



KSBCDC LTD



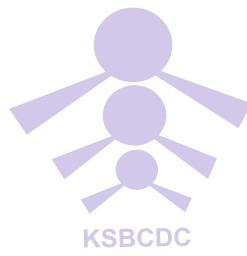
**ANNUAL
REPORT
2023-24**



KSBCDC LTD



**ANNUAL
REPORT
2023-24**





BOARD OF DIRECTORS



Adv. K. Prasad
Chairperson



Smt. Anju K.S. IAS
Managing Director



Shri. Misal Sagar Bharat IAS
Director, BCDD



Shri. V.P. Kunjikrishnan
Director



Smt. S. Pushpalatha
Director



Adv. P.P. Udayakumar
Director



Shri. T.D. Baiju
Director



Shri. Sreeni G.
Additional Secretary
(Finance Department)
Govt. of Kerala



Smt. Valsala S.D.
Joint Secretary, BCDD
Govt. of Kerala



Shri. Anil Kumar
Deputy General Manager
(Projects & L&R)
NMDFC



Shri. Suresh Kumar Sharma
General Manager
(Skill Development)
NBCFDC



BOARD OF DIRECTORS

(Directors served during the reporting period)



Smt. Anjana M. IAS
Managing Director
(25/10/2023 - 07/07/2025)



Shri. Devidas N. IAS
Managing Director
(02/03/2022 - 19/10/2023)



Shri. K. Gopalakrishnan IAS
Director, BCDD
(25/07/2023 - 30/05/2024)



Dr. Vinay Goyal IAS
Director, BCDD
(28/02/2023 - 25/07/2023)



Shri. Rajan Segal IFS
NBCFDC, Managing Director
(28/02/2023 - 23/06/2023)



Shri. Rakesh Sarwal IAS
NMDFC, CMD
(28/02/2023 - 23/06/2023)



Smt. Latha S.
Additional Secretary, BCDD
(30/03/2022 - 27/03/2025)



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CORPORATE INFORMATION

Board of Directors

Adv. K. Prasad

Chairperson

Smt. Anju K.S. IAS

Managing Director

Shri. Misal Sagar Bharat IAS

Director

Shri. V.P. Kunjukrishnan

Director

Smt. S. Pushpalatha

Director

Shri. T. D. Baiju

Director

Adv. P.P. Udayakumar

Director

Shri. Sreeni G

Director

Smt. Valsala S.D

Director

Shri. Anil Kumar

Director

Shri. Suresh Kumar Sharma

Director

Company Secretary

Shri. Sujith S

Senior Management

Smt. Preethi Joseph

General Manager (F&A)

Shri. Sajith G.

General Manager (HRM & Admn)

Shri. Sabu S.

General Manager (Projects)

Statutory Auditors

M/s Ananthan & Sundaram (SR0255)

Chartered Accountants

SCTRA-33, TC-47/1949-2,

Lakshmi Nivas, Poojappura P.O.,

Thiruvananthapuram-695 012

Our Bankers

State Bank of India

Kaithamukku Branch

Thiruvananthapuram

South Indian Bank

Chackai Branch

Thiruvananthapuram

Registered & Head Office

T.C. 27/588 (7)&(8), "SENTINEL",

2nd Floor, Pattoor,

Vanchiyoore P.O.,

Thiruvananthapuram- 695 035

Email: ksbedc@ksbedc.com

Web : www.ksbedc.com

Corporate Identification Number

U75122KL1995SGC008705



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)
CIN-U75122KL1995SGC008705

KSBCDC/3335/2023-CS(AGM)

07/09/2024

NOTICE

Notice is hereby given that the 29th Annual General Meeting of this corporation will be held at 12 noon on Monday the 30th, September, 2024 in the Registered Office of the Corporation situated at “SENTINEL” IInd Floor, TC 27/588 (7) & (8), Pattoor, Vanchiyoore P.O, Thiruvananthapuram-695035 to transact the following ordinary business viz.,

1. Consideration of the Annual Accounts relating to the financial year 2023-24.
2. Declaration of Dividend relating to the financial year 2023-24.
3. Fixing of remuneration of M/s Ananthan & Sundaram, Chartered Accountant Statutory Auditors of the Corporation for the year 2023-24 appointed by the Comptroller & Auditor General of India.

By order of the Board of Directors

sd/-

Managing Director

A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and that the proxy need not be a member of the corporation.

Regd. Office: T.C. 27/588 (7) & (8), “SENTINEL”, 2nd Floor, Pattoor,
Vanchiyoore P.O, Thiruvananthapuram - 695 035
Phone: 0471 2577539, 2577550. Fax: 0471 2577539. E Mail : ksbcd@gmail.com Web : www.ksbcd.com
“Freedom from poverty and backwardness”



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)

CIN-U75122KL1995SGC008705

KSBCDC/3335/2023-CS (AGM)

Dated: 19/01/2026

NOTICE

NOTICE is hereby given that the 29th Adjourned Annual General Meeting of Kerala State Backward Classes Development Corporation Ltd. will be held 11:00 AM on Monday the 09th February 2026 at the Registered Office of the Corporation at "SENTINEL" 2nd Floor, T.C.27/588(7)&(8), Pattoor, Vanchiyoar, P.O, Thiruvananthapuram-695 035 to transact the following ordinary business.

- 1) "To receive, consider and adopt the Directors Report, Audited Accounts for the year ended 31st March 2024, Auditors Report, the comments of Comptroller and Auditor General of India, the comments of Secretary (Finance) and the replies thereon".

By order of the Board of Directors

sd/-

Managing Director

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

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

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

"Freedom from poverty and backwardness"

REPORT OF THE MANAGING DIRECTOR

Dear Stakeholders,

It is with a sense of immense satisfaction that I present KSBCDC's performance for the financial year ended 31st March, 2024. I am pleased to inform you that our company has achieved significant growth in Loan disburseals, collections during the year. The Kerala State Backward Classes Development Corporation Ltd continued its committed efforts during the financial year 2023-24 to improve the socio-economic conditions of backward and minority communities in the State through various self-employment and welfare loan schemes.

Key Performance Highlights

The Company has achieved consistent growth, healthy profitability, and significant milestones across various financial metrics. Our total income for the year stood at ₹12,379.57 Lakhs and total expenses were ₹7,106.82 Lakhs. There has been an increase in the total net advances during the year. The net advances increased to ₹80,230.38 Lakhs in the year 2023- 24. The net profit for the year stood at ₹5,316.96 Lakhs (including Other Comprehensive Income of ₹44.21 Lakhs). The Total Market borrowings of the Company reached ₹1,46,511.33 Lakhs as against ₹1,46,018.74 Lakhs in the

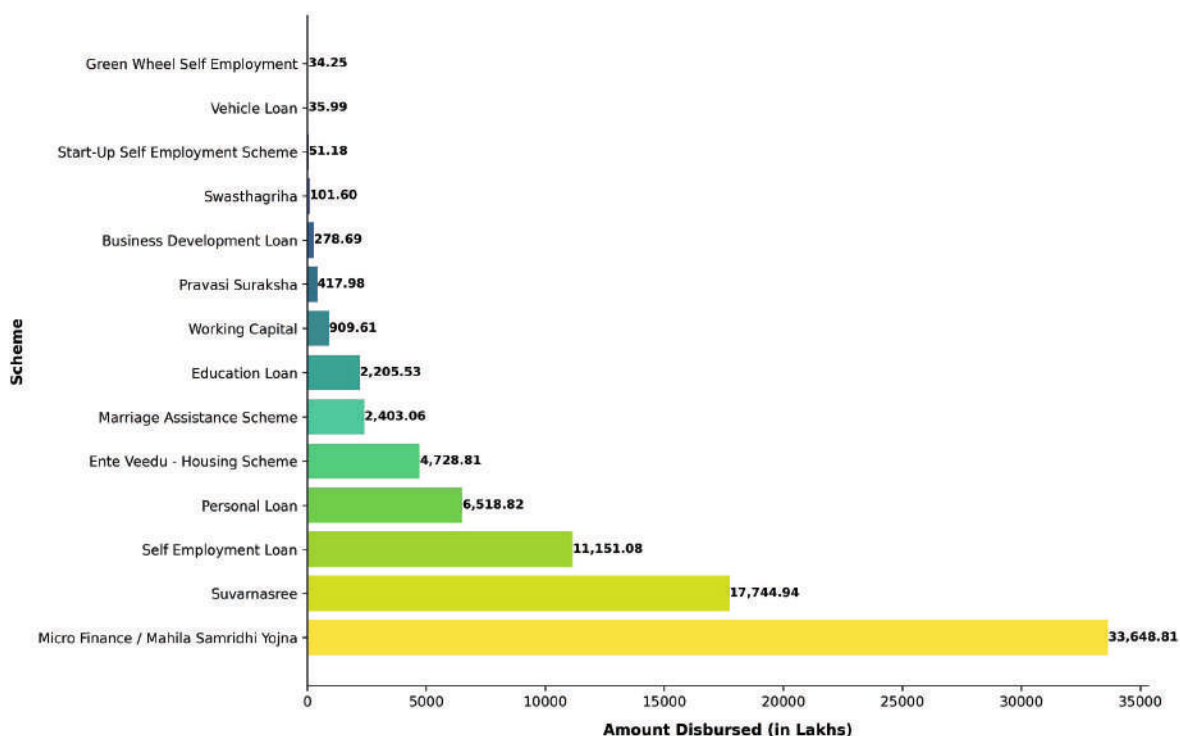
previous year. The Net worth of the company as of 31st March, 2024 is ₹51,568.25 Lakhs. The Capital-to-Risk Weighted Assets Ratio (CRAR) of the company for the year stood at 20.20% in the current year. Our Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) stood at 17.84% and 15.22% respectively.

Fund wise Breakup of Disbursement

National Backward Classes Finance Development Corporation (NBCFDC)	₹9262.07 Lakhs
National Minorities Development Finance Corporation (NMDFC)	₹17864.99 Lakhs
National Safai Karamcharis Finance & Development Corporation (NSKFDC)	₹19258.45 Lakhs
Own Fund	₹33844.87 Lakhs
Overall Disbursement	₹80230.38 Lakhs



Fund Disbursement-Scheme Wise (FY 2023-24)



During the Financial Year 2023-24, KSBCDC successfully executed a diverse portfolio of social welfare and credit advancement schemes, achieving a total outreach of 71,747 beneficiaries with an aggregate capital disbursement of ₹ 80,189.67 lakhs. The performance was anchored by the Micro Finance / Mahila Samridhi Yojna, which served as the primary driver for grassroots financial inclusion, accounting for over 77% of total beneficiaries and receiving the highest budgetary allocation of ₹ 33,648.81 lakhs. The Scheme is implemented through the Community Development Societies (CDS) of Kudumbashree with the objective of providing small and timely credit support to economically weaker households, particularly women members of neighbourhood groups. Around 55,649 beneficiaries benefited under this scheme. Concurrently, core economic advancement was sustained through robust credit deployment in flagship programs like Suvarnasree and the Self Employment Loan, which collectively disbursed ₹ 28,896.02 lakhs to foster local entrepreneurship. Targeted interventions in social infrastructure - such as the Ente Veedu Housing Scheme, education loans, and marriage assistance—demonstrated optimal asset creation for individual beneficiaries. While emerging sectors like the Start-Up and

Green Wheel Self Employment schemes remain in their nascent stages with lower participation, the overall portfolio reflects a balanced and strategic institutional approach to achieving wide-scale social empowerment alongside targeted economic development.

The Company supports Non-Resident Keralites who return to Kerala after losing employment abroad through the Pravasi Suraksha Loan scheme with the support of NORKA ROOTS. During the financial year 2023-24, KSBCDC provided financial assistance to 75 Pravasi families across the State to help them restart their livelihood and achieve financial stability.

One of the major welfare schemes implemented by the Company for supporting the most deserving sections is the “Ente Veedu” Housing Loan Scheme. The scheme enables economically weaker families to attain the dignity and security of owning a safe and stable home. During the financial year 2023-24, under Ente Veedu Housing Loan Scheme a total of Rs 4728.81 Lakhs disbursed, 753 beneficiaries realized their dream of having a home of their own.

The details of the loan disbursement during 2023-24 is given below;

Scheme	No of Beneficiaries	Amount Disbursed (₹ in lakhs)
Self-Employment Loan	4269	11151.08
Education Loan	573	2205.53
Micro Finance / Mahila Samridhi Yojna	55649	33648.81
Marriage Assistance Scheme	1257	2403.06
Swasthagriha	31	101.60
Working Capital	361	909.61
Suvarnasree	6670	17744.94
Business Development Loan	82	278.69
Vehicle Loan	18	35.99
Personal Loan	1992	6518.82
Ente Veedu - Housing Scheme	753	4728.81
Pravasi Suraksha	75	417.98
Green Wheel Self Employment	8	34.25
Start-Up Self Employment Scheme	9	51.18
Total	71747	80230.36

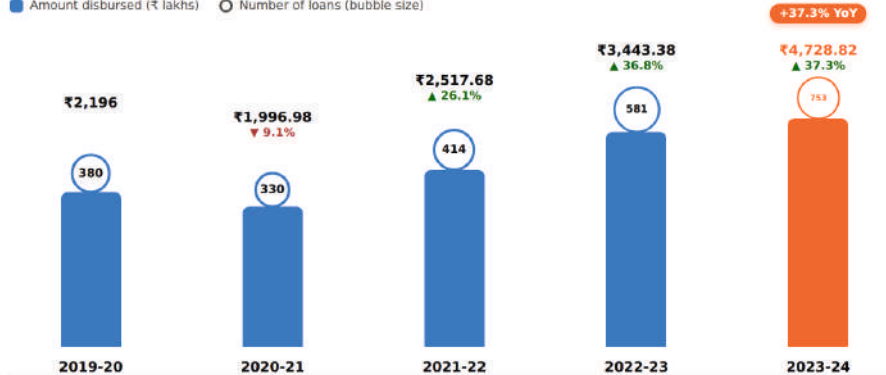
Loan Portfolio

Credit Disbursement Dynamics: Analysis of Top-Performing Schemes

Ente Veedu Housing Loan Scheme		
Fin. Year	No of Loans Disbursed	Disbursed Amount (₹ in lakhs)
2019-20	380	2196.00
2020-21	330	1996.98
2021-22	414	2517.68
2022-23	581	3443.38
2023-24	753	4728.82

Amount disbursed & number of loans

Bars: ₹ in lakhs · Bubbles: number of loans disbursed
 ■ Amount disbursed (₹ lakhs) ○ Number of loans (bubble size)



One of the major welfare schemes implemented by the Company for supporting the most deserving sections is the “Ente Veedu” Housing Loan Scheme. Under the flag of the Ente Veedu scheme, performance metrics over the past five fiscal periods demonstrate an impressive upward trajectory, signalling sustained confidence and scaling program implementation.

Following a mild contraction during the COVID-impacted fiscal year 2020-21 (where disbursements retracted -9.0% down to ₹1,996.98 Lakhs), the initiative rebounded aggressively. In the latest fiscal year 2023-24, disbursements peaked at ₹4,728.82 Lakhs across 753 disbursed loans, highlighting a robust 37.33% growth in capital allocation and 29.60% expansion in transaction volume year-on-

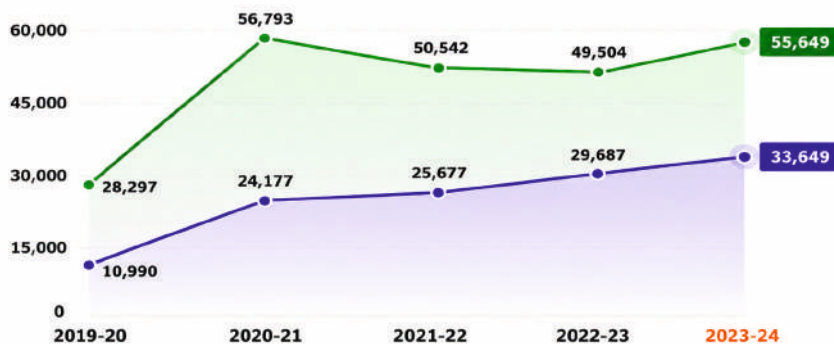
year. Since FY 2019-20, the “Ente Veedu” program has channelled over ₹14,882.86 Lakhs in cumulative, localized credit, enabling 2,458 vulnerable families to construct safe, resilient, and dignified homes.

Micro Finance – Loan Scheme

Fin. Year	No. of Beneficiaries	Amount Disbursed (₹ in lakhs)
2019-20	28297	10990.40
2020-21	56793	24176.80
2021-22	50542	25677.10
2022-23	49504	29687.00
2023-24	55649	33648.80

Microfinance Loan Scheme

Beneficiaries: count · Amount disbursed: ₹ in lakhs — plotted on one shared value axis
 — Number of beneficiaries — Amount disbursed (₹ lakhs)



The Micro Finance Programme implemented through CDSs/NGOs continued to be one of the major interventions of KSBCDC for promoting financial inclusion and livelihood generation among economically weaker sections of backward communities. During 2023-24, KSBCDC disbursed ₹ 33,648.8 lakh, benefiting 55,649 beneficiaries through its network of partner organizations.

Over the last five years, the programme has recorded steady growth, with loan disbursement increasing from ₹ 10,990.4 lakh in 2019-20 to ₹ 33,648.8 lakh in 2023-24. Beneficiary coverage also remained strong throughout the period, reflecting the sustained demand for microfinance support and the effectiveness of the delivery mechanism. The average disbursal per beneficiary expanded from ₹ 0.388 Lakhs to ₹ 0.605 Lakhs, an increase of 55.9%.

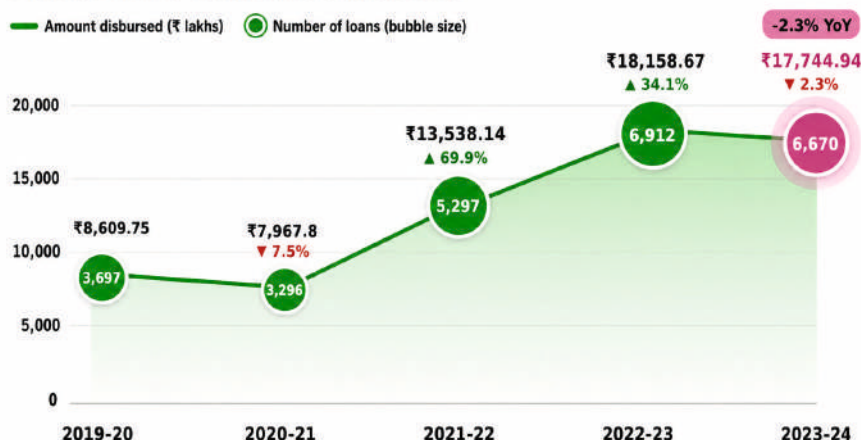
The improved performance during 2023-24 underscores KSBCDC's continued commitment to providing accessible credit and promoting socio-economic empowerment among backward communities.

Suvarnasree – Loan Scheme

Fin. Year	No. of Loans Disbursed	Disbursed Amount (₹ in lakhs)
2019-20	3697	8609.75
2020-21	3296	7967.80
2021-22	5297	13538.14
2022-23	6912	18158.67
2023-24	6670	17744.94

Suvarnasree Loan Scheme – Amount disbursed & number of loans

Line & area: ₹ in lakhs · Bubbles: number of loans disbursed



The Suvarnasree Scheme continued to play a significant role in promoting financial inclusion and livelihood enhancement among beneficiaries during 2023-24. During the year, assistance amounting to ₹ 17,744.94 lakh was disbursed to 6,670 beneficiaries, reflecting the sustained outreach and impact of the programme. Since 2019-20, the scheme has supported 25,872 beneficiaries with cumulative financial assistance of ₹ 66,019.30 lakh. Following steady growth in beneficiary coverage and disbursement up to 2022-23, the scheme maintained a strong performance in 2023-24, ensuring continued access to credit and economic opportunities for eligible beneficiaries. The sustained scale of operations underscores the scheme's effectiveness in strengthening livelihoods, fostering entrepreneurship, and contributing to the socio-economic development of the target groups.

New Initiative - Green Wheel Scheme

India has been taking rapid strides towards green energy and electrification in the recent past. In January 2024, the company has introduced Loan scheme named as Green Wheel Scheme, for the purchase of eco-friendly vehicles such as electric or CNG auto taxis and goods carriers, thereby supporting both income generation and environmental sustainability. The scheme was implemented as a subsidy-linked self-employment programme aimed at supporting OBCs engaged in Auto taxi sectors by improving their livelihood opportunities. Backward Classes Development Department, Govt of Kerala provides a subsidy of 20% of the loan amount, subject to a maximum of 1 lakh.

Awareness & Outreach Programs

In addition to loan disbursement activities, conducted extensive awareness and outreach programmes across the State to ensure that eligible beneficiaries were informed about the schemes and services offered by the Corporation. During the financial year, a total of 16 awareness programmes were conducted in various districts of Kerala. These programmes helped in improving public awareness regarding loan schemes, eligibility criteria, application procedures, repayment responsibilities, and entrepreneurship opportunities.

