



27TH ANNUAL REPORT 2021-22

കേരള സംസ്ഥാന പിന്നോക്ക വിഭാഗ
വികസന കോർപ്പറേഷൻ ലിമിറ്റഡ്

Board of Directors



Adv. K. PRASAD
Chairman



Smt. ANJANA M. IAS
Managing Director



Shri. T.D. BAIJU



Adv. P.P. UDAYAKUMAR



Smt. LATHA S.
Additional Secretary, Govt of Kerala



Shri. SREENI G.
Joint Secretary, Govt of Kerala



Shri. V.P. KUNJIKRISHNAN



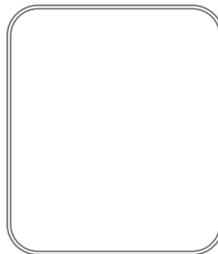
Smt. S. PUSHPALATHA



Shri. ANIL KUMAR
DGM, NMDFC, NewDelhi



Shri. SURESH KUMAR SHARMA
GM, NBCFDC, NewDelhi



Director,
BCDD, Govt of Kerala

Head office



Shri. SUJITH S.
Company Secretary



Shri. SAJITH G.
General Manager
(HRM & Admin)



Shri. SABU S.
General Manager
(Projects)



Smt. PREETHI JOSEPH
General Manager
(F&A)

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BOARD OF DIRECTORS

1. **Adv. K. PRASAD** Chairman
2. **Smt. ANJANA M. IAS** Managing Director
3. **Shri. T. D. BAIJU** Director
4. **Adv. P.P. UDAYAKUMAR** Director
5. **Smt. LATHA S.** Director
6. **Shri. SREENI G.** Director
7. **Shri. V.P. KUNJIKRISHNAN** Director
8. **Smt. S. PUSHPALATHA** Director
9. **Shri. ANIL KUMAR** Director
10. **Shri. SURESH KUMAR SHARMA** Director
11. Director, BCDD

Company Secretary
Sujith S

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

Our Bankers
State Bank of India
Kaithamukku Branch
Thiruvananthapuram

South Indian Bank
Chackai Branch
Thiruvananthapuram



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)
CIN-U75122KL1995SGC008705

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of Kerala State Backward Classes Development Corporation Limited will be held on Saturday, the 17th September 2022 at 11.00 a.m at the Registered Office of the Company situated at “SENTINEL” IInd Floor, TC 27/588 (7) & (8), Pattoor, Vanchiyoor P.O, Thiruvananthapuram-695035 to transact the following business.

“To receive, consider, approve and adopt the Directors’ Report, Audited Accounts for the year ended 31st March 2022, Auditor’s Report, the comments of the Comptroller & Auditor General of India, and the replies thereon.”

By the order of the Board

For Kerala State Backward Classes Development Corporation Limited.,

Sd/-

Managing Director

Thiruvananthapuram
26/08/2022

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

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

“Freedom from poverty and backwardness”



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)
CIN-U75122KL1995SGC008705

No.CS/Ad.AGM 27/KSBCDC/2014-15

Dated : 25/08/2023

NOTICE

NOTICE is hereby given that the 27th Adjourned Annual General Meeting of Kerala State Backward Classes Development Corporation Ltd. will be held 12.00 noon on Monday the 11th September 2023 at the Registered Office of the Corporation at "SENTINEL" 2nd Floor, T.C.27/588(7)&(8), Pattoor, Vanchiyoor, 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 2022, Auditors Report, the comments of Comptroller and Auditor General of India, the comments of Principal Secretary (Finance) and the replies thereon".
- 2) To Declare Dividend relating to the financial year 2021-22.

By order of the Board of Directors

Sd/-
Managing Director

Regd. Office:T.C. 27/588 (7) & (8), "SENTINEL", 2nd Floor, Pattoor,
Vanchiyoor 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"

Report of the Managing Director

I am pleased to present before you the Annual Report on the performance of KSBCDC Ltd. for the financial year 2021-22, along with the Audited Financial Statement and the Auditors Report. Kerala State Backward Classes Development Corporation Ltd. (KSBCDC) is a Private Limited Company fully owned by the Government of Kerala. The Corporation is also a Non-Banking Finance Company registered with The Reserve Bank of India in the Non-Deposit taking Systemically Important category. The Corporation has offices in all the 14 Districts of the State and 20 Taluk level Sub District Offices.

During the year, our company delivered an impressive performance and results in terms of both growth and success. We saw a growth of 42.20% in the total Net Profit in comparison with the previous year. With immense pleasure, I place before you the highlights of the performance of our company during the financial year 2021- 22. Details of achievements and initiatives taken by the Company are provided in the enclosed Annual Report 2021-22. .

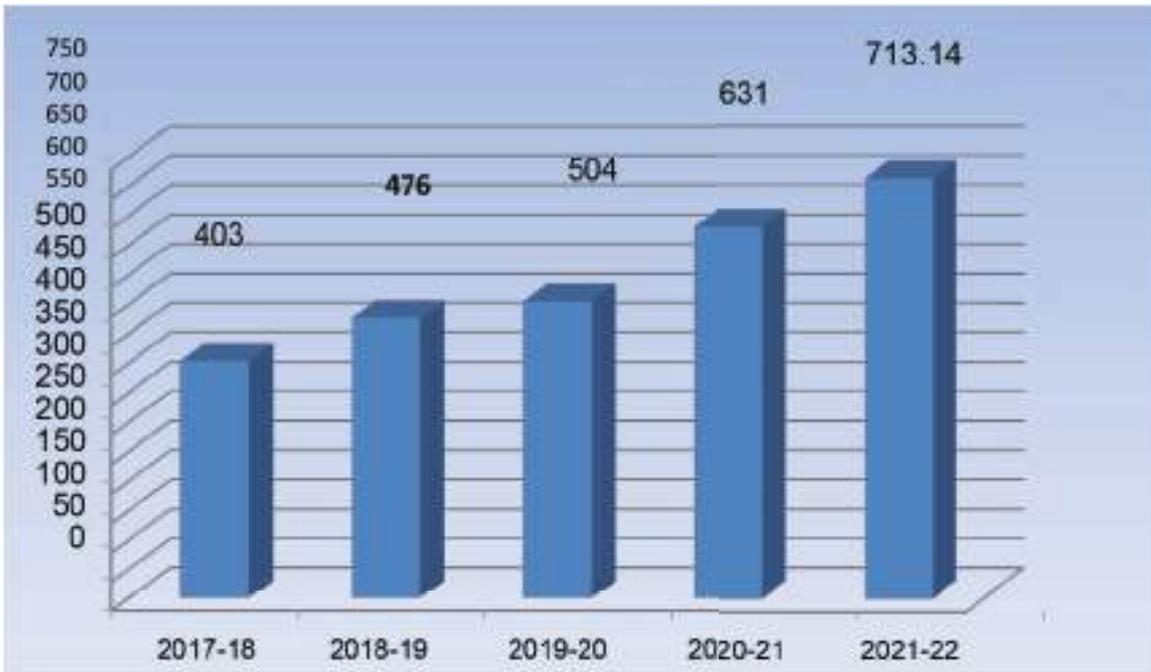
Our Company was incorporated in the year 1995 and has endeavoured for the upliftment of the poor and the backward since its inception. Our journey is marked with a prompt, polite, and proactive approach to customers, going beyond the call of duty, to make them feel valued. With a vision to reach greater heights, we have made committed efforts to better our outreach, service delivery mechanism, and financial performance during the year 2021-22.

Over the years, our company has been serving the needs of vulnerable sections of society and have thus far supported over 6.31 lakh families through various loan schemes. Our funding sources include borrowings from National Backward Classes Finance and Development Corporation (NBCFDC), National Minorities Development and Finance Corporation (NMDFC), National Safai Karamcharis Finance & Development Corporation (NSKFDC), own accruals, and budgetary support from the Government of Kerala.

Financial Highlights

In the face of economic and industrial challenges during the year, including the disruptions caused by COVID-19 pandemic, we achieved Rs. 713.14 Crore against our targeted loan disbursement of Rs. 700 Crore during 2021-22, as against the previous year's (2020-21) loan disbursement of Rs 631 Crores. We also improved our loan portfolio by 13% during the reporting year as against the previous year 2020-21.

The microfinance loans disbursed during the reporting year was Rs 256.77 Crore, which was 36% of the total gross advances as on 31 March 2022.



Fund wise break of the disbursement is given below:

Loans from National Backward Classes Finance and Development Corporation (NBCFDC)	139.1983 Crore
Loans from National Minorities Development and Finance Corporation (NMDFC)	143.939 Crore
Loans from National Safai Karamcharis Finance & Development Corporation (NSKFDC)	169.82 Crore
Own accruals	260.1789 Crore
Overall	713.14 Crore

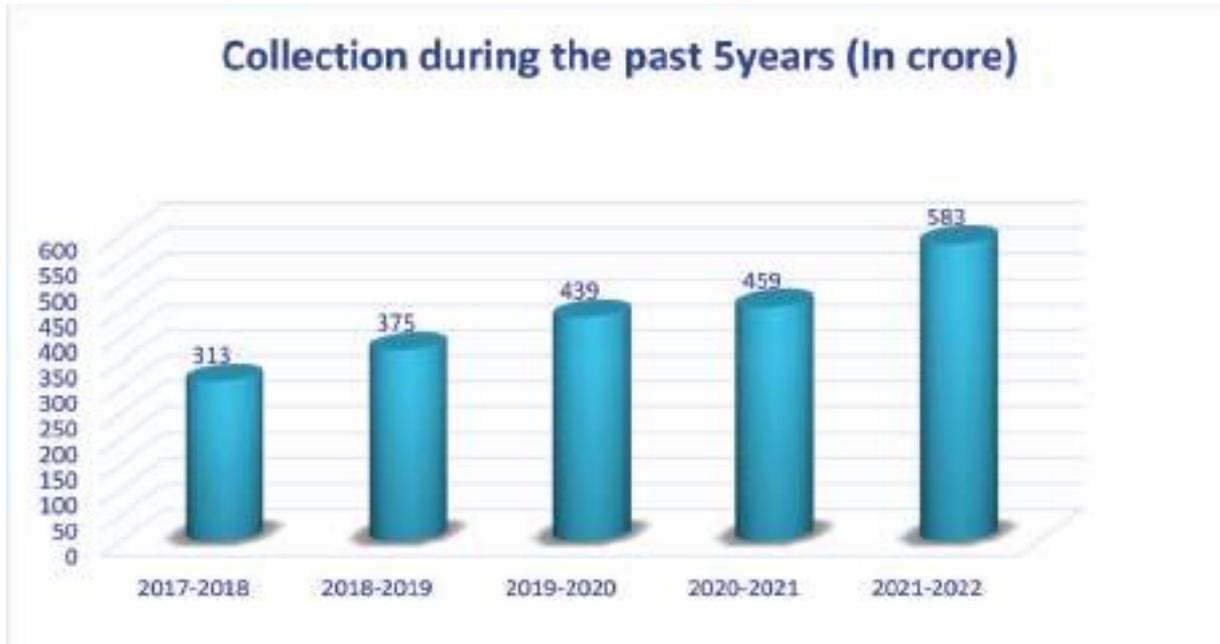
Scheme wise break up of loan disbursement: 2021-22

Loan Scheme	No.of Beneficiaries	Amount disbursed (in Crores)
Micro Finance Schemes	50542	25677.11
Self-Employment Scheme	6088	15548.52
Self-Employment Scheme (Credit Line -2)	218	681.52
Self-Employment Scheme (Re-Life)	459	457.13
Self-Employment Scheme (WC)	338	840.16
Self-Employment Scheme (WC)-Credit Line	20	66.07
New Swarnima Scheme	56	85.74
Education Loan Scheme	161	1031.57
Marriage Assistance Scheme	2246	4240.27
Swasthagriha	46	151.70
Working Capital	283	693.05
Suvarnasree	5297	13538.44
Vidyasree	465	982.21
Business Development Loan	70	212.89
Vehicle Loan	17	31.99
Personal Loan	1098	3346.86
Ashwasa Kiranam	246	299.44
Education Loan Scheme (Credit Line -2)	17	245.29
Ente Veedu - Housing Scheme	197	837.71
Ente Veedu - Housing Scheme (Credit Line)	217	1679.97
Re-Turn Self Employment Scheme	114	652.99
Re-Turn Self Employment Scheme (Credit Line 2)	3	10.10
Vidyasree (Laptop)	5	3.37
Total	68203	71314.09

Repayment from Beneficiaries

In the year under review, the Company achieved a total collection of Rs 583.06 Crore towards repayment of loan. This was Rs. 123.85 Crore more than that in the previous year (Collection during 2020-2021 was Rs.459.21 Crore)

Cumulative recovery as per the DCB for the year, ending March 2022 was 97.39%



Categorising Public Sector Undertakings (PSU) in Kerala

The Government of Kerala have constituted an expert committee for conducting a comprehensive study of PSUs in the State of Kerala.. The expert committee recommended classifying and categorising PSUs into A, B, C, and D based on net worth, turnover, number of employees, revenue per employee, sales per capital employed, profit before tax, and investment. The Public Enterprise Board under the Government of Kerala classified KSBDC under 'A' Diamond Category, making it one among the top 7 PSUs in Kerala.

Steps to Improve Performance

Each unit office under KSBDC is assigned annual targets for loan disbursement and monthly targets for recovery. Achievements against the targets are reviewed on a daily basis and are displayed on the home screen of BCDOnline, KSBDC's application software. Monthly review letters are also sent to all units. Quarterly Review Meetings, which are attended by the Managing Director, Senior Managers, all Unit Managers, Assistant Managers, and the section heads concerned, is held on a quarterly basis to critically evaluate the performance of all units. This exercise also helps in improving KSBDC's performance.

Conclusion

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

Awareness Programme



Directors' Report

Dear Shareholder,

Your Directors take pleasure in presenting the Twenty Seventh Annual Report on the business, operations and achievements of your Corporation together with the Audited Annual Accounts for the year ended 31st March 2022.

As you may be aware, your Corporation was incorporated on 28th February, 1995 under the Companies Act 1956 wholly owned by the Government of Kerala under the administrative control of the Backward Communities Development Department and is a Non-Banking Finance Company registered with RBI.

The Authorized share capital of the Corporation is Rs.150 Crores out of which equity shares worth ₹.150.00 Crores has already been issued as on date. The main objective of the Corporation is the uplifting of the Backward Classes and Minority Communities within the State of Kerala and this is by way of rendering financial assistance, setting up self-employment ventures and also by undertaking such other welfare activities.

