on Leasehold property at Kollam.



2.(b) Intangible Assets		Rs in Lakhs
Particulars		Software
GROSS CARRYING AMOUNT		
Balance as at 01 April, 2019		1.78
Additions during the year		-
Disposals/Deductions during the year		-
Balance as at 31 March, 2020		1.78
 Balance as at 01 April, 2020		1.78
Additions during the year		0.09
Disposals/Deductions during the year		-
Balance as at 31 March, 2021		1.87
 ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Balance as at 01 April, 2019		0.48
Additions during the year		0.35
Disposals/Deductions during the year		-
Balance as at 31 March, 2020		0.83
 Balance as at 01 April, 2020		0.83
Additions during the year		0.26
Disposals/Deductions during the year		-
Balance as at 31 March, 2021		1.09
 NET CARRYING AMOUNT		
As at 31 March, 2020		0.95
As at 31 March, 2021		0.78



3.(a)	PAYABLES Particulars	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	(a) Trade Payables	-	-
	i) Total outstanding dues of micro enterprises and small enterprises	171.61	66.60
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	(b) Creditors for Capital Purchase	8.70	-
	i) Total outstanding dues of micro enterprises and small enterprises	-	-
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	TOTAL	180.31	66.60

Micro, Small and Medium Enterprise:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small Enterprise which are outstanding for more than the stipulated period are Nil(March 2020:Nil)

3.(b)	BORROWINGS (other than debt securities) Particulars	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	At Amortized cost		
	Unsecured Loans:-		
	Term Loan from other Parties:-		
	Term Loan Schemes:-		
	(i) National Backward Class Finance and Development Corporation	31,469.79	32,779.59
	(ii) National Minority Development and Finance Corporation	34,970.17	29,194.98
		66,439.96	61,974.57
	Micro Finance Schemes:		
	(i) National Backward Class Finance and Development Corporation	14,596.64	13,239.47
	(ii) National Minority Development and Finance Corporation	13,367.32	10,384.87
	(v) National Safai Karmachari Financial Development Corporation	13,474.73	9,900.00
		41,438.69	33,524.34
	TOTAL	1,07,878.65	95,498.91

Note: All the above Loans are unsecured and Guaranteed by Government of Kerala to the tune of Rs. 1,078.78 Crores(March 2020: Rs. 954.98 Crores) as on Balance Sheet Date.

	(i) National Backward Class Finance and Development Corporation	460.66
	(ii) National Minority Development and Finance Corporation	483.37
	(iii) National Safai Karmachari Financial Development Corporation	134.75

There are no borrowings measured at FVTPL or designated at FVTPL.

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

The Company has not defaulted in repayment of principal and interest on above Borrowings.

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

There are no loans from related parties

Details of term Particulars	Interest Range	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
		Amount	Amount
Repayable in Instalments			
i) Quarterly			
Maturing within 1 year	1%-3.5%	23,887.87	17,908.69
Maturing after 1 year	1%-3.5%	83,990.78	77,590.22
		1,07,878.65	95,498.91

3.(c)	OTHER FINANCIAL LIABILITIES Particulars	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	(a) Capital Subsidy received from NORKA	607.24	425.19
	(b) Interest accrued and due on Borrowings	578.16	368.10
	(c) Relief Subsidy from BCDD	69.48	-
	(b) Fishermen Debt Relief Loan Repayable	20.40	13.43
	(e) Start Up Subsidy from BCDD	28.60	13.08
	TOTAL	1,303.88	819.80

Note: Capital Subsidy received from NORKA under Re Turn Scheme will be credited to the loanes account on last year of repayment period. Interest accrued and Due represents the repayment for the fourth quarter made in the first week of April.

4.(a)	PROVISIONS Particulars	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	(a) Provision for Employee Benefits:		
	- Leave Encashment	296.75	264.82
	- Group Gratuity Premium Payable	20.00	31.69
	- Gratuity Payable for Contract employees	8.12	7.33
	TOTAL	324.87	303.84

4.(b)	OTHER NON FINANCIAL LIABILITIES (a) Security Deposits	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	TOTAL	1.14	4.37



5. (a) Equity Share Capital

SHARE CAPITAL

(Rupees in Lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Authorized Capital: (1,50,00,000 Equity shares of Rs. 100 each)	150.00	15,000.00	150.00	15,000.00
		15,000.00		15,000.00
Issued, Subscribed and Paid Up Capital:	139.93	13,992.60	137.64	13,763.80
		13,992.60		13,763.80

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.