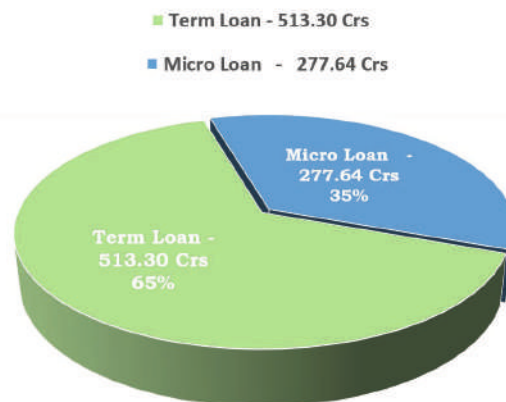
KSBCDC conducted a large-scale Beneficiary Meet - Inspiron 2023 - at Thiruvananthapuram on September 13 & 14, 2023. The programme was organized with the participation of beneficiaries from all districts of Kerala. Around 1,500 beneficiaries attended the programme, making it one of the largest beneficiary gatherings organized by the Corporation. The Beneficiary Meet was inaugurated by the Hon'ble Chief Minister of Kerala in the presence of Ministers, public representatives, senior officials and representatives from various National Channelizing Agencies. The programme served as an important platform for interaction between beneficiaries, government representatives, financial institutions and implementing agencies. The programme also provided beneficiaries an opportunity to share their experiences and success stories.

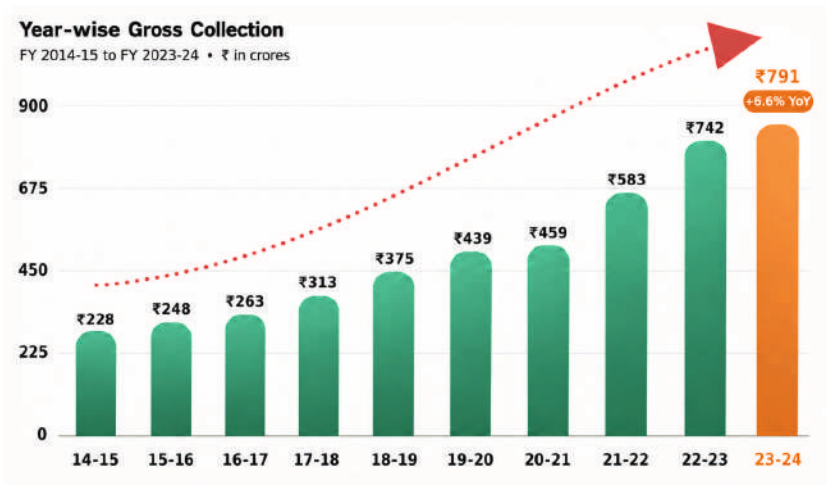
The overall performance during 2023 - 24 reflects KSBCDC's continued dedication towards the welfare and economic upliftment of backward communities in Kerala. The substantial loan disbursement, extensive awareness activities, and large-scale beneficiary engagement programmes conducted during the year have further strengthened the Corporation's role as a major implementing agency for socio-economic development in the State.



Gross Collection

In the year under review, the Company achieved a total gross collection of Rs 791 Crores towards repayment of loan. This was Rs. 48.94 Crore more than that in the previous year (Collection during 2022-2023 was Rs.742 Crore). Cumulative recovery as per the DCB for the year ending March 2024 was 97.76%.





Conclusion

Over the past few years KSBCDC has evolved into a focused entity and attained sustainable growth and achieved noteworthy performance. The Company is focused on diversifying its loan portfolio through launch of new schemes as well as diversifying existing loan schemes.

To conclude, I am grateful to the members of the Board for their guidance & support to the management team. I express sincere appreciation to our dedicated employees, whose resilience strengthen our success. I am also extending my sincere gratitude to RBI and all other regulatory authorities for their support.

ANJU K. S. IAS
Managing Director

ENTREPRENEURSHIP DEVELOPMENT PROGRAMME



Kannur



Kannur



Alappuzha



Nedumkandam

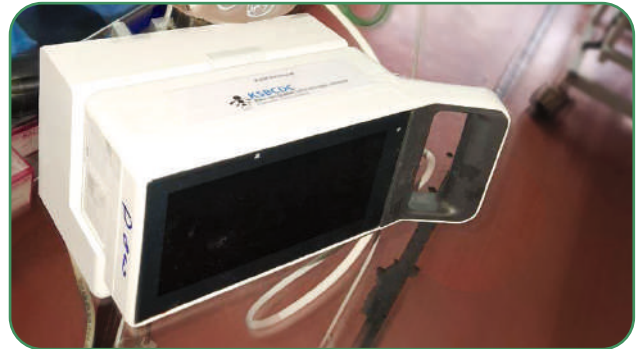


Trivandrum

CORPORATE SOCIAL RESPONSIBILITY PROJECTS



School Building for Keezhillam L. P. School, Thrissur



High Flow Nasal Cannula & Intellivue MX100 for Pediatric Oncology Dept, Regional Cancer Centre, Thiruvananthapuram.



Distribution of sewing machines to 15 women from underprivileged families



Ambulance for Pain and Palliative Care

DIRECTORS REPORT

Dear Shareholders,

Your directors take pleasure in presenting the 29th Board's Report on the business operations and achievements of your company together with the Audited Annual Accounts and the Auditor's Report for the financial year ended 31st March, 2024.

1. Financial Summary

The Company's financial performance for the financial year ended 31st March, 2024.

Particulars	For the year ended 31 st March 2024 (₹ in lakhs)	For the year ended 31 st March 2023 (₹ in lakhs)
Revenue From Operations		
Interest Income	12008.39	11680.30
Fees and Commission Income	298.51	327.26
Total Income	12306.90	12007.56
Finance Cost	3864.89	3717.13
Employee Benefit Expenses	1926.54	1894.86
Depreciation, Amortisation and Impairment	111.86	101.61
Impairment on Financial Instruments	693.59	600.68
Other Expenses	509.94	515.62
Total Expenses	7106.82	6829.90
Profit Before Tax	5272.75	6204.85
Exceptional items	-	972.06
Profit after tax for the year	5272.75	6204.85
Remeasurement of post employee benefit obligations	44.21	36.99
Total comprehensive Income	5316.96	6241.84

2. State of Affairs of the Company/Highlights

The Authorized Share Capital of the Corporation is Rs.200 crores and the Company has allotted Shares to the Government of Kerala for Rs.150 Crores as on date. During the year under report the Gross Income of the company has been increased to 12306.90 Lakhs compared to previous years' Gross Income of 12007.56 Lakhs. Your Company's Profit and Loss Account shows that during the year under

report the company has a Net Profit of ₹ 5316.96 Lakhs for the year after providing for all usual, exceptional and necessary provisions namely depreciation, tax etc. The company is making sustainable efforts to achieve improved performance and profitability in the coming years.

During the year 2023-24, the Corporation has extended its financial assistance to the society by giving assistance in the following manner;

Loan Scheme	Financial Year 2023 -24	
	No. of Loans	Amount (₹ in lakhs)
Self-Employment (Green wheel)	8	34.25
Business Development Loan	82	278.69
Education Loan	573	2205.54
UNARVLoan	1	.50
Housing Loan - Ente Veedu	753	4728.82
Mahila Samridhi Yojana	178	21040.04
Marriage Assistance	1257	2403.06
Micro Finance Loan	189	12608.77
Personal Loan	1992	6518.82
Re-Turn Self Employment Loan	75	417.98
Self-Employment Loans	4113	10714.05
Self-Employment Loan (Re-Life)	1	1
Self-Employment Loan (WC)	154	435.53
Suvarnasree	6670	17744.94
Swasthagriha	31	101.60
Vehicle Loan	18	35.99
Working capital	361	909.61
Self-Employment Loan (Startup)	9	51.18
Total	16465	80230 (Roundoff)

Achievements during the Year

- By utilizing the resources mobilized from NBCFDC, NMDFC and the financial assistance made by the Government of Kerala in addition to the own fund, financial assistance was provided to 16465 beneficiaries belonging to Backward and Minority communities under various projects with a total disbursement of Rs 802.30 Crores. The total disbursement made during the corresponding previous year was Rs 795.23 Crores.
- Loan collection and recovery from the Beneficiaries: Total recovery from the beneficiaries during the year 2023-24 is Rs 790.90 Crores against the target of Rs 970.72 Crores. As per the Demand Collection Balance (DCB) statement, the cumulative collection percentage during the year is 81.48 %.

3. Dividend

The Board of Directors of your Company has not decided to declare any dividend for the financial year 2023-24.

4. Change in Nature of Business, If any

The company is carrying on the business of extending Loan assistance to the economically and socially backward communities. The company has not carried out any other business activity during the financial year

5. Directors and Key Managerial Persons

At the beginning of the financial year 2023-24, following persons are the directors and KMP of the company.

Name	Designation
Adv. K. Prasad	Chairman
Shri. Devidas N. IAS	Managing Director
Adv. P. P. Udayakumar	Director
Shri. T. D. Baiju	Director
Shri. V. P. Kunjikrishnan	Director
Smt. Latha S.	Director
Shri. Sreeni G.	Director
Smt. S. Pushpalatha	Director
Shri. Rajan Segal IFS	Director
Dr. Rakesh Sarwal IAS	Director
Dr. Vinay Goyal IAS	Director

As per G.O.(Rt.) No.4630/2023/GAD dated 12/10/2023 Smt. Anjana M. IAS was appointed as the Managing Director of the Company replacing Shri. Devidas N. IAS.

Shri. Anilkumar representative of NMDFC was appointed as a Director in the Board replacing Shri. Rajan Segal IFS as per G.O.(Rt.) No.56/2023/BCDD dated 21/06/2023.

Shri. Sureshkumar Sharma representative of NBCFDC was appointed as a Director in the Board replacing Dr. Rakesh Sarwal IAS as per G.O.(Rt.) No.56/2023/BCDD dated 21/06/2023.

Shri. Gopalakrishnan K. IAS was appointed as a Director in the Board replacing Dr. Vinay Goyal IAS as per G.O.(Rt.) No.64/2023/BCDD dated 20/07/2023

At the end of the financial year 2023-24, following persons are the directors and KMP of the company:

Name	Designation
Adv. K. Prasad	Chairman
Smt. Anjana M. IAS	Managing Director
Adv. P. P. Udayakumar	Director
Shri. T. D. Baiju	Director
Shri. V. P. Kunjikrishnan	Director
Smt. Latha S.	Director
Shri. Sreeni G.	Director
Smt. S. Pushpalatha	Director
Shri. Anil Kumar	Director
Shri. Sureshkumar Sharma	Director
Shri. Gopalakrishnan K. IAS	Director
Shri. Sujith S	Company Secretary

The following persons are the directors and KMP of the Company as on the date of this Report.

Name	Designation
Adv. K. Prasad	Chairman
Smt. Anju KS. IAS	Managing Director
Adv. P. P. Udayakumar	Director
Shri. T. D. Baiju	Director
Shri. V. P. Kunjikrishnan	Director
Smt. Valsala S.D.	Director
Shri. Sreeni G.	Director
Smt. S. Pushpalatha	Director
Shri. Anil Kumar	Director
Shri. Suresh Kumar Sharma	Director
Shri. Misal Sagar Bharat	Director
Shri. Sujith S	Company Secretary

6. Meetings of the Board of Directors

Eleven (11) Meetings of the Board of Directors were held during the financial year ended 31st March, 2024. The maximum gap between two meetings was less than one hundred and twenty days (120). Details are given as follows.

Attendance			
Date of Board Meeting	Total Number of directors as on the date of meeting	Number of Directors attended	% of attendance
25/04/2023	11	7	63.63
24/05/2023	11	8	72.72
23/06/2023	11	7	63.63
25/07/2023	11	8	72.72
14/08/2023	11	8	72.72
11/09/2023	11	8	72.72
07/10/2023	11	8	72.72
27/11/2023	11	7	63.63
10/01/2024	11	6	54.54
12/02/2024	11	8	72.72
01/03/2024	11	6	54.54

The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013.

Details of Attendance of Directors in the Board Meeting held during the Year 2023-24.

Name of Director	No. of Meetings held during the tenure	No. of Meetings Attended
Adv. K. Prasad	11	11
Shri. Devidas N. IAS	11	7
Smt. Anjana M. IAS	11	4
Adv. P. P. Udayakumar	11	11
Shri. T. D. Baiju	11	9
Shri. V. P. Kunjikrishnan	11	8
Smt. Latha S.	11	10
Shri. Sreeni G.	11	11
Smt. S. Pushpalatha	11	10
Shri. Rajan Segal IFS	11	0
Dr. Rakesh Sarwal IAS	11	0
Shri. Anil Kumar	11	0
Shri. Sureshkumar Sharma	11	0
Dr. Vinay Goyal IAS	11	0
Shri. Gopalakrishnan K. IAS	11	0

7. Transfer to Reserves in terms of section 134(3) (j) of the Companies Act, 2013

In the year 2023-24, out of the Net profit of Rs 52.73 Crores, the Company has transferred Rs 17.24 Crores to general reserve account and Rs 17.18 Crores to impairment Reserve, Rs 10.54 Crores to statutory reserve under 45-IC of RBI Act 1934, Rs 6 Crore of reserve for interim dividend, Rs 1.76 Crores to LDRF reserve.

8. Information about subsidiary / Joint Venture /Associate Company

Your Company does not have any subsidiary, Joint Venture or Associate Company.

9. Transfer to Reserve as per section 134(3) (j) of Companies Act, 2013

There were no amounts of unclaimed dividend during the past years, the provisions under the Companies Act regarding the transfer of unclaimed dividend to Investors Education and Protection Fund do not apply to the Company.

10. Audit Committee

The Board of Directors has constituted an Audit committee in the Company. The audit committee consists of 6 members. The following are the members of the Audit Committee.

Name of Director	Position
Shri V. P. Kunjikrishnan	Chairman
Adv. P. P. Udayakumar	Member
Shri. T. D. Baiju	Member
Smt. Latha S.	Member
Shri. Sreeni G.	Member
Smt. S. Pushpalatha	Member

The Audit Committee met six (6) times during the financial year 2023-24. Details of Audit Committee Meeting attended by each member of the committee during the financial year 2023-24 is as follows:

Name of Audit Committee member	No. of Meeting held during the tenure	No. of Meeting Attended
Shri V.P. Kunjikrishnan	6	6
Adv. P. P. Udayakumar	6	6
Shri. T. D. Baiju	6	4
Smt. Latha S.	6	5
Shri. Sreeni G.	6	3
Smt. S. Pushpalatha	6	4

11. Details of General Meetings Held During the Financial Year 2023-24

The 29th Annual General Meeting of the company for the financial year ended 31st March 2024 was held on 30/09/2024 at the Registered Office of the Company which was adjourned as the Financial Statements could not be adopted in that meeting. The 28th adjourned Annual General Meeting was held on 21/04/2025.

12. Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013 the company has constituted a CSR Committee and the constitution of the CSR Committee at the beginning of the financial year 2023-24 was as follows:



Adv. K. Prasad	Chairperson
Shri. Devidas N. IAS	Member
Shri. V.P. Kunjikirishnan	Member
Adv. P.P. Udayakumar	Member
Shri. T.D. Baiju	Member
Smt. Latha S.	Member
Shri. Sreeni G.	Member
Smt. S. Pushpalatha	Member

CSR Committee at the end of the financial year 2023-24 was as follows:

Adv. K. Prasad	Chairperson
Smt. Anjana M IAS	Member
Shri. V. P. Kunjikirishnan	Member
Adv. P. P. Udayakumar	Member
Shri. T. D. Baiju	Member
Smt. Latha S.	Member
Shri. Sreeni G.	Member
Smt. S. Pushpalatha	Member

The CSR Committee was reconstituted after the closure of the financial year at the board meeting held on, the following are the CSR Committee members.

Adv. K. Prasad	Chairperson
Smt. Anju K. S. IAS	Member
Shri. V. P. Kunjikirishnan	Member
Adv. P. P. Udayakumar	Member
Shri. T. D. Baiju	Member
Smt. Latha S.	Member
Shri. Sreeni G.	Member
Smt. S. Pushpalatha	Member

13. Comments of Board of Directors on the Auditors' Report

The comments of the Board of Directors on the Qualification of the Independent Auditor, and Comptroller and Auditor General of India is separately attached to the report as Annexure 1

14. Compliance to Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings (SS-1) and

General Meetings (SS-2) have been complied with by the company.

15. Directors Responsibility Statement

In pursuance of section 134 (3) (c) read with sub section 5 of Companies Act 2013, we confirm:

- That in the preparation of annual accounts, the applicable accounting standards have been followed and there is no material departures made from the same.
- 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.
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The Directors had prepared the Annual Account on a going concern basis.
- 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.

16. 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 is published in the website of Company www.ksbcd.com.

17. Contracts and Arrangements with related parties

The Company has not entered in to any contracts or arrangement with any of its related party.

18. Compliance to Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India related to the Board Meetings and General Meetings have been complied with by the Company

19. Deposits

The company has neither invited nor accepted any deposits from the public during the financial year 2023-24.

20. Shares

a) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

b) Sweat Equity

The Company has not issued Sweat Equity during the year under review.

c) Bonus Shares

No Bonus shares were issued by the Company during the year under review.

d) Employees Stock Option Plan

The Company has not provided any stock option scheme to the Employees

21. Declaration of Independent Directors

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Hence provisions of Section 134 (3)(d) of the Companies Act, 2013, requiring a statement on declaration given by independent Directors, is not applicable to the Company.

22. Auditors and Auditor's Report

The Comptroller and Auditor General of India has appointed M/s Ananthan & Sundaram (FRN SR0255), 123 Sivakarathi, Sankar Nagar, Neeramankara, Kaimanam P.O., Thiruvananthapuram-695040 was appointed as Statutory Auditors by C&AG for the Financial Year 2023- 24. Auditors' Report for the financial year ended 31st March, 2024 issued by the Statutory Auditors of the company M/s Ananthan & Sundaram, Chartered Accountants is annexed herewith. The Auditors have made certain observation and

qualifications in their report. Explanation of the Board of Directors for the comments / observation of the Auditors in their report has been enclosed herewith as Addendum to Directors Report.

23. Corporate Governance

Your Company being a Government Company has been following good Corporate Governance which involves transparency, accountability, ethical practices 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.

24. Details of application made or proceeding pending under insolvency and Bankruptcy Code 2016

During the year under review, there were no applications made or proceedings pending in the name of the Company under the insolvency Bankruptcy Code 2016.

25. Order of Court

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

26. Particulars of Employees and Related Disclosures

It is hereby confirmed that there are no employees of the company who are in receipt of remuneration in excess of the limits specified under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and hence the disclosure of particulars in this regard is not applicable.

The other disclosures related to the employees are given below

a. Number of employees as on the closure of the financial year 231

Female	122
Male	109
Transgender	0

b. Maternity benefits

The Company has duly complied with all the provisions of the Maternity Benefit Act 1961



and has extended all statutory benefits to the eligible women employees during the year.

No of women who claimed maternity benefit during the year - 1

Number of Maternity benefit claims accepted and paid either fully or partially -1

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to provide a safe and inclusive workplace free from sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). The Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment, if any. An ICC Committee consisting of 4 members each, have been setup in KSBCDC's Head Office. Your directors further state that during the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and out go

a) Conservation of Energy, Technology Absorption

The Company's operations are not energy intensive. However, Company is continuously making efforts for induction of innovative technologies and techniques to ensure optimum use of energy by using energy efficient computers and other office equipment.

a. Foreign Exchange Earnings and out go

Foreign Exchange earned in terms of actual inflows during the year	Nil
Foreign Exchange outgo during the year in terms of actual outflows	Nil

Internal Financial Control

The Company has in place adequate internal financial control with reference to financial statements. During the financial year such control were tested and no

28. Reporting of Fraud

There were no frauds committed against the Company during the Financial Year 2023-24 by its officers or employees which are required to be disclosed as per Section 143(12) of the Companies Act, 2013

29. Proceeding pending under Insolvency and Bankruptcy Code 2016

During the year under review, there were no applications made or proceedings pending in the name of the company under the Insolvency Bankruptcy Code, 2016.

30. Risk Management

The Company has constituted a Risk Management Committee consists of 8 Directors. The Company does not have Risk Management Policy.

Appreciation and acknowledgement

The Directors express their sincere thanks to the Comptroller and Auditor General of India, Statutory Auditors, for the co-operation and support extended by them. The Directors take this opportunity to thank the Reserve Bank of India and other regulatory authorities, Company's bankers for their continued support and confidence reposed in the Company

Your directors also place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

By the Order of the Board of Directors.