1. OPERATIONAL ACTIVITIES AND WORKING RESULTS

Financial Results	For the year ended 31 st March 2022 (₹. In lakhs)	For the year ended 31 st March 2021 (₹. In lakhs)
A. INCOME		
Interest Earned	10207.99	9428.36
Other Income	33.11	31.00
	10241.10	9459.34
B. EXPENDITURE		
Finance Costs	3451.29	3340.43
Payment & Provision for Employees	1849.46	1642.47
Administrative and Other Expenses	531.32	658.66
Impairment on Financial Instruments	(2511.19)	1417.89
Depreciation	44.19	39.90
Net Profit (A-B)	3365.07	7099.55
	6876.03	2359.81

The profit earned by the Corporation during the period under report is ₹. 6876.03 Lakhs as against ₹. 2359.81 Lakhs during the year. The Cumulative profit of the Company is 24889.13 lakhs which includes Special Reserve of ₹. 533.23 lakhs in the 'Loanees' Distress Relief Fund.

2. BOARD OF DIRECTORS

The appointment and cessation of Chairmanship and Directorship during the relevant accounting year 2021-22.

Name	Designation	Date of Appointment	Cessation
Adv. K Prasad	Chairman	13-12-21	Continuing
Shri. K.T. Balabhaskaran	Managing Director	20-07-16	02-03-22
Shri. Shahbaz Ali	Director	19-12-16	13-12-21
Shri. GopiKottamurickal	Director	03-02-17	Continuing
Shri. A. Mahendran	Director	03-02-17	Continuing
Shri. A.P. Jayan	Director	03-02-17	31-05-21
Shri. Suresh Kumar P.N	Director	16-09-17	30-04-21
Shri. T. Kannan	Director	09-02-18	Continuing
Shri. T. K. Suresh	Chairman	26-11-18	13-12-21

Shri. Ferold Xavier	Director	21-02-19	Continuing
Smt. Sreevidhyal A. S.	Director	20-11-19	07-12-21
Shri. V. P Kunhikrishnan	Director	13-12-21	Continuing
Smt. S. Pushpalatha	Director	13-12-21	Continuing
Shri. N. Devidas I.A.S.	Director (Managing Director from 02/03/2022)	13-12-21	Continuing
Shri. S. K. Dev Varman I.A.S.	Director	13-12-21	Continuing
Smt. Sonia Washigton	Director	21-09-21	30-03-22
Smt. S. Latha	Director	30-03-22	Continuing

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

3. DIRECTORS RESPONSIBILITY STATEMENT

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

- A. That in the preparation of annual accounts, the applicable accounting standards have been followed to the extent possible along with proper explanations relating to the material departures.
- B. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and the profit of the company for that period
- C. That the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities that directors had prepared the annual accounts on a going concern basis.

4. CORPORATE GOVERNANCE

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

5. CORPORATE SOCIAL RESPONSIBILITY

Your Corporation as contemplated in Schedule VII the Companies Act 2013 formed a seven member committee known as the Corporate Social Responsibility Committee with the Chairman, one Director from the Finance Department, Kerala Government Secretariat and the Managing Director altogether forms the committee. Also it was decided that the presence of at least Three of the above said members is sufficient enough to make the decisions of the sub-committee valid. During the year your

Corporation has expended ₹. 37.20 Lakhs as CSR expenses which is 1.57% of the Corporation's total profit of the year.

6. AUDIT COMMITTEE

The Board of Directors has constituted an Audit committee with Shri. Gopi Kottamurickalas Chairman and Directors Shri. V. P. Kunhikrishnan, Shri. S D Ferold Xavier, Shri. T. Kannan, Shri. A. Mahendran as its members.

7. CAPITAL STRUCTURE

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

8. ACHIEVEMENTS DURING THE YEAR

- (i) By utilizing the resources mobilized from NBCFDC, NMDFC and the financial assistance made by the Government of Kerala in addition to the own fund, financial assistance was provided to 68203 beneficiaries belonging to Backward and Minority communities under various projects with a total disbursement of ₹. 71315 lakhs. The total disbursement made during the corresponding previous year was ₹. 63159 Lakhs.
- (ii) Collection and Recovery from Beneficiaries: Total recovery from the beneficiaries during the year is ₹. 58470lakhs against the target of ₹.78924 lakhs. As per the Demand Collection Balance (DCB) statement the cumulative collection percentage during the year is 97.39%

9. PROJECTS UNDERTAKEN

- (i) During the year 2021-22 the Corporation has extended its financial assistance to the society by giving assistance in the following manner :

Sl. No.	Scheme	2021 - 22	
		No of Beneficiaries	Amount in Lakhs
1	Ashwasa Kiranam	246	299.44
2	Business Development Loan	70	212.89
3	Education Loan Scheme	161	1031.57
4	Education Loan Scheme(Credit Line -2)	17	245.29
5	Ente Veedu - Housing Scheme	197	837.71
6	Ente Veedu - Housing Scheme (Credit Line -2)	217	1679.97
7	Mahila Samridhi Yojana	36577	18271.98
8	Marriage Assistance Scheme	2246	4240.27
9	Micro Finance Scheme	13965	7405.13

10	New Swarnima Scheme	56	85.74
11	Personal Loan	1098	3346.86
12	Re-Turn Self Employment Scheme	114	652.99
13	Re-Turn Self Employment Scheme (Credit Line-2)	3	10.10
14	Self Employment Scheme	6088	15548.52
15	Self Employment Scheme (Credit Line -2)	218	681.52
16	Self Employment Scheme (Re-Life)	459	457.13
17	Self Employment Scheme (WC)	338	840.16
18	Self Employment Scheme (WC)-Credit Line -2	20	66.07
19	Suvarnasree	5297	13538.44
20	Swasthagriha	46	151.70
21	Vechicle Loan	17	31.99
22	Vidyasree	465	982.21
23	Vidyasree (Laptop)	5	3.37
24	Working capital	283	693.05
Total		68203	71315.00 (Round off)

DISCLOSURE

EXTRACT OF ANNUAL RETURN

In compliance to provisions of Section 134(3)(a) read with provisions of sub-section (3) of Section 92 of the Companies Act, 2013, extract of annual return will be placed at the Website of Corporation i.e. www.ksbcdc.com.

1. STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS

Provision of Section 134 (3) (d) read with sub-section (6) of Section 149 of the Companies Act, 2013 (requiring a statement on declaration given by independent Directors), is not applicable to the Company.

2. DISCLOSURE ON COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

It is to report that the requirements of disclosing Company's policy on Directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 are not applicable.

3. EXPLANATIONS OF COMMENTS BY THE BOARD ON EVERY QUALIFICATION ETC

The reply to Comments/Qualification of the Independent Auditor is separately attached to the report.

4. SECRETARIAL AUDIT REPORT

By virtue of provisions of Section 204 of the Companies Act, 2013 read with Rule 9(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2013, your Corporation is not required to obtain Secretarial Audit Report for the period under review.

5. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Pursuant to provisions of Section 186 of Companies Act, 2013, No investments have been made by your Company and hence no disclosure required.

6. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

7. DIVIDEND

The Board of Directors are pleased to recommend a Dividend amounting to ₹. 6,00,00,000 (Six Crores only) for the financial year ended 31st March, 2022. Payment of Dividend is subject to approval of shareholders at the ensuing Annual General Meeting.

8. MATERIAL CHANGES AND COMMITMENTS

The Material Changes have been separately disclosed in the notes to accounts.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with sub - section 5 of the Section 134 of the Companies Act 2013, your Directors state that :

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from same;

- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The The directors had prepared the annual accounts on a going concern basis;
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) The directors had devised proper systems to ensure proper compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

BOARD COMMITTEES

A. CSR COMMITTEE

In pursuance to the provisions of Section 135 of the Companies Act, 2013 read with rule 5 of Companies (Corporate Social Responsibility Policy) Rule, 2014, the Board of Directors vide 219th Meeting constituted CSR Committee comprising of 5 directors, namely, 1) Adv. K Prasad, Shri Devidas N IAS, Shri. S D Ferold Xavier, Shri. A Mahendran, Managing Director, KSBCDC. During the financial year 2021-22 the Committee met Nil times.

B. AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings, of Board and its Powers) Rule, 2014 specifying the classes of Companies to constitute Audit Committee are not applicable on your Corporation. However, as a part of implementing good Corporate Governance the Board of Directors of your Corporation has constituted Audit Committee. One meeting of Audit Committee was held during the year.

C. NOMINATION & REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE

Provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings and Board and its Powers) Rules, 2014, your Corporation is not required to constitute a Nomination and Remuneration Committee of the Board.



D. VIGIL MECHANISM

As per provisions of sub-section (9) of Section 177 of the Companies Act, 2013 read with Rule 7(1) of Companies (Meetings of Board and its Powers) Rules, 2014, your Corporation is outside the purview of formation of Vigil Mechanism. However, the employees are encouraged to report unethical behavior, actual or suspected fraud, if any, to the higher authorities.

AUDIT & AUDITORS

1. APPOINTMENT OF AUDITORS FOR THE FINANCIAL YEAR 2022-23

M/s Ananthan & Sundaram (SR0255), (123, Sivakarathi, Sankar Nagar, Neeramankara, Kaimanam P.O., Thiruvananthapuram - 695 040) was appointed as Statutory Auditors by C & AG for the Financial Year 2022-23.

2. AUDITOR'S REPORT

Auditor's Report on the financial statements for the year 2021-22 together with the notes thereon is attached. A perusal of the statement reflects that it certifies true and fair view of the state of affairs of the Company and it self-explanatory.

3. OBSERVATION OF C & AG

The Company had submitted the financial statement for the year 2021-22 together with the report of the Auditors to the office of C&AG for their review and comment and the Comments and the reply of the Company has been included in the Annual Report.

STATUTORY DISCLOSURE

DISCLOSURE UNDER COMPANIES ACT, 2013

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

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

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

INFORMATION PLACED ON WEBSITE

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

IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

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

During the year, a total number of 70 applications under RTI were received and all have been disposed off.

PARTICULARS OF EMPLOYEES U/S 134(3) OF THE COMPANIES ACT, 2013

None of the employees of the Corporation, was drawing a remuneration in excess of ₹. 2,00,000/- p.m. if employed for a part of the year or in excess of ₹. 2,00,000/- p.m. if employee for whole of the year 2021-22.

DETAILS OF APPOINTMENT AND CESSATION OF DIRECTORS AND THEIR ATTENDANCE IN THE BOARD & GENERAL MEETING

Name	Designation	Capacity	Date of Appointment	Cessation	At-ten-dance w.r.t Board Meet-ing	Atten-dance in the AGMs/ AAGMs held during 2021-22	No. of Director ship in other entities
Shri. K. Narayan	Director	MD - NBCFDC	07-06-16	02-03-22	0/11	0/3	
Shri. K.T. Balabhaskaran	Managing Director	MD-KSBDCDC	20-07-16	02-03-22	10/11	3/3	
Shri. N. Devidas I.A.S.	Director (Managing Director from 02/03/2022)	MD-KSBDCDC	02-03-22	Continuing	01/11	0/3	

Shri. T.K. Suresh	Chairman	NA	26-11-18	13-12-21	07/11	2/3	
Shri. Shahbaz Ali	Director	CMD-NMDFC	19-12-16	13-12-21		0/3	
Shri. Gopi Kottamurickal	Director	NA	03-02-17	Continuing	08/11	2/3	
Shri. A. Mahendran	Director	NA	03-02-17	Continuing	09/11	2/3	
Shri. A.P. Jayan	Director	NA	03-02-17	31-05-21	01/11	0/3	
Shri. T. Kannan	Director	NA	09-02-18	Continuing	09/11	1/3	
Shri. V.P. Kunhikrishnan	Director	NA	13-12-21	Continuing	02/11	0/3	
Smt. S. Pushpalatha	Director	NA	13-12-21	Continuing	02/11	1/3	
Smt. Sreevidhya I.A.S.	Director	Director-BCDD	20-11-19	07-12-21	01/11	0/3	
Shri. Suresh Kumar P.N.	Director	Additional Secretary-BCDD	16-09-17	30-04-21	01/11	0/3	
Shri. Ferold Xavier	Director	Special Secretary-Finance Department	21-02-19	Continuing	07/11	0/3	
Shri. S.K. Dev Varman I.A.S.	CMD-NMDFC	NA	13-12-21	Continuing	0/11	0/3	
Adv. K. Prasad	Chairman	NA	13-12-21	Continuing	04/11	1/3	
Smt. S. Latha	Director	Additional Secretary-Finance Department	30-03-22	Continuing	01/11	0/3	

DETAILS OF ATTENDANCE OF DIRECTORS FOR THE BOARD MEETING HELD DURING THE YEAR 2021-22

Ordinal Number of the Meeting	Date of the Meeting	Attendees	Absentees
210	12/04/2021	Shri. T.K. Suresh	Shri. S.D. Ferold Xavier
		Shri. GopiKottamurickal	Shri. Shahabaz Ali
		Shri. A. Mahendran	Shri. K. Narayan
		Shri. A.P. Jayan	Shri. Kannan T.
		Shri. Sureshkumar PN	
		Smt. P.J. Srivithya IAS	
		Shri. K.T. Balabhaskaran	

211	04/06/2021	Shri. T.K. Suresh	Shri. A. Mahendran
		Shri. Gopi Kottamurickal	Smt. P.J. Srivithya IAS
		Shri. S.D. Ferold Xavier	Shri. Shahabaz Ali
		Shri. Kannan T.	Shri. K. Narayan
		Shri. K.T. Balabhaskaran	
212	16/06/2021	Shri. T.K. Suresh	Shri. S.D. Ferold Xavier
		Shri. Gopi Kottamurickal	Smt. P.J. Srivithya IAS
		Shri. Kannan T.	Shri. Shahabaz Ali
		Shri. A. Mahendran	Shri. K. Narayan
		Shri. K. T. Balabhaskaran	
213	28/06/2021	Shri. T.K. Suresh	Shri. S.D. Ferold Xavier
		Shri. Gopi Kottamurickal	Smt. P.J. Srivithya IAS
		Shri. Kannan T.	Shri. Shahabaz Ali
		Shri. A. Mahendran	Shri. K. Narayan
		Shri. K.T. Balabhaskaran	
214	11/08/2021	Shri. T.K. Suresh	Smt. P.J. Srivithya IAS
		Shri. Gopi Kottamurickal	Shri. Shahabaz Ali
		Shri. Kannan T.	Shri. K. Narayan
		Shri. A. Mahendran	
		Shri. S.D. Ferold Xavier	
		Shri. K.T. Balabhaskaran	
215	13/09/2021	Shri. T.K. Suresh	Smt. P.J. Srivithya IAS
		Shri. Gopi Kottamurickal	Shri. Shahabaz Ali
		Shri. A. Mahendran	Shri. K. Narayan
		Shri. S.D. Ferold Xavier	Shri. Kannan T.
		Shri. K.T. Balabhaskaran	
216	12/10/2021	Shri. T.K. Suresh	Smt. Sonia Washington
		Shri. Gopi Kottamurickal	Shri. Shahabaz Ali
		Shri. Kannan T.	Shri. K. Narayan
		Shri. A. Mahendran	Smt. P.J. Srivithya IAS
		Shri. S.D. Ferold Xavier	
		Shri. K.T. Balabhaskaran	

