



# THE KERALA STATE WOMEN'S DEVELOPMENT CORPORATION LTD.

(Dept. of Women & Child Development, Govt. of Kerala)

31st ANNUAL REPORT  
2018-19



Vanitha Mithra Kendram, WWH, Kakkanad, Ernakulam



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## BOARD OF DIRECTORS

CHAIRPERSON

- Smt. K.S.Saleekha

MANAGING DIRECTOR

- Smt. Bindu V.C

DIRECTORS

- Smt. Nisha S

- Smt. A.R Bindu

- Adv. K.P Sumathi

- Dr. Geena Kumari T

- Smt. Annamma Poulose

- Smt. Madhavi Amma.

## BOARD OF DIRECTORS (Year 2018-2019)

CHAIRPERSON

- Smt. K.S.Saleekha

MANAGING DIRECTOR

- Smt. Bindu V.C

DIRECTORS

- Smt. K.M.Leelamani

- Smt Lakshmi Raghunathan

- Adv. K.P Sumathi

- Dr. Geena Kumari T

- Smt. Kamala Sadanandan

- Smt. Annamma Poulose

- Smt. Madhavi Amma.

### AUDITORS

M/s Issac & Sudhakar  
Chartered Accountants  
Thiruvananthapuram

### BANKERS

M/s IDBI Bank  
Thiruvananthapuram



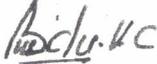
**NOTICE OF THE 31<sup>st</sup> ADJOURNED ANNUAL GENERAL MEETING  
OF THE COMPANY**

NOTICE IS HEREBY GIVEN THAT the 31<sup>st</sup> Adjourned Annual General Meeting of the Company will be held at the Registered Office of the Company at Ist Floor, Transport Bhavan Building, East Fort, Thiruvananthapuram on **Wednesday, 29<sup>th</sup> September, 2021 at 1.00 p.m.** to transact the following business: -

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet and Profit and Loss Account of the Company as at 31st March 2019, along with the Directors' and Auditor's Reports and Report of Comptroller and Auditor General of India.

By Order of the Board  
For The Kerala State Women's  
Development Corporation Ltd.

  
Managing Director

Trivandrum  
05.09.2021

**Note:**

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the Company.
- 2) The proxy form duly completed and signed shall be lodged with the Company not less than 48 hours before the name of holding the meeting.



## DIRECTORS REPORT

**TO: THE SHAREHOLDERS OF THE KERALA STATE WOMENS DEVELOPMENT CORPORATION LIMITED.**

Dear Shareholders,

The Directors of your Company have great pleasure in presenting the 31th Annual Report of the Company on the business and operation of the company together with the Audited Statement of Accounts for the year ended 31st March 2019, the Auditors Report and Comments of Comptroller and Auditor General of India(CAG).

### **SHARE CAPITAL**

During the year the Authorised Share Capital of the Company was Rs.7, 50, 00,000/- and the Paid up Capital was Rs 6, 01, 66,100/-. Total Share Capital Advance as on 31/03/2019 was Rs 1,04,95,000/-, Thus the total Share Capital employed by the company including Share Capital Advance during the Financial Year was Rs 7,06,61,100./-

### **FINANCIAL RESULTS**

During the Financial Year under review, Your Company has made a Profit of Rs 3,39,42,676 (Profit before Tax). The working results of your company for the financial year 2018 – 2019 are given below:-

SI.No	Details	2018 – 2019 (In Rs.)
1	Income	21,80,19,121
2	Expenditure	18,40,76,445
Profit/Loss for the year (before tax)		3,39,42,676
Profit after Tax		2,81,90,930



Accumulated Profit/Loss at the end of the Financial Year (Amount transferred to Balance Sheet).	30,18,26,470
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### **BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR**

Your Directors have pleasure to inform you that the company achieved considerable growth in Income from Operations which increased from Rs. 10,77,87,473 in FY 2017 – 18 to Rs.14,47,87,545 in FY 2018-19 and profit before tax increased from Rs 36,62,822/- to Rs 3,39,42,676/-.

### **DIVIDEND**

Your Directors have not recommended any dividend on equity shares for the year 2018-19.

### **CHANGE IN THE NATURE OF BUSINESS**

There is no Change in the nature of the business of the Company done during the year

### **MEETINGS**

**Seven (7) meetings** of the Board of Directors were held during the financial year. The intervening gap between the two meetings was within the period as prescribed under the Companies Act, 2013.

### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) of the Companies Act, 2013 relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.



## **ANNUAL RETURN.**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure - 2 (MGT-9) and is attached to this Report.

## **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

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

## **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT.**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates on the date of this report.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES.**

The Company doesn't have Subsidiaries, Joint Ventures, Associate Companies.

## **DECLARATION OF INDEPENDENT DIRECTORS.**

The provisions of Section 149 of Companies Act, 2013 pertaining to the appointment of Independent Directors do not apply to our Company.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.



## **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS.**

The explanations /comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished Annexure-1 and is attached to this report.

### **SHARES**

#### **a) BUY BACK OF SECURITIES**

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

#### **b) SWEAT EQUITY**

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

#### **c) BONUS SHARES**

No Bonus Shares were issued during the year under review.

#### **d) EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

### **DEPOSITS**

During the year under review, your company has not accepted any Deposits from the Public as defined under the Companies Act and rules made thereunder.

### **DIRECTORS**

The details of Directors and the status of appointment and retirement of Directors as follows:

<b>SI No</b>	<b>Name of Director</b>	<b>No. of Board Meeting Held</b>	<b>No. of Board Meeting Attended</b>
1	KIZHUCHIRAKUNNEL MADHAVAN NAIR LEELAMANI	7	6
2	LAKSHMI RAGHUNATHAN	7	4
3	THANKAPPAN PILLAI GEENAKUMARI	7	3
4	SALEEKHA KORATH SAITHU	7	7
5	ANNAMMA ADUPARAYIL PILIPOSE	7	7
6	BINDU VENPALA CHANDRANANDAN	7	7
7	MADHAVI AMMA THEKKEVEETIL	7	5



8	KAMALA SADANANDAN	7	5
9	SUMATHI	7	4

### **AUDITORS**

M/s ISAAC & SUDHAKAR, Chartered Accountants, No.41, Provident office road, Pattom Post, Trivandrum, Kerala-695004 who are the Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India, to hold office, in accordance with the Provisions of the Companies Act, 2013, until the conclusion of the ensuing Annual General Meeting.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

As the company does not own any manufacturing unit, the operations do not involve any manufacturing activity and the Regulations as per the Companies (Disclosure of Particulars in respect of Directors) Rules 1988 regarding Conservation of energy and technology absorption are not applicable. The Company's energy consumption is minimal.

During the year under review, there were no foreign exchange earnings and outgoings.

### **PARTICULARS OF EMPLOYEES**

During the financial year 2018-19 no employee of the company was in receipt of remuneration in excess of the sum prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules.

### **FUTURE PROSPECTS**

Your Company is confident that it will be able to achieve better prospects in coming years.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- (b) 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 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 provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) Company being unlisted sub clause (e) of section 134(3) is not applicable.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their thanks and gratitude to the Government of Kerala, The Ministry of Women & Child Development, Government of India, Shareholders and Bankers, NMDFC, NBCFDC, NSFDC, NSTFDC for their continued patronage and support. Your Directors thank the Statutory Auditors and Office of the Accountant General (G&SSA) Kerala for their valued Co-operation.

Your Directors also express their deep sense of appreciation for the commitment displayed by all officers and staff of the company resulting in the successful performance of the company during the year.