Sd/-

Adv. K. Prasad
Chairperson

Dated: 14/01/2026

ADDENDUM TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2024

Replies to Statutory Auditors comments

Sl No	Comments	Reply
1.	The Company is not having the system of collection of balance confirmation from the loanees.	The company primarily extends loans to individual beneficiaries who generally do not maintain formal books of account and are dispersed across various regions of the State of Kerala. Considering the practical difficulties involved, balance confirmations from such borrowers are not ordinarily obtained in the normal course of business. However, the outstanding loan balance is clearly indicated in the receipts issued at the time of each repayment and in all communications or notices sent to the borrowers regarding their dues, which serve the purpose of balance intimation and confirmation.
2	A nominal value of Re 1 is shown for Leasehold Property under Property, Plant, and Equipment. The company does not have documentary evidence to confirm that the land is held as leasehold. According to Government of Kerala's GO (MS) No. 360/14/Revenue, the company was permitted to construct a building in Kollam with an annual lease rent of Rs 0.93 lakhs from 2013-14 to 2015-16. However, the Kollam Municipal Corporation issued a stop memo due to a violation of KMBR Rules, as the land allocated was designated as a park and open space in the Kollam Development Master Plan. Out of the total expenditure amounting to Rs.28.08 lakhs incurred to the company, an amount of Rs.3.39 lakhs were spent on the construction of a basement for a compound wall, which is recorded under Building (Refer Note 7) under Property, Plant and Equipment and balance of Rs.24.33 lakhs were recorded under the head Claim receivable (Refer Note 31), since the Contractor M/s Hindustan Prefab Ltd had abandoned without proceeding with the construction and the issue is under Arbitration.	Clarification from the District Collector, Kollam, regarding the confirmation of ownership or freehold rights over the land is still awaited in response to the communication sent by KSBCDC. The company has been consistently pursuing the matter with the District Administration to regularize the land status. Further, the arbitration proceedings initiated against M/s Hindustan Prefab Ltd., the contractor who had abandoned the construction work, have been concluded, and the arbitral award has been issued in favour of KSBCDC during the financial year 2025-26. Appropriate accounting treatment will be considered upon receipt of final clarification from the District Collector regarding the land rights.

	Since the company does not have ownership or leasehold rights for the land, the expenditures related to the construction of the compound wall amount of Rs.3.39 lakhs should have been classified as revenue expenditure. This has resulted in overstatement of Profit, understatement of expenditure and overstatement of Property, Plant and Equipment amounting to Rs.3.39 lakhs.	
3	As per Indian Accounting Standard (Ind AS) 20- Accounting for Government Grants and Disclosure of Government Assistance, Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that: (i) the entity will comply with the conditions attaching to them; and (j) the grants will be received. A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant have been or will be fulfilled.	In FY 2022-23 land has been assigned to KSBCDC by the GoK for Institutional purposes at subsidized rate below the market value at a cost of Rs 27.76 lakhs. The amount paid for the land has been shown as addition to land in FY 2022-23. As per para 24 of IND AS 20 (Notification No. G.S.R. 903(E) dated 20th September, 2018), the market value of land related to assets, including non-monetary grants at fair value, can be presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset. Further, it may be noted that no income is recognised relating to the grant during FY 2023-24. As far as progress of the construction is concerned it is pertinent to note that the Company has started efforts for construction of building including getting approval from Municipal and railway authorities. The assigned land is adjacent to Pettah railway station, Trivandrum. The NOC for construction for building from Southern Railway Headquarters, Chennai was obtained only on 4/9/2023 vide letter no W.280/V/I/NOC/Director-KSBCDC dated 4/9/2023. We got the sanction only after that and steps for construction of the building was done immediately after obtaining the permit from Trivandrum Municipal Corporation. The inauguration of the construction of HO was done in November 2023 and is progressing.
4	Note No.5-Other Financial Assets includes Government of Kerala Fund Receivable amounting to Rs.60.82 Lakhs being the resumed amount by the Government during the current year and in previous year from the treasury. This should be treated as fund returned to the Government, instead, the company had recognised it as funds receivable from the Government, as there is no conclusive evidence that the same will be receivable till the date of completion of audit and hence which is contrary to the Indian Accounting Standard (Ind AS). The above treatment has resulted in overstatement of Other Financial Assets and understatement of Other Financial Liabilities amounting to Rs.60.82 Lakhs.	The amount of Rs.60.82 lakhs shown under "Government of Kerala Fund Receivable" represents funds resumed by the Government during the current and previous financial years. The Corporation has already obtained the resumption certificate from the Government confirming the said adjustment. Further, a formal communication has been sent to the Government requesting the release of the resumed fund, considering the project commitments for which the funds were originally sanctioned. The Corporation is actively following up the matter with the concerned Department, and appropriate accounting treatment will be considered based on the final response from the Government.

5	Note No.5-Other Financial Assets includes Crafts Village amounting to Rs.38.67 Lakhs being the amount incurred for the preparation of DPR of craft village during 2018-19 and 2019-2020 financial years. However, we observed that, District Collector of Palakkad, sent a report to Revenue Department stating that since the Company is not a service department of the Government ownership and control of the land cannot be transferred without charging the market price. Further actions on implementation of Crafts Village Project can be initiated only after transfer of ownership of the land to the Company. As per letter no. RE2/246/2023-LSGD dated 07-06-2024, Project viability report is pending to be submitted to the government for transfer of ownership of land. The Company informed us that the amount may be recoverable from KIIFB if the project is implemented or which may be adjusted in centage charges to SPVs implementing the project. We observed that submission of Project Viability report to the government is still pending and as per the Board Minutes Meeting Agenda No.244/39, Dated 05/08/2024 confirmed that the Project is not viable to the Company. However, no provision has been provided on the same. This resulted in overstatement of profit and understatement of Other Financial Assets amounting to Rs.38.67 Lakhs.	As per the Minutes of Meeting No. 244/39, the Board of Directors visited the proposed site for the Craft Village Project on 21.01.2025. Subsequently, in Meeting No. 253/14, the Board observed that proceeding with the Craft Village Project would likely impose a significant financial burden on the Corporation. In view of this, the Board resolved to seek the Government's opinion on whether to proceed further with the project. Accordingly, a detailed communication has been submitted to the Government on 25.09.2025, seeking guidance on the future course of action. The Corporation will take appropriate accounting action, including consideration of necessary provision or adjustment, based on the decision of the Government upon receipt of clarification.						
6	As per RBI/2021-22/59 DOR.ACC.REC. No.23/21.02.067/2021-22, Dated June 24, 2021, Declaration of dividends by NBFCs circular issued by RBI, Sl No.2, of Table 1: Declaration of Dividend: Minimum Prudential Requirements, NBFCs shall comply with the following minimum prudential requirements to be eligible to declare dividend: <table border="1"> <thead> <tr> <th>No.</th><th>Parameter</th><th>Requirement</th></tr> </thead> <tbody> <tr> <td>2.</td><td>Net NPA</td><td>The net NPA ratio shall be less than 6 per cent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.</td></tr> </tbody> </table> However, we observed that the Company declared and paid Rs.600 Lakhs as interim dividend to the Government, while their net NPA is more than 6% each of the last three years, including as at the close of the financial year for which dividend is declared.	No.	Parameter	Requirement	2.	Net NPA	The net NPA ratio shall be less than 6 per cent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.	The declaration and payment of dividend in FY 2022-23 is as per government directions as disclosed in note 17.6 of the financial statements. The Company being a government company, is bound to abide by the direction of Government. Further the government direction was to pay dividend for FY 2021-22 which was actually paid in FY 2023-24 and the disclosure in the financial statements for the financial year 2023- 24. Dividend for the current year would be disclosed only if it has been declared before the approval of financial statements for the year. Dividend is considered to be declared only if the approval is received, no such approval was received for dividend declaration for the FY 23- 24 till the date of approval of financial statements for the FY 23-24.
No.	Parameter	Requirement						
2.	Net NPA	The net NPA ratio shall be less than 6 per cent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.						

Replies to comments of Secretary (Finance)

	Comments	Reply
1	During the period under review, the total revenue of corporation has increased to Rs. 123.79 Crore compared to Rs. 126.62 Crore during the previous year. The net profit of the corporation has decreased during 2023-24 to Rs. 52.72 Crore as against Rs. 62.04 Crore during 2022-23. The organization should implement more profit generating activities.	The total revenue for FY 2023-24 has increased to Rs. 12306.90 lakhs compared to Rs. 12062.69 lakhs in FY 2022-23 mainly due to an increase in interest income. The Profit before Exceptional Items for FY 2023-24 is Rs. 5272.75 lakhs, which is higher than Rs. 5232.79 lakhs recorded in FY 2022-23. The higher reported net profit in FY 2022-23 was due to the accounting of an exceptional item amounting to Rs. 972.06 lakhs. Excluding this, the profitability levels remain consistent and stable. The Corporation continues to explore avenues to enhance revenue and profitability.
2	The decline in Earnings Per Share (EPS) from 41.05 to 34.90 is a serious concern.	The EPS for FY 2022-23 was unusually elevated on account of the exceptional income adjustment mentioned above. Excluding the exceptional gain, EPS remains steady.
3	The company should revalue its Property, Plant and Equipment periodically and update buybacks and sales in the registry.	The Corporation follows fair value measurement for PPE wherever applicable. The classification of assets is based on nature and risk profile in line with fair value hierarchy guidelines. All sale and buyback transactions are properly recorded and assets are revalued at the time of such transactions ensuring proper recognition in the books of accounts.
4	The company must take earnest efforts to clear the dues pending for more than 10 years before the forums like CESTAT, Bengaluru, The Commissioner (Appeals).	The Corporation has initiated active measures to expedite resolution of long- pending cases before forums like CESTAT, Bengaluru and the Commissioner (Appeals). Regular follow-up is being undertaken to ensure closure at the earliest.
5	The company should strengthen its internal audit system in commensurate with the size and nature of its business.	To enhance efficiency, transparency and control over operations, a qualified Chartered Accountant Firm has been appointed as Internal Auditor for FY 2023-24 and subsequent years. Strengthened audit processes are expected to improve compliance monitoring and governance standards.
6	The company must implement stronger controls to ensure that all statutory payments are made by their due dates to avoid penalties and legal complications.	A strengthened mechanism for statutory remittances has been implemented. Most of the earlier unidentified items have already been rectified in FY 2024-25. All pending items are being tracked on priority to ensure full compliance and avoid penalties.
7	The company lacks a system for obtaining balance confirmations from loanees.	Since the beneficiaries are primarily individuals without formal books of accounts and spread across the State, obtaining balance confirmations on a routine basis becomes impractical. However, loan balance details are provided through repayment receipts and notices issued to borrowers which serve as confirmation. The Corporation is also working toward implementing digital solutions to further strengthen this process.

8	As per the MoU with NORKA, the company has to maintain the subsidy as interest free deposit for a period of three years or till it is released to the borrower's loan account. But the company has utilized this fund for its regular business operation, which is not appreciable.	In compliance with MoU provisions, a separate interest-free account has been created during FY 2025-26 based on the Board decision. Internal fund monitoring mechanisms have been enhanced to ensure strict compliance in future.
9	The funds resumed by Government should be treated as fund returned to Government not as funds receivable from Government.	The amount of Rs. 60.82 lakhs shown under "Government of Kerala Fund Receivable" relates to funds resumed by Government in recent financial years. Resumption certificate has been obtained from Government. A formal request has been submitted for revalidation/release of funds to support the originally sanctioned purpose. Appropriate accounting treatment will be effected upon receipt of Government's final direction.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES OF THE COMPANY

Annual Report on CSR activities for the Financial Year 2023-24

(Pursuant to Companies (Corporate Social Responsibility Policy) amendment Rules, 2021)

The Company has framed and adopted a Policy on CSR to align its philosophy to initiate measures and pursue socially useful programmes with the objectives and activities of CSR envisaged and incorporated in the Companies Act, 2013 and the rules made thereunder. CSR Policy of the Company sets out the commitment towards ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking

programmes geared towards social welfare activities or initiatives.

In terms of the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Adv K Prasad.

The Corporate Social Responsibility Policy is available on the website of the Company.

Composition of CSR Committee and attendance of members

Name of Director	Designation	No of CSR Committee meetings held during the year 2023-24	Attendance of members in the CSR Committee meetings
Adv. K. Prasad	Chairman	5	5
Shri. Devidas N. IAS	Managing Director	2	2
Smt. Anajana M. IAS	Managing Director	3	3
Adv. Udayakumar P. P	Director	5	4
Shri. T.D. Baiju	Director	5	4
Smt. Latha S.	Director	5	2
Shri. Sreeni G.	Director	5	3
Shri. Kunjikrishnan	Director	5	2
Smt.S. Pushpalatha	Director	5	3

Average Net Profit of the Company as per subsection 5 of the section 135 : 43.95 Crores

Two percent of average net profit of the company as per subsection 5 of the section 135 : 87.91 lakhs

Total Amount spend for the financial year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total amount transferred to Unspent CSR Account		Amount transferred to any fund specified under schedule VII as per second provision to subsection 5 of section 135		
	Amount (₹ in Lakhs)	Date of Transfer	Name of the Fund	Amount (in Lakhs)	Date of transfer
75.32	12.50	06/04/2024	PM CARES	0.09	30/09/2024

Details of CSR projects for the Year 2023 -24

CSR Project / Activity	Location of the Project	Sector under Schedule VII of the Companies Act	Amount Spend (in)	Ongoing/Other than ongoing project
Parent Mediated Social Communication and Literacy Program for Children with Autism Spectrum Disorders	Uzhavoor, Kottayam	Promoting education including special education and employment enhancing vocational skills among children, women, elderly and the differently-abled and livelihood enhancement projects	25,00,000	Ongoing project
Supply of Medical lab Equipment	Adoor, Pathanamthitta	Eradicating hunger, poverty and malnutrition, [promoting health care including preventive health] and sanitation [Including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water	5,00,000	Otherthan ongoing project
Medical UPS, Lab Modernization	Elanthoor, Pathanamthitta	Eradicating hunger, poverty and malnutrition, [promoting health care including preventive health] and sanitation [Including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water	15,00,000	Otherthan ongoing project
Ambulance for Medihub Project	Poochakkal, Alappuzha	Eradicating hunger, poverty and malnutrition, [promoting health care including preventive health] and sanitation [Including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water	8,06,660	Otherthan ongoing project
Supply of Sewing Machines to Women	Cherthala, Alappuzha	promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	2,79,000	Otherthan ongoing project

High Flow Nasal Cannula and Intellivue MX 100 for Pediatric Oncology Department.	Thiruvananthapuram	Eradicating hunger, poverty and malnutrition, 2 [promoting health care including preventive health] and sanitation 3 [Including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water	5,20,848	Otherthan ongoing project
Furniture and fixtures for setting up the Old Age Home	Ernakulam	Promoting Gender Equality, empowering women, setting up home and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	15,00,000	Otherthan ongoing project
Purchase of Fully Automated Bio Chemistry analyzer	Poochakkal, Alappuzha	Eradicating hunger, poverty and malnutrition, 2 [promoting health care including preventive health] and sanitation 3 [Including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water	10,00,000	Otherthan ongoing project
Installation of incinerator to destroy used sanitary napkins and diapers of patients.	Thiruvananthapuram	Eradicating hunger, poverty and malnutrition, [promoting health care including preventive health] and sanitation [Including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water";	1,75,584	Otherthan ongoing project

AUDITOR'S REPORT 2023-24

ANANTHAN & SUNDARAM
CHARTERED ACCOUNTANTS
SCTRA-33, TC.47/1949(2), LAKSHMI NIVAS, METHODU LANE,
THAMALAM, POOJAPPURA,
THIRUVANANTHAPURAM-695012
PHONE No.0471-2491601, 2491602
Email: ananthan_sundaram@hotmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Ind AS financial statements of **KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED** (*"the Company"*) which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Statement of changes in equity and the Statement of Cash Flow Statement for the year then ended and notes to the Standalone Ind AS 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 aforesaid Standalone Ind AS 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 Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its **PROFIT**, changes in equity and its Cash Flow for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the



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Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone Ind AS financial statements.

- (a) *The Annual Accounts of the Company for the year 2023-2024 was approved at the board of directors meeting held on 27-03-2025. However, the annual accounts of the Company for the year 2022-23 was approved by the members only at the 28th Adjourned AGM held on 21-04-2025.*
- (b) *The Company is not having the system of collection of balance confirmation from the loanees.*
- (c) *A nominal value of Re 1 is shown for Leasehold Property under Property, Plant, and Equipment. The company does not have documentary evidence to confirm that the land is held as leasehold. According to Government of Kerala's GO (MS) No. 360/14/Revenue, the company was permitted to construct a building in Kollam with an annual lease rent of Rs 0.93 lakhs from 2013-14 to 2015-16. However, the Kollam Municipal Corporation issued a stop memo due to a violation of KMBR Rules, as the land allocated was designated as a park and open space in the Kollam Development Master Plan. Out of the total expenditure amounting to Rs.28.08 lakhs incurred to the company, an amount of Rs.3.39 lakhs were spent on the construction of a basement for a compound wall, which is recorded under Building (Refer Note 7) under Property, Plant and Equipment and balance of Rs.24.33 lakhs were recorded under the head Claim receivable (Refer Note 31), since the Contractor M/s Hindustan Prefab Ltd had abandoned without proceeding with the construction and the issue is under Arbitration. Since the company does not have ownership or leasehold rights for the land, the expenditures related to the construction of the compound wall amount of Rs.3.39 lakhs should have been classified as revenue expenditure. This has resulted in overstatement of Profit, understatement of expenditure and overstatement of Property, Plant and Equipment amounting to Rs.3.39 lakhs.*
- (d) *As per Indian Accounting Standard (Ind AS) 20- Accounting for Government Grants and Disclosure of Government Assistance., Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that:*
 - (i) *the entity will comply with the conditions attaching to them; and*
 - (j) *the grants will be received.*



A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant have been or will be fulfilled.

Note No.5-Other Financial Assets includes Government of Kerala Fund Receivable amounting to Rs.60.82 Lakhs being the resumed amount by the Government during the current year and in previous year from the treasury. This should be treated as fund returned to the Government, instead, the company had recognised it as funds receivable from the Government, as there is no conclusive evidence that the same will be receivable till the date of completion of audit and hence which is contrary to the Indian Accounting Standard (Ind AS).

The above treatment has resulted in overstatement of Other Financial Assets and understatement of Other Financial Liabilities amounting to Rs.60.82 Lakhs.

- (e) *Note No.5-Other Financial Assets includes Crafts Village amounting to Rs.38.67 Lakhs being the amount incurred for the preparation of DPR of craft village during 2018-19 and 2019-2020 financial years. However we observed that, District Collector of Palakkad, sent a report to Revenue Department stating that since the Company is not a service department of the Government ownership and control of the land cannot be transferred without charging the market price. Further actions on implementation of Crafts Village Project can be initiated only after transfer of ownership of the land to the Company. As per letter no. RE2/246/2023-LSGD dated 07-06-2024, Project viability report is pending to be submitted to the government for transfer of ownership of land. The Company informed us that the amount may be recoverable from KIIFB if the project is implemented or which may be adjusted in centage charges to SPVs implementing the project. We observed that submission of Project Viability report to the government is still pending and as per the Board Minutes Meeting Agenda No.244/39, Dated 05/08/2024 confirmed that the Project is not viable for the Company. However no provision has been provided on the same. This resulted in overstatement of profit and understatement of Other Financial Assets amounting to Rs.38.67 Lakhs.*



- (f) *As per RBI/2021-22/59 DOR.ACC.REC.No.23/21.02.067/2021-22, Dated June 24, 2021, Declaration of dividends by NBFCs circular issued by RBI, Sl No.2, of Table 1: Declaration of Dividend: Minimum Prudential Requirements, NBFCs shall comply with the following minimum prudential requirements to be eligible to declare dividend:*

No.	Parameter	Requirement
2.	Net NPA	The net NPA ratio shall be less than 6 per cent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.

However, we observed that the Company declared and paid Rs.600 Lakhs as interim dividend to the Government, while their net NPA is more than 6% each of the last three years, including as at the close of the financial year for which dividend is declared.