217	13/12/2021	Shri. K. Prasad	Shri. S.K. Dev Varman IAS
		Shri. Kannan T.	Shri. GopiKottamurickal
		Shri. V.P. Kunhikrishnan	Shri. A. Mahendran
		Shri. Devidas N. IAS	
		Shri. S.D. Ferold Xavier	
		Smt. Sonia Washington	
		Smt. S. Pushpalatha	
		Shri. K.T. Balabhaskaran	
218	17/01/2022	Shri. K. Prasad	Shri. S.K. Dev Varman IAS
		Shri. Kannan T.	Shri. GopiKottamurickal
		Shri. A. Mahendran	Shri. V.P. Kunhikrishnan
		Shri. Devidas N. IAS	Shri. S.D. Ferold Xavier
		Shri. K.T. Balabhaskaran	Smt. Sonia Washington
			Smt. S. Pushpalatha
219	25/02/2022	Shri. K. Prasad	Shri. S.K. Dev Varman IAS
		Shri. Kannan T.	Shri. GopiKottamurickal
		Shri. A. Mahendran	Shri. V.P. Kunhikrishnan
		Shri. Devidas N. IAS	Smt. Sonia Washington
		Shri. S.D. Ferold Xavier	
		Smt. S. Pushpalatha	
		Shri. K.T. Balabhaskaran	
220	30/03/2022	Shri. K. Prasad	Shri. S.K. Dev Varman IAS
		Shri. GopiKottamurickal	Smt. S. Pushpalatha
		Shri. S.D. Ferold Xavier	
		Shri. V.P. Kunhikrishnan	
		Shri. Kannan T.	
		Shri. A. Mahendran	
		Smt. Latha S.	
		Shri. Devidas N. IAS	

DETAILS OF ANNUAL GENERAL MEETING HELD DURING THE LAST 3 FINANCIAL YEARS

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

SI No	Financial Year	Ordinal Number of the AGM	Date	Time	Location
1.	2019-20	24 th AGM	30.09.2019	3.00 p.m	Registered Office
2.	2019-20	24 th Adjourned AGM	22.06.2020	11.00 a.m.	Registered Office
3.	2019-20	25 th AGM	30.09.2020	11.00 a.m	Registered Office
4.	2020-21	25 th Adjourned AGM	28.06.2021	11.00 a.m.	Registered Office
5.	2020-21	26 th AGM	30.09.2021	11.00a.m	Registered Office
6.	2020-21	26 th Adjourned AGM	20.12.2021	11.00 a.m.	Registered Office

DETAILS OF THE SUB COMMITTEES HELD DURING THE FINANCIAL YEAR 2021-22

The Company has 5 sub committees of the Board of Director and will be convened as per the requirement. The details and frequency of the Sub Committees held during the Financial Year 2021-22 is as follows;

1. MICRO CREDIT / MAHILA SAMRIDHI SUB COMMITTEE

The Sub Committee of Board of Directors has 9 Directors as its Members and minimum 3 Directors are required to form the Quorum. This sub Committee is usually convened to approve the Micro Credit and Mahila Samridhi Yojana Loan Applications received from the Kudumbasree and NGOs.

2. AUDIT COMMITTEE

The Audit Committee has 5 Directors as its members and minimum 3 Directors are required to form the quorum. The Audit Committee though not mandatory for the Companies as per Section 177 of the Companies Act 2013, the same is constituted to supervise the Financial Performance and Financial Management of the Company including the Internal Control measures taken by the Company, time to time. During the Financial Year 2021-22, the Committee only once.

3. LDRF COMMITTEE :-

The Sub Committee (Loanee Distress Relief Fund Committee) examines the application form received under LDRF Scheme which is a implemented to rescue such loanees, who may fall into unfortunate situations like death of the loanee, death of

the spouse who is the earning member, chronic disease etc. A Proportionate amount form processing Fee charged on the loanees will be transferred to Special Reserve Fund known as Loan Distress Relief Fund. This Sub Committee of Board of Directors has 10 Directors as its Members and minimum 3 Directors are required to form the Quorum.

4. CSR COMMITTEE

The Sub Committee (Corporate Social Responsibility Committee) is constituted as per Section 135 of the Companies Act 2013 and this committee scrutinizes the proposals of the schemes received for implementing various CSR Objectives of the Company. This Sub Committee of Board of Directors has 5 Directors as its Members and minimum 3 Directors are required to form the quorum. During the Financial year 2021-22, the Committee met nil times.

5. HRD COMMITTEE

The Human Resource Development Committee is constituted for the purpose of discussing employee related issues and recommends to the Board various welfare schemes and proposals for boosting up the employee morale of the Company. This Sub Committee of Board of Directors has 4 Directors as its Members and minimum 3 Directors are required to form the Quorum.



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

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS
OF KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED,
THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of Financial Statements of Kerala State Backward Classes Development Corporation Limited, Thiruvananthapuram for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the 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 Revised Audit Report dated 31 March 2023 which supersedes their earlier Audit Report dated 28 December 2022.

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 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the financial statements by the management, as indicated in Note No.31 of the Financial Statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' Report under section 143(6) (b) of the Act.

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

Thiruvananthapuram
Dated:06.06.2023


ANIM CHERIAN
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I),
KERALA

Auditor's Report 2021-22



C. Thomas & Associates
Chartered Accountants

Independent Auditor's Report

To the Members of Kerala State Backward Classes Development Corporation

Report on the Revised Financial Statements

Qualified Opinion

We have audited the Revised Financial Statements of **Kerala State Backward Classes Development Corporation ("the Company")** which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of changes in equity and the statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

We have considered our audit report dated 28 December 2022 on the original accounts and have examined the changes made in Revised Financial Statements therein which are as under:

1. The company has recognized loss allowance for Expected Credit Losses on Financial Assets in line with the RBI notification no. RBI/2019-20/170 DOR (NBFC). CC. PD No. 109/22.10.106/2019-20 dated 13 March 2021. The surplus in Statement of Profit and Loss under Other Equity (Note 5(b)) as reported in the Original Financial Statements dated 28 December 2022 increased by Rs.35.58 Crores due to above adjustment. Since the impairment allowance under IND AS 109 is lower than provisioning required under IRACP, the Company has appropriated the difference from net profit and loss after tax to a separate impairment reserve. (Refer Note 5(b) of the Revised Financial Statements.
2. Since the company does not have an ongoing project, the amount required to be spent under CSR as per sub section (5) of section 135 of the Companies Act, an amount of Rs. 33.58 Lakhs was contributed to PM Cares Fund. The above fact was disclosed under note 19 of the Revised Financial Statements.
3. As per Clause 7 of master directions of Revenue recognition, the Company has reversed an amount of Rs.13.07 lakhs being interest accrued as on March 2022 which was not realized subsequently till the date.
4. The Company has reclassified an amount of Rs 90.72 Lakhs received as capital subsidy from Nerka roots earlier classified as cash flow from financing activity to cash flow from operating activities.



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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 Revised Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. *A nominal value of Re 1. is shown for Leasehold property under Property, Plant and Equipment. The Company is not having any documentary evidence to show the company is holding the land as leasehold land. Government of Kerala vide GO (MS) No. 360/14/Revenue allowed to construct a building at Kollam, for which an annual lease rent of Rs. 0.93 Lakhs was fixed for the period from 2013-14 to 2015-16. Subsequently, stop memo was issued from the Kollam Municipal Corporation pointing out the violation of KMBR Rules as the land allocated came under the park and open space of the Kollam Development Master Plan. As per the govt order (No36/2020/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 with a maximum coverage of 40% of the land. Subsequently, a letter was received (No. DCKLM/7736/2020-L2) by the company from the district collector, Kollam dated 18-09-2021 demanding additional rent of Rs 6,36,298 which has been provided for in the Revised Financial Statements and has not been paid till the date of report. (Refer Note 11(b)).*

The Company had spent an amount of Rs. 34.50 Lakhs for construction of basement of office building out of which Rs 9.80 lakhs was refunded by the contractor on 15 July 2022 and an amount of Rs 3.39 lakhs were spent against the construction of basement of compound wall in the above property, which is shown under the head Capital Work in Progress (Refer Note 2(b)) and Property, Plant and Equipment (Refer Note 2(a)) respectively. Since the company is not having ownership/leasehold right, the expenditure incurred on construction of basement of office building and compound wall ought to have been considered as revenue expenditure. The Surplus in Statement of Profit and Loss under Other Equity (Note 5(b)) and also Capital Work in Progress (Note 2(b)) and Property, Plant and Equipment (Note 2(a)) under non-financial assets in Balance Sheet is overstated to that extent.

2. *The Company has shown an amount of Rs. 180.25 Lakhs under Other Financial Assets (Note 1(c)) under financial assets in the Balance Sheet. The above balances are outstanding for years together without getting any sort of confirmation from the bank. Since there is no confirmation from banks and the efforts to reconcile the same over these periods has not become fruitful, provisions for loss have to be created for this amount. The surplus in statement profit and loss under Other Equity (Note 5(b)) and Other Financial Assets (Note 1(c)) under financial assets in the accompanying Revised Financial Statements are overstated to that extent since the company has not made any provisions on the loss that may arise on the bank balances mentioned above.*
3. *The company has not applied actuarial assumptions for recognizing and measuring the present obligations arising out of defined benefit plans for employees in accordance with IND AS - 19 Employee Benefits and has not complied with corresponding disclosure requirement*



as per IND AS 19. The effect of above could not be quantified since the relevant data was not provided.

- 4. As per the reconciliation statement received from National Minority Development and Finance Corporation (NMDFC) with respect to borrowings (Refer Note 3(b)), reflected a difference of Rs 105.42 lakhs as on the end of the current reporting period and Rs 77.84 Lakhs as on the end of previous reporting period owing to the difference in principal amounts. Further, the Company has not passed entries with respect to the Interest accrued but not due on borrowings from National Minority Development and Finance Corporation (NMDFC), which may result in variation in surplus as per Statement of Profit and Loss under Other Equity (Note 5(b)). The effect of liability arising out of the above as at the balance sheet date could not be quantified since the data was not provided.*
- 5. The company through private placement of shares issued in the name of Government of Kerala had raised Rs 1,121.20 lakhs on November 3 2021. However the company had not made allotment of shares against share application money of Rs 113.80 Lakhs received from the Government of Kerala and has not repaid the money till the date of our report. As per section 42 of the Companies Act 2013, companies accepting private placement has to allot shares against share application money within 60 days, if not, then it is to be repaid within 15 days of expiry of 60 days from receipt. Further if such amount is not paid, then it has to be treated as a deposit and has to be disclosed under "Other Financial Liabilities" (Note 3(c)). Hence the balance in Other Equity (Note 5(b)) is overstated and the balance in "Other Financial liabilities" (Note 3(c)) is understated to the extent of Rs 113.80 Lakhs.*
- 6. (a) The Company has not disclosed Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Circular - Disclosure Norms for Financial Institutions RBI/2015-16/103, DBR.No.FID.FIC.2/01.02.00/2015-16 issued by RBI with respect to Sector wise NPAs, maturity pattern of assets and liabilities, movement of NPAs and disclosure of restructured accounts.*
(b) The Company has not disclosed Schedule to the Balance Sheet of a Non-Banking Financial Company as required under notification no. DNBS (PD). CC. No.15 /02.01 /2000-2001 issued by RBI with respect to Asset liability Management (ALM).

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

Emphasis of Matter

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



- a) The Govt. of Kerala had decided to set up a CRAFT VILLAGE at 5.2 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 34.80 crores. A resolution dated 17/02/2017 has been passed by Kannambra Panchayath to grant land under ward no 11 in Chillaparamb, Palakkad for the project. The Company had paid Rs. 38,66,850/- as the cost of preparation of the DPR to KITCO Ltd (Refer Note 1(c)(e)). 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 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.
- b) Note 12 to the Revised financial statements which describes the uncertainty related to the outcome of lawsuits filed and orders against the Company aggregating to Rs. 208.25 Lakhs is under litigation and pending at various forums.
- c) As per the Memorandum of Understanding (MoU) with NORKA, the company was to maintain the subsidy as interest free deposit for a period of four year 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.

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

Other matter

- a) The company had reported NIL NPAs (both Gross NPA and Net NPA) in the returns filed in the XBRL system for the period ended March 31, 2022, whereas the actual GNPA and NNPA stood at 294.73 crores (17.03%) and 229.74 crores (13.84 %). The company had also reported Nil NPAs for the period ended March 31, 2021, whereas the actual GNPA and NNPA stood at 211.12 crore (14.04%) and 150.80 crore (10.45%) respectively.
- b) The company has not complied with the following master circular directions-

Sl. No	Particulars	Para Reference to RBI Directions
1	Failure to implement Liquidity Risk Management Framework	Para 15A of the master direction- NBFC- NDSI and deposit taking company directions, 2016
2	Failure in uploading of credit information pertaining to customers to credit information companies (CICs)	Para 100 of Master Direction- NBFC- NDSI and deposit taking company directions, 2016



3	Failure to file CRILC returns within the stipulated timeline for the period under review.	Para XXIV of Master Direction NBFC- NDSI and deposit taking company directions, 2016
4	Failure to adopt the Interest rate model considering relevant factors such as cost of funds, margin and risk premium.	Para 34(1) of the Master Directions NBFC- NDSI and deposit taking company directions, 2016
5	Failure to adopt appropriate internal principles and procedures in determining interest rates and processing and other charges.	Para 37 of the Master Directions NBFC- NDSI and deposit taking company directions, 2016
6	Failure to conduct Information System Audit of the internal systems and processes.	Para 70 (1)(ii) of Master Direction - NBFC - NDSI and Deposit taking Company Directions, 2016.
7	Failure to adopt a board approved Know Your Customer (KYC) policy.	Para 4 of Chapter II of Master Direction - Know Your Customer (KYC) Direction dated February 25, 2016.
8	Failure to put in place IS Audit framework.	Para 5 of Section A of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016
9	Failure to put in place a Board approved IT Policy, IS Policy, Business Continuity Planning (BCP) Policy and Cyber security Policy.	Para 6 in Section A of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016
10	Failure in periodic updation of KYC of customers.	Para 38 of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016
11	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
12	Failure to constitute IT Strategy Committee.	Para 1.1 of Section A of Master Direction Information Technology Framework for the NBFC Sector dated June 08, 2017.
13	Failure to put in place board approved policy for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis.	Para 72(i) and Annex XIII of the Master Directions NBFC -NDSI and Deposit taking Company Directions, 2016.
14	Failure to obtain declaration and undertaking from the directors giving additional information viz., professional experience, related entities, proceeding if any, against the director.	Para 72(ii) of Master Directions NBFC -NDSI and Deposit taking Company Directions, 2016.
15	Failure to obtain a deed of covenants on duties and responsibilities signed by the director.	Para 72(iii) of Master Directions NBFC -NDSI and Deposit taking Company Directions, 2016.
16	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.