(Rupees in Lakhs)

Reconciliation of the No. of Shares outstanding at the beginning & at the end of the reporting period

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	137.64	13,763.80	135.35	13,535.00
Shares Issued during the period	2.29	228.80	2.29	228.80
Shares Bought back during the period	-	-	-	-
Shares Outstanding at the end of the year	139.93	13,992.60	137.64	13,763.80

Particulars of shareholders holding more than 5 Per Cent

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount	Number	Amount
Government of Kerala	139.93	13992.60	137.64	13763.80

Particulars of Shares Issued during the Previous 5 Years

Particulars	During the Year/ Period				
	2019-20	2018-19	2017-18	2016-17	2015-16
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).	-	-	-	-	-

SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars

Share application money for pending allotment

As at 31st March, 2021

As at 31st March, 2020

As at 1st April 2019

TOTAL



		(Rupees in Lakhs)	
5.(b)	OTHER EQUITY	As at 31st March, 2021	As at 31st March, 2020
	Particulars		
(a)	Share Application Money pending allotment	-	-
(b)	General Reserve		
	(a) Opening balance	24,508.31	23,281.74
	(b) Add : Transfer from statement of Profit or Loss	1,710.11	1,231.57
	(c) Less: Effect of change in Accounting Policies	2,349.44	5.00
	(d) Less: OB adjusted for Statutory Reserve RBI as per section 45-IC of the RBI Act 1934	643.92	-
	(e) Less: Utilized for dividend	-	-
	(f) Closing balance	23,225.05	24,508.31
(c)	Surplus/(Deficit) in Statement Profit and Loss		
	(a) Opening Balance	-	-
	(b) Add: Profit for the year	2,359.81	1,421.35
	(c) Less: Transfer to BCDC LDRF Special Reserve	177.74	189.78
	(d) Less: Transfer to Statutory Reserve as per 45-IC of the RBI Act 1934	471.96	-
	(e) Less: Transfer to General Reserve	1,710.11	1,231.57
	(f) Closing balance	-	-
(d)	BCDC LDRF Special Reserve		
	(a) Opening Balance	480.48	414.92
	(b) Add: Additions	177.74	189.78
	(c) Less: Transferred	157.68	124.22
	(d) Closing balance	500.54	480.48
(e)	Statutory Reserve as per section 45-IC of the RBI Act 1934		
	(a) Reserve for FY 2018-19 & 2019-20	643.92	-
	(b) Add: Additions	471.96	-
	(c) Closing balance	1,115.88	-
	TOTAL	24,841.48	24,988.79

General Reserve

General reserve is created through annual transfer of profits after appropriations to Statutory Reserve as per 45-IC of the RBI Act 1934 and Transfer to BCDC Loan Distress Relief Fund Special Reserve.

Statutory Reserve as per 45-IC of the RBI Act 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

BCDC LDRF Special Reserve

BCDC LDRF Special Reserve is maintained for addressing the loanes in distress due to death/ incapacitation of loanes. During the current year, Rs.157.68 lakhs were adjusted against the dues of 160 loanes (Previous year Rs. 124.22 lakhs for 185 loanes). BCDC LDRF Special Reserve is created by transferring 2/3rd of value of processing charges collected in a year.



6	REVENUE FROM OPERATIONS	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	Particulars		
	On Financial Instruments measured at Amortized cost		
	(a) Interest Income:-		
	(i) Interest on Term Loans/Micro Finance	7,975.00	7,214.12
	(ii) Interest from Fixed deposit with maturity period less than 3 months	371.30	91.13
	(iii) Interest from Banks (Long FD)	-	5.86
	(iv) Interest from SB Account	-	0.09
	(v) Interest on EHBA	19.20	19.89
	(vi) Interest on EPLS	3.32	-
	(vii) Penal Interest on Scheme Loans	426.00	740.81
	(viii) Pre Fixed Interest	361.46	163.94
	TOTAL	9,156.27	8,235.84
	Note: There is no loan asset measured at FVTPL or FVOCI		
	Particulars	As at 31st March, 2021	As at 31st March, 2020
	(b) Fees and commission income		
	(i) Processing Fee Collected	272.09	256.56
	Note: 2/3rd part of Processing Fee Collected from new loans is appropriated towards Loanee Distress Relief		
7	OTHER INCOME	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	Particulars		
	(a) Miscellaneous Income	31.00	40.81
	(b) NBCFDC PLGIA	-	25.00
	(c) Miscellaneous Income	-	5.00
	TOTAL	31.00	70.81