By Order of the Board

For The Kerala State Womens Development Corporation Limited

  
Chairperson

Trivandrum

29.09.2021



ADDENDUM TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST

MARCH, 2019

Replies to Statutory Auditor's Comments: -

Statutory Auditor's Comments	Reply to Statutory Auditor's Comments
<p>a) The total loans outstanding as on 31<sup>st</sup> March, 2019 as per the Financial Statements is Rs. 2,53,43,92,289/-. However, as per the supporting documents (software), the total loans outstanding as on 31<sup>st</sup> March, 2019 is Rs. 2,49,60,51,708/-. This has resulted in a difference of Rs. 3,83,40,581/-, thereby resulting in an understatement of Assets of the Company to the same extent.</p>	<p>In the year 2011 for the purpose of completing the audit as per management guidance few notional ledger accounts in the books of accounts of FY 2009-10 were created in 2008-09 (i.e. opening balance in 2009-10) as the opening balance were not matching. The previous years' audits (1989-90 to 2008-09) were completed only in a later phase, therefore the closing balance of loans and advances of the company could not be reconciled.</p> <p>Also software was developed and installed during 2014-15. The same was in its initial stage during FY 2014-15. The above two factors contributed to the difference in loans and advances. Steps are being taken towards clearing the issues.</p>
<p>b) There exist several loan accounts as on 31<sup>st</sup> March, 2019 having credit balances totalling to Rs. 68,91,642/- as per books of accounts. As confirmed by the management, these credit balances are receipts from loanees for which no opening receivable balances are identified individually, thereby resulting in the risk of short collection of loans and interest receivable there-from.</p>	<p>The list of Loans accounts showing credit balance represents receipts from loanees for which no opening balances have been allocated individually. The opening balance of individual loan accounts has not been carried forward from the FY 2008-09. These are shown as a consolidated figure starting from the financial year 2009-10 and currently they form part of unreconciled balances carried forward. It was decided to incorporate opening balances from 2008-09 w.e.f. FY 2018-19</p>



<p>c) Self- Employment Loans disbursed by the Company during the FY 2018-19 as per details obtained from supporting documents (software) amounts to Rs. 129.74 crores (approx.). Disbursal of loans accounted for in the books of accounts is Rs. 128.79 crores (approx.). The difference of Rs. 0.94 crores (approx.) has not been accounted for in the books of accounts and hence, Long-Term Loans and Advances is understated to this extent.</p>	<p>The difference between She - Soft (software) and books of accounts (Tally) is mainly due to the timing of entry done in the software. The entry were made in the software for the March 2019 itself (i.e., when the agreement against disbursement of loan is made) and the entry for the same was made in the books of accounts(Tally) subsequently, i.e., while the cheque is issued in April 2019. This is noted for future guidance and will be considered in future year.</p>
<p>d) During the year, 1919 Loanee accounts were closed as per details obtained from Shesoft software of the Company. The repayment of these loans in certain cases is in excess of the loan amount receivable from the loanees. This has not been declared as income by the Company. The Loans and Advances shown in the Financials of Rs. 2,53,43,92,289/- is after adjusting this excess amount. This has resulted in an understatement of Net Profit of the Company and Loans and Advances. The exact amount could not be quantified due to lack of necessary information</p>	<p>The excess amount credited in the books of accounts is refundable to loanee. Necessary provision for shall be made in the books in future.</p>



<p>e. The Company does not have a documented policy for providing for non-performing assets/loans. Hence, no provision has been provided by the Company relating to these loans as on 31<sup>st</sup> March,2019. This has resulted in an understatement of Short-Term provisions and overstatement of Net Profit. The effect of this could not be quantified.</p>	<p>Necessary provision for doubtful debts shall be made in the books in future.</p>
<p>f. The Company has received share application money of Rs. 1,04,95,000/- during the financial year 1995-96 from Government of Kerala but shares for the same have not been allotted till 31<sup>st</sup> March,2019. This has resulted in a contravention to the provision of Section 42(6) of the Companies Act, 2013 which requires allotment of shares within 60 days from the date of receipt of application money. If the company is unable to allot shares within these 60 days, it shall repay the allotment money to the subscribers within 15 days from the date of completion of 60 days. If the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve percent per annum from the expiry of the 60<sup>th</sup> day. Non-repayment within prescribed duration would be considered as default and from the 76<sup>th</sup> day, the whole</p>	<p>The State Government had given fund allocations in different years from the Financial Year 1987-88 to Financial Year 2007-08 under the head of account 4235-02-190-02(P). But the corporation had not accounted the allocations under the head of Share Capital, instead it was treated as Plan fund for the implementation of Projects and had utilized 3.933 cores from that fund. Since the fund received under the head 4235-02-190-02(P) relates to share capital, it should have been allotted as Share Capital to the State Government. The above amount of Rs 3.933 Crores and Share application money pending allotment of Rs 1.0495 Crs should also be allotted as Share Capital. Till date, only Rs 5.52661 crores shares were allotted to the Government of Kerala. The proposal for amendment of Authorized Capital from Rs 7.5 Crores to Rs 25 Crs had already been submitted to State Government. Allotment of shares shall be done in favour of Govt of Kerala for the remaining amount of fund allocated and Rs</p>



<p>application money held by the company will be treated as deposits. Non-compliance to this provision may also attract a penalty of Rs. 2 crores.</p>	<p>1.0495 crores as and when the Authorised Capital is increased. During the year 2020-21, the increase of share capital entry has been made to give the impact in the books of accounts.</p>
<p>g. As per the Financials, there exists few un-reconciled and unexplainable account balances amounting to Rs. 11.40 crores receivable balance and Rs. 12.36 crores payable balance as on 31<sup>st</sup> March, 2019. There exists no documentary evidence to substantiate or confirm the authenticity/accuracy of the receivable as well as payable balances shown in these accounts.</p>	<p>In the year 2011, a few notional ledger accounts against the accounts of FY 2009-10 were created for the purpose of completing the audit. Since the previous years' audits (1989-90 to 2008-09) had been completed only in a later phase, the closing balance in 2008-09 and opening balance in 2009-10 were not matching and as such reconciliation could not be made.</p>
<p>h. The Company has not provided for retirement benefits including gratuity, terminal leave encashment etc. in accordance with the provisions of Accounting Standard 15 - "Employee Benefits". This has resulted in an understatement of non-current liabilities and overstatement of Net Profit. The effect of this could not be quantified.</p>	<p>Necessary provision shall be made in the books for retirement benefits such as gratuity, etc after an actuarial valuation of the same</p>
<p>i. The gross value of Fixed Assets is Rs. 3,74,11,061/- and the written down value is Rs. 99,15,254/- as per Schedule 9 - Fixed</p>	<p>Fixed assets register is kept by the regional/branch offices and head offices individually and not as a consolidated register.</p>



<p>Assets schedule. However, we did not evidence a comprehensive Fixed Assets Register being maintained by the company which reconciles with the value of Fixed Assets disclosed as per the financial statements.</p>	<p>A consolidated fixed asset register may be prepared in the coming year.</p>
<p>j. The GST Input Tax Credit accounted for in the Financial Statements does not match with the amounts reflected as on 31<sup>st</sup> March, 2019 in the Electronic Credit Ledger obtained from the GST Portal. This variance may also impact the accuracy of the provision for GST Payable accounted as per the Financial Statements as on 31<sup>st</sup> March, 2019. Details of variance are:</p>	<p>An Amount of Rs 1309941 is of Taxable amount wrongly taken as ICST Credit on Dec 2017 and was rectified on July 2019 . Steps are being taken to identify the variance in CGST &amp; SGST credit.</p>
<p>k. The GST Electronic Cash Ledger in the GST Portal reflects a balance of Rs. 5,24,904/- for the Company as on 31<sup>st</sup> March, 2019. However, this balance is not reflected in the Financial Statements. This has resulted in an understatement of Current Assets of Rs. 5,24,904/-.</p>	<p>Noted. Steps are being taken to identify the variance.</p>



<p>l. The Company is having a liability of Rs. 3,44,864.54/- relating to GST Payable through Reverse Charge Mechanism. This liability is relating to the F.Y. 2017-18. During the year, the Company has not written off nor paid this amount to the Government. This has resulted in an overstatement of Net Profit and Other Current Liabilities to the extent of Rs. 3,44,864.54/-.</p>	<p>Noted. Steps are being taken to identify the variance.</p>
<p>m. The Company is receiving grants from Government of Kerala and Other Central Agencies for various purposes like conducting ongoing schemes, project expenses etc. The Company is not segregating the Government grants received as revenue or capital and also the expenditure incurred thereof. The grants and related expenses are pooled and disclosed under Other Current Liabilities. The excess expenditure over a particular grant is adjusted against other grants. This wrong treatment is in violation to paragraph 14 and 15 of AS 12 - "Accounting for Government Grants". We are unable to comment on the impact of this treatment in the Financial Statements.</p>	<p>The excess of expenditure over particular grant will be shown as receivable from next year onwards. Also, the grants shall be segregated as capital and revenue for complying disclosure requirements</p>