17	<i>KYC data pertaining to individual accounts opened-on or after from April 1,2017, were not uploaded to Central KYC Records Registry (CKYCR), which was in violation of the provisions of the PML Rules, 2014</i>	<i>Para 56(e) of Master Direction Know Your Customer (KYC) Direction dated February 25,2016</i>
18	<i>Failure to allot Unique Customer Identification code (UCIC) individual customers while entering into new relationship.</i>	<i>Para 61 (a) of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016.</i>
19	<i>Failure to implement a system in place of giving acknowledgement for receipt of all loan applications, indicating time frame for disposal of the application.</i>	<i>Para 28 (3) of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016</i>
20	<i>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.</i>	<i>Para 2 of Master Direction NBFC -NDSI and Deposit taking Company Directions, 2016</i>
21	<i>Non-existence of Audit Trail in "Tally ERP Accounting Software"</i>	<i>Para 3.1 of Master Direction- Information Technology Framework, 2017.</i>

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

1. 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 Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS Financial Statements and our audit report thereon. Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance thereon.
2. In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
3. 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 to those charged with governance and review the steps taken by the management to communicate to those in receipt of the other information, if previously issued, to inform them of the revision. The other information is expected to be made available to us after the date of this auditors' report and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibility of Management for the Revised Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Revised Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Revised Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Revised Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we



are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Revised financial statements in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Revised Financial Statements made by Management and Board of Directors
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the Revised Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Revised Financial Statements, including the disclosures, and whether the Revised Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Revised Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Revised 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 Revised 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 Revised Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 ("the



act”), we give in the “Annexure B” statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- B. As required by Section 143(3) of the Act, we report that:**
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Revised Financial Statements comply with the IND AS specified under Section 133 of the Act except for the matters referred in basis of qualified opinion above.
 - e. The provisions of section 164(2) of the Act are not applicable to the company since the company is a Government Company as per section 2(45) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
 - g. Being a Government Company, pursuant to the notification number G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, the provisions of Section 197 of the Act are not applicable to the Corporation.
 - 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 Revised Financial Statements – Refer Note 12 to the Revised Financial Statements;
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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(s) or entity (ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.

- v. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
 - vi. Based on the audit procedures that has 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
- i. With respect to the directions issued by the Comptroller and Auditor-General of India, the actions taken thereon and its impact on the accounts and Revised Financial Statement of the Company, refer to our separate Report in "Annexure C".

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



Jom Jose
Partner
Mem No. 238608



Place: Thiruvananthapuram
Date: 31st Mar 2023
UDIN-23238608B6WAZE8503

Annexure A to the Independent Auditors' report on the Financial Statements of Kerala State Backward Classes Development Corporation for the year ended 31 March 2022

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

Qualified Opinion

We have audited the internal financial controls with reference to Revised Financial Statements of **Kerala State Backward Classes Development Corporation** ("the Company") as of 31 March 2022 in conjunction with our audit of the Revised Financial Statements of the Company for the year ended on that date.

According to the information and explanations given to me us and based on our audit, the following material weaknesses have been identified as at March 31, 2022:

- (a) *There is material weakness in the area of reconciliation of balances with borrowers (NMDFC) (Note 3(b)) with respect to transaction during the year and period prior to the audit which is also reported under audit report of previous years which may result in variation in surplus as per statement of profit and loss under other equity (Note 5(b)) as reported in the basis of qualified opinion paragraph in the Independent Auditor's report.*
- (b) *There is material weakness in the area of reconciliation of balances with bank (Note 1(c)) pending over years, which is also reported in audit report of previous years which may result in variation in surplus as per statement of profit and loss under other equity (Note 5(b)) as reported in the basis of qualified opinion paragraph in the Independent Auditor's report.*
- (c) *There is a weakness in the area of recognition of property, plant and equipment (Note 2(a)) which may result in variation in surplus as per statement of profit and loss under other equity (Note 5(b)) as reported in the basis of qualified opinion paragraph in the Independent Auditor's report.*
- (d) *There is a weakness in the area of recognition of employee benefit expenses (Note 4(a)) which may result in variation in surplus as per statement of profit and loss under other equity (Note 5(b)) as reported in the basis of qualified opinion paragraph in the Independent Auditor's report.*
- (e) *There is a weakness in the area of allotment of shares (Note 5(a)) as per section 42 of the companies Act, 2013 which has resulted in overstatement of "Share Application Money Pending Allotment" (Note 5(a)) and understatement of "Other Financial Liabilities" (Note 3(c)).*
- (f) *There is a weakness in the area of compliance with respect to disclosure requirements in Revised financial statements specified by RBI by way of notifications and circulars as reported in the basis of qualified opinion paragraph in the Independent Auditor's report.*



- (g) *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 transactions in the 'BCDC online' through Tally ERP. Further audit trail as required by Para 3.1 of Master Direction- Information Technology Framework, 2017 is not existing in the "Tally ERP" Accounting Software.*

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

In our opinion, the Company has in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2022.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 Revised Financial Statements of the Company, and these material weaknesses does not affect our opinion on the Revised Financial Statements of the Company.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the Revised Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting ("the guidance note") issued by Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Revised Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Revised Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Revised Financial



Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the Revised Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of such internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Revised 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 adverse audit opinion on the Company's internal financial controls with reference to the Revised Financial Statements over financial reporting.

Meaning of Internal Financial controls with Reference to Financial Statement

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



Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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



Jom Jose
Partner
Membership No:238608



Place: Thiruvananthapuram
Date: 31st Mar 2023
UDIN - 23238608B6WAZE3503

Annexure B to the Independent Auditors' Report - 31 March 2022

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Revised financial statements for the year ended 31 March 2022. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment and relevant details of right of use assets. The Company has maintained proper records showing full particulars of intangible assets.

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the Property, Plant and Equipment held by the company includes Leasehold Land situated in Kollam, shown at nominal value of Rs. 1.00 in books of accounts. The lease deed for the same is not available with the company.

(d) The Company has not revalued its property, plant and equipment or intangible assets or both during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable.

(e) The company is not holding any benami property under the Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules made thereunder. Accordingly, paragraph 3(i)(e), of the Order is not applicable

- ii. (a) The Company does not hold any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(b) Company has not been sanctioned any working capital limits from banks or financial institution on the basis of security of current assets during the financial year.

- iii. (a) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. The provisions of paragraph 3(iii)(a) are not applicable as the its principal business is to give loans.

(b) The terms and conditions of investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the interest of the company.

(c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular. Note no. 3(f) to the Revised Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. According to that policy, loan assets with balance as at 31 March 2022, aggregating Rs 37,672.03 lakhs were categorized as credit impaired ('Stage 3') and Rs 10,895.49 lakhs were categorized as those



where the credit risk has increased significantly since initial recognition ('Stage 2'). Loans with balance outstanding as at the yearend aggregating Rs 1,26,001.45 lakhs where the credit risk has not significantly increased since initial recognition categorized as stage-1. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is Rs 29,473.60 lakhs. Reasonable steps are being taken by the Company for recovery of the principal and interest.

(e) The provisions of paragraph 3(iii)(e) of the order are not applicable as the company's principal business is to give loans.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

- iv. According to the information and explanations given to us and based on the audit procedures conducted by us, the provisions of section 185 and section 186 of the Act are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any activities conducted/ services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods and service tax, provident fund, employees' 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)
2021-22	Goods & Service Tax	2,50,900
2021-22	Employee Contribution to PF	8,583
2021-22	LIC Scheme	2,864
2020-21	LIC Scheme	1,969
2021-22	National Pension Scheme	2,000
2021-22	Group Insurance Scheme	1,100
2020-21	Group Insurance Scheme	1,200
2021-22	State Life Insurance Scheme	1,000
2020-21	State Life Insurance Scheme	1,000



2020-21	General Provident Fund	40,000
2021-22	Income tax TDS demand	3,720
2020-21	Income tax TDS demand	3,830
2016-17	Income tax TDS demand	9,400
2015-16	Income tax TDS demand	16,010
2014-15	Income tax TDS demand	11,270
2013-14	Income tax TDS demand	65,630
2012-13	Income tax TDS demand	4,860
2011-12	Income tax TDS demand	3,060
2010-11	Income tax TDS demand	40,850
2009-10	Income tax TDS demand	9,230
	Total	4,78,476

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

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

viii. The company has not recorded any transactions in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. The income of the company is exempt under section 10(26B) & 10(26BB) of the Income Tax Act, 1961, hence paragraph 3(viii) of the order is not applicable

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

(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 based on our examination of the records, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.



(d) The company has not raised any short-term funds, hence paragraph 3(ix)(d) of the order is 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 paragraph 3(ix)(e) of the order is not applicable.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, paragraph 3(ix) (f) of the Order is not applicable.

- x. (a) During the year, the Company has not raised moneys by way of rights issue or initial public offer or further public offer. Accordingly, paragraph 3(x)(a) of the order is not applicable.

(b) The Company during the year has raised Rs 1,121.20 lakhs through private placement of shares in the name of Govt of Kerala. The company had allotted 10.07 lakh shares aggregating to Rs 1,007.40 lakhs (Par value of Rs 100/-) and the balance has been transferred to share application money pending allotment. The requirements of section 42 and section 62 of the companies act, 2013 have been complied with and funds received have been used for the purposes for which they were received except for the matters referred to in the basis of qualified opinion paragraph of the Independent Auditors Report.

- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or any instance of material fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by management

(b) 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. Hence paragraph 3(xi) (b) of the Order is not applicable.

(c) We have taken into consideration the whistle blower complaints received by the company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

- xii. The company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the order is not applicable.

- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Revised financial statements, as required by the applicable accounting standards.

- xiv. (a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit report for the years under audit, issued to the company during the year end till date, in determining the nature, timing and extent of our audit procedures.



- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) According to the information and explanations given to us, the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has conducted the non-banking financial activities with a valid Certificate of Registration (CoR) from the RBI as per the RBI Act.
- (c) The Company is not a Core Investment Company ("CIC") and hence reporting under paragraph 3(xvi) (c) of the Order is not applicable to the Company.
- (d) Reporting under paragraph 3(xvi) (d) of the Order is not applicable to the Company.
- xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There is no resignation of statutory auditors during the year; hence this clause is not applicable.
- xix. According to the information and explanations given to us and based on our examination of the records of the Company and financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, and based on our examination of evidence supporting the assumptions, we were of the opinion that no material uncertainty exists as on the date of the audit report. 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 doesn't have unspent CSR amount as at the balance sheet date to be transferred to any fund included in Schedule VII as per sec 135 of the companies Act,2013. Hence reporting under paragraph 3(xx) of the Order is not applicable to the Company



- xxi. According to the information and explanation given to us and based on the audit procedures conducted by us, the company is not required to prepare consolidated Revised Financial Statements, since the company doesn't have any subsidiaries, joint ventures, or associates. Hence, reporting under paragraph 3(xxi) is not applicable for the company.

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



Tom Jose
Partner
Membership No:238608



Place: Thiruvananthapuram
Date: 31st Mar 2023

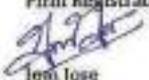
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**Annexure to the Independent Auditors report on the Financial statements of
Kerala State Backward Classes Development Corporation for the year ended 31 March 2022**

ANNEXURE C
Directions under section 143(5) of Companies Act 2013

Sl No.	Directions	Auditor's Comments
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	The Company uses 'BCDC online' software to account its leading business transactions on cash basis throughout Kerala. Other than this, the company is using 'Tally ERP' software to record its other transactions, by adopting the transactions from the BCDC Online. Manual intervention by passing the adjustment entries for the transactions in the 'BCDC online' through Tally ERP is performed by the management. Further, audit trail as required by Para 3.1 of Master Direction-Information Technology Framework, 2017 is not existing in the "Tally ERP Accounting Software".
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	The Company is availing loans from NBCFDC and NMDFC, NSKFDG. There is no restructuring of any loan or waiver/write off of loans made by the lender due to company's inability to repay the loan. Not applicable
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	1) Company has not passed entries with respect to the interest accrued but not due on borrowings from National Minority Development and Finance Corporation. The effect of liability arising out of the above as at the balance sheet date could not be quantified since the data was not provided. Refer Basis of Qualified Opinion -Para 4 for further details. 2) As per the reconciliation statement received from National Minority Development and Finance Corporation (NMDFC) with respect to borrowings (Refer Note 3(b)), reflected a difference of Rs 105.42 lakhs as on the end of the current reporting period and Rs 77.84 Lakhs as on the end of previous reporting period owing to the difference in principal amounts. Further, the Company has not passed entries with respect to the interest accrued but not due on borrowings from National Minority Development and Finance Corporation (NMDFC), which may result in variation in surplus as per Statement of Profit and Loss under Other Equity (Note5(b)). The effect of liability arising out of the above as at the balance sheet date could not be quantified since the data was not provided. Refer Basis of Qualified Opinion -Para 4 for further details.

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



Jeni Jose
Partner
Membership No. 238808
Thiruvananthapuram
Date : 31 March 2023



UDIN 23238606B6WAZC3603

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

Sl No.	Sector Specific Sub-Directions	Auditor's Comments
1	Whether the Company has complied with the directions issued by Reserve Bank of India for: •Non-Banking Finance Companies (NBFCs); •Classification of non-performing assets; and •Capital adequacy norms for NBFCs.	The company has generally complied with the directions issued by Reserve Bank of India, except for the matters referred to Basis of Qualified Opinion Paragraph No. 6 and Paragraph No. a and b of Other Matter Paragraph in Audit Report. The company has complied with the Prudential Norms on Income Recognition, Asset Classification and Provisioning Norms. The company has complied with the Capital Adequacy norms for NBFC.
2	Whether the Company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets. Further, instances of undue delay in disposal of seized units may be reported.	The company has sufficient system to ensure that loans were secured by adequate security, free from encumbrances and first charge on the mortgaged assets. The Company has a mechanism of recovering unpaid loans through the Kerala Revenue Recovery Act, 1968.
3	Whether introduction of any scheme for settlement of dues and extensions thereto are in compliance with the policy guidelines of the Company/ Government.	The Corporation has the following schemes for settlement of dues and extension thereto: 1) Ashwasakiranan Scheme 2) One Time settlement (OTS) 3) BCDC Loanees Distress Relief Fund (LDRF) 4) Fishermen's Debt Relief Fund (FDRF) Settlements of dues is done only after approval from the Board which is in compliance with the policy guidelines.
4	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash.	Company does not have any trade receivables, other than loans and advances as on 31.03.2022. Periodical confirmation certificates have not been received from the Loanees. Company has not obtained any confirmations with respect to trade payables. With regard to Bank account and cash, confirmations have been received in all cases which is specifically reported in the main report. With respect to borrowings, the balances as per the books of the company are in agreement with the balance as per books of borrowers except for the matters referred to in para 4 of the Basis for Qualified Opinion of the Audit Report.
5	Whether the bank guarantees are revalidated in time?	According to the information and explanations provided to us, the company is not having any bank guarantees as on 31.03.2022 and hence reporting requirement does not arise as per this clause.