8	FINANCE COSTS	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	Particulars		
	(a) Interest on Borrowings		
	(i) Interest on NBCFDC Fund	1,408.94	1,013.67
	(ii) Interest on NMDFC Fund	1,029.53	910.71
	(iii) Interest on NSKFDC Fund	99.54	-
	(b) Other Interest expense		
	(i) Guarantee Fee to Govt. of Kerala	705.14	559.53
	(ii) Green Card	97.21	106.22
	(iii) Moratorium (Note 1)	0.07	-
	(iv) Ashwasakiranam Scheme (Note 2)	-	4.29
	TOTAL	3,340.43	2,594.42

Note 1: During the year the company has waived penal interest of Rs. 46.76 Lakhs against loans classified as other than standard for the moratorium period from March 1, 2020 to August 31, 2020 as per notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 issued by RBI in conformity with judgement of Honourable Supreme Court. The company has not recognised such interest as expense in P&L since the company has not recognised corresponding interest income in line with the Prudential norms on Income Recognition, Asset classification and provisioning pertaining to Advances vide notification no. RBI/2015-16/101 DBR.No.8P.BC.2/21.04.048/2015-16. The amount disclosed in notes penal interest waived for standard assets.

Note 2: The company has waived Rs 46 Lakhs towards interest accruing from the period for converting the original loans to Ashwasakiranam Loans.

Note 3: Other than financial liabilities measured at amortized cost, there are no other financial liabilities measured at FVTPL

9	EMPLOYEE BENEFIT EXPENSES	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	Particulars		
	(a) Salaries and wages	1,502.57	1,361.92
	(b) Contribution to Provident and Other Funds	133.94	126.90
	(c) Staff Welfare Expenses	6.16	8.64
	TOTAL	1,642.67	1,497.46

10	Impairment on financial instruments	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	Particulars		
	On Financial Instruments measured at Amortized cost Loans	1,417.89	2,564.71
		1,417.89	2,564.71

Other than financial instruments measured at amortized cost, there is no other financial instrument measured at FVOCI.

11	OTHER EXPENSES	(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
	Particulars		
	(a) CSR Expenditure (Refer Note 17)	219.77	-
	(b) Rent, Rates and Taxes and Insurance	119.18	96.26
	(c) Advertisements	81.71	32.85
	(d) Maintenance & Up-keep	52.20	62.30
	(e) Printing & Stationery	45.36	22.95
	(f) General Expenses	41.81	41.62
	(g) Travelling & Conveyance	33.41	53.90
	(h) Postage and Telephone Charges	30.40	27.64
	(i) Electricity and Water Charges	12.01	10.41
	(j) Loan Mela and Awareness and EXPO Programme Expenses	11.02	65.94
	(g) Fee for Professional Services	8.59	8.93
	(f) Audit Fee	1.75	1.45
	(h) Filing Fee	0.84	0.61
	(n) Revenue Recovery charges	0.61	-
	TOTAL	658.66	424.86



12 CONTINGENT LIABILITIES

		(Rupees in Lakhs)	
		As at 31st March, 2021	As at 31st March, 2020
Claims against the Company not acknowledged as debt:			
(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 .	4.07	4.07
(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	12.43
(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 .	0.32	0.32
(d)	Order in Original No 15/2020-21 ST(JC) dated 02-11-2020 passed by the Joint Commissioner regarding Service Tax on Guarantee Commission. The corporation has filed Appeal with the Commissioner(Appeals), Cochin on 15-01-2021	175.98	175.98
(e)	Order in Original No 09/ST/(DC)/DIV/2020-21 dated 24-06-2020 passed by the Deputy Commissioner regarding Service Tax on Processing fees, Notice charges, postal charges, legal fee, RR Commission, Misc Income and Sitting fee and travelling expenses paid to Directors. The corporation has filed Appeal with the Commissioner(Appeals), Cochin on 02-11-2020	9.45	9.45
(f)	Koppara Enterprises before Hon'ble High Court of Kerala	6.00	6.00

Note: In case of occurrence of claims against the company, the net surplus of the company will be reduced to the extent of Rs. 208.25 lakhs plus interest thereof and the liability will be increased to such extent.