<p>n. The Tax Deducted at Source (TDS) of the Company for the Financial Year 2018-19 as per Form 26 AS is Rs. 26,44,266.80/-. However, TDS as per the Financial Statements is Rs. 27,27,840.66/-. This difference of Rs. 83,573.86/- has resulted in an overstatement of Other Current Assets to the same extent.</p>	<p>This is noted for future guidance and will be considered in future year accounts.</p>
<p>o. Various instances can be seen where the Company has collected an amount from third parties as Goods and Service Tax (GST). The Company has declared this amount collected as GST during the year as Income of the Company. The Company has failed to pay this amount collected as taxes to the Government. This failure is liable to attract Section 122(1) of the CGST Act, where collecting tax but failing to remit it to the Government within three months of the due date are subject to a penalty of Rs. 10,000 or the amount of tax involved, whichever is greater. As per the provisions of Section 76 of CGST Act, the Company is also liable to receive a Show Cause Notice (SCN) with respect to this and pay interest thereon at the rate specified under section 50 from the date such amount was collected to the date such amount is paid to the Government.</p> <p>The Company has collected an amount of Rs. 2.69 lakhs (approx..) as taxes during the</p>	<p>Noted and this will be rectified in the subsequent year in the books of accounts</p>



year ended 31<sup>st</sup> March, 2019 and failed to pay to the Government within the prescribed due date. Hence, the Company is liable to pay the amount collected as taxes to the Government along with interest as per Section 50. The Net Profit and Income of the Company for the year ended 31<sup>st</sup> March, 2019 is overstated to the extent of Rs. 2.69 lakhs (approx.). Moreover, the Company has not provided for the Interest/ Penalty payable on account of non-deposit of amount collected as tax to the Government.

p. As per G.O. (P) No. 84/2018/Fin. dated 07.06.2018, Dearness Allowance (DA) payable by the Company has been enhanced from 109% to 112% w.e.f. 01.07.2017. This increase is to be paid along with the salary of May, 2018. This has been further enhanced from 112% to 115% w.e.f. 01.01.2018 and to 121% w.e.f. 01.07.2018 as per G.O. (P) No. 44/2019/Fin. dated 04.04.2019. This subsequent increase is to be paid along with the salary of April, 2019. During the year 2017-18, the Company had failed to provide a provision for the payment of this increase in DA for the period July 2017 to March 2018. This payment has been expensed as "Employee Benefit Expense" during the year. The Company has failed to include this increase

The DA declaration order was issued by the government in the subsequent financial year, hence no provision for DA Arrear was provided in the accounts. We will take necessary steps to avoid such omissions in future.



<p>for the period July 2017 to March 2018 as 'Prior Period Expense' during the year.</p>	
<p>q. The Company has a liability of Rs. 2,65,994/- payable to National Handicapped and Finance Development Corporation (NHFDC) as on 31st March, 2018. The Company, having obtained confirmation from third party that no such liability exists, has written off this balance as "NHFDC Income" during the year. This has not been included by the Company as 'Prior Period Income' during the year.</p>	<p>This is noted for future guidance and will be considered in future year accounts.</p>
<p>r. Income declared as Interest on Fixed Deposits by the Company is Rs. 4,59,50,413/- during the year. Interest income declared by the Company during the year was found to be incomplete/in excess in certain cases. The effect of this could not be quantified.</p>	<p>This is noted for future guidance and will be considered in future year accounts.</p>
<p>s. The Company is receiving funds from various LSGDs during the year and retains 10% of the funds received as "Project Management Cost". This fund retained is declared as "Shepad Income" by the Company. GST is applicable on the above income as it amounts to 'Supply' as per the provisions of Section 7 of CGST Act, 2017. The Company is not paying an amount as</p>	<p>Noted and this will be rectified in the subsequent year in the books of accounts</p>



Goods and Service Tax (GST) to the Government on this income declared, neither through monthly returns nor through the Annual Return filed for the Financial Year. The Company is liable to receive a Show Cause Notice (SCN) as per Section 73 of CGST Act, 2017 within 2 years and 9 months from the due date of filing of Annual Return on account of tax not paid for reason other than fraud or any wilful misstatement or suppression of facts. The Company having failed to pay GST on the above mentioned income is also liable to attract Section 122(2) of CGST Act, 2017 where any registered person who supplies any goods or services or both on which any tax has not been paid or short-paid or erroneously refunded, or where the input tax credit has been wrongly availed or utilised – (a) for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty of ten thousand rupees or ten per cent of the tax due from such person, whichever is higher; (b) for reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty equal to ten thousand rupees or the tax due from such person, whichever is higher.



The Company has declared an income of Rs. 36,94,595/- as 'Shepad Income' during the year ended 31<sup>st</sup> March, 2019. The Company having not paid tax on the above income has not provided a provision for this penalty payable to Government for failure to pay GST on supply of services provided

By Order of the Board  
For The Kerala State Women's Development  
Corporation Limited

K S Saleekha  
Chairperson

Trivandrum

29.09.2021



REPLES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF THE KERALA STATE WOMEN'S DEVELOPMENT CORPORATION LTD. TRIVANDRUM FOR THE YEAR ENDED 31ST MARCH 2019.

The Comptroller and Auditor General of India have issued Nil Comment Certificate under section 143 (6) (b) of the Companies Act, 2013, for the year ended 31st March 2019. Hence no reply is necessary from corporation.

By Order of the Board  
For The Kerala State Womens Development Corporation Limited

  
Chairperson

Trivandrum  
29.09.2021



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**For the financial year ended on 31.03.2019**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**REGISTRATION & OTHER DETAILS:**

CIN	U91990KL1988SGC004978
Registration Date	22/02/1988
Name of the Company	The Kerala State Womens' Development Corporation Ltd
Category/Sub-category of the Company	Company limited by shares / State Government Company
Address of the Registered office & contact details	1 <sup>st</sup> Floor, Transport Bhavan Building, East Fort, Attakulangara Post, Thiruvananthapuram, Kerala-695023.
Whether listed company	Unlisted
Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Financial Services	649	100%



**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	Percentage Holding	Applicable section
-	-	-	-	-	-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual	-	2	2	0.000332	-	2	2	0.000332	0
b) Central Govt	-	49000	49000	8.144	-	49000	49000	8.144	0
c) State Govt(s)	-	552,659	552,659	91.855	-	552,659	552,659	91.855	0
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-



Total shareholding of Promoter (A)		601,661	601,661	100		601,661	601,661	100	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Co's	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									



i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital above Rs. 1 lakhs	-								
NRI's	-				-				-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies -	-	-	-	-	-	-	-	-	-
Sub-total	-								



(B)(2):-									
Total Public Shareholding	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	601,661	601,661	100	-	601,661	601,661	100	-

ii) Shareholding of Promoter -

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Individuals		0.000332	-		0.000332	-	0
2	Government of India		8.144	-		8.144		0
3	Government of Kerala		91.855	-		91.855	-	0
TOTAL			100	-		100	-	0



iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Nil	Nil	Nil	Nil	Nil
	<b>TOTAL</b>				

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Nil	Nil	Nil	Nil	Nil



v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the co.	No. of shares	% of total shares of the co.
1	Smt. Bindu Venpala Chandranandan	1	0.000166	1	0.000166
2	Shri Kizhuchirakunnel Madhavan Nair Leelamani	1	0.000166	1	0.000166

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment. (in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans / Deposits from shareholders	Total Indebtedness
Indebtedness at the beginning of the financial year		18051.43	18051.43
i) Principal Amount	0	0	0
ii) Interest due but not paid	0	0	0
iii) Interest accrued but not due	0	0	0
Total (i+ii+iii)	0	18051.43	18,051.43



Change in Indebtedness during the financial year			
* Addition	0	5992.86	5992.86
* Reduction	0	0	0
Net Change	0	5992.86	5992.86
Indebtedness at the end of the financial year			
i) Principal Amount	0	24,044.29	24,044.29
ii) Interest due but not paid	0	0	0
iii) Interest accrued but not due	0	0	0
Total (i+ii+iii)	0	24,044.29	24,044.29

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

Remuneration to Managing Director, Whole-time Directors and/or Manager:  
Rs.15,490,95.00

#### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount(Rs.)
1	Independent Directors	-	-
2	Other Non-Executive Directors	-	240000*
	Fee for attending board meetings		18600
	Commission	-	
	Others, please specify	-	
	Total (2)		
	Total (B)=(1+2)	-	
	Total Managerial Remuneration	-	
	Overall Ceiling as per the Act	-	
	* Remuneration to Chairperson		-



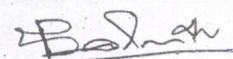
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary		4,44,000		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-0	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-0	-	-
	(c) Profits in lieu of salary under section 17(3) IT Act 1961	-	-0	-	-
2	Stock Option	-	-0	-	-
3	Sweat Equity	-	-0	-	-
4	Commission	-	-0	-	-
	- as % of profit	-	-0	-	-
	others, specify...	-	-0	-	-
5	Others, please specify	-	-0	-	-
	Total		4,44,000	-	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment imposed, compounding of offences made for breach of any section of Companies Act against the Company or its Directors or other officers in default, during the year.