For C Thomas & Associates
Chartered Accountants
Firm Registration No: 08892118


John Jose

Partner
Membership No. 238608
Thiruvananthapuram
Date: 31 March 2023

UDIN: 23258603 BGUNVA ZE 3903



STATUTORY AUDITOR'S REPORT

We have examined the books of accounts and other records of Kerala State Backward Classes Development Corporation Ltd. for the financial year ending 31 March 2022. On the basis of the information submitted to us, we certify the following:

S/N	Particulars	Details
1	Name of the company	Kerala State Backward Classes Development Corporation Limited
2	Certificate of Registration No.	COB No. M-16.00100 T304
3	Registered office Address	TC 27/588 (7) & (8), "Section F", 2nd Floor, Pattom, Vandalloor P.O, Thiruvananthapuram - 695025
4	Corporate office Address	TC 27/588 (7) & (8), "Section F", 2nd Floor, Pattom, Vandalloor P.O, Thiruvananthapuram - 695025
5	The company has been classified by RBI as: (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC-Factor / IFC / IDFC-NBFC)	Systemically Important Company - Non Deposit Taking Non - Banking Financial Company (NBFC-ND-NC) (Class - 1000, issued by Government of Kerala)
6	Net Owned Fund (Rs in Crore) (Calculation of the same is given in the Annex)	428.97
7	Total Assets (Rs in Crore)	1,281.87
8	Asset-Income pattern: (In terms of RBI Fiscal Release 1998-99/5269 dated April 8, 1999) (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income	99.92% 99.69%
9	Whether the company was holding any Public Deposits, as on March 31 2022? If Yes, the amount, Rs. Crore	NA
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (In terms of Sec 45-4C of the RBI Act, 1934).	Yes, 20% of current year profits (Rs 68.76 crore) amounting to Rs 12.73 crore was transferred to statutory reserves in terms of Section 45-4C of the RBI Act, 1934. Out of the amount transferred Rs .17 crore was reduced from the statutory reserve owing to the effect of prior period adjustment in general reserve (Note- 5(b)).
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalisation norms for the FDI?	NA
12	If the company is classified as an NBFC-Factor: a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	NA
13	If the company is classified as an NBFC-MFI, % of Qualifying Assets to Net Assets (refer to Sectionation (MBS, PD No.234 CGM (HS) 2011 dated December 02, 2011)	NA
14	If the company is classified as an AFC: a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of Income generated out of these assets to Total Income	NA
15	If the company is classified as an NBFC-IFC % of Infrastructure Loans to Total Assets	NA
16	Has there been any takeover/acquisition of control/change in shareholding/ Management during the year which required prior approval from RBI? (Please refer to per (MBS) (PD) CL No. 065/31.10.031/2015-16 dated July 09, 2015 on the subject for details)	NA

In terms of paragraph 2 of Notification No. 0165.201/CG(VL)-2008 dated September 14, 2008, a separate report to the Board of Directors of the company will be made in next board meeting.
I have read and understood paragraph 5 of Notification No. 0165.201/CG(VL)-2008 dated September 14, 2008.

For C.Thomas & Associates
Chartered Accountants
Firm Registration No. 0009213

(Per) Jee Partner
Membership No. 238600
UDIN - 25296088GWAZE3603



Place: Thiruvananthapuram
Date: 31 March 2022

Annexure-1

Sl. No.	Capital Funds - Tier I	Rs. in crore
1	Paid up Equity Capital	150.00
2	Pref. shares to be compulsorily converted into	-
	Free Reserves:	
	a. General Reserve	248.89
	b. Share Premium	-
	c. Capital Reserves	-
3	d. Debenture Redemption Reserve	-
	e. Capital Redemption Reserve	-
	f. Credit Balance in P&L Account	-
	g. Other free reserves (LDRF Special Reserve)	5.33
4	Special Reserves	24.75
	Total of 1 to 4	428.97
	Less: i. Accumulated balance of loss	-
	ii. Deferred Revenue Expenditure	-
5	ii. Deferred Tax Assets (Net)	-
	iii. Other Intangible Assets	-
	Owned Fund	
	Investment in shares of:	
	(i) Companies in the same group	-
6	(ii) Subsidiaries	-
	(iii) Wholly Owned Subsidiaries	-
	(iv) Other NBFCs	-
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with:	
	(i) Companies in the same group	-
	(ii) Subsidiaries	-
	(iii) Wholly Owned Subsidiaries/Joint Ventures	-
8	Total of 6 and 7	-
9	Amount in item 8 in excess of 10% of Owned Fund	-
10	Net Owned Fund	428.97



Financial Statements 2021-22

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC008705
BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No	Year ended March, 2022	(Rupees in Lakhs) Year ended March, 2021
A ASSETS			
Financial Assets			
a) Cash and cash equivalents	1(a)	6,701.86	1,795.62
b) Loans	1(b)	1,69,556.38	1,44,290.04
c) Other financial assets	1(c)	1,790.75	2,286.33
TOTAL		1,78,048.99	1,48,371.99
Non Financial Assets			
a) Property, plant and equipment	2(a)	121.91	126.05
b) Capital work - In - progress	2(b)	24.70	24.70
c) Intangible Assets	2(c)	1.14	0.78
TOTAL		147.74	151.53
Total Assets		1,78,196.55	1,48,522.92
B LIABILITIES AND EQUITIES			
LIABILITIES			
Financial Liabilities			
(a) Payables	3(a)	138.65	180.31
(b) Borrowings (other than debt securities)	3(b)	1,29,577.18	1,07,878.65
(c) Other financial liabilities	3(c)	1,551.73	1,303.88
TOTAL		1,31,267.56	1,09,362.84
Non Financial Liabilities			
(a) Provisions	4(a)	357.84	324.67
(b) Other non financial liabilities	4(b)	1.19	1.14
TOTAL		359.03	326.01
EQUITY			
(a) Equity Share Capital	5(a)	15,000.00	13,992.60
(b) Other Equity	5(b)	31,569.65	24,841.48
TOTAL		46,569.65	38,834.08
Total Equities and Liabilities		1,78,196.55	1,48,522.92

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

1 - 29

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

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


Jam Jose
Partner
Mem No. 238608



UDIN : 23238608 BgwA2E3503


N Devidas IAS
Managing Director
(DIN : 09463849)


Adv K Praiad
Chairman
(DIN : 07851556)



Place: Thiruvananthapuram
Date: 31 March 2023

KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75122KL1995SGC08075
STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

Particulars	Note No	Year ended March, 2022	(Rupee in Lakhs) Year ended March, 2021
Revenue from Operations			
(i) Interest Income	6(a)	9,806.30	9,156.27
(ii) Processing charges	6(b)	321.69	272.09
I Total Revenue from operations		10,207.99	9,428.36
II Other Income	7	33.11	31.00
III Total Income (I+II)		10,241.10	9,459.36
Expenses:-			
(a) Finance Costs	8	3,451.29	3,340.43
(b) Employee Benefits Expenses	9	1,849.66	1,642.67
(c) Depreciation, amortisation and impairment	2(a)	44.19	39.90
(d) Impairment on financial instruments	10	(2,511.19)	1,417.89
(e) Other Expenses	11	531.32	658.66
IV Total Expenses		3,365.07	7,099.55
V Profit/(Loss) Before Exceptional Items and Tax (III-IV)		6,876.03	2,359.81
VI Exceptional Items		-	-
VII Profit/(Loss) Before Tax (V+VI)		6,876.03	2,359.81
Tax Expense:			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
VIII Profit/(Loss) from Continuing Operations (VII-VIII)		6,876.03	2,359.81
IX Profit/(Loss) from Discontinued Operations (After Tax)		-	-
X Profit/(Loss) (from continuing and discontinued operations) (VIII+IX)		-	-
XI Other Comprehensive Income		-	-
XII Total Comprehensive Income (XI+XII)		6,876.03	2,359.81
XIII Earnings per Share (For Continuing operations):			
(a) Basic (Rs)	26	45.84	16.86
(b) Diluted (Rs)		45.84	16.86
Earnings per Share (For discontinued operations)			
(a) Basic (Rs)		-	-
(b) Diluted (Rs)		-	-

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

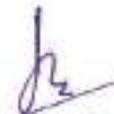
1 - 29

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

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


 John Jose
 Partner
 Membership No. 238608




 Adv. K. Prasad
 Managing Director
 (DIN - 09463843)


 Adv. K. Prasad
 Chairman
 (DIN - 07851854)

UDIN: 23238608 B01WAZE 3503

Place: Thiruvananthapuram
 Date: 31 March 2022



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED
CIN - U75120KL1995GCO00705
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

Particulars	(Rupees in Lakhs)	
	Year ended March, 2022	Year ended March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit from continuing operations	6,876.03	2,359.81
Adjustments to reconcile profit before tax to net cash flow		
Adjustments for:		
Impairment on financial instruments	(2,511.19)	1,417.89
Depreciation	41.19	39.50
Increase in Capital Subsidy received from NORKA	50.72	182.05
Operating Profit before Working Capital Changes	4,499.75	3,999.65
Adjustment for (Increase)/ Decrease in Working Capital:		
Other financial assets	499.58	2,022.19
Provisions	52.97	21.03
Loans Granted (Net)	(22,755.75)	(25,863.82)
Payables	(41.66)	113.71
Other financial liabilities	157.13	302.03
Cash generated from Operation Activities	(17,611.96)	(19,405.21)
Net Cash from Operating Activities	(17,611.96)	(19,405.21)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property Plant and Equipment	(39.38)	(74.80)
Purchase of Intangible Assets	(1.00)	(0.09)
Net cash used in Investing Activities	(40.40)	(74.89)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Equity shares	1,321.20	228.80
Decrease in Reserves	(261.65)	(2,507.12)
Repayment/Proceeds from Borrowings(Net)	21,698.73	12,379.74
Other Financial Liabilities	0.15	-3.23
Net Cash used in Financing Activities	22,558.43	10,098.19
Net Increase/(Decrease) in Cash and Cash Equivalents	4,906.05	(9,381.90)
Cash and Cash Equivalents at the beginning of the year	1,795.03	11,176.93
Cash and Cash Equivalents at the end of the year	6,701.08	1,795.03

Notes

- The above Cash Flow statement has been prepared under the indirect method as set out in IND AS 7 on Statement of Cash Flow.
- Components of cash and cash equivalents are disclosed in note no. 1.(a)
- During the year, the company has incurred an amount of Rs 37.20 Lakhs (31 March 2021: 219.77) towards Corporate Social Responsibility (CSR) Expenditure (Refer Note 19)

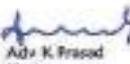
Accompanying notes forms part of the Financial Statements.
As per our report of events date attached

For C Thomas & Associate

Chartered Accountants
Firm Registration No: 0089215


Anil Jose
Partner
Membership No. 238608


N Devidas IAS
Managing Director
(DIN : 09463849)


Adu K Prasad
Chairman
(DIN : 07851556)



UDIN : 23238 608 BOWA 2E 3503-

Place: Thiruvananthapuram
Date: 31 March 2023



KERALA STATE BACKWARD CLASSES DEVELOPMENT CORPORATION LIMITED		
CIN - 175122KL1995NCE 00070		
STATEMENT OF CHANGE IN EQUITY		
EQUITY	As at 31st March, 2022	(Figures in Lakhs) As at 31st March, 2021
Particulars		
Shares outstanding at the beginning of the reporting period	10,992.60	11,763.80
Shares issued during the period	1,007.40	228.80
Shares bought back during the period		
Shares Outstanding at the end of the reporting period	<u>11,000.00</u>	<u>11,992.60</u>
OTHER EQUITY	As at 31st March, 2022	As at 31st March, 2021
Particulars		
(a) Share Application Money pending allotment		
(a) Balance at the beginning of Reporting Period		226.80
(b) Application money received during the year	1,121.30	
(c) Shares allotted	<u>1,007.40</u>	<u>228.80</u>
(d) Balance at the end of the Reporting Period	<u>112.90</u>	-
(b) General Reserve		
(a) Balance at the beginning of Reporting Period	23,225.05	24,508.31
(b) Less: Effect of Change in Accounting Policy	-	2,340.48
(c) Less: O/E adjusted for Statutory Reserve RBI as per section 45-1C of the RBI Act, 1934	-	642.92
(d) Restated balance at the beginning of the reporting period	23,225.05	21,514.91
(e) Transfer from Profit and Loss Account	1,330.12	1,710.2
(f) Less: Effect of Prior period adjustment	82.56	
(g) Add: Effect of O/E adjusted for prior period adjustment for statutory reserve as per section 45-1C of the RBI Act 1934	16.51	
(h) Balance at the end of the Reporting Period	<u>24,889.12</u>	<u>23,225.05</u>
(c) Surplus/(Deficit) in Statement Profit and Loss		
(a) Balance at the beginning of Reporting Period	-	2,259.88
(b) Add: Total Comprehensive Income for the year	5,826.03	2,177.74
(c) Less: Transfer to BCDCLDRF Special Reserve	211.78	177.74
(d) Less: Transfer to Statutory Reserve - RBI as per Section 45-1C of the RBI Act 1934	1,375.21	471.96
(e) Less: Transfer to General Reserve	<u>5,286.05</u>	<u>1,730.3</u>
(f) Balance at the end of the Reporting Period	<u>-</u>	<u>-</u>
(d) BCDCLDRF Special Reserve		
(a) Balance at the beginning of reporting period	300.34	485.40
(b) Add: Additions	211.78	177.74
(c) Less: Transferred	<u>129.08</u>	<u>132.68</u>
(d) Balance at the end of the Reporting Period	<u>383.04</u>	<u>530.46</u>
(e) Statutory Reserve as per section 45-1C of the RBI Act 1934		
(a) Balance at the beginning of Reporting Period	1,115.88	642.92
(b) Add: Additions	1,375.21	471.96
(c) Less: Adjustments relating to Opening Balance	16.51	
(d) Balance at the end of the Reporting Period	<u>2,474.58</u>	<u>1,114.88</u>
(f) Impairment Reserve		
(a) Opening Balance	-	-
(b) Add: Additions	3,558.93	-
(c) Less: Transferred	-	-
(d) Balance at the end of the Reporting Period	<u>3,558.93</u>	<u>-</u>

Accompanying notes form part of the Financial Statements.
As per our report of even date attached.