For C Thomas & Associates
Chartered Accountants
Firm Registration No: 0089215



Jom Jose
Partner
Membership No. 238608



UDIN: 21238608 AAAAM02384

Date: 14 October 2021

Place: Thiruvananthapuram
Date: 12 October 2021

For and on behalf of the Board of Directors
Kerala State Backward Classes Development Corporation


R. Ram Ganesh
Company Secretary
Mem No. F8633


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


T K Suresh
Chairman
(DIN : 0044965)

Explanatory Notes to Financial Statements:

13. Loans

Loan availed from National Backward Classes Finance and Development Corporation, National Minority Development and Finance Corporation and National Safai Karmachari Financial Development 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).

14. BCDC Loanees Distress Relief Fund

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.

- 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.
- 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.

15. Details of related party transaction with Key Management Personnel (KMP)

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive Directors, to be key management personnel for the purposes of Ind AS 24 - Related Party Disclosures.

Sl.No.	Particulars	Current Year	Previous Year
a.	Salaries & Allowances (Managing Director)	19,12,743	17,55,600
b.	Salaries & Allowances (Company Secretary)	12,02,364	11,86,385
b.	Honorarium to Chairman	2,40,000	2,40,000
c.	Traveling Expenses (Managing Director)	16,055	1,40,564
d.	Traveling Expenses (Directors)	77,405	1,22,008
e.	Traveling Expenses (Company Secretary)	34,461	76,010
f.	Leave Travel Concession	NIL	NIL
g.	Sitting Fee	82,022	72,000
h.	Employee Loan (Managing Director)	1,95,111	2,64,282
i.	Interest on Employee Loan (Managing Director)	13,989	18,052



16. Total fees paid to the Statutory Auditors

The remuneration to statutory auditors for statutory audit of accounts for the year is 1,75,000/-.

17. Corporate social Responsibility:

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time.

During the year ended 31 March 2021, the Company has incurred an expenditure of Rs.219.77 Lakhs(31 March 2020: Nil) towards CSR activities which includes contribution made to CMDRF of Rs 200 Lakhs.

Detail of amount spent towards CSR activities

Gross amount required to be spent by the Company during the year is Rs 37.15 Lakhs (31 March 2020: Rs.42.23 Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
i)promotion of health care and disaster management		
In cash	200.00	-
Other than cash	-	-
i)other than (i) above		
In cash	19.77	-
Other than cash	-	-
Total	219.77	-

18. Information required as per item 4D of Part II of Schedule VI 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

19. 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 'Ind AS 19' relating to 'Employee Benefits' issued by the Institute of Chartered Accountants of India is ensured thus the Provision for earned leave salary has been provided for based on the eligible leaves of each employee as at the balance sheet date.



20. 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 Ind AS-108 "Operating Segments" issued by the Institute of Chartered Accountants of India.
21. As per Ind AS-24, Related Party Transactions, disclosures issued by the Institute of Chartered Accountants of India there are no transactions to be reported except for compensation paid to Key Managerial Personnel as per Note 15 above.
22. The disclosure required by Ind AS 116 - "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 recognized in the Profit and Loss Account under 'Rent'.
23. 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.
24. As per IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the company has made a change in policy to adopt Prudential norms on Income Recognition, Asset classification and provisioning pertaining to Advances vide notification no. RBI/2015-16/101 DBR.No.BP.BC.2/21.04.048/2015-16 from the financial year 2020-21. The effect of such change in accounting policy is disclosed in Note 5(b).

The effect on EPS of above change in accounting policy for the Financial Year 2020-21 are stated below.