- (g) *The aggregate effect of all the above comments from (a) to (f) is unascertainable and hence the impact of the same on the results of the Company could not be reasonably ascertained and reported.*

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of Standalone Ind AS Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements. Our opinion is not qualified in respect of these matters:

- a) *As per the Memorandum of Understanding (MoU) with NORKA, the company has to maintain the subsidy as interest free deposit for a period of three years or till it is appropriated/ released to the borrowers' loan account. Instead of sequestering the amount received, the company had used the funds for its regular business operations.*



Other Matter

a) The company has not complied with the following master circular directions or RBI Circulars:-

SI No	Particulars	Para Reference to RBI Directions
1	Failure to put in place IS Audit framework.	Para 5 of Section A of Master Direction NBFC -NDSI and Deposit taking company directions, 2016
2	Failure to conduct Information System Audit of the internal systems and processes.	Para 70 (1)(ii) of Master Direction - NBFC - NDSI deposit taking company directions, 2016
3	Failure to put in place a Board Cyber security Policy.	Para 6 in Section A of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016
4	Failure in filing and registering the records of equitable mortgages with CERSAI.	Para 108 of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016 and informed us that the same has been implemented from 2024-2025 onwards.
5	Failure to undertake the annual comprehensive risk assessment of the IT systems, to analyse the threats and vulnerabilities to the information technology assets and its existing security controls and processes.	Para 3.9 of Section A of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016 and informed us that partial compliance is still pending.
6	Gap Analysis between the existing system and stipulations laid out in Master Direction Information Technology Framework for the NBFC Sector dated June 08, 2017 was not carried out by the company.	Para 2 of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016.
7	NBFCs shall comply following minimum prudential requirements to be eligible to declare dividend: The net NPA ratio shall be less than 6 per cent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.	Table 1: Declaration of Dividend: Minimum Prudential Requirements-RBI/2021-22/59 DOR.ACC.REC.No.23/21.02.067/2021-22, June 24, 2021

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Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information in the Annual report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes 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 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the



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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 Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may

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cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "*Annexure A*" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit and referred to in the Other Matters paragraphs above we report, to the extent applicable that:
 - (a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and

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- belief were necessary for the purpose of our audit;
- (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) Except for the matters stated in the Basis of Qualified Opinion Paragraph, in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
 - (g) Pursuant to Notification no. GSR463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 197 of the Act are not applicable to the government companies.
 - (h) 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 standalone Ind AS financial statements in Note No.26 **Contingent Liabilities**.
 - ii. On the basis of information submitted before us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. On the basis of information submitted before us, there were no amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year.



iv.

- a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and.
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared by the Company during the year for the financial year 2023-24 is in compliance with provisions of Section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the Company has used “**BCDC Online and Tally Prime**’ accounting software for maintaining its books of accounts for the financial year ended March 31st 2024 that has a feature of recording audit trail (Edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- vii. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

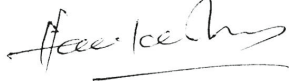


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3. As required by Section 143(5) of the Companies Act, 2013, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India are given in “Annexure C”.

For **Ananthan & Sundaram**
Chartered Accountants

Firm's registration number:000148



CA. Harikrishnan.R.S., M.Com, DISA, FCA
Partner

Membership number: 230338

Place: Thiruvananthapuram

Date: 22-05-2025

UDIN: **25230338BMHTYO2206**



“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the ‘Report on Other Legal & Regulatory Requirement’ section of our report of even date on the accounts of **KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED** for the year ended March 31, 2024:

- i.
 - (a) (A) The company is maintaining a register of Property, Plant and Equipment. However, the register is not updated on account of buyback and sale by way of scrap. Also, the identification marks are not properly filled up and the situation of Property, Plant and Equipment are not described.
(B) The company is having intangible assets but not maintained proper records showing full particulars of intangible assets.
 - (b) As per the information and explanation from the Management, the Property, Plant and Equipment were physically verified during the year by the Management. However, the management has not laid down procedure for physical verification of Property, Plant and Equipment and hence frequency and adequacy of such verification could not be commented upon. As per the information from the Management, no discrepancies were noticed on physical verification being material and thus no adjustment has been made in the accounts for such discrepancies.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the leasehold land situated in Kollam, shown at nominal value of Rs.1.00 in books of accounts, lease deed for the same is not submitted for our verification.
 - (d) The company has not revalued its Property, Plant and Equipment during the year. Therefore, the provisions of Clause (i) (d) of the order are not applicable to the company.
 - (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i) (e) of the order are not applicable to the company.
- ii.
 - (a) The company doesn’t hold any inventories; therefore, the provision of Clause (ii)(a) of the order are not applicable to the company.
 - (b) As per the information and explanation furnished to us, the Company has not been sanctioned working capital limits in excess of Rs.5 crores on the basis of security of current assets by



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banks and financial institutions during the year. Therefore, the provisions of Clause (ii) (b) of the order are not applicable to the company.

- iii. The Company has not made any investments or provided any guarantees or security during the year. The Company has not granted any loans/advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships during the year.
- (a) The company is a registered NBFC with Reserve Bank of India with principal business of giving loans. Therefore, the provisions of Clause (iii) (a) of the order are not applicable to the company.
- (b) The Company has not made any investments or provided any guarantees or security during the year. Therefore, the provisions of Clause (iii) (b) of the order are not applicable to the company.
- (c) In respect of loans and advances in the nature of loans (together referred to as “loan assets”), the schedule of repayment of principal and payment of interest has been stipulated and except NPA Accounts, the repayments or receipts are regular.
- (d) On the basis of our examination of records, In respect of loans granted by the Company, which has been overdue for more than 90 days at the balance sheet date, the management has taken reasonable steps for recovery of principal amount and interest. The details of overdue as on 31.03.2024 is given below:-

No. of Cases	Principal amount overdue	Interest Overdue	Total overdue
21698	Rs.36,588.43 Lakhs	Rs. 2,121.69 Lakhs	Rs. 38,710.12 Lakhs

- (e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable.
- (f) As per the information and explanation provided to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year under audit. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, made investments or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act are not applicable to the company. Accordingly, clause 3(iv) of the Order is not applicable to the Company



- v. According to the information and explanations given to us and on the basis of our examination of records of the Company, no deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under 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 specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- vii.
- (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods and service tax, provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities' except the below mentioned statutory dues which are outstanding as on the last day of the financial year for a period of more than 6 months from the date they become payable:-

Year	Nature of dues	Amount (in Rs Lakhs)
2021-22	TDS-CGST	0.04
2021-22	TDS-SGST	0.04
2022-23 and 2023-24	Employee contribution to PF	0.65
2022-23	National Pension Scheme	0.05
2022-23	General Provident Fund	0.15
2023-24	General Provident Fund	0.30
2022-23	Group Insurance scheme	0.01
2023-24	Group Insurance scheme	0.01
2022-23	State Life Insurance scheme	0.02
2023-24	State Life Insurance scheme	0.02
2023-24	Medisep	0.01
2022-23	LIC	0.03
2023-24	LIC	0.03
	TOTAL	1.36

- (b) According to the information and explanations given to us, there are no dues of Income Tax,



Sales Tax, Wealth Tax, Service Tax, Goods and Service Tax, customs duty, Excise Duty or Cess not deposited on account of any dispute except:

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the 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]
Central Goods and Service tax Act, 2017	GST	76.41	2017-18 to 2018-19	The CESTAT, Bangalore

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961. The income of the company is exempt under section 10(26B) and 10(26BB) of the Income Tax Act, 1961, hence clause 3(viii) of the order is not applicable.

ix.

- (a) According to the information and explanation 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 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.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, the term loans have been applied for the purposes for which they have been obtained.
- (d) The company has not raised any short term funds, hence clause 3(ix)(d) of the order is

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not applicable.

- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures; hence clause 3(ix)(e) of the order is not applicable.
- (f) As per Information and explanation given to us and on an overall examination of the Standalone Ind AS financial statements of the Company, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence clause 3(ix)(f) of the order is not applicable.

x.

- (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.

xi.

- (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS Financial statements and according to the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company or on the company by its officers or employees has been noticed or reported during the year.
- (b) During the period no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

- xii. The Company is not a nidhi company and hence reporting under clause 3 (xii)(a) to 3 (xii)(c) of the Order are not applicable to the Company.



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- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Ind AS financial statements, as required by the applicable Indian accounting standards.
- xiv.
- (a) In our opinion, the company has an internal audit system which should be strengthened in commensurate with the size and nature of its business.
 - (b) The internal audit report of the Company is provided for Verification.
- xv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable to the Company.
- xvi.
- (a) We have been informed that the Company is registered as a non-banking finance company under section 45-IA of the Reserve Bank of India Act, 1934. The registration number issued to the company is 16.00180 dated 26-05-2003.
 - (b) The Company has conducted the Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.
 - (c) According to the information and explanations given to us, the company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3 (xvi) (c) of the order is not applicable.
 - (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditor of the Company during the year and hence reporting under Clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS financial



statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- xx. The Company transferred unspent CSR amount of Rs.0.08 lakhs to PM CARES fund on 30th September 2024.
- xxi. The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of the order are not applicable to the Company.

For **Ananthan & Sundaram**

Chartered Accountants

Firm's registration number:000148

CA. Harikrishnan.R.S., M.Com, DISA, FCA

Partner

Membership number: 230338

Place: Thiruvananthapuram

Date: 22-05-2025

UDIN: **25230338BMHTYO2206**



“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

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

Qualified Opinion

We have audited the internal financial controls with reference to Standalone Ind AS financial Statements of **KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31, 2024.

- a. There is a weakness in the area of compliance with respect to disclosure requirements in Standalone Ind AS financial statements specified by RBI by way of notifications and circulars as reported in the other matters paragraph in the Independent Auditors report.*
- b. There is a weakness in the area of processing of accounting transactions through IT system as there is manual intervention by the management by passing the adjustment entries for the transaction in the ‘BCDC online’ through ‘Tally Prime’.*

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with



the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Ind AS financial statements was established and maintained and if 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 with reference to Standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Standalone Ind AS financial statements, 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 judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 audit opinion on the Company's internal financial controls system with reference to Standalone Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Standalone Ind AS financial statements

A company's internal financial control with reference to Standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on Standalone Ind AS financial statements.



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Inherent Limitations of Internal Financial Controls with reference to Standalone Ind AS financial statements

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

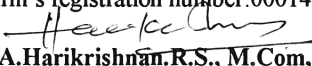
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Ind AS financial statements and such internal financial controls with reference to Standalone Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to Standalone Ind AS 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 issued by the Institute of Chartered Accountants of India.

For Ananthan & Sundaram

Chartered Accountants

Firm's registration number: 000148


CA. Harikrishnan R.S., M.Com, DISA, FCA
Partner

Membership number: 230338

Place: Thiruvananthapuram

Date: 22-05-2025

UDIN: **25230338BMHTYO2206**



“ANNEXURE – C” to Independent Auditors’ Report

The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of Section 143 (5) of the Companies Act, 2013, the compliance of which is given hereunder.

A. GENERAL

SL No.	Directions under section143(5) of the Companies Act, 2013,	Report
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 is using "BCDC Online" software to manage its lending business transactions on a cash basis across Kerala. In addition, the company uses "Tally Prime" software for recording other transactions, incorporating data from the BCDC Online system. The management manually intervenes by entering adjustment entries for BCDC Online transactions into Tally Prime.
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.	No restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company.
3	Whether funds received/receivable for specific schemes from Central/State Government agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Yes, Funds received under various schemes from Central/State Government or its agencies were properly accounted and utilized as per its terms and conditions.



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B. Finance Sector

Sl No.	Directions under section 143(5) of the Companies Act, 2013,	Report
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.	As informed by the Company, they are in the process of complying with all the directions of RBI for NBFCs. As informed by the Company, they are in the process of complying other directions also.
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.	On the basis of information received from the Company, they have an adequate 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 Corporation has the following schemes for settlement of dues and extension thereto: 1. One Time Settlement (OTS) 2. BCDC Loanees Distress Relief Fund (LDRF) 3. Fishermen's Debt Relief Fund (FDRF) OTS and LDRF are settled only after the approval from the board which is in compliance with the policy guidelines whereas FDRF is settled after getting the approval from the Govt of Kerala.



4	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash.	On the basis of our verification, Company doesn't have any trade receivable, other than loans and advances as on 31/03/2024. Periodical confirmation certificates have not been received from the loanees. Company has not obtained any confirmations with respect to trade payables.
		Bank account and cash confirmations have been received in all cases. In case of Term Deposit, an amount of Rs.180.25 Lakhs for which the confirmation have not been obtained for which the Company already provided provision for doubtful in accounts
5	Whether the bank guarantees are revalidated in time?	On the basis of our verification, Company does not have any bank guarantee. Hence, reporting requirements are not applicable under this clause.



C. Others

Sl o.	Directions under section143(5) of the Companies Act, 2013,	Report																																																							
1	Examine the system of effective utilization of Loans/Grant-in-Aid/ Subsidy. List the cases of diversion of funds.	Based on the records submitted by the Company, utilization of Loan is as follows: - <table><tr><th colspan="5">Amount (Rs.in Lakhs)</th></tr><tr><th>Date of loan Received</th><th>Purpose of loan received</th><th>Amount received during the year</th><th>Amount utilized for the purpose</th><th>Balance amount</th></tr><tr><td>23.08.2023 26.10.2023 05.01.2024 11.03.2024</td><td>Term loan under NMDFC scheme</td><td>1500 2500 2500 1000</td><td>7500</td><td></td></tr><tr><td>22.09.2023 12.12.2023 14.12.2023 03.01.2024 06.01.2024</td><td>Micro Credit under NMDFC scheme</td><td>1500 1500 1000 500 3500</td><td>8000</td><td></td></tr><tr><td>01.03.2024 05.03.2024 08.03.2024</td><td>Term,Education ,Micro and Mahila Loan under NBCFDC scheme</td><td>1500 4183.48 4200</td><td>8559.62</td><td>1323.86</td></tr><tr><td>23.08.2023 24.08.2023 10.10.2023 25.01.2024 26.01.2024 02.03.2024 04.03.2024</td><td>Term and Mahila loan under NSKFDC</td><td>450 2550 400 3128.4 859 1040.3 4984.17</td><td>13411.87</td><td></td></tr></table> In addition, on the basis of information furnished to us, the following subsidy are spent during the year:- <table><tr><th colspan="5">Amount (Rs.in Lakhs)</th></tr><tr><th>Subsidy</th><th>Opening Balance</th><th>Received during the year</th><th>Allocation during the year</th><th>Closing Balance*</th></tr><tr><td>Relife subsidy from Backward Class Development Corporation</td><td>121.25</td><td>-</td><td>119.25</td><td>2.00</td></tr><tr><td>Subsidy from NORKA</td><td>557.62</td><td>22.50</td><td>47.97</td><td>532.15</td></tr><tr><td>Subsidy from Small farmers Agri Business Consortium</td><td>14.53</td><td>-</td><td>-</td><td>14.53</td></tr></table> *Closing Balance is shown under Note:13 Other financial liabilities under Balance sheet On our verification there is no diversion of funds observed.	Amount (Rs.in Lakhs)					Date of loan Received	Purpose of loan received	Amount received during the year	Amount utilized for the purpose	Balance amount	23.08.2023 26.10.2023 05.01.2024 11.03.2024	Term loan under NMDFC scheme	1500 2500 2500 1000	7500		22.09.2023 12.12.2023 14.12.2023 03.01.2024 06.01.2024	Micro Credit under NMDFC scheme	1500 1500 1000 500 3500	8000		01.03.2024 05.03.2024 08.03.2024	Term,Education ,Micro and Mahila Loan under NBCFDC scheme	1500 4183.48 4200	8559.62	1323.86	23.08.2023 24.08.2023 10.10.2023 25.01.2024 26.01.2024 02.03.2024 04.03.2024	Term and Mahila loan under NSKFDC	450 2550 400 3128.4 859 1040.3 4984.17	13411.87		Amount (Rs.in Lakhs)					Subsidy	Opening Balance	Received during the year	Allocation during the year	Closing Balance*	Relife subsidy from Backward Class Development Corporation	121.25	-	119.25	2.00	Subsidy from NORKA	557.62	22.50	47.97	532.15	Subsidy from Small farmers Agri Business Consortium	14.53	-	-	14.53
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2	Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period.	No major capital expenditure where made during the period except permit fee amounting to Rs.1.81 Lakhs paid for the construction of building at Thiruvananthapuram.
3	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format, which of the areas such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and whether the company has evolved proper security policy for data/ software/ hardware?	As per the information received from the Company, 80% of the data is maintained in online. The company's accounting and payroll systems are computerized. All payments and receipts are processed through the in-house portal KSBCDC Online, with transactions subsequently extracted and uploaded into accounting software Tally Prime. As informed by the Company, the company doesn't hold any inventories, hence the maintenance of the inventories data are not applicable. As informed by the Company, in order to ensure proper security policy of data/software & hardware, security audit of the software was completed and the report was submitted on 12 May, 2023.

Place: Thiruvananthapuram
Date: 22-04-2025

For ANANTHAN& SUNDARAM
Chartered Accountants
F.R.No.000148S



CA.HARIKRISHNAN.R.S.FCA, DISA
Partner, M.No.0230338

UDIN: 25230338BMHTYO2206





सत्यमेव जयते

**OFFICE OF THE 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 2024**

The preparation of financial statements of **Kerala State Backward Classes Development Corporation Limited, Thiruvananthapuram** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 Audit Report dated 22 April 2025.

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 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

भारत के नियंत्रक-महालेखापरीक्षक के लिए और उनकी ओर से

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

प्रीति अब्राहम

**PREETHI ABRAHAM
महालेखाकार (लेखापरीक्षा-I), केरला
ACCOUNTANT GENERAL (AUDIT-I),
KERALA**

**Thiruvananthapuram
Dated: 13.08.2025**

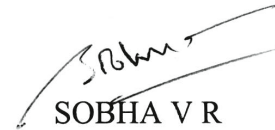
Comments of Secretary (Finance Resources) on the Audited Annual Accounts of Kerala State Backward Classes Development Corporation (KSBCDC) for the Financial Year 2023-24.

- i) During the period under review , the total revenue of corporation has increased to Rs. 123.79 crore as compared to Rs.120.62 Crore during the previous year . The net profit of the corporation has decreased during 2023-24, to Rs.52.72 Crore as against Rs.62.04 Crore during 2022-23. The organization should implement more profit generating activities.
- ii) The decline in Earnings Per Share (EPS) from 41.05 to 34.90 is a serious concern. To reverse this negative trend and improve future EPS, the company should focus on a multi-pronged strategy.
- iii) The company should revalue its its Property, Plant, and Equipment periodically and should update the recent buybacks and sales in the registry.
- iv) The company must take earnest efforts to clear the dues which are pending for more than 10 years before the forums like CESTAT, Bengaluru, The commissioner (Appeals).
- v) The company should strengthen its internal audit system in commensurate with the size and nature of its business.
- vi) The company must implement stronger controls to ensure that all statutory payments are made by their due dates to avoid penalties and legal complications
- vii) The company lacks a system for obtaining balance confirmations from loanees. This is a critical internal control weakness that needs immediate

attention.

viii) As per the MoU with Norka, the company has to maintain the subsidy as interest free deposit for a period of three years or till it is released to the borrowers loan account. But the company has utilised this fund for its regular business operation, which is not appreciable.

ix) The funds resumed by Government should be treated as fund returned to Government not as funds receivable from Government.



SOBHA V R

ADDITIONAL SECRETARY

For Secretary (Finance Resources)

FINANCIAL STATEMENTS

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL19953GC008705
BALANCE SHEET AS AT 31ST MARCH 2024

(Rupees in Lakhs)

Particulars	Note no.	As at 31st March, 2024	As at 31st March, 2023 (Refer Note 27)	As at 1st April, 2022 (Refer Note 27)
A ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	3	3,890.43	11,003.29	6,740.49
(b) Loans	4	1,95,585.92	1,83,545.95	1,66,361.65
(c) Other financial assets	5	185.52	226.14	119.23
		1,99,661.87	1,94,775.38	1,73,221.37
(2) Non Financial Assets				
(a) Current tax assets (Net)	6	0.39	0.87	0.49
(b) Property, plant and equipment	7	212.39	297.04	126.74
(c) Capital work - in - progress	8	1.81	-	24.70
(d) Intangible assets	9	0.46	0.72	1.14
(e) Other non-financial assets	10	7.46	3.69	9.82
		222.51	302.32	162.89
TOTAL ASSETS		1,99,884.38	1,95,077.70	1,73,384.26
B LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial Liabilities				
(a) Payables	11			
(i) Trade Payables				
(A) total outstanding dues of micro enterprises and small enterprises				
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		87.78	76.41	57.95
(b) Borrowings (other than debt securities)	12	1,46,511.33	1,46,018.74	1,30,231.18
(c) Other financial liabilities	13	1,294.34	1,336.14	1,396.55
		1,47,893.45	1,47,431.29	1,31,685.68
(2) Non Financial Liabilities				
(a) Provisions	14	377.21	464.51	539.61
(b) Other non financial liabilities	15	45.47	49.22	48.19
		422.68	513.73	587.80
(3) EQUITY				
(a) Equity Share Capital	16	15,113.80	15,000.00	15,000.00
(b) Other Equity	17	36,454.45	32,132.68	26,110.78
		51,568.25	47,132.68	41,110.78
TOTAL LIABILITIES AND EQUITY		1,99,884.38	1,95,077.70	1,73,384.26

Accompanying notes forms part of the Financial Statements.