For C Thomas & Associates
Chartered Accountants
Firm Registration No: 0080211

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

9/27
John Jose
Partner
Membership No. 216003



M. Anand
Managing Director
(DIN : 09463449)

9/27
Anu K Prasad
Chairman
(DIN: 0761556)

UDIN 23 235 608 36 W 2 E 3503-

Place: Thiruvananthapuram
Date: 31 March 2022



		(Rupees in Lakhs)	
1.(a)	CASH AND CASH EQUIVALENTS	As at 31st March, 2022	As at 31st March, 2021
	Particulars		
	(a) Cash on hand	20.60	51.01
	(b) Balance with Banks:-		
	In Current Accounts	3,791.57	719.42
	(c) Balance with Government of Kerala Treasury SB Account	38.62	23.76
	(d) In Term Deposit Accounts with original maturity upto 3 months	2,650.00	1,000.00
	(e) Others:-		
	Stock of Stamps	0.29	0.23
		6,701.08	1,795.02

More than 1 year Deposit - Nil
Cash on Hand and Stock of Stamps are physically verified and certified by Individual Unit Heads.

		(Rupees in Lakhs)	
1.(b)	LOANS (at amortized cost)	As at 31st March, 2022	As at 31st March, 2021
	Particulars		
	Loans Secured by tangible assets		
	(a) General Term Loans:		
	(i) Loans out of NBCFDC Funds	22,850.22	20,076.62
	(ii) Loans out of NMDFC Funds	19,990.72	17,977.37
	(iii) Loans out of KSBDC Funds	50,649.10	41,857.30
	(iv) Loans out of H/WDCO Funds	1.20	3.82
	(b) Employees House Building Advance	272.64	297.45
	Less: Impairment allowance	(2,379.55)	(4,556.73)
	TOTAL(Net)	91,304.33	75,655.84
	Unsecured Loans		
	(a) General Term Loans:		
	(i) Loans out of NBCFDC Funds	10,045.94	10,035.62
	(ii) Loans out of NMDFC Funds	6,468.22	6,523.79
	(iii) Loans out of KSBDC Funds	21,189.98	21,377.90
	(b) Micro Finance Schemes:		
	(i) Loans out of NBCFDC Funds	4,980.46	6,374.73
	(ii) Loans out of NMDFC Funds	11,353.30	11,505.67
	(iii) Loans out of NBCFDC Funds	25,271.90	14,230.86
	(c) Employees Personal Loan Scheme	65.30	61.00
	Less: Impairment allowance	(1,122.45)	(1,475.37)
	TOTAL(Net)	78,252.65	68,634.20
	GRAND TOTAL (Net)	1,69,556.98	1,44,290.04

- Note:
- 1) Secured loans are secured by Equitable mortgage against Land/ Property.
 - 2) Unsecured loans to individual beneficiaries are guaranteed by employee surety.
 - 3) Unsecured loans under Micro Finance schemes to CDS are guaranteed by intene agreement between beneficiaries.
 - 4) Unsecured loans under Micro Finance schemes to NGOs are guaranteed by assets of NGO.
 - 5) Secured loans to employees under EHBA are secured by Equitable mortgage against Land/ Property.
 - 6) Unsecured loans to employees under EPLS are guaranteed by employee surety.
 - 7) Loans & Advances due by Related parties - Loan given to managing director Mr K T Balabhaskaran, outstanding balance as on 31-03-2022 Rs 1,21,673 (March 2021: 1,95,111)
 - 8) There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.
 - 9) Impairment allowance are computed based on Ind AS 109
 - 10) Bifurcation of NBCFDC loans into General Term Loan and Micro Finance term loans are based on utilization of the company



		(Rupees in Lakhs)	
1.(c)	OTHER FINANCIAL ASSETS	As at 31st March, 2022	As at 31st March, 2021
	Particulars		
	(a) Pre Fixed interest Accrued and Receivable	879.13	1,074.50
	(b) Interest Accrued on Scheme Loans	613.73	752.66
	(c) Penal Interest Accrued on Scheme Loans: less: Impairment allowance	4.07 (18.92)	2.35 -
		<u>1,478.01</u>	<u>1,829.51</u>
	(d) Term Deposits with banks	180.25	180.25
	(e) Other Financial assets	51.04	53.98
	(f) Crafts Village (Note 1)	38.67	38.67
	(g) NBCFDC receivables	18.47	5.92
	(h) Government of Kerala Fund Receivable	11.91	30.98
	(i) Advance to Capital Creditors (Note-25)	9.80	9.80
	(j) Interest accrued on Fixed Deposit (remaining maturity less than 3 months)	2.46	0.08
	(k) Govt share on OTS interest waiver receivable	0.14	112.14
	(l) NMDFC receivables	-	25.00
	TOTAL	<u>1,790.75</u>	<u>2,286.33</u>

Note 1: Crafts Village

The Govt. of Kerala had decided to set up a CRAFT VILLAGE at 5.2 acres of land of Survey number: 422 (1 to 9), Block Number 35, II Ward of Kannambra Village, Kannambra Panchayath, Palakkad district and gave a provisional sanction under KIIFB project vide order no. C.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 34.80 crores. A resolution dated 17/02/2017 has been passed by Kannambra Panchayath to grant land under ward no II in Chillaparamb for the project. The Company had paid Rs. 38,66,850/- as the cost of preparation of the DPR to KITCO Ltd (Refer Note 1(c)(e)). 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.

Note 2: Impairment allowance are computed based on Ind AS 109 on accrued other financial assets.



Particulars	Rupees in Lakhs									
	Lease hold Land	Buildings	Vehicles	Computers And Data Processing Units	Furniture And Fixtures	Electrical Fittings	Office Equipment	Electrical Equipments	Grant In Aid Assets	Total
GROSS CARRYING AMOUNT										
Balance as at 01 April, 2020	-	3.39	21.26	19.53	57.69	6.75	32.62	14.67	0.00	155.91
Additions during the year	-	-	-	17.12	38.88	6.33	12.46	-	-	74.79
Disposals/Deductions during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2021	-	3.39	21.26	36.65	96.57	13.08	45.08	14.67	0.00	230.70
Balance as at 01 April, 2021	-	3.39	21.26	36.65	96.57	13.08	45.08	14.67	0.00	230.70
Additions during the year	-	-	-	7.19	23.58	4.79	3.83	-	-	39.39
Disposals/Deductions during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2022	-	3.39	21.26	43.84	120.15	17.87	48.91	14.67	0.00	270.09
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES										
Balance as at 01 April, 2020	-	0.61	11.52	12.72	16.67	1.44	17.78	4.26	-	65.01
Additions during the year	-	0.26	3.13	8.55	14.65	2.11	8.21	2.73	-	39.64
Disposals/Deductions during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2021	-	0.87	14.65	21.27	31.32	3.55	25.99	6.99	-	104.65
Balance as at 01 April, 2021	-	0.87	14.65	21.27	31.32	3.55	25.99	6.99	-	104.65
Additions during the year	-	0.24	1.62	9.37	18.55	2.64	9.10	2.01	-	43.54
Disposals/Deductions during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2022	-	1.11	16.27	30.64	49.88	6.19	35.09	9.00	-	148.19
NET CARRYING AMOUNT										
As at 31 March, 2021	-	2.51	6.61	15.38	65.25	9.53	19.08	7.68	0.00	126.05
As at 31 March, 2022	-	2.28	4.99	13.20	70.27	11.68	13.82	5.67	0.00	121.91

Notes:

- 1) Fixed Assets are physically verified at unit level. Fixed assets register is not maintained.
- 2) Leasehold Land in which building is constructed in Kollam is shown at nominal value of Rs. 1.00 in books of accounts.
- 3) These are 64 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.
- 4) Building represents Compound wall built on leasehold property at Kollam.



2.(b) Capital Work In Progress Aging

As at 31 March 2022					(` in lakhs)	
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Construction of building	-	-	-	24.70	24.70	

As at 31 March 2021					(` in lakhs)	
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Construction of building	-	-	-	24.70	24.70	

*Refer Note 25 to the Financial Statements

2.(c) Intangible Assets

Particulars	Rs in Lakhs	
		Software
GROSS CARRYING AMOUNT		
Balance as at 01 April, 2020		1.78
Additions during the year		0.09
Disposals/Deductions during the year		-
Balance as at 31 March, 2021		1.87
Balance as at 01 April, 2021		1.87
Additions during the year		1.01
Disposals/Deductions during the year		-
Balance as at 31 March, 2022		2.88
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Balance as at 01 April, 2020		0.83
Additions during the year		0.26
Disposals/Deductions during the year		-
Balance as at 31 March, 2021		1.09
Balance as at 01 April, 2021		1.09
Additions during the year		0.65
Disposals/Deductions during the year		-
Balance as at 31 March, 2022		1.74
NET CARRYING AMOUNT		
As at 31 March, 2021		0.77
As at 31 March, 2022		1.14



Particulars	(Rupees in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Payables		
(a) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises & small enterprises	105.07	171.67
(b) Creditors for Capital Purchase		
(i) Total outstanding dues of micro enterprises and small enterprises	-	8.70
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c) CSR Payable	55.58	-
TOTAL	160.65	180.37

Payable Aging schedule 31-03-2022

Particulars	Outstanding for following period from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MINE	-	-	-	-	-
(ii) Others	116.65	-	-	-	116.65
(a) Disposed dues - MINE	-	-	-	-	-
(b) Disposed dues - Others	-	-	-	-	-

Payable Aging schedule 31-03-2021

Particulars	Outstanding for following period from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MINE	8.70	-	-	-	8.70
(ii) Others	171.67	-	-	-	171.67
(a) Disposed dues - MINE	-	-	-	-	-
(b) Disposed dues - Others	-	-	-	-	-

Micro, Small and Medium Enterprises:

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 (MSME Act), the total outstanding dues of Micro and Small Enterprises which are outstanding for more than the stipulated period are Nil (Rupees 2021- 8.70 lakhs).

CSR payable was subsequently paid to PM CARES fund vide receipt number PWCARES/MS/2021/0012021072733 dated 28 March 2022.

Particulars	(Rupees in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Borrowings (other than debt securities)		
(a) Unsecured loan		
Term Loan from other Parties:		
Term Loan Schemes:		
(i) National Backward Class Finance and Development Corporation	30,896.75	31,300.87
(ii) National Minority Development and Finance Corporation	39,594.21	34,970.17
	69,470.95	66,271.04
Micro Finance Schemes:		
(i) National Backward Class Finance and Development Corporation	13,963.36	16,561.56
(ii) National Minority Development and Finance Corporation	35,680.33	13,267.23
(iii) National Sahi Karmachari Financial Development Corporation	24,542.81	11,474.78
	74,186.50	41,293.57
TOTAL	1,29,577.38	1,07,874.65

Note: All the above loans are unsecured and guaranteed by Government of Kerala to the tune of Rs.1,29,577.38 Lakhs (March 2021) Rs. 1,07,874.65 Lakhs as on Balance Sheet Date.

	(Rupees in Lakhs)
(i) National Backward Class Finance and Development Corporation	46,770.11
(ii) National Minority Development and Finance Corporation	55,344.43
(iii) National Sahi Karmachari Financial Development Corporation	29,563.81

There are no borrowings incurred at PVTL or designated as PVTL.

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

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

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

There are no loans from related parties.

Particulars	(Rupees in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Details of term loans from other parties		
	Interest Range	Amount
Applicable in financial month		
(a) Current		
Maturing within 1 year	16-5%	27,295.21
Maturing after 1 year	16-5%	1,02,276.17
		1,29,571.38



		(Rupees in Lakhs)	
		As at 31st March, 2022	As at 31st March, 2021
3.4(i)	OTHER FINANCIAL LIABILITIES		
	<i>Particulars</i>		
	(A) Capital Subsidy received from NCFKA	607.06	607.24
	(B) Interest accrued and due on Borrowings	298.62	380.64
	(C) Interest accrued and due not due on Borrowings	309.82	307.22
	(D) Subsidy from Backward Class Development Department	160.93	66.48
	(E) Start Up Subsidy from Backward Class Development Department	48.50	28.00
	(F) Fishermen Debt Relief Loan Repayment	22.37	30.40
	(G) Subsidy from Small Farmers Agri. Business Consortium	14.54	-
	(H) Fishermen Debt Relief Fund Payable	1.80	-
	TOTAL	1,558.72	1,603.28

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

		(Rupees in Lakhs)	
		As at 31st March, 2022	As at 31st March, 2021
4.4(a)	PROVISIONS		
	<i>Particulars</i>		
	(A) Provision for Employee Benefits:		
	- Leave Encashment	348.00	296.75
	- Group Gratuity Premium Payable	-	30.00
	- Gratuity Payable for Current employees	9.05	81.2
	TOTAL	357.05	407.97
4.4(b)	OTHER NON FINANCIAL LIABILITIES		
	(a) Security Deposits	1.20	1.14
	TOTAL	1.20	1.14



5.(a) Equity Share Capital

SHARE CAPITAL

Particulars

Authorized Capital:
15,00,00,000 Equity shares of Rs. 100 each

Issued, Subscribed and Paid Up Capital

	As at 31st March, 2022		(Rupees in Lakhs) As at 31st March, 2021	
	Number	Amount	Number	Amount
	150.00	15,000.00	150.00	15,000.00
		15,000.00		15,000.00
	150.00	15,000.00	139.91	13,992.80
		15,000.00		13,992.80

Rights Attached to Each Class of Equity Share

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

(Rupees in Lakhs)

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	139.91	13,992.80	137.64	13,763.80
Shares issued during the period	10.07	1,007.40	2.27	228.80
Shares bought back during the period	-	-	-	-
Shares Outstanding at the end of the year	150.00	15,000.00	139.91	13,992.80

Particulars of shareholders holding more than 5% For Cent

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount	Number	Amount
Government of Kerala	150.00	15000.00	139.91	13992.80

Particulars of Shares Issued during the Previous 3 Years

Particulars	During the Year/ Period				
	2020-21	2019-20	2018-19	2017-18	2016-17
Equity Shares of Rs. 100/- Each					
(a) Aggregate No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
(b) Aggregate number & class of shares allotted as fully paid up by issue of bonus shares	-	-	-	-	-
(c) Aggregate number & class of shares bought back	-	-	-	-	-
(d) Shares reserved for issue under options and contracts/commitments for the sale of shares/instrument	-	-	-	-	-
(e) Any securities convertible into equity/preferred shares issued along with the earliest date of conversion in descending order starting from the earliest such date	-	-	-	-	-
(f) Calls unpaid (showing aggregate value of calls unpaid by directors and officials)	-	-	-	-	-
(g) Forfeited shares (amount originally paid-up)	-	-	-	-	-

SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars

Share application money for pending allotment

As at 31st March, 2022 As at 31st March, 2021 As at 1st April 2020

118.80

TOTAL

118.80



		(Rupees in Lakhs)	
		As at 31st March, 2022	As at 31st March, 2021
5.(b) OTHER EQUITY			
<i>Particulars</i>			
(a)	Share Application Money pending allotment	112.80	-
(b)	General Reserve		
	(i) Opening balance	23,225.05	24,508.31
	(ii) Add: Transfer from statement of Profit or Loss	1,750.12	1,750.11
	(iii) Less: Effect of change in Accounting Policies	-	2,349.44
	(iv) Less: OI adjusted for Statutory Reserve EBI as per section 45-K of the RBI Act 1934	-	643.92
	(v) Less: Effect of Prior period adjustment (Refer Note-29)	82.56	-
	(vi) Add: Effect of OI adjusted for prior period adjustment for statutory reserve as per section 45-K of the RBI Act 1934	16.71	-
	(vii) Closing balance	<u>24,889.13</u>	<u>23,225.05</u>
(c)	Surplus/(Deficit) in Statement Profit and Loss		
	(i) Opening Balance		
	(ii) Add: Profit for the year	6,876.03	2,259.81
	(iii) Less: Transfer to BCDC LDRF Special Reserve	211.70	177.74
	(iv) Less: Transfer to Statutory Reserve as per 45-K of the RBI Act 1934	1,375.26	471.56
	(v) Less: Transfer to Impairment Reserve	3,558.93	-
	(vi) Less: Transfer to General Reserve	1,750.12	1,750.31
	(vii) Closing balance	-	-
(d)	BCDC LDRF Special Reserve		
	(i) Opening Balance	300.54	483.40
	(ii) Add: Additions	211.70	177.74
	(iii) Less: Transferred	179.00	157.68
	(iv) Closing balance	<u>333.23</u>	<u>303.46</u>
(e)	Statutory Reserve as per section 45-K of the RBI Act 1934		
	(i) Opening Balance	1,115.80	843.92
	(ii) Add: Additions	1,375.26	471.56
	(iii) Less: Adjustments relating to Opening Balance	34.82	-
	(iv) Closing balance	<u>2,456.23</u>	<u>1,185.88</u>
(f)	Impairment Reserve		
	(i) Opening Balance	-	-
	(ii) Add: Additions	3,558.93	-
	(iii) Less: Transferred	-	-
	(iv) Closing balance	<u>3,558.93</u>	<u>-</u>
TOTAL		<u>31,569.66</u>	<u>24,846.48</u>

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

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

BCDC LDRF Special Reserve
BCDC LDRF Special Reserve is maintained for addressing the losses to borrowers due to death/incapacitation of borrowers. During the current year, Rs.179.00 lakh were adjusted against the dues of 167 borrowers (Previous year Rs. 157.68 lakhs for 180 borrowers). The BCDC LDRF Reserve is prepared in general by mandating 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 Eris Wadu Scheme is excluded.

Impairment Reserve
As per Prudential Floor for ECL as per 2(b) & (c) Annex to RBI/2019/20/170 DOR (N&FC)/CC.PD.No.105/22.10.305/2019-20 Circular dated 13th March 2020, where Impairment allowance under Ind AS 109 is lower than the provisioning required under IBCP (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 withdrawal 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.



6 REVENUE FROM OPERATIONS (Rupees in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
On Financial Instruments measured at Amortised cost		
(A) Interest Income:		
(i) Interest on Term Loans/Misc. Finance	8,94,041	7,426,28
(ii) Interest from fixed deposit with maturity period less than 3 months	160.88	871.83
(iii) Interest on FSA	17.28	39.20
(iv) Interest on DPL	4.52	7.30
(v) Interest Income on Short-term Loans	488.32	426.00
(vi) Pre Fixed Interest	206.20	776.11
TOTAL	9,386.30	8,156.37

Note: There is no loan asset measured at FVTPL at FVOCI

Particulars	As at 31st March, 2022	As at 31st March, 2021
(B) Fees and commission income:		
(i) Processing Fee Collected	321.69	378.06

Note: 2/3rd part of Processing Fee Collected from new loans other than re-employment loans above Rs.40L is appropriated to LDRP Reserve and in the case of re-employment loans above Rs.40L 1/3 of the processing fee is earmarked to LDRP Reserve.

7 OTHER INCOME (Rupees in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) Miscellaneous Income	31.31	31.00
TOTAL	31.31	31.00

8 FINANCE COSTS (Rupees in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) Interest on Borrowings:		
(i) Interest on NBFCFC Fund	1,18,74	1,406.94
(ii) Interest on NBFCFC Fund	1,19,44	1,020.53
(iii) Interest on NBFCFC Fund	30.75	80.04
(B) Other Interest expense:		
(i) Guarantee fee to Govt. of Kerala	806.09	705.14
(ii) Green Card	8.31	87.21
(iii) Microfinance	6.06	0.07
(iv) Maharashtra Scheme	17.87	-
(v) ITI	28.20	-
TOTAL	3,435.39	3,349.43

Note 1: Other than financial liabilities measured at amortised cost, there are no other financial liabilities measured at FVTPL

9 EMPLOYEE BENEFIT EXPENSES (Rupees in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) Salaries and wages	1,877.00	1,501.57
(B) Contribution to Provident and Other Funds	170.07	151.94
(C) Staff Welfare Expenses	2.89	8.16
TOTAL	1,849.96	1,642.57

10 Impairment on Financial Instruments (Rupees in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
On Financial Instruments measured at Amortised cost		
Losses	(2,310.20)	1,467.89
TOTAL	(2,310.20)	1,467.89

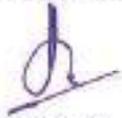
Note (a) - Other than financial instruments measured at amortised cost, there is no other financial instrument measured at FVOCI.

Note (b) - As per RBI/2015-20/170 DOR (NBFC) CC FD.No.104/13.10.2006/2009-20 NBFC of NBFC shall hold Impairment allowances as required by Ind AS and also maintain the asset classification and compute provisions as per asset prudentia norms on Income Recognition, Asset Classification and Provisioning (IRACP) including approval/consent/clarification, provisioning for standard as well as non-reduced assets, NPA giving, etc. Where Impairment allowance under Ind AS is lower than the provisioning required under IRACP (including standard asset provisioning), NBFC/WICI shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. As at the year ended 31st March 2022, Impairment allowance under Ind AS 109 of the Company is lower than the provisioning required under IRACP (Refer Note 3.(f)). On the gross Company appropriate an amount of Rs.3558.95 lakh the difference of IRACP provision (including standard asset provisioning) Rs.7279.84 and Impairment allowance under Ind AS 109 Rs.3520.89 lakh from net profit after tax to a separate 'Impairment Reserve'

11 OTHER EXPENSES (Rupees in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) CSR Expenditure (Refer Note 19)	37.20	318.77
(B) Rent, Rates and Taxes and Insurance	124.90	118.18
(C) Advertisement	55.12	81.71
(D) Maintenance & Upkeep	66.45	52.30
(E) Printing & Stationery	31.45	41.98
(F) General Expenses	27.11	41.81
(G) Travelling & Conveyance	28.78	33.41
(H) Postage and Telephone Charges	33.86	38.40
(I) Electricity and Water Charges	12.45	12.01
(J) Loan Note and Awareness and DPO Programme Expense	0.41	11.02
(K) Fee for Professional Services	8.63	8.59
(L) Audit Fee	2.79	1.25
(M) Filing Fee	0.67	0.84
(N) Revenue Recoveries charges	0.48	0.81
(O) OMDIF Contribution	109.00	-
TOTAL	591.32	659.66



12 CONTINGENT LIABILITIES		(Rupees in Lakhs)	
		As at 31st March, 2022	As at 31st March, 2021
Claims against the Company not acknowledged as debt:			
(a)	The Corporation has filed Service Tax appeal No. ST/20438/2019-08 against the Order No.TVM-EXCUS-000-APP-07.	4.07	4.07
(b)	The Corporation has filed Service Tax appeal No. ST/20439/2019-08 against the Order No.TVM-EXCUS-000-APP-1151-2019 dtd 03/01/2019 with CITAT, Bengaluru on 09/04/2019 ,where decision still pending .	12.43	12.43
(c)	The Corporation has filed Service Tax Appeal No.08/95/TVM/2019 against the Order No.86/ST/DC/DM/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 31(KC) dated 02-11-2020 passed by the Joint Commissioner regarding Service Tax on Guarantee Commission. The corporation has filed Appeal with the Commissioner(Appeals), Cochin on 15-01-2021	175.98	175.98
(e)	Order in Original No 08/ST/(DC)/DM/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 Director. The corporation has filed Appeal with the Commissioner(Appeals), Cochin on 02-11-2020	9.45	9.45
(f)	Koppans Enterprises before Hon'ble High Court of Kerala	6.00	6.00
Incase of occurrence of acceptance of claims against the company, the net surplus of the company will be reduced to the extent of			
Note:			
For: C Thomas & Associates Chartered Accountants Firm Registration No: 0089205		For and on behalf of the Board of Director: Kerala State Backward Classes Development Corporation Limited	
 Jom Jose Partner Membership No. 238608		 N Devida IAS Managing Director (DIN : 09463849)	 Adv K Prasad Chairman (DIN: 07803596)
UDIN : 23238608 06 WA 2E 3503 .			
Place: Thiruvananthapuram Date: 31 March 2023			

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

1. Corporate Information

Kerala State Backward Classes Development Corporation Ltd, herein after referred to as the Corporation is a Government Company Registered under the Companies Act, 1956 with 100% shares held by the Government of Kerala. The Corporation is formed in the year 1995 for giving loans to the people belong to Other Backward and Minority communities and thus categorized it as a Non-Banking Finance Company registered under Section 45-1A of the Reserve Bank of India Act, 1934.

2. Basis of preparation

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, the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the NBFC Master Directions), notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/ 22.10.106/ 2019- 20 dated 13 March 2020 ("RBI notification for Implementation of Ind AS") and other applicable RBI circulars/ notifications. Up to the year ended March 31, 2018, the Company prepared its Financial Statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The Company uses accrual basis of accounting except in case of significant uncertainties.

The company adopted Ind AS w.e.f. April 01, 2019. The Financial Statements are presented in Lakhs of Indian Rupees and all values are rounded to the nearest Lakhs and with two decimals

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. The COVID-19 pandemic has not affected the going concern assumption of the Company.

2.1 Presentation of Financial Statements

The Company presents its Balance Sheet in the order of liquidity.

The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.



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. Further, the Company follows prudential norms on Assets classification and such provisioning in case of non-performing assets (NPA) on the basis of the Master Directions issued by Reserve Bank of India.

2.2 Critical accounting estimates and judgements

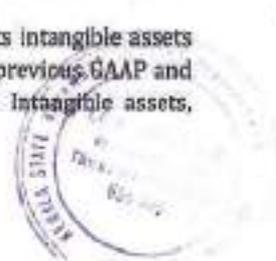
The preparation of the Company's financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from the Management's estimates and judgements. Accounting estimates and judgements are used in various line items in the financial statements for e.g.-

- Business model assessment
- Fair value of financial instruments
- Impairment of financial assets
- Provisions and contingent liabilities

3. Summary of significant accounting policies

a. Property, Plant and Equipment and Intangible Assets

- i) Property, Plant and Equipment are stated at cost less depreciation. Costs comprise of cost of acquisition, cost of improvements and any cost attributable for bringing the asset into the condition or situation of its intended use.
- ii) The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date as per Ind AS 16.
- iii) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.
- iv) Depreciation has been provided on written down value method on all Property, plant and equipment in accordance with Schedule II of the Companies Act, 2013. In respect of assets added/ disposed of during the year, depreciation is charged on pro-rata basis with reference to the date of addition/ disposal.
- v) The Company has elected to continue with the carrying value of all of its intangible assets recognized as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date. Intangible assets,



representing software, licenses etc. are initially recognized at cost and subsequently carried at cost less accumulated amortization and accumulated impairment. Expenditure on separate software is capitalized as intangible assets and depreciation provided at prescribed rate. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in the Statement of Profit and Loss when the asset is derecognized.

- vi) 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.
- vii) 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.
- viii) Capital work in progress comprises the cost of PPE that are not ready for intended use at the reporting date.

b. Leases

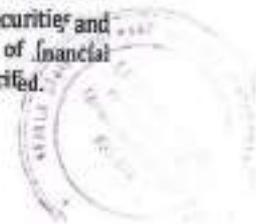
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rental expense on operating leases is generally recognized on a straight-line basis over the term of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

c. Impairment of Non-Financial Assets

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

d. Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments. All financial instruments are at amortized cost, unless otherwise specified.



All the financial instruments are recognized on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognizes the financial instruments on settlement date

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

e. Financial Asset

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

The Company measures its debt instruments at amortized cost if both the following conditions are met-

- a) The asset is held within a business model of collecting contractual cash flows; and
- b) 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.

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.

f. 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'. Even though ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL') needs to be considered only in the event of a significant increase in credit risk, the Company has conservatively provided life time ECL for stage 1, stage 2 and 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.

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 behavioral trends of default across the identified homogenous portfolios.

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

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 behavioral trends.

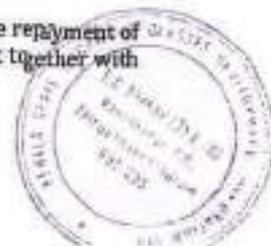
4) Measurement of ECL

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.

- a) Determination of PD is covered above for each stage of ECL

- b) 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



c) 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

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 2022. (All Amounts in INR Lakhs)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Provision required as per IRACP norms	Net carrying amount	Loss allowance (provisions) as required under Ind AS 109	Difference between Ind AS 109 provision and IRACP norms
1)	2)	3)	4)	(5) = (3) - (4)	6)	(7) = (4) - (5)
a) Performing assets						
Standard	Stage 1	1,26,001.45	504.01	1,25,497.45	351.87	152.14
	Stage 2	10,895.49	43.58	10,851.91	377.54	-333.96
	Stage 3	8,198.43	32.79	8,165.64	607.51	-574.72
Subtotal (a)		1,45,095.37	580.38	1,44,514.99	1,336.92	-756.54
b) Non-performing Assets (NPA)						
i) Substandard	Stage 3	19,561.98	1,956.20	17,605.78	1,449.54	506.66
ii) Doubtful up to						
1 year	Stage 3	3,405.68	681.14	2,724.54	252.36	428.78
1 to 3 years	Stage 3	2,533.77	760.13	1,773.64	187.75	572.38
More than 3 years	Stage 3	3,969.44	3,099.26	870.18	294.14	2,805.12
iii) Loss	Stage 3	2.73	2.73	-	.20	2.53
Subtotal (b)		29,473.60	6,499.46	22,974.15	2183.99	4,315.47
c) Other Items (Standard)						
Subtotal (c)	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)		-	-	-	-	-
Total (a+b+c)		1,74,568.97	7,079.84	1,67,489.13	3520.91	3,558.93



g. As per RBI Master Circular- Disclosures in financial statements, additional disclosures are required in the Annual Financial Statements as follows: (All Amounts in INR Lakhs)

(i) Provisions and Contingencies

Break up of 'Impairment on financial instruments' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on investment	-	-
Provision towards NPA	3,520.91	6,032.1
Provision made towards income tax	-	-
Other provision and Contingencies (with details)	-	-

(ii) Concentration of Advances & Exposures stood as follows:

(a) Concentration of Advances

Particulars	Current Year	Previous Year
Total advances to twenty largest borrowers	5,630.14	4,333.92
Percentage of advances to twenty largest borrowers to total advances	3.25%	2.88%

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

Particulars	Current Year	Previous Year
Total exposure to twenty largest borrowers / customers	5,630.142	4,333.92
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers	3.25%	2.88%

(iii) Concentration of NPAs

Particulars	Current Year	Previous Year
Total exposure to top four NPA accounts	103.88	87.39

*The above expenditures in (i), (ii) & (iii) denotes gross carrying amount.

h. Effective Interest Method

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

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

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



L. Revenue Recognition:

- (i) Interest on loans and advances to borrowers is recognized on accrual basis on Performing Assets (Standard Assets) and interest on nonperforming Assets is recognized on actual receipt basis as per RBI norms.
- (ii) Any other income such as interest on SB, Short -Term Deposits etc. are also recognized on accrual basis.
- (iii) The Company has also recognized Pre-Fixed Interest i.e.: - the interest which is cumulated between installments, for loans which are disbursed over multiple installments till the date of fixing the EMI as per Ind AS 18

J. Grant In Aid

Grants sanctioned by Government or the channel partners for programmes undertaken for the development of the target group are recognized in the Profit and Loss Account as income and matching expenses are disclosed separately in the profit and loss account. Unspent grants and grants received in advance are taken to current liabilities. Grants receivable as compensation for expenses incurred in a previous accounting period are recognised in the profit and loss account of the period in which it becomes receivable.