By Order of the Board  
For The Kerala State Womens Development Corporation Limited

  
Chairperson

Trivandrum



The Kerala State Women's Development Corporation Ltd  
(Dept. of Women & Child Development, Govt. of Kerala)



**Issac & Sudhakar**  
CHARTERED ACCOUNTANTS

No. 41, T.C. 2/2527  
P.F. Office Road, Pattom P.O.,  
Trivandrum-695 004, Kerala, India  
Tel: 91-471-2441571, 9846021133  
Email: 030202@gmail.com

## INDEPENDENT AUDITOR'S REPORT (REVISED)

To the Members of

**KERALA STATE WOMEN'S DEVELOPMENT CORPORATION LIMITED**

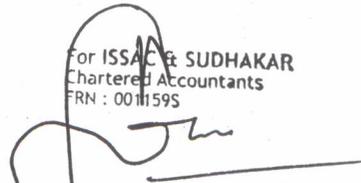
**Report on the Audit of the Standalone Financial Statements**

### Qualified Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the basis for qualified opinion section of our report, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss and its cash flows for the year ended on that date.



For ISSAC & SUDHAKAR  
Chartered Accountants  
FRN : 001159S  
  
CA. V. SUDHAKAR, FCA  
Partner (M.No:028517)

UDIN: 21028517AAAAHC5583



## Basis for Qualified Opinion

### I. Loans and Advances

- a) The total loans outstanding as on 31<sup>st</sup> March, 2019 as per the Financial Statements is Rs. 2,53,43,92,289/-. However, as per the supporting documents (software), the total loans outstanding as on 31<sup>st</sup> March, 2019 is Rs. 2,55,53,60,930/-. This has resulted in a difference of Rs. 2,09,68,641/-, thereby resulting in an understatement of Assets of the Company to the same extent.
- b) There exist several loan accounts as on 31<sup>st</sup> March, 2019 having credit balances totalling to Rs. 49,66,118/- as per books of accounts. As confirmed by the management, these credit balances are receipts from loanees for which no opening receivable balances are identified individually, thereby resulting in the risk of short collection of loans and interest receivable there-from.
- c) Self- Employment Loans disbursed by the Company during the FY 2018-19 as per details obtained from supporting documents (software) amounts to Rs. 129.74 crores (approx.). Disbursal of loans accounted for in the books of accounts is Rs. 128.68 crores (approx.). The difference of Rs. 1.06 crores (approx.) has not been accounted for in the books of accounts and hence, Long-Term Loans and Advances are understated to this extent.
- d) During the year, 1919 Loanee accounts were closed as per details obtained from Shesoft software of the Company. The repayment of these loans in certain cases is in excess of the loan amount receivable from the loanees. This has not been declared as income by the Company. The Loans and Advances shown in the Financials of Rs. 2,53,43,92,289/- is after adjusting this excess amount. This has resulted in an understatement of Net Profit of





the Company and Loans and Advances. The exact amount could not be quantified due to lack of necessary information.

## II. Non- Performing Assets

According to the decision taken by the Board of Directors on the 152<sup>nd</sup> meeting held on 17.01.2019, it was decided to classify all loans outstanding of which repayment is pending for more than six months as Non-Performing Assets (NPA). However, The Company has not modified its accounting policy to give effect to this decision. This has resulted in non-disclosure of outstanding loans of Rs. 33,55,17,258/- as NPAs separately in the Balance Sheet.

Moreover, no provision has been provided by the Company relating to these loans as on 31<sup>st</sup> March, 2019. This has resulted in an understatement of Short-Term provisions and overstatement of Net Profit. The effect of this could not be quantified.

## III. Share Application Money

The Company has received share application money of Rs. 1,04,95,000/- during the financial year 1995-96 from Government of Kerala but shares for the same have not been allotted till 31<sup>st</sup> March, 2019. This has resulted in a contravention to the provision of Section 42(6) of the Companies Act, 2013 which requires allotment of shares within 60 days from the date of receipt of application money. If the company is unable to allot shares within these 60 days, it shall repay the allotment money to the subscribers within 15 days from the date of completion of 60 days. If the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve percent per annum from the expiry of the 60<sup>th</sup> day. Non-repayment within prescribed duration would be considered as default and from the 76<sup>th</sup> day, the whole application money





held by the company will be treated as deposits. Non-compliance to this provision may also attract a penalty of Rs. 2 crores.

#### IV. Un-reconciled Account Balances

As per the Financials, there exists few un-reconciled and unexplainable account balances amounting to Rs. 11.40 crores receivable balance and Rs. 12.36 crores payable balance as on 31<sup>st</sup> March, 2019. There exists no documentary evidence to substantiate or confirm the authenticity/accuracy of the receivable as well as payable balances shown in these accounts.

Ledger Name	As on 31.03.2019		As on 31.03.2018	
	Debit	Credit	Debit	Credit
Bank balances - Debit	4,57,90,104		4,56,32,541	
Bank balances - Credit		(6,43,00,337)		(6,43,00,337)
Inter Office Account - Debit	4,73,23,901		4,73,23,901	
Inter Office Account - Credit		(5,17,32,428)		(5,17,32,428)
Other Debit balances	2,08,95,299		2,08,53,816	
Other Credit balances		(76,15,697)		(76,15,697)
<b>Total</b>	<b>11,40,09,304</b>	<b>(12,36,48,462)</b>	<b>11,38,10,258</b>	<b>(12,36,48,462)</b>

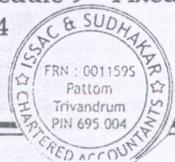
#### V. Retirement Benefits

The Company has not provided for retirement benefits including gratuity, terminal leave encashment etc. in accordance with the provisions of Accounting Standard 15 - "Employee Benefits". This has resulted in an understatement of non-current liabilities and overstatement of Net Profit. The effect of this could not be quantified.

#### VI. Fixed Assets

The gross value of Fixed Assets is Rs. 3,74,11,061/- and the written down value is Rs. 99,15,254/- as per Schedule 9 - Fixed Assets schedule. However,

4





we did not evidence a comprehensive Fixed Assets Register being maintained by the company which reconciles with the value of Fixed Assets disclosed as per the financial statements.

#### VII. GST Electronic Credit Ledger

The GST Input Tax Credit accounted for in the Financial Statements does not match with the amounts reflected as on 31<sup>st</sup> March, 2019 in the Electronic Credit Ledger obtained from the GST Portal. This variance may also impact the accuracy of the provision for GST Payable accounted as per the Financial Statements as on 31<sup>st</sup> March, 2019. Details of variance are:

Particulars	As per Financial Statements	As per Electronic Credit Ledger	Difference
CGST Credit (on 31.03.19)	7,57,104.47	13,04,439.00	5,47,334.53
SGST Credit (on 31.03.19)	7,57,104.47	13,04,439.00	5,47,334.53
IGST Credit (on 31.03.19)	0.00	13,09,941.00	13,09,941.00
<b>Total</b>	<b>15,14,208.94</b>	<b>39,18,819.00</b>	<b>24,04,610.06</b>

#### VIII. GST Electronic Cash Ledger

The GST Electronic Cash Ledger in the GST Portal reflects a balance of Rs. 5,24,904/- for the Company as on 31<sup>st</sup> March, 2019. However, this balance is not reflected in the Financial Statements. This has resulted in an understatement of Current Assets of Rs. 5,24,904/-.

#### IX. GST Payable

The Company is having a liability of Rs. 3,44,864.54/- relating to GST Payable through Reverse Charge Mechanism. This liability is relating to the F.Y. 2017-18. During the year, the Company has not written off nor paid this





amount to the Government. This has resulted in an overstatement of Net Profit and Other Current Liabilities to the extent of Rs. 3,44,864.54/-.

#### **X. Government Grants**

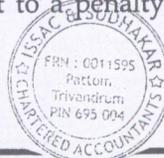
The Company is receiving grants from Government of Kerala and Other Central Agencies for various purposes like conducting ongoing schemes, project expenses etc. The Company is not segregating the Government grants received as revenue or capital and also the expenditure incurred thereof. The grants and related expenses are pooled and disclosed under Other Current Liabilities. The excess expenditure over a particular grant is adjusted against other grants. This wrong treatment is in violation to paragraph 14 and 15 of AS 12 - "Accounting for Government Grants". We are unable to comment on the impact of this treatment in the Financial Statements.

#### **XI. Tax Deducted at Source**

The Tax Deducted at Source (TDS) of the Company for the Financial Year 2018-19 as per Form 26 AS is Rs. 26,44,266.80/-. However, TDS as per the Financial Statements is Rs. 27,27,840.66/-. This difference of Rs. 83,573.86/- has resulted in an overstatement of Other Current Assets to the same extent.