1-43

As per our report of events date attached

For Ananthan & Sundaram
Chartered Accountants
Firm Registration Number : 000148S

Haekeles
CA.HARIKRISHNAN.R.S. FCA,DISA 22/4/25
Partner
Membership No. : 230338
UDIN: 25230338 BMHMY02206

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

Anjana M IAS
Anjana M IAS
Managing Director
(DIN:10405846)

Adv K Prasad
Adv K Prasad
Chairman
(DIN: 07851556)

Sujith S
Sujith S
Company Secretary
(M.No.A31205)

Preethy Joseph
Preethy Joseph
GM (Finance & Accounts)

Place : Thiruvananthapuram
Date: 22/4/25



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705
STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

(Rupees in Lakhs)

Particulars	Note No	Year ended 31st March, 2024	Year ended 31st March, 2023 (Refer Note 27)
Revenue from Operations			
(i) Interest Income	18	12,008.39	11,680.30
(ii) Fees and Commission Income		298.51	327.26
I Total Revenue from operations		12,306.90	12,007.56
II Other Income	19	72.67	55.13
III Total Income (I+II)		12,379.57	12,062.69
Expenses			
(i) Finance Costs	20	3,864.89	3,717.13
(ii) Employee Benefits Expenses	21	1,926.54	1,894.86
(iii) Depreciation, amortization and impairment	7 & 9	111.86	101.61
(iv) Impairment on financial instruments	22	693.59	600.68
(v) Other Expenses	23	509.94	515.62
IV Total Expenses		7,106.82	6,829.90
V Profit/(Loss) Before Exceptional Items and Tax (III-IV)		5,272.75	5,232.79
VI Exceptional Items	39	-	972.06
VII Profit/(Loss) Before Tax (V+VI)		5,272.75	6,204.85
VIII Tax Expense:			
(i) Current Tax		-	-
(ii) Deferred Tax		-	-
IX Profit/(Loss) for the year (VII-VIII)		5,272.75	6,204.85
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of post employee benefit obligations		44.21	36.99
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the year (IX+X)		5,316.96	6,241.84
XII Earnings per Share			
(i) Basic (Rs)	24	34.90	41.37
(ii) Diluted (Rs)		34.90	41.05

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

1-43

For Ananthan & Sundaram
Chartered Accountants
Firm Registration Number : 000148S

CA. HARIKRISHNAN.R.S. FCA,DISA
Partner
Membership No. : 230338

UDIN: 25230338 BMH1402206

Place: Thiruvananthapuram
Date: 22/4/25

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

Anjana M JAS
Managing Director
(DIN:10405615)

Sujith S
Company Secretary
(M.No.A31205)

Adv K Prasad
Chairman
(DIN: 07851556)

Preethy Joseph
GM (Finance & Accounts)



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rupees in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
A CASH FLOW FROM OPERATING ACTIVITIES:		
Total Comprehensive Income	5,316.96	6,241.84
Adjustments for reconciling profit before tax to net cash flow:		
Impairment on financial instruments	693.59	600.68
Profit on sale of Property, Plant and Equipment	(1.46)	(0.08)
Depreciation	111.86	101.61
Provision for Gratuity	36.03	4.63
Provision for Earned Leave	66.27	97.08
Provision for Corporate Social Responsibility	12.59	57.78
Grant Income	(16.11)	(5.00)
Finance Cost	3,864.89	3,717.13
Operating Profit before Working Capital Changes	10,084.62	10,815.67
Adjustment for (Increase)/ Decrease in Working Capital:		
(Increase) / Decrease in Other Financial assets	40.62	(1,045.88)
(Increase) / Decrease in Current Tax Assets (Net)	0.48	(0.39)
Increase / (Decrease) in Provisions	(202.19)	(234.59)
(Increase) / Decrease in Loans Granted (Net)	(13,014.95)	(17,019.88)
Increase / (Decrease) in Other non financial liabilities	(3.75)	1.52
(Increase) / Decrease in Other non-financial assets	(4.00)	(14.83)
Increase / (Decrease) in Payables	11.37	17.97
Increase / (Decrease) in Other Financial Liabilities	(41.80)	8.76
Cash used in operating activities	(3,129.60)	(7,471.65)
Finance Cost paid	(3,901.92)	(3,742.02)
Net cash used in operating activities (A)	(7,031.52)	(11,213.67)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property Plant and Equipment (including Capital work in Progress)	(16.47)	(77.39)
Sale of Property Plant and Equipment	0.87	0.11
Sale of non-current asset held for sale	1.24	-
Net cash used in investing activities (B)	(14.36)	(77.28)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(70.73)	(76.88)
Repayment/Proceeds from Borrowings(Net)	578.75	15,620.63
Grant in aid received	16.11	5.00
Grant in aid received for purchase of assets	8.89	5.00
Interim dividend paid	(600.00)	-
Net cash used in financing activities (C)	(66.98)	15,553.75
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(7,112.86)	4,262.80
Cash and Cash Equivalents at the beginning of the year	11,003.29	6,740.49
Cash and Cash Equivalents at the end of the year	3,890.43	11,003.29

Notes

- The above Cash Flow statement has been prepared under the indirect method as set out in IND AS 7 on 'Statement of Cash Flows'.
- Components of cash and cash equivalents are disclosed in Note no. 3

Accompanying notes forms part of the Financial Statements.

As per our report of events date attached

For Ananthan & Sundaram

Chartered Accountants

Firm Registration Number : 000148S

[Signature] 22/4/25

CA.HARIKRISHNAN.R.S. FCA,DISA

Partner

Membership No. : 230338

UDW: 25230338BmH1402206

Place: Thiruvananthapuram

Date : 22/4/25

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

[Signature]
Anjana M IAS
Managing Director
(DIN:10405615)

[Signature]
Adv K Prasad
Chairman
(DIN: 07851556)

Sujith S
Company Secretary
(M.No.A31205)

[Signature]
Preethy Joseph
GM (Finance & Accounts)



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

A. Equity Share Capital

Particulars	(Rupees in Lakhs)		
	As at 31st March, 2024	As at 31st March, 2023	
	No. of shares	Amount in lakhs	Amount in lakhs
Balance at the beginning of the reporting year	1,50,00,000	15,000.00	15,000.00
Changes in Equity Share capital during the year	1,13,800	113.80	-
Balance at the end of the reporting year	1,51,13,800	15,113.80	15,000.00

B. Other Equity

Particulars	Share Application Money pending allotment	Reserves and Surplus				Other Comprehensive Income	Total
		General Reserve	Profit/(Loss) in Statement Profit and Loss	BCDC LDRF Special Reserve	Statutory Reserve as per section 45-IC of the RBI Act 1934	Remeasurement of defined benefit plans	
Balance as at 1st April, 2022	113.80	21,339.77	-	533.23	1,973.29	-	26,305.26
Changes in Other Equity due to Prior Period Error (Refer Note 27)	-	(194.48)	-	-	-	-	(194.48)
Restated Balance as at 1st April, 2022	113.80	21,145.29	-	533.23	1,973.29	-	26,110.78
Profit for the year	-	-	6,204.85	-	-	-	6,204.85
Transfer from BCDC LDRF Special Reserve	-	-	-	(219.94)	-	-	(219.94)
Transfer from Profit/(Loss)	-	4,024.08	(6,204.85)	192.13	1,240.97	-	-
Other Comprehensive Income for the year	-	-	-	-	-	36.99	36.99
Balance as at 31st March, 2023	113.80	25,169.37	-	505.42	3,214.26	36.99	32,132.88
Balance as at 1st April, 2023	113.80	25,169.37	-	505.42	3,214.26	36.99	32,132.88
Profit for the year	-	-	5,272.75	-	-	-	5,272.75
Transfer from BCDC LDRF Special Reserve	-	-	-	(281.39)	-	-	(281.39)
Transfer from Profit/(Loss)	-	1,723.69	(4,672.75)	176.36	1,054.55	-	-
Allotment of shares	(113.80)	-	-	-	-	-	(113.80)
Payment of interim dividend	-	-	(600.00)	-	-	-	(600.00)
Other Comprehensive Income for the year	-	-	-	-	-	44.21	44.21
Balance as at 31st March, 2024	-	26,893.06	-	400.39	4,268.81	81.20	36,454.45

Accompanying notes forms part of the Financial Statements.

As per our report of events date attached

For Ananthan & Sundaram

Chartered Accountants

Firm Registration Number : 000148S

CA.HARIKRISHNAN R.S. FCA,DISA

Partner

Membership No. : 230338

Place: Thiruvananthapuram

Date: 22/4/25

UDIN: 25230338BMHT402206

For and on behalf of the Board of Directors

Kerala State Backward Classes Development Corporation Limited

Sujith S

Company Secretary

(M.No.A31205)

Preethy Joseph

GM (Finance & Accounts)

Adv K Prasad

Chairman

(DIN: 07851556)



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705
CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1 Corporate Information

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

2 Basis of preparation & material accounting policies

The Financial Statements of the company have been prepared in accordance with Ind AS notified under the companies (Indian Accounting Standards) Rules 2015 as amended from time to time and notified under section 133 of the Companies Act 2013 (the Act) along with other relevant provisions of the Act and The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Financial Statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.1 Presentation of Financial Statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Financial Companies ("NBFC"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and directions issued by RBI or other regulators.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where ever permitted by Ind AS.

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.

2.2 Functional and presentation currency

These financial statements are presented in Indian rupees (INR) which is also the Company's functional currency. All accounts are rounded-off to the nearest lakh with two decimals, unless otherwise stated.

2.3 Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods.

In particular, information about material areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:



i) Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan & earned leave and the present value of the gratuity & earned leave obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

iii) Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iv) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

v) Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

vi) Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

2.4 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.



2.5 Fair value measurement

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

2.6 Summary of Material Accounting Policies

2.6.1 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) 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 Statement of Profit and Loss.
- iii) 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.

Estimated useful life of assets is as follows:

Category of PPE	Useful Life
Building	30 years
Computers And Data Processing Units	3 years
Electrical Fittings	10 years
Electrical Equipment	10 years
Furniture And Fixtures	10 years
Intangible Assets	5 years
Motor Vehicles	8 years
Office Equipment	5 years

- iv) The Company recognizes internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Company and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the company.
- v) Assets acquired out of Grant in Aid which are adjusted against Grant received in the year itself and is shown at nominal value of Rs. 1.00 for each asset and no depreciation is charged in respect of these assets.
- vi) Capital work in progress comprises the cost of PPE that are not ready for intended use at the reporting date



2.6.2 Leases

The Company follows Ind AS 116-Leases for accounting for contracts which are in the nature of 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. 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.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The right-of-use assets are depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.6.3 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 Statement of 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.

2.6.4 Financial Instruments

A. Financial Assets

(i) Recognition of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

(ii) Initial measurement of financial instruments

All financial assets and financial liabilities are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value, as appropriate, on initial recognition except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVTPL) where the transaction costs are recognized immediately in Statement of profit or loss.

A financial asset and a financial liability is offset and presented on a net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(iii) Classification & subsequent measurement

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

- (a) Amortised cost
- (b) Fair value through other comprehensive income ('FVOCI')
- (c) Fair value through profit or loss ('FVTPL')



Financial assets carried at amortised cost

The Company measures its financial assets at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Interest income and impairment expenses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

Financial assets carried at FVOCI

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the nature of portfolio, the period for which the interest rate is set and other factors which are integral to a lending arrangement.

Financial assets carried at FVTPL

Financial assets, which do not meet the criteria for categorization as at amortized cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognized in Statement of profit and loss. Net gains and losses, including any interest or dividend income, are recognized in Statement of profit and loss.

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.

B. Financial Liabilities & Equity Instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognized at the proceeds received, net of directly attributable transaction costs.

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL, if it is held-for-trading or it is a derivative or it is designated as such on initial recognition. However, financial liabilities classified as 'financial liabilities at amortised cost' are subsequently measured at amortised cost. Interest expense and other gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

2.6.5 Impairment of Financial Assets

Expected credit losses ('ECL') are recognized for applicable financial assets held under amortized cost.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1'. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is objective evidence of impairment are considered to be in 'stage 3'.

Financial assets (and the related impairment allowances) are written off in full, when there is no realistic prospect of recovery. The Company may apply enforcement activities to certain qualifying financial assets written off.

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

Treatment of the different stages of financial assets and the methodology of determination of ECL

1) Credit Impaired (Stage 3)

The Company recognizes a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily with respect to-

- a) Contractual payments of principal and/or interest are past due for more than 90 days
- b) The loan is otherwise considered to be in default

Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3. Life time ECL is provided for Stage 3 assets.



2) Significant Increase in Credit Risk (Stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, any overdue of more 30 days and up to 90 days during the life of the asset is considered as an indication of financial assets to have suffered a significant increase in credit risk. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. Life time ECL is provided for Stage 2 assets.

3) Without significant increase in credit risk since initial recognition. (Stage 1)

A financial asset is considered to not have any significant increase in credit risk since initial recognition if it is not overdue for a period up to 30 days. ECL resulting from default events that are possible in the next 12 months are recognized for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioural trends.

Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD.

- Determination of PD is covered above for each stage of ECL
- EAD represents the expected balance at default taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities
- LGD represents expected losses on the EAD given the event of default taking into account among other attributes the mitigating effect of collateral value at the time it is expected to be realized and the time value of money

2.6.6 Revenue Recognition

(i) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable. For credit impaired financial assets the interest is accrued net of allowance for expected credit losses.

(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 i.e.: - the interest which is cumulated between instalments, for loans which are disbursed over multiple instalments till the date of fixing the EMI as per Ind AS.

(iv) Penal interest is accounted on receipt basis.

(v) Fees and Commission is recognised in accordance with the terms of the relevant contracts/agreements and when it is probable that the company will collect the consideration.

2.6.7 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 Statement of 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 other financial 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.



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705
CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

2.6.8 Employee Benefits

1) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and allowances, etc. are recognized in the period in which the employee renders the related service.

2) Defined Benefit Plans: Leave Encashment & Gratuity

The present value of the obligation under such defined benefit plans are determined based on actuarial valuation. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Re-measurement gains and losses on net defined benefit liability/ assets are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3) Defined Contribution Benefits: Provident Fund

Retirement benefit in the form of provident fund, is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

2.6.9 Finance Cost

Finance costs include interest and other ancillary borrowing costs. It also includes guarantee commission paid to the Government of Kerala for providing guarantee for the corporation's borrowings. Finance costs are charged to the Statement of Profit and Loss.

2.6.10 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.

2.6.11 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.



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
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CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

2.6.12 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.

2.6.13 Statement of Cash Flows

Cash flows are reported using indirect method as permitted under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash and cash equivalent shown in the financial statement exclude items which are not available for general use as on reporting date.

2.6.14 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. 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.



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

CIN - U75122KL1995SGC008705

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

3 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash on hand	67.07	43.04
Balance with Banks:-		
In Current Accounts	3,307.01	5,643.62
In Term Deposit Accounts with original maturity upto 3 months	502.13	5,301.70
Balance with Government of Kerala Treasury SB Account	14.01	14.60
Others:-		
Stock of Stamps	0.21	0.33
	3,890.43	11,003.29

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

4 LOANS (at amortized cost)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(A) Loans Secured by tangible assets		
General Term Loans:		
Loans out of NBCFDC Funds - Secured	13,166.18	19,207.26
Loans out of NMDFC Funds - Secured	10,440.07	22,373.67
Loans out of KSBCDC Funds - Secured	71,085.37	61,526.93
Employees House Building Advance	264.96	295.95
Less: Impairment allowance	(7,172.59)	(6,442.74)
	87,783.99	96,960.07
Unsecured Loans		
General Term Loans:		
Loans out of NBCFDC Funds - Unsecured	13,265.63	9,129.83
Loans out of NMDFC Funds - Unsecured	20,514.19	6,083.65
Loans out of KSBCDC Funds - Unsecured	23,832.86	22,882.93
Micro Finance Scheme:		
Loans out of NBCFDC Funds - Micro	6,742.12	6,742.12
Loans out of NMDFC Funds - Micro	10,422.76	10,422.76
Loans out of NSKFDC Funds - Micro	35,215.38	33,571.06
Employees Personal Loan Scheme	124.93	105.73
Less: Impairment allowance	(2,315.94)	(2,352.20)
	1,07,801.93	86,585.88
	1,95,585.92	1,83,545.95
(B) Loans		
Loans in India		
(i) Public Sector	-	-
(ii) Others	2,05,074.45	1,92,340.89
Less: Impairment allowance	(9,488.53)	(8,794.94)
	1,95,585.92	1,83,545.95
Loans outside India	-	-

- 4.1 Secured loans are secured by Equitable mortgage against Land/ Property.
4.2 Unsecured loans under Micro Finance schemes to CDS are guaranteed by inter se agreement between beneficiaries.
4.3 Unsecured loans under Micro Finance schemes to NGOs are guaranteed by assets of NGO.
4.4 Secured loans to employees under EHBA are secured by Equitable mortgage against Land/ Property.
4.5 Unsecured loans to employees under EPLS are guaranteed by employee surety.
4.6 There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.
4.7 Impairment allowance are computed based on Ind AS 109
4.8 Bifurcation of NBCFDC loans into General Term Loan and Micro Finance term loans are based on utilisation of the company
4.9 Refer Note 36.3 relating to credit risk on Loan asset



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5 OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2024	As at 31st March, 2023
Term Deposits with banks	180.25	180.25
Less: Provision for Doubtful Term Deposits	(180.25)	(180.25)
Crafts Village (Refer Note 5.1)	38.67	38.67
Government of Kerala Fund Receivable	60.82	50.82
Subsidy Receivable From NORKA	16.35	48.00
NBCFDC receivables	-	0.78
Claim receivable (Refer note 5.2)	24.33	24.33
Other Financial Assets	45.35	63.54
	185.52	226.14

5.1 Crafts Village

The Govt. of Kerala had decided to set up a CRAFT VILLAGE at 5.1 acres of land of Survey number: 422 (1 to 9), Block Number 35. 11 Ward of Kannambra Village, Kannambra Panchayath, Palakkad district and gave a provisional sanction under KIIFB project vide order no. G.O.(Ms)10/2018/BCDD dated 10-12-2018. The Company was selected as the Special Purpose Vehicle for the project and KITCO Ltd prepared the DPR with an estimated cost of Rs 3,480 Lakhs. A resolution dated 17/02/2017 has been passed by Kannambra Panchayath to grant land under ward no 11 in Chillaparamb for the project. The Company had paid Rs. 38.67 Lakhs as the cost of preparation of the DPR to KITCO Ltd. KIIFB had issued approval and funding sanction and was directed to proceed with the work. However, District Collector of Palakkad, sent a report to Revenue Department stating that since the the Company is not a service department of the Government ownership and control of the land cannot be transferred without charging the market price. Further actions on implementation of Crafts Village Project can be initiated only after transfer of ownership of the land to the Company.

As per letter no. RE2/246/2023-LSGD dated 07-06-2024, Project viability report is pending to be submitted to the government for transfer of ownership of land.

- 5.2** Construction of building in Kollam is treated as claim receivable as the work has been suspended and the information relating to completion schedule and any overrun of time / cost exceeding initial estimates is not ascertainable at this stage due to practical difficulties. Refer Note 31 for more details.

6 CURRENT TAX ASSETS (NET)

Particulars	As at 31st March, 2024	As at 31st March, 2023
TDS Receivable	0.39	0.87
	0.39	0.87



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7 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land (Refer Note 7.1 below)	Building		Vehicles	Computers And Data Processing Units	Furniture And Fixtures	Electrical Fittings	Office Equipment	Electrical Equipment	Total
		Freehold	Right of use under lease (Refer Note 7.6 below)							
GROSS CARRYING AMOUNT										
Balance as at 01 April, 2022	4.83	3.39	-	21.26	43.84	120.15	17.87	48.91	14.67	274.92
Additions during the year	27.76	-	199.52	-	10.47	5.25	-	33.90	-	276.90
Disposals/Deductions during the year	-	-	-	0.52	4.18	-	-	0.87	-	5.57
Balance as at 31 March, 2023	32.59	3.39	199.52	20.74	50.13	125.40	17.87	81.94	14.67	546.25
Balance as at 01 April, 2023	32.59	3.39	199.52	20.74	50.13	125.40	17.87	81.94	14.67	546.25
Additions during the year	-	-	21.60	-	1.55	5.18	2.50	5.03	0.40	36.26
Disposals/Deductions during the year	-	-	-	4.40	3.80	-	-	7.40	-	15.60
Balance as at 31 March, 2024	32.59	3.39	221.12	16.34	47.88	130.58	20.37	79.57	15.07	566.91
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES										
Balance as at 01 April, 2022	-	1.11	-	16.27	30.64	49.88	6.19	35.09	9.00	148.18
Additions during the year	-	0.22	51.33	0.91	10.34	19.12	3.02	17.65	1.49	104.08
Disposals/Deductions during the year	-	-	-	0.15	2.63	-	-	0.27	-	3.05
Balance as at 31 March, 2023	-	1.33	51.33	17.03	38.35	69.00	9.21	52.47	10.49	249.21
Balance as at 01 April, 2023	-	1.33	51.33	17.03	38.35	69.00	9.21	52.47	10.49	249.21
Additions during the year	-	0.20	78.18	0.51	3.64	14.46	2.32	11.27	1.02	111.60
Disposals/Deductions during the year	-	-	-	4.08	-	-	-	2.21	-	6.29
Balance as at 31 March, 2024	-	1.53	129.51	13.46	41.99	83.46	11.53	61.53	11.51	354.52
NET CARRYING AMOUNT										
As at 31 March, 2024	32.59	1.86	91.61	2.88	5.89	47.12	8.84	18.04	3.56	212.39
As at 31 March, 2023	32.59	2.06	148.19	3.71	11.78	56.40	8.66	29.47	4.18	297.04

7.1 During the previous year land has been assigned to KSBDC by the GoK for Institutional purposes at subsidized rate below the market value for a cost of Rs 27.76 lakhs. As per para 24 of IND AS 20 (Notification No. G.S.R. 903(E) dated 20th September, 2018). Government grants related to assets, including non-monetary grants at fair value, can be presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

7.2 Leasehold Land in which building is constructed in Kollam is shown at nominal value of Rs. 1.00 in books of accounts.