K. Retirement Benefits

Retirement benefits to employees are provided for by contribution to Provident and other Funds. The accrued liability for leave encashment is ascertained under the assumption that such benefit is payable to all employees at the end of the accounting year. Every employee who has completed five years or more service receives gratuity on leaving the Corporation at 15 days last drawn salary for each completed year of service. A policy has been subscribed under Group Gratuity Insurance Scheme of LIC which covers both insurance and actuarial valuation, thus complying 'Ind AS 19' on employee benefits issued by the Institute of Chartered Accountants of India. Contribution as is applicable to the employees on deputation is paid to the respective parent Departments. Since the Group Gratuity Insurance Scheme of LIC covers only the regular employees, the gratuity calculation for employees who are on contract basis more than 5 years are computed on actual basis as on date of the Balance Sheet as per Payment of Gratuity Act 1972

L. Taxation

Provision for income tax has not been made in the accounts as the income of the Corporation is exempt under section 10(26B) & 10(26BB) of the Income Tax Act, 1961. Consequently the Indian Accounting Standard 12 on Income Taxes issued by the Institute of Chartered Accountants of India on deferred taxes is not applicable to the Corporation.

M. Provisions, Contingent Liabilities, and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at



the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Contingent assets are recognized in the financial statements where there is certainty and documentation in support of the same.

N. Books of Accounts in electronic mode:

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

O. 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.

Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short term borrowings and shown on net basis in the statement of cash flows. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan and triparty repo dealing and settlement. All other borrowings are termed as long-term borrowings. Cash flows from deposits are shown on net basis as permitted under Ind AS 7.

P. Loans:

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

Q. Earnings per share:

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

R. Change in Accounting Estimate:

During the year ended March 2022, the company has revised its accounting estimate with respect to the computation of expected credit loss.

As per the previous ECL estimate, all loans which were classified as Standard as on the reporting date during all the three previous financial years were considered as Standard (0-90 days past due). All loans which were classified as Substandard as on the reporting date



during any of the three previous financial years were considered at 'Stage 2' (90- 365 days past due). All loans which were classified as Doubtful as on the reporting date during the review period or during any of the three previous financial years were considered at 'Stage 3' (more than 365 days past due). The average probability of default (PD) was computed as average defaults as at the reporting date of three previous reporting periods for each stage. Loss Given Default (LGD) was calculated based on three years past data by considering the Revenue Recovery (RR) referred cases.

As per the revised ECL estimate, loan assets where no significant increase in credit risk has been observed during the review period and four previous financial years are considered to be in 'stage 1' (0-30 days past due). Financial assets that are considered to have significant increase in credit risk during the review period and four previous financial years are considered to be in 'stage 2' (30-90 Days past due) and those which are in default or for which there is an objective evidence of impairment during the review period and four previous financial years are considered to be in 'stage 3' (more than 90 days past due). Even though ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL') needs to be considered only in the event of a significant increase in credit risk, the Company has conservatively provided life time ECL for stage 1, stage 2 and stage 3. The average probability of default (PD) was computed as average defaults during the review period and four previous reporting periods for each stage. The PD was arrived after considering the parameters, like customer profile, portfolio profile, sectoral profile, etc. LGD was calculated based on amount not recovered out of the loans issued for the four previous financial years.

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

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



Jom Jose
Partner
Mem No. 238608



UDIN 23238608 B6 WAZE 3503



M Devidas IAS
Managing Director
(DIN : 09463849)



Adv K Prasad
Chairman
(DIN: 07851556)

Thiruvananthapuram
Date: 31 March 2023



Explanatory Notes to Financial Statements:**13. Loans**

Loan availed from National Backward Classes Finance and Development Corporation, National Minority Development and Finance Corporation and National Safai Karmachari Financial Development Corporation, bearing interest as determined by the said agencies from time to time and are repayable in four quarterly installments. Penal interest is payable for default, if any. The loans have been fully covered under a Guarantee given by the Government of Kerala. The Corporation is paying 0.75 percentage of the total actual loan, including interest penal interest etc, which remain outstanding as on 31st March of the preceding year, as Guarantee Commission to the Government of Kerala (GO(MS) No. 487/04/Fin. Dated Thiruvananthapuram 16th October 2004).

14. BCDC Loanees Distress Relief Fund

The Corporation has set up a fund styled 'BCDC Loanees Distress Relief Fund' which is considered adequate to meet any future contingencies that may arise out of death or accidental disablement of the loanees. The Fund is raised out of one-time marginal contribution from the beneficiaries, appropriation of a certain portion of the annual profits of the Corporation as determined by the Board of Directors of the Corporation from time to time, and out of possible contributions from Related Parties. The reserve is not represented by any earmarked investments.

- a. 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.
- b. Interest accrued but not received include interest accrued on short term fixed deposits, other term deposits with maturity one year and above with scheduled banks.

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

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

Sl.No.	Particulars	Amount in Rs	
		Current Year	Previous Year
a.	Salaries & Allowances (Managing Director)	22,72,206	19,12,743
b.	Salaries & Allowances (Company Secretary)	15,93,010	12,02,364
c.	Honorarium to Chairman	2,40,000	2,40,000
d.	Traveling Expenses (Managing Director)	37,135	16,055
e.	Traveling Expenses (Directors)	1,44,712	77,405
f.	Traveling Expenses (Company Secretary)	32,654	34,461
g.	Leave Travel Concession	NIL	NIL
h.	Sitting Fee	91,656	82,022



i.	Employee Loan (Managing Director)	1,21,673	1,95,111
j.	Interest on Employee Loan (Managing Director)	8,728	13,989

16. Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, are

Type of Borrower	Amount in Rs.	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	1,21,673	0.001%
KMPs	-	-
Related Parties	-	-

17. Disclosure of Penalties imposed by RBI and other regulators during the year :

During the Financial year (2021-22: Nil) penalties levied by RBI or any other regulator.

18. Total fees paid to the Statutory Auditors

The remuneration to statutory auditors for statutory audit of accounts for the year is 2,50,000/-.

19. Corporate social Responsibility:

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

During the year ended 31 March 2022, the Company has incurred an expenditure of Rs.3.62 Lakhs (31 March 2021: Rs.19.77 Lakhs) towards CSR activities.

Detail of amount spent towards CSR activities

Gross amount required to be spent by the Company during the year is Rs 37.20 Lakhs (31 March 2021: Rs 39.66 Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
i) promotion of health care and disaster management		
In cash	-	-
Other than cash	-	200.00
ii) other than (i) above		
In cash	-	-
Other than cash	3.62	19.77
Total	3.62	219.77



Note: Company spend 3.62 lach against current year CSR expense and provided provision for Unspent amount pertains to other than ongoing project and remitted the amount to Schedule VII fund on 28 March 2023 vide Receipt No. PMCARES/Web/202303282210172733.

Particulars		Amount		
(a) amount required to be spent by the company during the year,		37.20 Lakhs		
(b) amount of expenditure incurred,		37.20 Lakhs		
(c) shortfall at the end of the year,		Nil		
(d) total of previous years shortfall,		NA		
(e) reason for shortfall,		NA		
(f) nature of CSR activities,				
Activity	Item from the list of activities in Schedule VII to the Act	Location of the project.	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project
Mobile Vegetable Unit	Item (iii) Empowering women	Thiruvananthapuram	25,000/-	Nil
Readymade Dress Unit	Item (iii) Empowering women	Malappuram	56,650/-	Nil
House Building Assistance	Item (iii) setting up homes and hostels for women and orphans	Thiruvananthapuram	2,50,000/-	Nil
Distributing Study Material to Poor Students	Item (ii) promoting education	Muvattupuzha	30,000/-	Nil
Contributing to Schedule VII Fund	Item (viii) PM CARES Fund (Refer Note above)	NA	33,58,000/-	Nil

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

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

21. Every employee who completes five years or more service receives gratuity at leaving the Corporation based on 15 days last drawn salary for each completed year of service. The Corporation is subscribing for the group gratuity scheme of LIC of India which covers both insurance and actuarial valuation. The compliance of 'Ind AS 19' relating to Employee



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

22. 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 Indian Accounting Standard Ind AS-108 "Operating Segments" issued by the Institute of Chartered Accountants of India.

23. As per Ind AS-24, Related Party Transactions, disclosures issued by the Institute of Chartered Accountants of India there are no transactions to be reported except for compensation paid to Key Managerial Personnel as per Note 15 above.

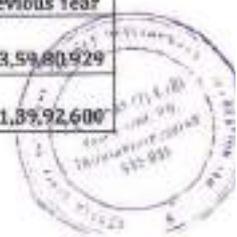
24. The disclosure required by Ind AS 116 - "Leases": The Corporation has taken various offices and residential premises under operating lease. These are generally not non-cancelable and range between 11 months to 3 years and are renewable by mutual consent on mutually agreeable terms. The Corporation has given refundable, interest free security deposits under these agreements. Lease payments are recognized in the Profit and Loss Account under 'Rent'.

25. In case of such loans, 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, intimates the concerned person to collect such excess payment from the company within a stipulated period and even in cases where they become late for such collection, the company releases the payment to them as and when they made the demand. However, after considering the diversity in each case of settlement, and the materiality of such amount remained unpaid as well as from the previous experience on the demand, the unclaimed amount is brought under the revenue head, after making necessary adjustments on the amount so demanded.

26. Earnings per share:

Basic Earnings per equity share are calculated by dividing the profit attributable to the equity shareholders by the number of equity shares outstanding at the end of the year. Diluted Earnings per equity share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding. Since there are no discontinued operations, EPS of continuing operation is same as total EPS. The numbers used in calculating basic and diluted earnings per equity share are as stated below:

Sl.No	Description	Current year	Previous Year
(a)	Net Profit available for equity shareholders in Rupees	68,76,03,147	23,59,80,929
(b)	Weighted average number of equity shares outstanding	1,50,00,000	1,39,92,600



(c)	Basic Earnings per share (Face Value Rs 100 each)	45.84	16.86
(d)	Diluted Earnings per share (Face Value Rs 100 each)	45.84	16.86

27. Landed Property of extent 4.95 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 Rs 93,150 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.9,80,400/- 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.

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.

Year	Actual lease as per the existing market value	Amount in Rs	
		Amount Remitted	Amount to be paid by the lessee
2016-17	1,39,725	93,150	46,575
2017-18	1,39,725	93,150	46,575
2018-19	1,61,382	93,150	68,232
2019-20	1,77,520	93,150	84,370
2020-21	1,95,273	-	1,95,273
2021-22	1,95,273	-	1,95,273
	10,08,898	3,72,600	6,36,298



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. (Refer Note 11(b)).

28. Capital management

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

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

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

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

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

Particulars	Rupees in Lakhs	
	31-Mar-22	31-Mar-21
Tier - I capital	42,896.94	38,834.07
Tier - II capital	-	-
Total Capital	42,896.94	38,834.07
Aggregate of Risk Weighted Assets	1,72,824.08	1,47,072.01
Tier - I CRAR	24.82%	26.40%
Tier - II CRAR	-	-
Total CRAR	24.82%	26.40%
Liquidity Coverage Ratio(LCR)	200.32%	30.64%



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

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

The company does not have "Tier 2 Capital".

Aggregate Risk Weighted Assets - Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off-balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets 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.

29. The previous year's figures have been recast/and regrouped wherever necessary to suit current year's groupings. Current year figures have been rounded off to the nearest lakhs of rupees and with two decimals.

30. Effect Of Prior Period Adjustment

The Company has different schemes under which relief is provided to distressed loanees such as One Time Settlement Scheme, Double Settlement Scheme, One Fifty Settlement Scheme and Adalat Scheme. While closing the loan balances under the above schemes, repayment received is first setoff against interest, penal interest etc and then towards principal balance. The Company omitted to setoff principal balances waived for previous years which has been adjusted in reserves and surplus for the current reporting period. (Refer (Note- 5(b)).

31. Pursuant to the draft comments issued by office of the AG dated 15th February 2023, the company has revised the Financial Statements adopted by the board on 28 December 2022 and reported upon by auditors made on same day. Changes made in Revised Financial Statements therein are as under.

1. The company has recognized loss allowance for Expected Credit Losses on Financial Assets in line with the RBI notification no. RBI/2019-20/170 DOR (NBFC). CC. PD No. 109/22.10.106/2019-20 dated 13 March 2021. The surplus in Statement of Profit and Loss under Other Equity (Note 5(b)) as reported in the Original Financial Statements dated 28 December 2022 increased by Rs.35.58 Crores due to above adjustment. Since the impairment allowance under IND AS 109 is lower than provisioning required under IRACP, the Company has appropriated the difference from net profit and loss after tax to a separate Impairment reserve.



2. Since the company does not have an ongoing project, the amount required to be spent under CSR as per sub section (5) of section 135 of the Companies Act, an amount of Rs. 33.58 Lakhs was contributed to PM Cares Fund. The above fact was disclosed under note 19.

3. As per Clause 7 of master directions of Revenue recognition, the Company has reversed an amount of Rs.13.07 lakhs being interest accrued as on March 2022 which was not realized subsequently till the date.

4. The Company has reclassified an amount of Rs 90.72 Lakhs received as capital subsidy from Norka roots as cash flow from financing activity to cash flow from operating activities.

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

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



Jim Jose
Partner
Mem No. 238608
UDIN - 23238608 BGWAZE3503



N Devidas IAS
Managing Director
(DIN : 09463849)



Adv K Prasad
Chairman
(DIN: 07851556)

Thiruvananthapuram
Date: 31 March 2023