#### **XII. GST Collected but not paid**

Various instances can be seen where the Company has collected an amount from third parties as Goods and Service Tax (GST). The Company has declared this amount collected as GST during the year as Income of the Company. The Company has failed to pay this amount collected as taxes to the Government. This failure is liable to attract Section 122(1) of the CGST Act, where collecting tax but failing to remit it to the Government within three months of the due date are subject to a penalty of Rs. 10,000 or the





amount of tax involved, whichever is greater. As per the provisions of Section 76 of CGST Act, the Company is also liable to receive a Show Cause Notice (SCN) with respect to this and pay interest thereon at the rate specified under section 50 from the date such amount was collected to the date such amount is paid to the Government.

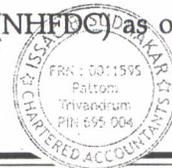
The Company has collected an amount of Rs. 2.69 lakhs (approx.) as taxes during the year ended 31<sup>st</sup> March, 2019 and failed to pay to the Government within the prescribed due date. Hence, the Company is liable to pay the amount collected as taxes to the Government along with interest as per Section 50. The Net Profit and Income of the Company for the year ended 31<sup>st</sup> March, 2019 is overstated to the extent of Rs. 2.69 lakhs (approx.). Moreover, the Company has not provided for the Interest/ Penalty payable on account of non-deposit of amount collected as tax to the Government.

### **XIII. Dearness Allowance**

As per G.O. (P) No. 84/2018/Fin. dated 07.06.2018, Dearness Allowance (DA) payable by the Company has been enhanced from 109% to 112% w.e.f. 01.07.2017. This increase is to be paid along with the salary of May, 2018. This has been further enhanced from 112% to 115% w.e.f. 01.01.2018 and to 121% w.e.f. 01.07.2018 as per G.O. (P) No. 44/2019/Fin. dated 04.04.2019. This subsequent increase is to be paid along with the salary of April, 2019. During the year 2017-18, the Company had failed to provide a provision for the payment of this increase in DA for the period July 2017 to March 2018. This payment has been expensed as "Employee Benefit Expense" during the year. The Company has failed to include this increase for the period July 2017 to March 2018 as 'Prior Period Expense' during the year.

### **XIV. National Handicapped and Finance Development Corporation**

The Company has a liability of Rs. 2,65,994/- payable to National Handicapped and Finance Development Corporation (NHFDCL) as on 31<sup>st</sup>





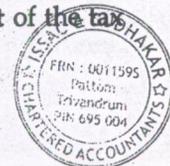
March, 2018. The Company, having obtained confirmation from third party that no such liability exists, has written off this balance as "NHFDC Income" during the year. This has not been included by the Company as 'Prior Period Income' during the year.

#### **XV. Interest on Fixed Deposits**

Income declared as Interest on Fixed Deposits by the Company is Rs. 4,59,50,413/- during the year. Interest income declared by the Company during the year was found to be incomplete/in excess in certain cases. The effect of this could not be quantified.

#### **XVI. Shepad Income**

The Company is receiving funds from various LSGDs during the year and retains 10% of the funds received as "Project Management Cost". This fund retained is declared as "Shepad Income" by the Company. GST is applicable on the above income as it amounts to 'Supply' as per the provisions of Section 7 of CGST Act, 2017. The Company is not paying an amount as Goods and Service Tax (GST) to the Government on this income declared, neither through monthly returns nor through the Annual Return filed for the Financial Year. The Company is liable to receive a Show Cause Notice (SCN) as per Section 73 of CGST Act, 2017 within 2 years and 9 months from the due date of filing of Annual Return on account of tax not paid for reason other than fraud or any wilful misstatement or suppression of facts. The Company having failed to pay GST on the above mentioned income is also liable to attract Section 122(2) of CGST Act, 2017 where any registered person who supplies any goods or services or both on which any tax has not been paid or short-paid or erroneously refunded, or where the input tax credit has been wrongly availed or utilised – (a) for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty of ten thousand rupees or ten per cent of the tax





due from such person, whichever is higher; (b) for reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty equal to ten thousand rupees or the tax due from such person, whichever is higher.

The Company has declared an income of Rs. 36,94,595/- as 'Shepad Income' during the year ended 31<sup>st</sup> March, 2019. The Company having not paid tax on the above income has not provided a provision for this penalty payable to Government for failure to pay GST on supply of services provided.

### **Additional Points included based on CAG Supplementary Audit**

#### **I. Income from Loan Assets**

- a) Interest Income declared by the Company for the year in the Financial Statements is Rs. 12,65,38,036/-. As per the decision taken by the Board of Directors on the 152nd meeting held on 17.01.2019, it was decided to classify all loans outstanding of which repayment is pending for more than six months as Non- Performing Assets (NPA) and the interest on NPA need not be recognised in the financial statements with effect from the date they become NPA. The Company has recognised Interest income of Rs. 2,22,63,589.86/- relating to loans that have become NPA as on 31.03.2019. This has resulted in an overstatement of Interest Income and Current Assets to the extent of Rs. 2,22,63,589.86/-.
- b) The Company has recognised Interest accrued as on 31.03.2019 of Rs. 3,54,67,752.68/- on all unexpired loans, disbursed within five years, outstanding as on Balance Sheet date. This Interest Accrued recognised includes Interest income pertaining to loans disbursed during the period 01.01.2014 to 31.03.2014 of Rs.25,78,323.87/-. This has resulted in an overstatement of Interest Income and Interest Accrued on Term Loans by Rs. 25,78,323.87/-.





- c) The Company recognises Interest accrued on unexpired loans, disbursed within five years, outstanding as on Balance Sheet date. The entire Interest Accrued of the previous year is adjusted against the Interest Received of the current year. Interest accrued as on 31.03.2018 has been adjusted against the Interest Received during 2018-19 irrespective of actual collection. Out of the 1384 loans disbursed during 2013-14 and outstanding as on 31.03.2018, 395 loans were outstanding as on 31.03.2019. Against these 395 loans, no remittance was received from 146 loans during the year 2018-19. The Interest accrued recognised for these 146 loans in the financial statements of 2017-18 has not been actually collected. However, this Accrued Interest was adjusted against the actual receipt of interest of other loans resulting in understatement of interest income. The impact of the above errors could not be identified due to insufficient information on Accrued Interest.

## II. Penal Interest Income

Penal Interest Income declared during the year as per the Financial Statements is Rs. 1,87,76,175/-. According to the One Time Settlement (OTS) Scheme of the Company, 50 percent of the penal interest due is waived and the balance outstanding is collected while settling the loan. The Company has not made suitable modifications in the 'Shesoft' Software to give this effect of waiver of penal interest and hence the amount waived was not reflected in the system. On receipt of the OTS amount, the system adjusts entire interest and penal interest against the receipt and the balance available only was adjusted against the principal outstanding. During the year 2018-19, the Company has settled 299 loans under the OTS scheme. Out of these 299 loans settled, for 102 loans entire penal interest was accounted as income and the difference amount was shown as balance outstanding in the loan account even after its closure under OTS. This has resulted in an





overstatement of Net Profit of the Company and the Long Term and Advances to the extent of Rs. 11,50,766.12/-.

### III. Miscellaneous Receipts

The Company has declared a Miscellaneous Income of Rs. 68,06,424/- during the Financial Year 2018-19. This includes Rs. 4,62,000/- received from Lotteries Department during the year for advertising on She-Toilets installed by the Company. The Company has assigned 57 She-Toilets for advertisement to Lotteries Department at the rate of Rs. 7,000/- per month since 01.11.2017. During the year 2017-18, the Company had failed to provide a provision for the income accrued from the period November 2017 to March 2018. The payment received in 18-19 has been declared as Income of the Company during the year. The Company has failed to include this income of previous year of Rs. 4,62,000/- as 'Prior Period Income'.

The Income accrued during the year 2018-19 from Lotteries Department is Rs. 47,88,000/-. However, there is uncertainty relating to collectability of this entire income. Income of Rs. 42,11,900/- can be collected from the Lotteries Department as evident from the Events after the Balance Sheet date and should be recognised as Income of the Company as per Accounting Standard 9 - 'Revenue Recognition'. The Company has failed to account for this Income Accrued during the year, resulting in an understatement of Net Profit and Other Current Assets to the extent of Rs. 42,11,900/-.

### IV. Employee Benefit Expenses

An amount of Rs. 6,48,455/- is being paid by the Company as Subsistence Allowance to the former Managing Director during May 2019. This allowance being paid is for the period March 2018 to February 2019. The Company has not accounted for this expense during the year resulting in an



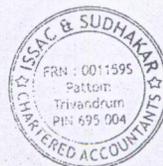


overstatement of Net Profit and understatement of Current Liabilities to the extent of Rs. 6,48,455/-.