7.3 Property, Plant & Equipment are physically verified at unit level. Property, Plant & Equipment register is maintained online

7.4 There are 112 Assets acquired out of Grant in Aid which are adjusted against Grant received in the respective year

7.5 Building represents Compound wall built on Leasehold property at Kollam.

7.6 Refer Note 34 for additional disclosure related to Rights-of-use assets required pursuant to Ind AS 116.



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8 CAPITAL WORK IN PROGRESS

Particulars	Amount (in lakhs)
Balance as at 01 April, 2022	24.70
Additions during the year	-
Disposals/Deductions during the year	24.70
Balance as at 31 March, 2023	-
Balance as at 01 April, 2023	-
Additions during the year (Refer Note 8.1)	1.81
Disposals/Deductions during the year	-
Balance as at 31 March, 2024	1.81

8.1 Capital Work in Progress comprises of permit fee paid in connection with construction of building at Pettah

Capital Work In Progress Aging

As at 31st March, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Construction of building	1.81	-	-	-	1.81

9 INTANGIBLE ASSETS - SOFTWARE

Particulars	Amount (in lakhs)
GROSS CARRYING AMOUNT	
Balance as at 01 April, 2022	2.88
Additions during the year	-
Disposals/Deductions during the year	-
Balance as at 31 March, 2023	2.88
Balance as at 01 April, 2023	2.88
Additions during the year	-
Disposals/Deductions during the year	-
Balance as at 31 March, 2024	2.88
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	
Balance as at 01 April, 2022	1.74
Additions during the year	0.42
Disposals/Deductions during the year	-
Balance as at 31 March, 2023	2.16
Balance as at 01 April, 2023	2.16
Additions during the year	0.26
Disposals/Deductions during the year	-
Balance as at 31 March, 2024	2.42
NET CARRYING AMOUNT	
As at 31 March, 2024	0.46
As at 31 March, 2023	0.72



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10 OTHER NON-FINANCIAL ASSETS

Particulars	As at 31st March, 2024	As at 31st March, 2023
Assets held for sale (Refer note 10.1)	0.32	0.36
GST Receivable	4.05	3.33
Prepaid Expenses	3.09	-
	7.46	3.69

10.1 Asset held for sale comprises a Mahindra Bolero jeep of the Kasargod office bearing registration no. KL-01-AR-1375 that was held for sale as on 31st March 2023 & subsequently sold in FY 2023-24. The auction was finalized on 18/04/2023 and vehicle was handover on 27/06/2023. Gain on sale of asset to the tune of ₹0.69 Lakhs has been recognised in Statement of Profit & Loss of FY 2023-24 under the 'Other Income' head.

11 PAYABLES

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises	87.78	76.41
	87.78	76.41

Payables Aging schedule 31st March, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	87.78	-	-	-	87.78
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Payables Aging schedule 31st March, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	76.41	-	-	-	76.41
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

11.1 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.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

12 BORROWINGS (other than debt securities)

Particulars	As at 31st March, 2024	As at 31st March, 2023
At Amortised cost		
(A) Unsecured Loans:-		
Term Loan from other Parties:-		
Term Loan Schemes:-		
National Backward Class Finance and Development Corporation	29,362.70	30,728.17
National Minority Development and Finance Corporation	41,769.99	42,358.63
	71,132.69	73,086.80
Micro Finance Schemes:		
National Backward Class Finance and Development Corporation - Micro Finance	14,146.30	13,134.20
National Minority Development and Finance Corporation - Micro Finance	20,755.67	20,247.78
National Safai Karmachari Financial Development Corporation - Micro Finance	40,403.16	39,427.32
	75,305.13	72,809.30
(B) Lease Liabilities		
Lease liabilities	73.51	122.64
	1,46,511.33	1,46,018.74

12.1 Lender-wise breakup of borrowings:

Particulars	As at 31st March, 2024	As at 31st March, 2023
National Backward Class Finance and Development Corporation	43,509.00	43,862.37
National Minority Development and Finance Corporation	62,525.66	62,606.41
National Safai Karmachari Financial Development Corporation	40,403.16	39,427.32
	1,46,437.82	1,45,896.10

12.2 All the above Loans are unsecured and Guaranteed by Government of Kerala to the tune of Rs.1,46,437.82 Lakhs (March 2023: Rs. 1,45,896.10 Lakhs) as on Balance Sheet Date.

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

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

12.5 The Company has not defaulted in repayment of principal and interest on above borrowings

12.6 There are no loans from related parties

12.7 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).

12.8 Repayment Terms:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Interest Range	Amount	Interest Range	Amount
Repayable in Instalments				
Quarterly				
Maturing within 1 year	1% - 5.5%	8,098.09	1% - 5%	41,663.24
Maturing after 1 year	1% - 5.5%	1,38,339.73	1% - 5%	1,04,232.86
Total		1,46,437.82		1,45,896.10



13 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2024	As at 31st March, 2023
Subsidies received (Refer note 13.1)		
Subsidy from NORKA	532.15	557.62
Relife Subsidy from Backward Class Development Department	2.00	121.25
Start Up Subsidy from Backward Class Development Department	-	65.46
Subsidy from Small Farmers Agri Business Consortium	14.54	14.54
Fishermen Debt Relief Fund Payable	21.39	21.39
Refund of Excess Collection (Refer note 13.2)	81.77	60.62
Performance Incentive Payable	84.33	80.16
Earnest Money Deposit	0.25	-
Creditors for Capital Goods	0.22	-
Security Deposits	1.26	1.26
Pay Revision Arrear Payable (Refer note 13.3)	556.43	413.84
	1,294.34	1,336.14

13.1 Subsidy received will be credited to the loanes account on last year of repayment period.

13.2 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.

13.3 As per the Government order dt. 10th February 2021 G.O.(P)No.27/2021/Fin, salaries and allowance of government employees were revised with retrospective effect from 1st July 2019 as per the recommendations of 11th Pay commission. The Board of Directors on their meeting held on 4th June 2021, approved the revision of the salaries and allowances of the company's employees in line with the increase recommendation by the above government order. The increase of salaries and allowance will be disbursed to employees subject to approval of Government of Kerala.

The company had not created provision for the retrospective revision of salaries and allowance in the earlier years. During the year the company has restated previous year figures to give effect to the retrospective revision of salaries and allowance based on estimates of the management. The estimated effect of such pay revision is given below:

Financial Year	Amount (in Lakhs)
2019-2020	58.07
2020-2021	91.34
2021-2022	134.79
2022-2023	129.64
2023-2024	142.59
Total	556.43



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14 PROVISIONS

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Employee Benefits (Refer Note 25):		
Compensated Absences	339.88	376.78
Gratuity	24.74	29.95
Other Provisions		
Provision for Corporate Social Responsibility (Refer Note 14.1 & 14.2)	12.59	57.78
	377.21	464.51

14.1 Movement in Provisions for Unspent Amount on Corporate Social Responsibility:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	57.78	57.44
Add: Additions	87.91	71.04
Less: Deletions	(133.10)	(70.70)
Closing Balance	12.59	57.78

14.2 Corporate Social Responsibility payable for the year ended 31st March, 2024, includes Rs.12.51 lakhs towards ongoing projects which was transferred to separate escrow account on 06th April, 2024 and balance Rs.0.08 lakhs was transferred to PM CARES fund on 30th September, 2024

15 OTHER NON FINANCIAL LIABILITIES

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory Dues	45.47	49.22
	45.47	49.22



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16 Equity Share Capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount (in lakhs)	Number	Amount (in lakhs)
Authorized Capital: (2,00,00,000 Equity shares of Rs. 100 each)	2,00,00,000	20,000.00	2,00,00,000	20,000.00
	2,00,00,000	20,000.00	2,00,00,000	20,000.00
Issued, Subscribed and Paid Up Capital: (1,51,13,800 Equity shares of Rs. 100 each)	1,51,13,800	15,113.80	1,50,00,000	15,000.00
	1,51,13,800	15,113.80	1,50,00,000	15,000.00

16.1 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.

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount (in lakhs)	Number	Amount (in lakhs)
Shares outstanding at the beginning of the year	1,50,00,000	15,000.00	1,50,00,000	15,000.00
Shares Issued during the period	1,13,800	113.80	-	-
Shares Bought back during the period	-	-	-	-
Shares Outstanding at the end of the year	1,51,13,800	15,113.80	1,50,00,000	15,000.00

16.3 Particulars of shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount (in lakhs)	Number	Amount (in lakhs)
Government of Kerala	1,51,13,800	15,113.80	1,50,00,000	15,000.00

16.4 Share application money for pending allotment

Particulars	As at 31st March, 2024	As at 31st March, 2023
Share application money for pending allotment	-	113.80
	-	113.80

16.5 Equity Shares held by promoters at the end of the financial year

Name of the promoter	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Government of Kerala	1,51,13,800	100%	1,50,00,000	100%	-
Total	1,51,13,800		1,50,00,000		



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17 OTHER EQUITY

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Share Application Money pending allotment		
Opening balance	113.80	113.80
Less: Allotment of shares	113.80	-
Closing balance	-	113.80
(b) General Reserve		
Opening balance	25,169.37	21,339.77
Less: Prior period adjustments (Refer Note 27)	-	(194.48)
Add: Transfer from Statement of Profit and Loss	1,723.69	4,024.08
Closing balance	26,893.06	25,169.37
(c) Profit/ (Loss) for the year		
Opening Balance	-	-
Add: Transfer from General Reserve	-	-
Add: Profit for the year	5,272.75	6,204.85
Less: Transfer to BCDC LDRF Special Reserve	176.36	192.13
Less: Transfer to Statutory Reserve as per 45-IC of the RBI Act 1934	1,054.55	1,240.97
Less: Transfer to Impairment Reserve	1,718.15	747.67
Less: Interim Dividend paid (Refer Note 17.6)	600.00	-
Less: Transfer to General Reserve	1,723.69	4,024.08
Closing balance	-	-
(d) BCDC LDRF Special Reserve		
Opening Balance	505.42	533.23
Add: Additions	176.36	192.13
Less: Transferred	281.39	219.94
Closing balance	400.39	505.42
(e) Statutory Reserve as per section 45-IC of the RBI Act 1934		
Opening Balance	3,214.26	1,973.29
Add: Additions	1,054.55	1,240.97
Closing balance	4,268.81	3,214.26
(f) Impairment Reserve		
Opening Balance	3,092.84	2,345.17
Add: Additions	1,718.15	747.67
Less: Transferred	-	-
Closing balance	4,810.99	3,092.84
(g) Other Comprehensive Income		
Opening Balance	36.99	-
Other Comprehensive Income for the year	44.21	36.99
Closing Balance	81.20	36.99
	36,454.45	32,132.68



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

17.1 Share Application Money pending allotment

The delay in share allotment of Rs. 113.80 lakhs in the previous year was due to a delay in receiving government sanction for increasing the authorized share capital. The authorized share capital was subsequently increased and approval for the share allotment was received from the ROC on 25th April 2023.

17.2 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, Transfer to BCDC Loan Distress Relief Fund Special Reserve and Transfer to Impairment Reserve

17.3 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.

17.4 BCDC LDRF Special Reserve

BCDC LDRF Special Reserve is maintained for addressing the loanees in distress due to death/ incapacitation of loanees. During the current year, Rs. 281.39 lakhs were adjusted against the dues of 270 loanees (Previous year Rs.219.94 lakhs for 222 loanees). The BCDC LDRF Reserve is prepared in general by transferring 2/3 part of the processing fee in the case of new loans except self employment loans above 10 lakhs and in the case of self employment loans above 10 lakhs, 1/3 of the processing fee is earmarked to LDRF Reserve. Processing fee charged on the micro credit scheme and Ente Veedu Scheme is excluded.

In respect of processing fees, the fee collected upfront is segregated as 2/3d towards LDRF fund and transferred to LDRF Special Reserve. The balance 1/3rd of the fee is recognised upfront as income instead of amortisation under effective interest rate method as per Ind AS 109 since the impact is not considered as material in nature by the management.

17.5 Impairment Reserve

As per Prudential Floor for ECL as per 2(b) & (c) Annex to RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Circular dated 13th March 2020, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI. The requirement for 'Impairment Reserve' shall be reviewed, going forward.

17.6 Interim Dividend paid

Dividend of Rs.600 lakhs relating to the FY 2021-22 was declared and paid during the FY 2023-24 to Government of Kerala based on the directions of Government of Kerala vide Government Order G.O.(P) No.61/2023/Fin dated 23.06.2023.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

18 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
On Financial Instruments measured at Amortized cost		
(A) Interest Income:-		
(I) Interest Income on Loans		
Interest on Term Loans/Micro Finance	10,884.35	10,394.72
Interest on EHBA	18.37	17.14
Interest on EPLS	8.87	6.58
Penal Interest on Scheme Loans	446.19	542.07
Pre Fixed Interest	446.49	560.30
(II) Interest on fixed deposits with banks		
Interest from Fixed deposit with maturity period less than 3 months	204.12	159.49
	12,008.39	11,680.30
(B) Fees and commission income:		
Processing Fee Collected	298.51	327.26
	298.51	327.26
	12,306.90	12,007.56

18.1 There is no loan asset measured at FVTPL or FVOCI

18.2 2/3rd part of Processing Fee Collected from new loans other than self-employment loans above 10 lakhs is appropriated to LDRF Reserve and in the case of self-employment loans above 10 lakhs 1/3 of the processing fee is earmarked to LDRF Reserve. The balance 1/3rd of the fee is recognised upfront as income instead of amortisation under effective interest rate method as per Ind AS 109 since the impact is not considered as material in nature by the management.

19 OTHER INCOME

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Miscellaneous Income	72.67	55.13
	72.67	55.13

20 FINANCE COSTS

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest on Borrowings:		
Interest on NBCFDC Fund	1,024.46	1,158.89
Interest on NMDFC Fund	1,341.75	1,289.02
Interest on NSKFDC Fund	387.55	291.24
Other Interest expense:		
Guarantee Fee to Govt. of Kerala	1,088.99	971.83
Interest on finance lease	22.14	6.15
	3,864.89	3,717.13

21 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries and wages	1,781.00	1,739.64
Contribution to Provident and Other Funds	142.34	152.11
Staff Welfare Expenses	3.20	3.11
	1,926.54	1,894.86



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

22 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
On Financial Instruments measured at Amortized cost		
Loans	693.59	600.68
	693.59	600.68

22.1 As per RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 NBFCs/ ARCs shall hold impairment allowances as required by Ind AS and also maintain the asset classification and compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) provisioning for standard as well as restructured assets, NPA ageing, etc. Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. As at the year ended 31st March 2024, impairment allowance under Ind AS 109 of the Company is lower than the provisioning required under IRACP (Refer Note 42). On that ground Company appropriate an amount of Rs.4,810.99 lakhs the difference of IRACP provision (including standard asset provisioning) Rs.14,299.52 lakhs and Impairment allowance under Ind AS 109 Rs. 9,488.53 lakhs from net profit for the year to a separate 'Impairment Reserve'

23 OTHER EXPENSES

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rent, taxes and energy costs	35.35	39.02
Repairs and maintenance	51.37	53.56
Communication Costs	35.24	38.73
Printing and Stationery	47.14	55.97
Advertisement and publicity	56.45	27.77
Director's fees, allowances and expenses	16.86	12.05
Auditor's fees and expenses (Refer note 23.1)	1.75	1.75
Insurance	2.85	6.14
Travelling and Conveyance	81.95	65.85
Loan Mela and Awareness and EXPO Programme Expenses	12.16	6.63
Filing Fee	1.86	38.44
Bank Charges	5.79	9.97
Power and Fuel	41.71	42.06
CSR Expenditure (Refer Note 23.2)	87.91	71.05
General Expenses	31.55	46.63
	509.94	515.62

23.1 Payment to auditors

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
As auditor:		
Statutory Audit fees	1.75	1.75
	1.75	1.75



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23.2 Corporate Social Responsibility

Detail of amount spent towards CSR activities

Gross amount required to be spent by the Company during the year is Rs 87.91 lakhs (31 March 2023: Rs 71.05 Lakhs)
Amount (In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Construction/Acquisition of assets		
- In Cash	-	-
- Yet to be paid in cash	-	-
(ii) On purpose other than (i) above		
- In Cash	75.32	13.27
- Yet to be paid in cash	-	-
	75.32	13.27

* Amount spent during the year is less than 2% of the average net profit.

The Company in compliance with requirements set in section 135 of the Companies Act, 2013 has spent 75.32 lakhs against current year CSR expense and transferred Rs.12.50 lakhs relating to ongoing project to separate escrow on 06th April 2024. The unspent balance of Rs.0.09 lakhs for FY 23-24 was deposited to specified funds as mentioned in Schedule VII of the Act within 6 months from the end of the financial year on 30th September, 2024.

24 Earnings per share

Basic Earnings per equity share is 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. The numbers used in calculating basic and diluted earnings per equity share are as stated below:

Sl.No	Description	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a)	Net Profit available for equity shareholders (in lakhs Rupees)	5,272.75	6,204.85
(b)	Weighted average number of equity shares outstanding (in lakhs)	151.06	150.00
(c)	Basic Earnings per share (Face Value Rs 100 each) (in Rs.)	34.90	41.37
(d)	Diluted Earnings per share (Face Value Rs 100 each) (in Rs.)	34.90	41.05



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25 Employee Benefit Obligations

Particulars	Gratuity		Earned Leave	
	For the year ended		For the year ended	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
I Change in defined benefit obligation				
Defined benefit obligation at the beginning of the period	812.80	800.41	376.78	370.69
Current service cost	37.62	37.23	61.76	68.46
Past service cost	-	-	-	-
Interest expense	59.27	57.62	24.06	22.83
Acquisition/ Divestiture	-	-	-	-
Re-measurement (gains)/ losses arising due to:	-	-	-	-
a. change in financial assumptions	-	-	-	-
b. change in demographic assumptions	-	-	-	-
c. experience adjustments	-	-	-	-
Benefits Paid	(23.84)	(43.56)	(103.17)	(91.00)
Actuarial (Gains)/Loss	(44.25)	(38.89)	(19.55)	5.80
Defined benefit obligation at the end of period	841.59	812.80	339.88	376.78
II Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the period	791.88	697.96	-	-
Interest Income	57.83	53.22	-	-
Expected return on plan assets	-	-	-	-
Employer contributions	3.02	86.15	-	-
Re-measurement gains/ (losses) arising due to:	-	-	-	-
- Actuarial gain/(loss) on plan assets	(0.05)	(1.90)	-	-
Benefits paid	(23.84)	(43.56)	-	-
Fair value of plan assets at the end of the period	828.84	791.88	-	-
III Actual return on plan assets				
Return on plan assets	57.78	51.33	-	-
Actuarial gain/(loss) on plan assets	(0.05)	(1.90)	-	-
Actual return on plan assets	57.73	49.43	-	-
Net Defined benefit obligation				
Defined benefit obligation at the end of the year	(841.59)	(812.80)	(339.88)	(376.78)
Fair value of plan assets at the end of the year	828.84	791.88	-	-
Surplus/ (deficit)	(12.75)	(20.92)	(339.88)	(376.78)
Effect of Asset Ceiling	-	-	-	-
Net Defined benefit (liability)/asset	(12.75)	(20.92)	(339.88)	(376.78)
V Amounts recognised in the Statement of Profit & Loss				
Current service cost	37.62	37.23	61.76	68.46
Past service cost	-	-	-	-
Interest cost (net)	1.44	4.39	24.06	22.83
Immediate Recognition of (Gain)/Losses-Other	-	-	(19.55)	5.80
Long Term Benefits	-	-	-	-
Total expense for the year	39.05	41.62	66.27	97.09
VI Amounts recognised in the Other Comprehensive Income				
Re-measurement (gains)/ losses arising due to:				
a. change in financial assumptions	6.36	(11.57)	-	-
b. change in demographic assumptions	-	-	-	-
c. experience adjustments	(50.62)	(27.32)	-	-
d. difference in actual return and interest on plan assets	0.05	1.90	-	-
Total re-measurement recognized in OCI	(44.21)	(36.99)	-	-