Sl.No.	Description	Amount
(a)	Effect of change in Accounting Policies (in INR Lakhs)	2,349.44
(b)	Weighted average number of equity shares outstanding	1,39,92,600
(c)	Effect on Basic Earnings per share (Face Value ` 100 each)(in INR)	16.79
(d)	Effect on Diluted Earnings per share (Face Value ` 100 each) (in INR)	16.79



25. Earnings per share:

Basic Earnings per equity share are calculated by dividing the profit attributable to the equity shareholders by the number of equity shares outstanding at the end of the year. Diluted Earnings per equity share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding (calculated on a monthly basis). Since there are no discontinued operations, EPS of continuing operation is same as total EPS. 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	23,59,80,617	14,21,35,000
(b)	Weighted average number of equity shares outstanding	1,39,92,600	1,37,63,800
(c)	Basic Earnings per share (Face Value ` 100 each)	16.86	10.44
(d)	Diluted Earnings per share (Face Value ` 100 each)	16.86	10.44

26. 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. The construction of the office building has been started and the amount spent for the same is disclosed as Capital Work in Progress Rs. 34.50 lacs.

27. Capital management

The Reserve Bank of India vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019- 20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'. Accordingly, effective from the financial year ended 31 March 2020, the 'regulatory capital' has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 (as amended).

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.



The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI.

Rupees in Lakhs

Particulars	31-Mar-21	31-Mar-20
Tier - I capital	37,718.19	38,752.59
Tier - II capital	-	-
Total Capital	37,718.19	38,752.59
Aggregate of Risk Weighted Assets	1,47,076.74	1,26,505.18
Tier - I capital ratio	25.65%	30.63%
Total Capital ratio	25.65%	30.63%

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

The company does not have "Tier 2 Capital".

Aggregate Risk Weighted Assets - Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off-balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets require to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio

27 A. The Company has not restructured / implemented any resolution plan framework towards Covid 19 related stress. Hence disclosure and credit reporting in Format A is enclosed as nil



28. Pursuant to the directions issued by office of the AG dated 17th September 2021, the company has revised the Financial Statements adopted by the board on 11 September 2021 and reported upon by auditors dated 18 August 2021. Changes made in Revised Financial Statements therein are as under

1. The company has recognized loss allowance for Expected Credit Losses on Financial Assets in line with the RBI notification no. RBI/2019-20/170 DOR (NBFC). CC. PD No. 109/22.10.106/2019-20 dated 13 March 2021. The surplus in Statement of Profit and Loss under Other Equity (Note 5(b)) as reported in the Original Financial Statements dated 11 August 2021 decreased by Rs 18.02 Crores due to above adjustment.
2. The Company has created 100 % provision on doubtful assets to the extent to which the advance is not covered by realizable value of the security to which the company has a valid recourse and realizable value is estimated on a realistic basis as per Prudential norms on Income Recognition, Asset classification and provisioning pertaining to advances issued by RBI. Since the loss allowance under ECL method is higher than provision required under prudential norms issued by RBI this adjustment does not have a standalone impact on surplus in Statement of Profit and Loss.
3. The Company has passed entries in the books to the tune of Rs 2.98 Crores with respect to interest accrued but not due on borrowings from National Backward Classes Finance & Development Corporation (NBCFDC). The surplus in Statement of Profit and Loss under Other Equity (Note 5(b)) as reported in the Original Financial Statements dated 11 August 2021 decreased by Rs 2.98 Crores due to above adjustment.
29. 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 lakhs of rupees and decimals.
30. Financial Statements as per Ind AS including Standalone Balance Sheet, Standalone Profit & Loss Account, Cash Flow Statement, Statement of Changes in Equity, Significant Accounting Policy and Notes thereon has been approved by the Board of Directors in its meeting held on 12/10/2021
31. Pursuant to the comments of the Supplementary Audit done by the Accountant General Office the following changes were made in the Financial Statements
 1. Income from Deposits from Banks have been included in the Interest Income under Revenue from Operations.
 2. Amount under the Head Ashawasakiranam and Moratorium under Non Performing Assets have been taken out from the Finance Costs
 3. Rs. 34.5 lakhs which was accounted as Advance under the Head Other Financial Asset is now included in included in the Capital Work in Progress

For C Thomas & Associates
Chartered Accountants
Firm Registration No. 008524



Jon Jose
Partner

Mem No. 238608

Thiruvananthapuram

Date: 12 October 2021

For and on behalf of Board of Directors
Kerala State Backward Classes Development Corporation

R. Ram Ganesh
Company Secretary
Mem No. F8633

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

T K Suresh
Chairman
(DIN: 00449654)

UDIN : 21238608AAAAM02384

Date : 14 October 2021



www.ksbcdcdc.com

www.ksbcdcd.com



**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