#### V. GST not collected

The Company has collected an amount of Rs. 19,00,500/- as Legal Verification charges and an amount of Rs. 88,63,000/- as Contribution to Risk Fund. These charges are taxable under the provisions of GST Act as these are charges collected from customers for providing service. The Company has not collected an amount as Goods and Service Tax (GST) and is not paying GST on these charges to the Government during the year 2018-19. The Company is liable to receive a Show Cause Notice (SCN) as per Section 73 of CGST Act, 2017 within 2 years and 9 months from the due date of filing of Annual Return on account of tax not paid for reason other than fraud or any wilful misstatement or suppression of facts. The Company having failed to pay GST on the above mentioned income is also liable to attract Section 122(2) of CGST Act, 2017 where any registered person who supplies any goods or services or both on which any tax has not been paid or short-paid or erroneously refunded, or where the input tax credit has been wrongly availed or utilised – (a) for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty of ten thousand rupees or ten per cent of the tax due from such person, whichever is higher; (b) for reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty equal to ten thousand rupees or the tax due from such person, whichever is higher.

An amount of Rs. 19,37,430/- should have been collected by the Company during the year from the customers and remitted to the Government. The Company having not paid tax on the above income has not provided a provision for this penalty payable to Government for failure to pay GST on supply of services provided.





## VI. Risk Fund

The Company has an amount of Rs. 2,42,61,897/- existing as on 31.03.2019 in Borrowers Risk Relief Fund. This fund is created out of the contributions collected from the loanees to be utilised for a special scheme implemented by the Company to write off the outstanding loans of bereaved loanees or in the event of any contingency. This fund is not being created out of the Retained Earnings of the Company and should have been classified as Non-Current Liabilities. The Company has disclosed this under the head 'Reserves and Surplus' resulting in an overstatement of Equity & Liabilities and understatement of Non Current Liabilities of Rs. 2,42,61,897/-.

## VII. Cash and Bank Balances

- a) Cash and Bank balances as on 31.03.2019 as per Financial Statements amount Rs. 77,40,14,177/-. This includes Rs. 2,42,61,896/- being the balance of Risk Fund created for write-off unrecoverable loans of bereaved loanees in case of death or permanent disability. As per the provisions of Accounting Standard 3 - 'Cash Flow Statements', an enterprise should disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the enterprise that are not available for use by it. This separate disclosure has not been made by the Company in accordance with the Accounting Standard.
  
- b) The Company has disclosed an amount of Rs. 59,96,98,269/- in the Financial Statements as Deposit Accounts. According to Accounting Standard 3 - 'Cash Flow Statements', Cash equivalents are short term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. According to Schedule III of the Companies Act, 2013,



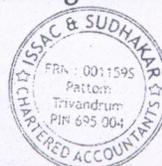


“Other bank balances” would comprise of items such as balances with banks to the extent of held as margin money or security against borrowings etc., and bank deposits with more than three months maturity. An amount of Rs. 58,67,54,440/- relates to term deposits with a maturity of 12 months from the date of acquisition. The Company has not met these disclosure requirements of Schedule III and Accounting Standard.

- c) As per Schedule III of Companies Act, 2013, the Current Assets shall include Cash and Cash Equivalents. The Company has disclosed these balances in hand and with bank as 'Cash and Bank Balances' and not in accordance with Schedule III.

#### VIII. Cash Flow Statement

- a) Cash and Cash Equivalents at the end of the year disclosed in the Cash Flow Statement of the Company is Rs. 77,40,14,177/-. This includes Rs. 58,67,54,440/- being the balance of term deposits held by the Company as at the end of the year having a maturity of more than three months from the date of acquisition. According to Accounting Standard 3 - 'Cash Flow Statements', Cash equivalents are short term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Hence, the Cash and Cash equivalents in the Cash Flow Statement is overstated by Rs. 58,67,54,440/-.
- b) Cash generated from Operations disclosed in the Cash Flow Statement is Rs. 7,77,72,067/-. This includes Increase in Special Reserve (Risk Fund) of Rs. 58,53,826/-. The transactions in Risk Fund account were not routed through the Statement of Profit and





Loss and Net Profit for the year was not affected by the change in balance of Risk Fund. As the item was not included in the Statement of Profit and Loss, the change in Risk Fund should not be added back in the Cash Flow Statement. As the Company has included this increase in Special Reserve, the Cash Flow from Operating Activities in the Cash Flow Statement is overstated by Rs. 58,53,826/-.

- c) Cash Flow from Financing Activities of the Company during the year 2018-19 shows a negative balance of Rs. 4,06,28,201/-. The Cash flow change arising due to Long Term Loans and Advances provided by the Company during the year has been included under the head 'Financing Activity'. According to Accounting Standard 3 - 'Cash Flow Statements', Financing Activities are activities that result in changes in the size and composition of the Owner's Capital and Borrowings of the enterprise. An understatement of Rs. 67,57,15,480/- has resulted in the Cash Flow from Financing Activities due to classifying the net amount of loans and advances made by the Company during 2018-19 as Financing Activity.

#### IX. Significant Accounting Policies

The Company has disclosed an amount of Rs. 1,19,60,815/- as Accrued Penal Interest Income during the year 2018-19. The Company has changed the accounting policy of recognising penal interest income on accrual basis from the current year. This has resulted in an increase in income of the Company in the current financial year. According to Accounting Standard 1 - 'Disclosure of Accounting Policies', a change in accounting policies which has a material effect in the current period, the amount by which any item in the financial statements is affected by such change should also be disclosed to the extent ascertainable. Where such amount is not





ascertainable, wholly or in part, the fact should be indicated. The Company has not made such disclosure in the Notes to Accounts.

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

#### **Responsibilities of Management for the Standalone Financial Statements**

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





financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our



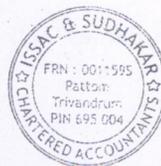


opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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





### Other Matter

- I. The Revenue from Operations of the Company includes Interest Income from Loan Assets of Rs. 12,65,38,036/- and Penal Interest Income of Rs. 68,15,360/-. As per Notification No.12/2017- Central Tax (Rate) dated 28<sup>th</sup> June,2017 by CBIC, services by way of extending deposits, loans and advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) is exempt from GST. Monthly filing of GST Returns i.e., GSTR 3B and GSTR 1 requires disclosure of Exempt/Nil rated outward supplies. The Company has not been including its Exempt/Nil rated outward supplies in the GST Returns of each month.
- II. The Company has prior period expenses of Rs. 1,79,501/- and prior period income of Rs. 1,22,058/- during the year. Schedule III of Companies Act, 2013 requires disclosure of information regarding prior period items by way of notes. This disclosure has not been made by the Company in their Notes to Accounts.
- III. Various discrepancies have been found with the regard to the disclosure of income of the Company. Differences have been found with respect to income disclosed in Books of Accounts and income obtained from Shesoft.

Particulars	As per Financial Statements	As per Shesoft	Difference
Processing Fee	12,41,000	12,32,000	9,000
Risk Fund	88,63,000	88,48,500	14,500
Legal Fund	19,00,500	18,97,000	3,500
<b>Total</b>	<b>1,20,04,500</b>	<b>1,19,77,500</b>	<b>27,000</b>

- IV. The Company has included TDS on GST of Rs. 1,328/- under the head "Tax Deducted at Source". This amount, however, has not been reflected in the Electronic Cash Ledger of the Company as on 31st March, 2019.





- V. The Company has Grant from Government of Kerala/ Central Agencies of Rs. 17,10,90,707/- as per the Financial Statements. Paragraph 12 of AS 12 - "Accounting for Government Grants" requires disclosure of a) accounting policy adopted for government grants, including the methods of presentation in the financial statements; b) the nature and extent of government grants recognised in the financial statements, including grants of non-monetary assets given at a concessional rate or free of cost. This disclosure has not been made by the Company in their Notes to Accounts.

**Additional Points included based on CAG Supplementary Audit**

- I. Expenses incurred on 181 Women Helpline Project of Rs. 15.36 lakhs during the last quarter of Financial Year 2017-18 have not been reimbursed by the Government during the year. The Company has decided to recoup this expenditure of Rs. 15.36 lakhs from the savings arising from the funds received from the Government in the later periods for implementation of this project.
- II. The Company has executed an agreement with the Perinthalmanna Municipality on 27.06.2018 under which 34.75 cents of land was assigned to the Company on lease for a period of 30 years. The agreement also specifies that the Company has to construct a Working Women's Hostel within a period of 3 years. The contract value for this construction is amounting to Rs. 705.53 lakhs. Schedule III requires disclosure pertaining to various commitments such as (a) Estimated amount of contracts remaining to be executed on capital account and not provided for; (b) Uncalled liability on shares and other investments partly paid; (c) Other commitments (specify nature). This disclosure has not been made by the Company in their Notes to Accounts.