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Particulars	Gratuity		Earned Leave	
	For the year ended		For the year ended	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
VII Key Actuarial Assumptions				
Discount rate (p.a.)	7.40%	7.40%	7.24%	7.40%
Attrition rate	10%	10%	10%	10%
Expected rate of return on plan assets (p.a.)	7.02%	7.02%	0%	0%
Expected salary increase rate (p.a.)	8%	8%	8%	8%
VIII Sensitivity analysis for change in significant assumptions				
Discount rate: Increase by 100 basis points	(36.78)	(30.43)	(19.67)	(18.31)
Discount rate: Decrease by 100 basis points	39.82	32.62	21.59	19.89
Salary increase rate: Increase by 100 basis points	26.64	22.21	20.72	18.24
Salary increase rate: Decrease by 100 basis points	(29.11)	(24.47)	(19.24)	(17.11)
Attrition rate: Increase by 100 basis points	(1.38)	(1.65)	(1.84)	(1.38)
Attrition rate: Decrease by 100 basis points	1.33	1.71	1.99	1.49
IX Expected Cash flows for the following year				
(i) Expected contribution/ additional provision next year	35.74	27.52	-	-
(ii) Expected total benefit payments				
Year 1	101.33	124.62	41.26	61.52
Year 2	81.76	146.85	36.58	68.06
Year 3	92.56	103.19	37.47	49.52
Year 4	62.56	103.96	31.48	45.68
Year 5	87.60	71.17	28.45	35.14
Years 6 to 10	629.50	472.05	306.81	236.38
X Category of Plan assets				
Insurer managed funds	100%	100%	NA	NA

Note

- (a) The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting years
- (b) The defined benefit plans are exposed to a number of risks. Most significant risks being asset volatility, change in bond yields, inflation risk and life expectancy. Any change in the assumptions will cause a change in the plan liabilities and plan investments.
- (c) The estimates of future salary increases, considered in actuarial valuation, take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) **Gratuity Provision for contract employees**
Gratuity payable for contract employees is estimated based on number of years of service and consolidated pay per month on an undiscounted basis

Particulars	As at 31st March 2024	As at 31st March 2023
Balance at the beginning of the year	9.03	9.03
Benefits paid during the year	-	-
Additional provision made during the year	2.96	-
Balance at the end of the year	11.99	9.03



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26 CONTINGENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
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 which has been decided against the assessee. The company has filed the appeal with the tribunal against the order of the Commissioner(Appeals).	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
(g) Order in Original No.01/GST(AC)/DIV/2021-22 dated 24.03.2022 passed by the Assistant Commissioner of Central Tax and Central Excise, Thiruvananthapuram North Division for being the GST short-paid under reverse charge mechanism on an amount paid by KSBCDC as guarantee commission for the period from 01.07.2017 to 26.07.2018	76.41	76.41

In case of occurrence of acceptance of claims against the company, the net surplus of the company will be reduced to the extent of Rs. 284.66 lakhs plus interest thereof and the liability will be increased to such extent.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

27 Restatement of year ended 31st March 2023 and 1st April 2022 as per the requirement of Ind AS

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' the company has restated its balance sheet as at 31st March 2023 and 1st April 2022 (Beginning of the preceding period) and Statement of Profit and Loss for the year ended 31st March 2023 for the reason stated in Note 27.6.

27.1 Reconciliation of restated items of balance sheet as at 1st April 2022

	Particulars	Amount as per previous audited financial statements	*Reclassification	Restatement as on 1st April 2022 for prior period errors in FY 21-22	As Restated	Refer Note no
A	ASSETS					
(1)	Financial Assets					
	(a) Cash and cash equivalents	6,738.03	2.46		6,740.49	
	(b) Loans	1,64,923.71	1,437.94		1,66,361.65	
	(c) Other financial assets	1,560.12	(1,440.89)		119.23	
(2)	Non Financial Assets					
	(a) Current Tax Assets (Net)	-	0.49		0.49	
	(b) Property, plant and equipment	126.74			126.74	
	(c) Capital work - in - progress	24.70			24.70	
	(d) Intangible Assets	1.14			1.14	
	(e) Other non-financial assets	9.82			9.82	
	TOTAL	1,73,384.26	-	-	1,73,384.26	
B	LIABILITIES AND EQUITY					
	LIABILITIES					
(1)	Financial Liabilities					
	(a) Payables					
	(i) Trade Payables					
	(A) total outstanding dues of micro enterprises and small enterprises; and					
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	57.95			57.95	
	(b) Borrowings (other than debt securities)	1,29,642.74	588.44		1,30,231.18	
	(c) Other financial liabilities	1,747.69	(635.34)	284.20	1,396.55	27.6 (a)
(2)	Non Financial Liabilities					
	(a) Provisions	629.33		(89.72)	539.61	27.6 (c)
	(b) Other non financial liabilities	1.29	46.90		48.19	
(3)	EQUITY					
	(a) Equity Share Capital	15,000.00			15,000.00	
	(b) Other Equity	26,305.26		(194.48)	26,110.78	27.4
	TOTAL	1,73,384.26	-	-	1,73,384.26	

*Note- Reclassification/Disclosure which has no impact on Profit and Loss and Retained Earnings



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27.2 Reconciliation of restated items of balance sheet as at March 31, 2023

	Particulars	Amount as per previous audited financial statements	*Reclassification	Restatement as on 31st March 2023 for prior period errors in FY 22-23	As Restated	Refer Note no
A	ASSETS					
(1)	Financial Assets					
	(a) Cash and cash equivalents	11,003.29	-	-	11,003.29	
	(b) Loans	1,81,122.97	2,422.97	-	1,83,545.94	
	(c) Other financial assets	2,628.99	(2,402.84)	-	226.15	
(2)	Non Financial Assets					
	(a) Current Tax Assets (Net)	-	0.87		0.87	
	(b) Property, plant and equipment	299.19	-	(2.15)	297.04	27.6.(b)
	(c) Capital work - in - progress	-	-		-	
	(d) Intangible Assets	0.72	-		0.72	
	(e) Other non-financial assets	24.69	(21.00)		3.69	
	TOTAL	1,95,079.85	-	(2.15)	1,95,077.70	
B	LIABILITIES AND EQUITY					
	LIABILITIES					
(1)	Financial Liabilities					
	(a) Payables				-	
	(i) Trade Payables				-	
	(A) total outstanding dues of micro enterprises and small enterprises; and				-	
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	75.92	0.49	-	76.41	
	(b) Borrowings (other than debt securities)	1,45,263.37	755.37		1,46,018.74	
	(c) Other financial liabilities	1,613.48	(681.18)	403.84	1,336.14	27.6.(a) & 27.6.(b)
(2)	Non Financial Liabilities					
	(a) Provisions	461.06		3.45	464.51	27.6.(c) & 27.6.(d)
	(b) Other non financial liabilities	123.90	(74.68)		49.22	
(3)	EQUITY					
	(a) Equity Share Capital	15,000.00			15,000.00	
	(b) Other Equity	32,542.12		(409.44)	32,132.68	27.4
	TOTAL	1,95,079.85	-	(2.15)	1,95,077.70	

*Note- Reclassification/Disclosure which has no impact on Profit and Loss and Retained Earnings



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27.3 Reconciliation of restated items of Statement of Profit and Loss for the year ended March 31,2023

	Particulars	Amount as per previous audited financial statements	*Reclassification	Restatement for prior period errors in FY 22-23	As Restated	Refer Note no
	Revenue from Operations					
	(i) Interest Income	11,806.56	(126.26)		11,680.30	
	(ii) Fees and Commission Income	327.26			327.26	
I	Total Revenue from operations	12,133.82			12,007.56	
II	Other Income	234.83	(184.70)	5.00	55.13	27.6.(b)
III	Total Income (I+II)	12,368.65			12,062.69	
	Expenses					
	(i) Finance Costs	4,028.10	(310.97)		3,717.13	
	(ii) Employee Benefits Expenses	1,680.91	(6.60)	220.55	1,894.86	27.6.(c) & 27.6.(d)
	(iii) Depreciation, amortization and impairment	104.50	-	(2.89)	101.61	27.6.(b)
	(iv) Impairment on financial instruments	600.68	-	-	600.68	
	(v) Other Expenses	508.97	6.65	-	515.62	
IV	Total Expenses	6,923.16			6,829.90	
V	Profit/(Loss) Before Exceptional Items and Tax (III-IV)	5,445.49			5,232.79	
VI	Exceptional Items	972.06	-	-	972.06	
VII	Profit/(Loss) Before Tax (V+VI)	6,417.55			6,204.85	
VIII	Tax Expense:					
	(i) Current Tax	-			-	
	(ii) Deferred Tax	-			-	
IX	Profit/(Loss) for the period (VII-VIII)	6,417.55			6,204.85	
X	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	(i) Remeasurements of post employee benefit obligations	39.25	-	(2.26)	36.99	27.6.(d)
	(ii) Income tax relating to items that will not be reclassified to profit or loss					
XI	Total Comprehensive Income (IX+X)	6,456.80			6,241.84	

*Note- Reclassification/Disclosure which has no impact on Profit and loss and Retained Earnings



27.4 Reconciliation of Other Equity

Particulars	Note No	1st April 2022	31st March 2023
Other Equity as per audited financials		26,305.26	32,542.12
Less:			
Net Impact in Opening Other equity			(194.48)
- Pay Revision Arrears	27.6.(a)	(284.20)	(129.64)
- Earned Leave	27.6.(c)	89.72	(91.00)
- Grant in Aid Received			
(i) Reduction in Depreciation	27.6.(b)		2.85
(ii) Grant Income	27.6.(b)		5.00
- Gratuity	27.6.(d)		(2.17)
Closing Other Equity		26,110.78	32,132.68
As per financials		26,110.78	32,132.68

27.5 Reconciliation of Total Comprehensive Income Reconciliation

Particulars	Note No	31st March
Total Comprehensive Income as per audited financials		6,456.80
Less:		
- Pay Revision Arrears	27.6.(a)	(129.64)
- Earned Leave	27.6.(c)	(91.00)
- Grant in Aid Received		
(i) Reduction in Depreciation	27.6.(b)	2.85
(ii) Grant Income	27.6.(b)	5.00
- Gratuity	27.6.(d)	(2.17)
Closing Comprehensive Income		6,241.84

27.6 Notes on Restatement of balances due to Prior period errors

a) Pay Revision Arrears:

As per the Government order dt. 10th February 2021 G.O.(P)No.27/2021/Fin, salaries and allowance of government employees were revised with retrospective effect from 1st July 2019 as per the recommendations of 11th Pay commission. The Board of Directors on their meeting held on 4th June 2021, approved the revision of the salaries and allowances of the company's employees in line with the increase recommendation by the above government order. The increase of salaries and allowance will be disbursed to employees subject to approval of Government of Kerala.

The company had not created provision for the retrospective revision of salaries and allowance in the earlier years. During the year the company has restated previous year figures to give effect to the retrospective revision of salaries and allowance based on estimates of the management. The estimated effect of such pay revision is given below:

Financial Year	Amount (in Lakhs)
2019-2020	58.07
2020-2021	91.34
2021-2022	134.79
2022-2023	129.64
2023-2024	142.59
Total	556.43

b) Grant in Aid:

As per Ind AS 20 government grants shall not be recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it and the grant will be received. The Company received a Grant of Rs 10 lakhs in Financial year 2022-23 for the expenditures (Capital expenditure 5 lakhs, Revenue expenditure-5 lakhs) incurred in Financial Year 2021-22 and was recorded as financial liability for the year ended 31st March 2023. The company had full filled all conditions relating to the grant including submission of utilisation certificate in FY 2022-23. Accordingly, the previous year figures for the year ended 31st March 2023 have been restated to recognise 5 lakhs received towards revenue expenditure as income and balance 5 lakhs received towards Capital expenditure is reduced from Property Plant and Equipment and depreciation is reworked accordingly.

c) Provision for Earned Leave:

The Actuarial Valuation report for Earned leave obtained for the Financial year 2022-23 did not consider the payment of Rs.91 lakhs made during the financial year ended 31st March 2023. The company has obtained revised actuarial valuation for financial year 2022-23 in the current year after giving effect to the payment of Rs.91 lakhs. The previous year figures are restated based on the revised actuarial valuation report.

d) Provision for Gratuity:

The Actuarial Valuation report for Gratuity obtained for the Financial year 2022-23 did not consider the payment of Rs.2.17 lakhs made during the financial year ended 31st March 2023. The company has obtained revised actuarial valuation for financial year 2022-23 in the current year after giving effect to the payment of Rs.2.17 lakhs. The previous year figures are restated based on the revised actuarial valuation report.



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28 BCDC Loanees Distress Relief Fund

The Corporation has set up a fund styled 'BCDC Loanees Distress Relief Fund' 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.

29 In the opinion of the Directors, the Current Assets, Loans & Advances have the value as stated in the balance sheet if realized in the ordinary course of business.

30 Segment Reporting

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.

31 Claim Receivable from Hindustan Prefab Ltd

Landed Property of extent 4.05 acres was allotted on lease at Kollam Village (Resurvey 2), in Kollam Taluk of Kollam District for the construction of KSBCDC Kollam District Office vide GO (Ms)No.360/14/Rev dated 20/08/2014. Hindustan Prefab Ltd was engaged by the company for the construction of Kollam office building at a cost of Rs.198 lakhs, sanction accorded by the Govt. As per the order, lease rent of Rs 0.93 Lakhs per annum was payable for the financial years from 2013-14 to 2015-16.

An amount of Rs 34.50 lakhs were already spent against the construction of basement of office building. Accordingly, Hindustan Prefab Limited completed the basement work of the building on the above-mentioned property. However, as the land allocated came under the park and open space of the Kollam Development Master Plan, stop memo was issued from the Kollam Municipal Corporation pointing out the violation of KMBR Rules.

As per the govt order (No.36/2020/LSGD) dated 06-05-2021, the dispensation was granted by the Govt of Kerala and permit was issued and the building was allowed to be constructed at a revised estimate of Rs 164 lakhs with a maximum coverage of 40% of the land. A new agreement was entered with Hindustan Prefab Ltd with above mentioned revised terms as on 19-05-2021. However, Hindustan Prefab Ltd could not resume the work and the agreement with the company was terminated as on 29-05-2022. Hindustan Prefab Ltd. has returned Rs.9.80 lakhs on 15th July 2022 after deducting the cost for the basement work. The Board of Directors has decided to take legal steps against the company. Request has been made to the PWD Executive Engineer to determine the value of the construction work done. The Board of Directors has decided to engage Kerala State Housing Board to resume the construction work of the Kollam office building.

At this stage, no technical assessment was formally conducted by engineers of the management in order to evaluate whether the existing cost incurred can result in value addition to buildings and steps are under process for due evaluation of the project and currently is classified as project under suspension. Based on final technical evaluation under the supervision of the board of directors, decision shall be made in the accounting treatment and hence according to the management, no change in classification is necessary as compared to previous year.

As per the letter (No. DCKLM/7736/2020-L2) from the district collector, Kollam dated 18-09-2021, below demand was raised with respect to lease rent for the above-mentioned property for the period from 2016-17 to 2021-22.

Arbitration claim filed U/s 23 of Arbitration and Conciliation Act, 1996 before the honourable Arbitrator V Bhaskaran (Rt Judge), total claim of Rs.80.05 Lakhs with interest at 12% due from 29/05/2022 till realization from the respondent, Hindustan Prefab Kollam.



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(Amount in Rs. Lakhs)			
Year	Actual lease as per the existing market value	Amount Remitted	Amount to be paid by the lessee
2016-17	1.40	0.93	0.47
2017-18	1.40	0.93	0.47
2018-19	1.61	0.93	0.68
2019-20	1.78	0.93	0.85
2020-21	1.95	-	1.95
2021-22	1.95	-	1.95
	10.09	3.72	6.37

Against the above demand, the company requested vide letter no 2758/E2(E3)/2015, dated 16-05-2022 to Backward Classes Development Department to waive the lease rent and transfer the ownership of the land in the name of the company, to avoid the difficulties faced in the renewal of lease agreement in every three years. The company has provided for this amount in the Financial Statements.

32 Date of approval of financial statements

Financial Statements as per INDAS including Balance Sheet, Profit & Loss Account, Cash Flow Statement, Statement of Changes in Equity, Significant Accounting Policy and Notes for the FY 2023-24 thereon has been approved by the Board of Directors in its meeting held on 27/03/2025.

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

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

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.

Details of related party transaction with Key Management Personnel (KMP) for the financial year 2023-24

(Amount in Rs. Lakhs)				
SI no.	Particulars	Name of Party	Amount	Relationship
1	Salaries & Allowances (Managing Director)	Anjana M IAS	-	Managing Director
2	Salaries & Allowances (Company Secretary)	Sujith S	10.10	Company Secretary
3	Honorarium to Chairman	K Prasad	2.83	Chairman
4	Travelling Expenses (Managing Director)	Anjana M IAS	0.17	Managing Director
5	Travelling Expenses (Directors)		1.58	Directors
6	Travelling Expenses (Company Secretary)	Sujith S	0.10	Company Secretary
7	Travelling Expenses (Chairman)	K Prasad	0.53	Chairman
8	Sitting Fee		1.55	Directors

Details of related party transaction with Key Management Personnel (KMP) for the financial year 2022-23

(Amount in Rs. Lakhs)				
SI no.	Particulars	Name of Party	Amount	Relationship
1	Salaries & Allowances (Managing Director)	Devidas N IAS	-	Managing Director
2	Salaries & Allowances (Company Secretary)	Ram Ganesh	4.20	Company Secretary
3	Honorarium to Chairman	K Prasad	2.40	Chairman
4	Travelling Expenses (Managing Director)	Devidas N	0.38	Managing Director
5	Travelling Expenses (Directors)		1.72	Directors
6	Travelling Expenses (Company Secretary)	Ram Ganesh	0.39	Company Secretary
7	Travelling Expenses (Chairman)	K Prasad	1.72	Chairman
8	Sitting Fee		1.24	Directors



34 Rights-of-use assets

As a lessee, the Company's lease asset class consists of office premises. The office premises taken on lease for period of upto one year is categorised under short term lease and hence no right-of-use assets has been recognized.

(i) Amounts recognized in the Balance Sheet

Particulars	(Amount in Rs. Lakhs)	
	As at 31st March 2024	As at 31st March 2023
(a) Right-of-use assets (net)	91.61	148.19
(b) Lease liabilities	73.51	122.64
(c) Additions to the Right-of-use assets	21.60	199.52

(ii) Amounts recognized in Statement of Profit and Loss

Particulars	(Amount in Rs. Lakhs)	
	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Interest on lease liabilities	22.14	6.15
(b) Depreciation charge of Right-of-use asset	78.18	51.33

(iii) Amounts recognized in Statement of Cash flows

Particulars	(Amount in Rs. Lakhs)	
	For the year ended 31st March 2024	For the year ended 31st March 2023
Total cash outflow of leases	70.73	76.88

(iv) Maturity analysis - Contractual undiscounted cash flow

Particulars	(Amount in Rs. Lakhs)	
	As at 31st March 2024	As at 31st March 2023
(a) Less than one year	13.18	27.16
(b) Between one to three years	67.25	183.16
(c) More than three year	-	20.85
	80.43	231.17

(v) The rate used for discounting lease liabilities is 8%.**(vi) 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-cancellable 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 Statement Profit and Loss Account under 'Rent'.

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35 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
(1) Financial assets						
(a) Cash and cash equivalents	3,890.43		3,890.43	11,003.29		11,003.29
(b) Loans	55,600.25	1,49,474.20	2,05,074.45	59,596.89	1,32,744.00	1,92,340.89
Adjustments on account of ECL			(9,488.53)			(8,784.94)
(c) Other financial assets		185.52	185.52		226.14	226.14
(2) Non-financial assets						
(a) Current tax assets (net)		0.39	0.39		0.87	0.87
(b) Property, plant and equipment		212.39	212.39		297.04	297.04
(c) Capital work-in-progress		1.81	1.81		-	-
(d) Intangible assets under development		0.46	0.46		0.72	0.72
(e) Other Non-financial Assets	3.09	4.37	7.46	0.36	3.33	3.69
Total Assets	59,493.77	1,49,879.14	1,99,884.38	70,600.54	1,33,272.10	1,95,077.70
Liabilities						
(1) Financial liabilities						
(a) Payables						
(i) Total outstanding dues of micro enterprises and small enterprises	87.78		87.78	76.41		76.41
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8,098.09	1,38,413.24	1,46,511.33	41,663.24	1,04,355.50	1,46,018.74
(b) Borrowings (other than debt securities)	640.98	653.36	1,294.34	494.00	842.14	1,336.14
(c) Other financial liabilities						
(2) Non-financial liabilities						
(a) Provisions	12.59	364.62	377.21	57.78	406.73	464.51
(b) Other non-financial liabilities	45.47		45.47	49.22		49.22
Total Liabilities	8,864.91	1,39,431.22	1,48,316.13	42,340.65	1,05,604.37	1,47,945.02



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36 Financial Risk Management

Financial risk management objectives and policies

The Company has operations in Kerala, India. As a financial lending institution, the Company is exposed to various risks that are related to lending business and operating environment. The Company's activities expose it to credit risk, liquidity risk and market risk.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company is exposed to following risks:

1. Market Risk
2. Liquidity Risk
3. Credit Risk
4. Operational and business Risk

1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises Interest rate risk. A major portion of the Company's assets and liabilities are interest bearing. Interest rate risk is managed by way of regular monitoring of all interest rate bearing assets and liabilities. The major portion of Company's assets and liabilities are on fixed interest rate basis and hence not subject to interest rate risk.