III. Deferred Tax Assets as per Financial Statements is Rs. 3,03,542/-. According to Accounting Standard 22 - 'Accounting for Taxes on Income', the break-up of deferred tax assets and deferred tax liabilities into major components of the respective balances should be disclosed in the notes to accounts. This disclosure has not been made by the Company in their Notes to Accounts.

IV. As per Schedule III of Companies Act, 2013, the Non-Current Assets shall be classified as Property, Plant and Equipment and Intangible Assets, Investments, Deferred Tax, Loans and Advances and Other Assets. The classification of assets provided by the Company were not as mentioned in Schedule III.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts





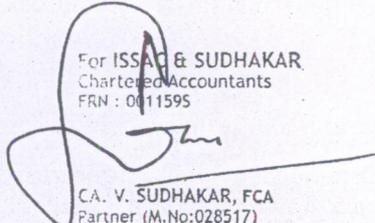
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except for the matters specifically mentioned in this report.
- (e) On the basis of Notification No, G.S.R.463 (E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Section 164 (2) of the Act "Disqualification of Directors' is not applicable to the company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts requiring a provision for material foreseeable losses.
  - The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.



Place: Thiruvananthapuram

Date: 10th September, 2021

For ISSAC & SUDHAKAR  
Chartered Accountants  
FRN : 0011595



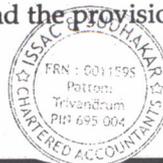
CA. V. SUDHAKAR, FCA  
Partner (M.No:028517)



## ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

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

1. (a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets, as mentioned in the Basis for Qualified Opinion paragraph;
  - (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the books and the physical fixed assets have been noticed on such verification.
  - (c) According to the information and explanations given to us, the title deeds of immovable property are held in the name of the Company.
2. There is no inventory held, in view of the nature of operations of the company. Hence, paragraph 3 (ii) of The Companies (Audit Report) Order, 2016 is not applicable.
3. According to the information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of The Companies (Audit Report) Order, 2016 is not applicable.
4. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans granted or guarantees provided or securities given or investments made, if any.
5. The Corporation has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76





or any other relevant provisions of the Companies Act 2013 and the rules framed there under, is not applicable. Accordingly, paragraph 3 (v) of the Companies (Audit Report) Order, 2016 is not applicable.

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

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities, except for the qualifications as mentioned under the Basis for Qualified Opinion paragraph. The following are the undisputed statutory dues payable as on 31<sup>st</sup> March, 2019 which were outstanding for a period of more than six months from the date they became payable:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates (Financial Year)	Due Date	Date of Payment
Goods and Service Tax	GST	19,37,430/-	01.04.2018-31.03.2019	20.05.2018-31.03.2019	-
Goods and Services Tax	GST	2,69,141/-	01.04.2018-31.03.2019	20.05.2018-31.03.2019	-





Goods and Services Tax	GST	6,65,027/-	01.04.2018-31.03.2019	20.05.2018-31.03.2019	-
<b>Total</b>		<b>Rs. 28,71,598 /-</b>			

- (b) According to the information and explanation given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited as on 31<sup>st</sup> March, 2019 on account of dispute.
8. Based on our audit procedures and according to the information and explanations given to us and on the basis of the books of accounts and other records examined by us, the Company has not defaulted in repayment of any loans or borrowings to banks, financial institution, Government or dues to debenture holders, except for the qualifications as mentioned under the Basis for Qualified Opinion paragraph.
9. According to the information and explanations given to us and in our opinion, the term loans, if any, have been applied for the purposes for which they were obtained.
10. 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 on the Company by its officers or employees, noticed during the year, nor have we been informed of any such case by the Management.
11. According to the information and explanations given to us, the provisions of Section 197 read with Schedule V of the Companies Act 2013 are not applicable





- to the Company since it is not a Public Company and hence paragraph 3(xi) of the Order is not applicable.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
  13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
  14. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
  15. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
  16. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 but has failed to obtain such registration.

Place: Thiruvananthapuram

Date: 10th September, 2021



For ISSAC & SUDHAKAR  
Chartered Accountants  
FRN : 0011595

*[Signature]*

CA. V. SUDHAKAR, FCA  
Partner (M.No:028517)



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

### **Management's Responsibility for Internal Financial Controls:**

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

### **Auditors' Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both





applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

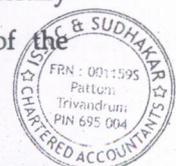
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting:**

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the





company are being made only in accordance with authorizations of management and directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting:**

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

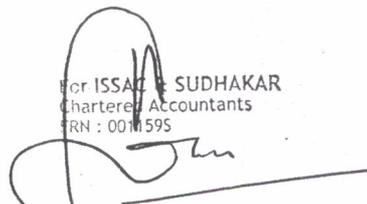
**Opinion:**

In our opinion, the Company has, in all material respects, a reasonably adequate internal financial controls system over financial reporting subject to the qualifications as such indicated under the Basis for Qualified Opinion paragraph and Annexure A and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of the Chartered Accountants of India".

Place: Thiruvananthapuram

Date: 10th September, 2021



For ISSAC & SUDHAKAR  
Chartered Accountants  
FRN : 0011595  
  
CA. V. SUDHAKAR, FCA  
Partner (M.No:028517)



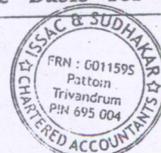
**KERALA STATE WOMEN'S DEVELOPMENT  
CORPORATION LIMITED  
THIRUVANANTHAPURAM**

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

1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside the IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has a system in place to process all the accounting transactions through IT system i.e., Tally ERP Software. The Company also uses a software 'Shesoft' to account its lending business in all districts of Kerala.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	The Company is availing loans from NSCFDC, NSTFDC, NBCFDC and NMDFC. Regular repayment is done every quarter by the Company. There has been no restructuring of an existing loan or waiver/ write off of loans made by the lender due to the Company's inability to repay the loan.
3	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	Yes. The Company has received grants from Government of Kerala, NMDFC and NBCFDC during the year which were accounted for and utilised for the purposes received, subject to qualification stated in the Basis for Qualified Opinion

UDIN: 21028517AAAAFR4549

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		section of the Audit Report of FY 2018-19.  Rs. 10,00,000 received as Performance Linked Grant in Aid (PLGIA) from NBCFDC on 19.03.2019 has not been expended till the close of the Financial Year.
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## SECTOR SPECIFIC SUB - DIRECTIONS UNDER 143(5)

### FINANCE SECTOR

1	Whether the Company has complied with the directions issued by Reserve Bank of India for:  <ul style="list-style-type: none"><li>• Non - Banking Finance Companies (NBFCs);</li><li>• Classification of non-performing assets; and</li><li>• Capital adequacy norms for NBFCs.</li></ul>	Yes, subject to qualification stated in the Basis for Qualified Opinion section of the Audit Report of FY 2018-19.
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.	Yes, subject to qualification stated in the Basis for Qualified Opinion section of the Audit Report of FY 2018-19 and as reported in para 10 of Annexure A - CARO of the Audit Report.

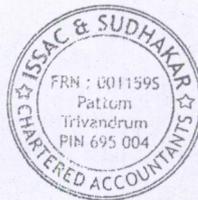




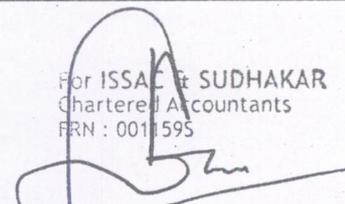
3	Whether introduction of any scheme for settlement of dues and extensions thereto are in compliance with the policy guidelines of the Company/Government.	Yes. The Corporation has One Time Settlement (OTS) Scheme, Borrowers Risk Relief Fund for settlement of dues. Settlement of dues is done only after Board Meeting approval which is in compliance with the policy guidelines.
4	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash.	The Company does not have any Trade Receivables and Trade Payables as on 31.03.2019.  As reported in the Basis for Qualified Opinion section of the Audit Report of FY 2018-19, there exists large number of unreconciled balances, including bank balances.
5	Whether the bank guarantees are revalidated in time?	The Company is not having any bank guarantees as on 31.03.2019. Thus, reporting under the said direction would not be applicable.

Place: Thiruvananthapuram

Date: 29<sup>th</sup> April, 2021



For ISSAC & SUDHAKAR  
Chartered Accountants  
FRN : 0011595

  
C.A. V. SUDHAKAR, FCA  
Partner (M.No:028517)

UDIN : 21028517AAAAFR4549



सत्यमेव जयते

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

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

The preparation of financial statements of Kerala State Women's Development Corporation Limited, Thiruvananthapuram for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 10 September 2021 which supersedes their earlier Audit Report dated 29 April 2021.