2 Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its financial obligations on time. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Ultimate responsibility for liquidity risk rests with the board of directors. The company manages by continuously monitoring forecast and actual cash flows and by matching the maturities of financial liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities as at reporting date.

Particulars	Within 12 months	After 12 months	Total
As at 31 March 2024			
Trade Payables	87.78	-	87.78
Borrowings (Other than Debt Securities)	8,098.09	1,38,413.24	1,46,511.33
Other financial liabilities	640.98	653.36	1,294.34
Total financial liabilities	8,826.85	1,39,066.60	1,47,893.45
As at 31 March 2023			
Trade Payables	76.41	-	76.41
Borrowings (Other than Debt Securities)	41,663.24	1,04,355.50	1,46,018.74
Other financial liabilities	494.00	842.14	1,336.14
Total financial liabilities	42,233.65	1,05,197.64	1,47,431.29

3 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The company assesses and manages credit risk based on company's internal policies. The company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.



3(A) Impairment Assessment

The company assesses the impairment of loan assets under ECL Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

The Company has calculated ECL allowance using three main components: exposure at default (EAD), probability of default (PD) and loss given default (LGD) using the below methodology:

$ECL = \text{Exposure at Default} \times \text{Probability of Default} \times \text{Loss Given Default}$

- **Exposure at default (EAD):** EAD represents the gross carrying amount of the financial assets subject to the impairment calculation. The Company determines EAD as gross carrying amount as at reporting date including interest accrued.

- **Probability of default (PD):** The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD.

- **Loss given default (LGD):** LGD is the estimated loss that the company might bear if the borrower defaults. The LGD determined is common for all three Stages and is based on historical recoveries of the credit impaired accounts.

- **Default:** The company considers a financial instrument as defaulted and therefore Stage 3 (Credit impaired) for Expected Credit Loss (ECL) calculations in all cases where the borrower becomes 90 days past due on account of its contractual payments or for which there is an objective evidence of impairment.

Significant increase in credit risk

The Company continuously monitors all the assets subject to ECL in order to determine whether there has been a significant increase in credit risk since initial recognition. This is performed by monitoring the days past due as on reporting date.

In assessing the impairment of financial assets under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. These three stages reflect the general pattern of credit deterioration of a financial asset.

Classification into these three stages is based on fulfilment of following conditions:

Stage 1 - Exposures with days past due less than and equal to 30 days and with no significant objective evidence of impairment is classified as Stage 1. The allowance will be based on 12-month PD, based on default events possible within 12 months after the reporting date.

Stage 2 - Exposures with days past due more than 30 days but upto 90 days will be treated as significant increase in credit risk and are classified as Stage 2, on which a lifetime ECL is recognized.

Stage 3 - Exposures with days past due more than 90 days or with significant objective evidence of impairment will be treated as credit impaired and are classified as Stage 3.



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3(B) Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost:

Particulars	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
(a) Loans				
- Secured	82,011.27	2,113.39	25,633.73	1,09,758.39
- Unsecured	83,525.36	836.00	10,954.70	95,316.06
Total - Gross	1,65,536.63	2,949.39	36,588.43	2,05,074.45
(Less): Impairment allowance	(2,373.13)	(286.53)	(6,828.87)	(9,488.53)
Total - Net	1,63,163.50	2,662.86	29,759.56	1,95,585.92

3(C) Movement of loan assets

Particulars	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,26,361.45	17,847.28	48,132.16	1,92,340.89
New asset originated (net of repayment)	72,981.58	789.13	1,662.13	75,432.84
Asset derecognised or repaid (including write offs)	(49,346.11)	(1,982.62)	(11,370.54)	(62,699.27)
Transfer to Stage 1	16,243.59	(10,036.35)	(6,207.24)	-
Transfer to Stage 2	(576.75)	1,108.90	(530.16)	-
Transfer to Stage 3	(127.13)	(4,774.95)	4,902.08	-
Gross carrying amount closing balance	1,65,536.63	2,949.39	36,588.43	2,05,074.45

Movement of expected credit loss on loan assets

Particulars	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
Expected credit loss opening balance	661.45	944.84	7,188.65	8,794.94
Expected credit loss new asset originated (net of repayment)	1,044.25	11.31	23.83	1,079.39
Expected credit loss reversed on asset derecognised or repaid	(705.42)	(28.42)	(163.01)	(896.85)
Transfer to Stage 1	232.87	(143.88)	(88.99)	-
Transfer to Stage 2	(8.27)	15.87	(7.60)	-
Transfer to Stage 3	(1.83)	(68.45)	70.28	-
Impact on year end ECL exposures transferred between stages	1,150.08	(444.74)	(194.29)	511.05
Expected credit loss closing balance	2,373.13	286.53	6,828.87	9,488.53

3(D) Collateral held and other credit enhancements

Collateral is an important risk mitigant of credit risk. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay than placing primary reliance on collateral. Depending on its form, collateral can have a significant effect in mitigating the Company's credit risk.

4 Operational and Business Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.



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37 Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair values hierarchy

The fair value of financial instruments has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Valuation framework

The fair valuation of the financial instruments and its ongoing measurement for financial reporting purposes is ultimately the responsibility of the management. The management ensures that final reported fair value figures are in compliance with Ind AS and will propose adjustments wherever required.

A. Valuation methodologies of financial instruments measured at fair value

For investments at fair value through profit and loss, valuation is done using quoted prices from active markets at the measurement date.

There are no such investments outstanding as at March 31, 2024 and March 31, 2023.

B. Valuation methodologies of financial instruments not measured at fair value

Fair value of instruments measured at amortised cost

Fair value of instruments that are initially measured at fair value and subsequently carried at amortised cost is disclosed as follows. This table does not include the fair values of investments in subsidiary measured at cost.

Particulars	Level	As at March 31, 2024		As at March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Cash and cash equivalents	1	3,890.43	3,890.43	11,003.29	11,003.29
Loans	3	1,95,585.92	1,95,585.92	1,83,545.95	1,83,545.95
Other financial assets	3	185.52	185.52	226.14	226.14
Total		1,99,661.87	1,99,661.87	1,94,775.38	1,94,775.38
Financial liabilities					
Trade payables	3	87.78	87.78	76.41	76.41
Borrowings (other than debt securities)	3	1,46,511.33	1,46,511.33	1,46,018.74	1,46,018.74
Other financial liabilities	3	1,294.34	1,294.34	1,336.14	1,336.14
Total		1,47,893.45	1,47,893.45	1,47,431.29	1,47,431.29



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38 Analytical Ratios

1) Capital to risk (weighted) assets Ratio (CRAR)

Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance	Reason for Variance
CRAR	48,648.34	2,40,857.30	20.20%	24.19%	16.51%	Not Material
Tier I CRAR	46,275.21	2,40,857.30	19.21%	23.83%	19.39%	Not Material
Tier II CRAR	2,373.13	2,40,857.30	0.99%	0.36%	-172.53%	Increase in ECL provision of Stage 1 Loan Assets

2) Liquidity Coverage Ratio :

The guidelines on liquidity coverage ratio as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 is not applicable to the Company, as the Company is a Non Deposit taking NBFC with asset size is less than Rs.5,000 crores

39 Exceptional Interest

Interest Accrued on NPA for the year ended 31st March,2023

Fund	Interest Amount (Interest including Pre-fix Interest)
KSBCDC	590.73
NBCFDC	205.32
NMDFC	176.01
Total	972.06



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40 Disclosures required as per Master Direction – Reserve Bank of India
(Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

(A) Liabilities side

1 Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid

(Amount in Rs. Lakhs)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Amount outstanding 31 March 2024	Amount overdue 31 March	Amount outstanding 31 March	Amount overdue 31 March 2023
(a) Debentures:	-	-	-	-
Secured	-	-	-	-
Unsecured (other than falling within the meaning of public deposits)	-	-	-	-
(b) Deferred credits	-	-	-	-
(c) Term Loans	1,46,437.82	-	1,45,896.10	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public deposits	-	-	-	-
(g) Other Loans: -	-	-	-	-
- Other term loans	-	-	-	-
Overdraft against Deposit with Banks	-	-	-	-

2 Break up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

Particulars	As at 31st March 2024		As at 31st March 2023	
	Amount outstanding 31 March 2024	Amount overdue 31 March 2024	Amount outstanding 31 March 2023	Amount overdue 31 March 2023
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

(B) Assets side

3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Secured	94,956.58	1,03,402.81
(b) Unsecured	1,10,117.87	88,938.08
TOTAL	2,05,074.45	1,92,340.89

4 Break-up of Leased Assets and stock on hire and other assets counting towards Asset financing activities (AFC):

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Lease assets including lease rentals under sundry debtors	-	-
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors	-	-
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards asset financing activities	-	-
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

5 Break-up of Investments :

Particulars	As at 31st March 2024	As at 31st March 2023
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-



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2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

6 Borrower group-wise classification of assets financed as in (3) and (4) above :

Category	As at 31st March 2024			As at 31st March 2023		
	Amount (Principal, Net of provisioning)			Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total as on 31 March 2024	Secured	Unsecured	Total as on 31 March 2024
1. Related Parties **						
(a) Subsidiaries				-	-	-
(b) Companies in the same group				-	-	-
(c) Other related parties				-	-	-
2. Other than related parties	87,783.99	1,07,801.93	1,95,585.92	96,960.07	86,585.88	1,83,545.95
Total	87,783.99	1,07,801.93	1,95,585.92	96,960.07	86,585.88	1,83,545.95

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31st March 2024		As at 31st March 2023	
	Fair Value	Book Value(Net of provisioning)	Fair Value	Book Value(Net of provisioning)
1. Related Parties **	-	-	-	-
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	-	-	-	-



8 Other information

Particulars	As at 31st March 2024	As at 31st March 2023
Gross Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	36,588.43	29,166.00
Net Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	29,759.56	22,306.00
Assets acquired in satisfaction of debt		

9 Other Disclosures

a. Capital Risk to Asset Ratio ('CRAR')

Particulars	As at 31st March 2024	As at 31st March 2023
Tier - I capital	46,275.21	43,382.91
Tier - II capital	2,373.13	661.45
Total Capital	48,648.34	44,044.36
Aggregate of Risk Weighted Assets	2,40,857.30	1,82,088.75
Tier - I CRAR	19.21%	23.83%
Total CRAR	20.20%	24.19%

"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.

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 required 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.

b. Investments

The Company has no transactions / exposure in investments in the current and previous year.

c. Derivatives

The Company has no transactions / exposure in derivatives in the current and previous year.

The Company has no unhedged foreign currency exposure as on March 31, 2024 and March 31, 2023.



d Asset Liability Management:

Maturity pattern of certain items of assets and liabilities as on 31st March, 2024

	1 - 7 Days	8 - 14 Days	15-30 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 Years	Over 5 years	Total
Liabilities											
Borrowings from banks and financial institutions	1,481.24	-	71.16	71.16	-	496.19	5,978.34	53,873.31	42,923.28	41,543.14	1,46,437.82
Assets											
Advances	2,416.35	11.16	3.97	114.25	54,061.21	51.67	406.06	69,901.80	50,022.15	21,256.96	1,98,245.58



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

e. Exposure to Capital Market

1) Particulars	As at 31 March 2024	As at 31 March 2023
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-	-	-
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising	-	-
Bridge loans to companies against expected equity flows / issues;	-	-
All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

2) The Company has no exposure to real estate sector, directly or indirectly as on March 31, 2024 and March 31, 2023.

f. Details of financing of parent company products Not applicable

g. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC Not applicable

h. Unsecured Advances Refer Note 4

i. Disclosure of Penalties imposed by RBI and other regulators

No Penalties were imposed by RBI and other regulators during current year.

j. Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

Particulars	Year ended March 31, 2024
Provision for standard assets (Expected Credit Loss on Stage 1 and Stage 2)	(1,690.80)
Provision for non-performing assets (Expected Credit Loss on Stage 3)	2,384.39
Provision for income tax	-
Provision for gratuity	42.01
Provision for leave encashment	66.27
Provision for depreciation on investment	-
Provision for other losses	-

k. Draw down from reserves: Nil



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

I. Concentration of Advances & Exposures stood as follows:

(a) Concentration of Advances

Particulars	Current Year	Previous Year
Total advances to twenty largest borrowers	6,198.99	5,308.42
Percentage of advances to twenty largest borrowers to total advances	3.12%	2.80%

(b) Concentration of exposures (including off - Balance Sheet exposure)

Particulars	Current Year	Previous Year
Total exposure to twenty largest borrowers / customers	6,198.99	5,308.42
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers	3.12%	2.80%

(c) Concentration of NPAs

Particulars	Current Year	Previous Year
Total exposure to top four NPA accounts	1,022.30	55.67

m. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector as at 31st March 2024	Percentage of NPAs to Total Advances in that sector as at 31st March 2023
(i) Agriculture & allied activities	31.85%	24.76%
(ii) MSME	29.00%	23.01%
(iii) Corporate borrowers	0.14%	0.00%
(iv) Services	28.25%	23.35%
(v) Unsecured personal loans	23.76%	9.95%
(vi) Auto loans	12.06%	11.05%
(vii) Others	14.03%	12.85%

n. Movement of NPAs

Particulars		As at 31st March 2024	As at 31st March 2023
i	Net NPAs to Net Advances (%)	15.22%	14.07%
ii	Movement of NPAs (Gross)		
a)	Opening Balance	30,137.61	29,473.60
b)	Additions during the year	15,871.61	12,060.77
c)	Reductions during the year	9,420.79	11,396.76
d)	Closing balance	36,588.43	30,137.61
iii	Movement of Net NPAs		
a)	Opening Balance	25,693.13	22,103.96
b)	Additions during the year	12,822.67	10,370.84
c)	Reductions during the year	8,756.24	6,781.67
d)	Closing balance	29,759.56	25,693.13
iv	Movement of provisions for NPAs (ECL Provision excluding provisions on standard assets)		
a)	Opening Balance	4,444.48	7,369.64
b)	Additions during the year	3,048.94	1,689.93
c)	Reductions during the year	664.55	4,615.09
d)	Closing balance	6,828.87	4,444.48

o. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There is no Overseas Asset (for those with Joint Ventures and Subsidiaries abroad)

p. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

There is no Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

q. Disclosure of Complaints

S. No.	Particulars	As at 31st March 2024	As at 31st March 2023
i	No. of complaints pending at the beginning of the year	-	-
ii	No. of complaints received during the year	-	-
iii	No. of complaints redressed during the year	-	-
iv	No. of complaints pending at the end of the year	-	-

r. Information on instances of fraud:

S. No.	Particulars	As at 31 March 2024	As at 31st March 2023
i	Nature of Fraud		
ii	No. of Cases	-	-
iii	Amount of fraud	-	-
iv	Recovery	-	-
v	Amount written-off/Provided	-	-

s. Loan against security of gold

The Company has not disbursed any loans against the security of gold and gold jewellery.

t. The disclosures given in the above notes pursuant to RBI Notifications are only to the extent they are applicable to the Company.



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

41 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies as on March 31, 2024.

a. Funding Concentration based on significant counterparty (both deposits and borrowings)*

Sr. No	No of Significant Counterparties	Amount	% of total Deposits	% of Total Liabilities*
1	NBCFDC Loan	43,509.00	-	29.34%
2	NMDFC Loan	62,525.66	-	42.16%
3	NSKFDC Loan	40,403.16	-	27.24%
	Total	1,46,437.82	-	98.73%

*this covers the disclosure requirements of top 10 borrowers

b. Top 20 large deposits – Not Applicable

c. Funding Concentration based on significant instrument/product

Name of the instrument	Amount	% of Total Liabilities*
Loans from National Agencies	1,46,437.82	98.73%
Total	1,46,437.82	98.73%

d. Stock Ratios

Sr No	Particulars	As at 31 March 2024
1	Commercial Papers to Total Liabilities*	-
2	Commercial Papers to Total Assets	-
3	NCDs (Original Maturity < 1 year) to Total Liabilities*	-
4	NCDs (original Maturity < 1 year) to Total Assets	-
5	Other Short Term Liabilities to Total Liabilities*	0.0046
6	Other Short Term Liabilities to Total Assets	0.0034

* Total Liabilities does not include Net Worth.

e. Institutional set-up for liquidity risk management:

The Company's Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures of the NBFC to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it. The Company's top management is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company.



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

42 The disclosures as required by the NBFC Master Directions issued by RBI - A comparison between provision required under income recognition, asset classification and provisioning (IRACP) and impairment allowances and per Ind AS 109 'Financial Instruments' as of 31 March 2024.

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms	Difference between Ind AS 109 provision and IRACP norms
1)	2)	3)	4)	(5) = (3) - (4)	6)	(7) = (4)-(6)
a) Performing assets						
Standard	Stage 1	1,65,536.63	2,373.13	1,63,163.50	672.21	1,700.92
	Stage 2	2,949.39	286.53	2,662.86	16.28	270.25
Subtotal (a)		1,68,486.02	2,659.66	1,65,826.36	688.49	1,971.17
b) Non-performing assets (NPA)						
i) Substandard						
	Stage 3	14,440.16	2,728.64	11,711.52	1,665.89	1,062.75
ii) Doubtful up to 1 year						
	Stage 3 - Secured	5,987.84	1,114.21	4,873.63	1,347.94	(233.73)
	Stage 3 - Unsecured	1,762.62	334.06	1,428.56	1,762.62	(1,428.56)
1 to 3 years						
	Stage 3 - Secured	7,667.17	1,391.46	6,275.71	2,597.94	(1,206.48)
	Stage 3 - Unsecured	1,867.30	351.51	1,515.79	1,867.30	(1,515.79)
More than 3 years						
	Stage 3 - Secured	1,109.10	189.79	919.31	615.10	(425.31)
	Stage 3 - Unsecured	311.66	57.88	253.78	311.66	(253.78)
iii) Loss						
	Stage 3	3,442.58	661.32	2,781.26	3,442.58	(2,781.26)
Subtotal (b)		36,588.43	6,828.87	29,759.56	13,611.03	(6,782.16)
c) Other Items (Standard)						
	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)						
Total (a+b+c)		1,65,536.63	2,373.13	1,63,163.50	672.21	1,700.92
	Stage 2	2,949.39	286.53	2,662.86	16.28	270.25
	Stage 3	36,588.43	6,828.87	29,759.56	13,611.03	(6,782.16)
Total		2,05,074.45	9,488.53	1,95,585.92	14,299.52	(4,810.99)



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

43 Other Information

- (a) The Company does not hold any Benami Properties during the year
- (b) The Company does not have any Wilful Defaulters during the year
- (c) The Company does not have any relationship with Struck Off Companies during the year
- (d) The Company does not have any pending charges to be registered or satisfaction with Registrar of Companies beyond the statutory period during the year
- (e) The Company has not revalued their Property, Plant & Equipment (Including Right of use assets) and Intangible assets during the year
- (f) The Company does not have any Inventories during the year
- (g) The Company has not given any loans, advances, guarantee or investments in an other entity during the year
- (h) The Company has not given any loans or advances to Promoters or Related Parties during the year
- (i) The Company has no instances of non compliance of Section 185 or 186 of the Companies Act, 2013 during the year
- (j) The Company has not accepted any deposits during the year
- (k) The company has no undisclosed income during the year
- (l) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year
- (m) The Company has not been declared as a wilful defaulter by any bank or financial institution during the year
- (n) The Company has not raised any short term funds which were then used for long term purposes during the year
- (o) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies
- (p) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year which were applied for the purposes for which those are raised
- (q) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year
- (r) There has not been any fraud by the Company or any fraud on the company that has been noticed or reported during the year
- (s) The Company has not entered into any non-cash transactions with directors or persons connected with the director during the year
- (t) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934
- (u) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India
- (v) The company has not incurred any cash losses in the financial year and in the immediately preceding financial year
- (w) There is no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- (x) 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 with two decimals.

For Ananthan & Sundaram
Chartered Accountants
Firm Registration Number : 000148S

CA. HARIKRISHNAN.R.S. FCA, DISA
Partner
Membership No. : 230338

UDIN: 25230338CMHT402206

Place : Thiruvananthapuram
Date: 22/4/25

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

Anjana M IAS
Managing Director
(DIN:10405615)

Sujith S
Company Secretary
(M.No.A31205)

Adv K Prasad
Chairman
(DIN: 07851556)

Preethy Joseph
GM (Finance & Accounts)







Kerala State Backward Classes Development Corporation Ltd.

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