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

In view of the revision made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

**Thiruvananthapuram**  
Dated: 24.09.2021

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



# **Annual Accounts**

## **2018-2019**



**KERALA STATE WOMEN'S DEVELOPMENT CORPORATION LIMITED,  
THIRUVANANTHAPURAM  
CIN - U91990KL1988SGC004978**

**BALANCE SHEET AS AT 31 MARCH 2019**

	Note No.	Amount as at the end of Current Year	Amount as at the end of Previous Year
<b>I EQUITY AND LIABILITIES:</b>			
1 Shareholders' Funds			
(a) Share Capital	3	6,01,66,100	6,01,66,100
(b) Reserves and Surplus	4	30,18,26,470	26,77,51,714
(c) Share application money pending allotment		1,04,95,000	1,04,95,000
2 Non current liabilities			
(a) Long-term Borrowings	5	2,44,04,29,178	1,80,51,42,853
(b) Deferred Tax Liabilities	6	-	-
(c) Other Long Term Liabilities	7	96,39,158	98,38,204
3 Current Liabilities			
(a) Short-term Borrowings			
(b) Other Current Liabilities	8	57,71,86,075	44,65,13,686
(c) Short-term Provisions			
		<b>3,39,97,41,981</b>	<b>2,59,99,07,557</b>
<b>II ASSETS:</b>			
1 Non Current Assets:			
(a) Fixed Assets	9		
(i) Tangible Assets		98,42,231	79,04,393
(ii) Intangible Assets		73,024	83,024
(iii) Capital Work-in-Progress		NIL	NIL
(iv) Long term loans and advances	10	1,90,44,13,575	1,22,90,01,637
(b) Non-Current Investments		NIL	NIL
(c) Deferred Tax Asset		3,03,542	1,14,950
2 Current Assets:			
(a) Cash and Bank Balances	11	77,40,14,177	70,07,84,653
(b) Other Current Assets	12	71,10,95,432	66,20,18,900
<b>Total:</b>		<b>3,39,97,41,981</b>	<b>2,59,99,07,557</b>

Significant Accounting Policies

Notes on Financial Statements

For and on behalf of the Board of Directors

Bindu V. C.  
Managing Director  
DIN- 07644408

K. S. Saleekha  
Chairperson  
DIN - 07644468

Thiruvananthapuram  
Date: 29-04-2021

As per our Report of 01/04/2021 attached  
1 to 21

Chartered Accountants  
FRN : 0011595

V. SUDHAKAR, FCA  
Member (M.No:028517)



UDIN : 21028517AAA AFR 4549





**KERALA STATE WOMEN'S DEVELOPMENT CORPORATION LIMITED,  
THIRUVANANTHAPURAM  
CIN - U91990KL1988SGC004978**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

	Note No.	Amount as at the end of Current Year	Amount as at the end of Previous Year
Revenue from Operations			
(a) Income from Operations	13	14,47,87,545	10,77,87,473
(b) Other Income	14	7,31,09,518	5,12,41,267
(c) Prior Period Income		1,22,058	
<b>Total Revenue</b>		<b>21,80,19,121</b>	<b>15,90,28,740</b>
Expenses			
(a) Operating Expenses	15	2,43,48,357	2,02,24,516
(b) Employee Benefit Expenses	16	3,77,88,027	3,62,82,074
(c) Finance Costs	17	9,88,81,038	7,01,62,561
(d) Administrative and Other Expenses	18	2,06,94,801	2,66,72,863
(e) Depreciation and Amortisation	19	21,85,171	20,23,904
(f) Prior Period Expenses		1,79,051	
<b>Total Expense</b>		<b>18,40,76,445</b>	<b>15,53,65,918</b>
Profit before exceptional and extra ordinary items		3,39,42,676	36,62,822
Exceptional items		NIL	NIL
Profit/ (Loss) before tax		3,39,42,676	36,62,822
Tax expenses			
(a) Current tax		49,37,188	14,94,854
(b) Tax relating to Pys		10,03,150	2,30,114
(b) Deferred tax		(1,88,592)	(1,89,844)
Profit for the year		2,81,90,930	21,27,698
Earnings per Equity Share of Rs.1,000 each Basic and Diluted	20	46.86	3.54

Significant Accounting Policies  
Notes on Financial Statements

As per own Report of even date attached  
2  
1 to 21  
For ISSAC & SUDHAKAR  
Chartered Accountants  
FRN : 0011595

For and on behalf of the Board of Directors

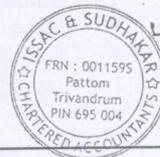
Bindu V. C.  
Managing Director  
DIN- 07644408

K. S. Saleekha  
Chairperson  
DIN - 07644468

CA. V. SUDHAKAR, FCA  
Partner (M.No:028517)

UDIN: 21028517AAAAFR4549

Thiruvananthapuram  
Date: 29-04-2021





**KERALA STATE WOMEN'S DEVELOPMENT CORPORATION LIMITED,  
THIRUVANANTHAPURAM  
CIN - U91990KL1988SGC004978  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

	Current Year Figures in INR	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year		3,39,42,676
Accumulated for:		
Depreciation / Amortisation	21,85,171	
Decrease in General Reserve	0	
Increase in Special Reserve	58,83,826	
Interest from Bank	(4,59,50,413)	
		(3,78,81,416)
Operating Profit before Working Capital Changes		(39,38,740)
Adjusted for (Increase)/Decrease in Working Capital		
Current Assets	(4,89,61,582)	
Current Liabilities and Provision	13,06,72,389	
Cash generated from Operations		8,17,10,807
Direct Taxes paid		7,77,72,067
Net Cash used in Operating Activities (A)		57,51,746
		7,20,20,321
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(41,13,008)	
Sale of Fixed Assets		
Interest from Bank	4,59,50,413	
Net Cash used in Investing Activities (B)		4,18,37,405
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Long term Loans Availed (Paid) - Net	63,50,87,279	
Long term Loans and advances (Paid) - Net	(67,57,15,480)	
Net Cash used in Financing Activities (C)		(4,06,28,201)
Net Increase in Cash and Cash Equivalents		7,32,29,524
Cash and Cash Equivalents at the beginning of the year		70,07,84,653
Cash and Cash Equivalents at the end of the year		77,40,14,177

**NOTES:**

- The Cash Flow Statement has been prepared under 'Indirect Method' as set out in Accounting Standard AS-3 'Cash Flow Statements.'
- The components of closing Cash and Cash Equivalents represents Cash, balance with Banks and Governments Treasury.

For and behalf of the Board of Directors

As per our Report of even date attached

Bindu V. C.

Managing Director  
DIN- 07644408

Thiruvananthapuram  
Date: 29 - 04 - 2021

K. S. Saleekha

Chairperson  
DIN - 07644468

For ISSAC & SUDHAKAR  
Chartered Accountants  
FRN : 0011595

CA. V. SUDHAKAR, FCA  
Partner (M.No:028517)

UDIN: 21028517AAAAFR4549





Note 1

GENERAL INFORMATION:

The Kerala State Women's Development Corporation Limited (KSWDC) was incorporated on 22nd February, 1988 under the aegis of the Department of Social Justice, Government of Kerala, to formulate, promote and implement any scheme aimed at the welfare of women in Kerala and to enable them to earn a better living. KSWDC aims at the all-round development of women and girls to make them active participants in societal development. By encouraging women to be ambitious and confident, KSWDC furnishes them with a reliable support system to help them realize their true potential. KSWDC visualizes a just and equal society, where women enjoy economic independence and social status on par with men. To bring about such a transformation in the status of women in Kerala, KSWDC focuses on promoting activities that recognize the aspirations of young women and strives to promote gender relations based on equity and mutual respect.

Note 2

SIGNIFICANT ACCOUNTING POLICIES:

- 1. Basis of preparation of financial statements:** These financial statements have been prepared and presented on accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2013 issued by the Government of India, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India, to the extent applicable. However, taxes, other Government levies, income, and expenses that cannot be identified with certainty are accounted for on cash basis.
- 2. Use of estimates:** The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.
- 3. Current non-current classification:** An asset is classified as current when it is expected to be realized within 12 months after the reporting date; cash and cash equivalent unless it is restricted from being used to settle a liability for at least 12 months after the reporting date; current assets include the current portion of non-current financial assets; and all other assets are classified as non-current. A liability is classified as current when it is due to be settled 12 months after the reporting date; current liabilities include current portion of non-current financial liabilities; and all other liabilities are classified as non-current.
- 4. Fixed assets and depreciation:** Tangible fixed assets are carried at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost comprises of purchase price, duties and/ or levies and any other cost directly applicable for bringing the asset to its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Depreciation is provided on the written value method, over the estimated useful life of the assets at the rates prescribed Schedule II to the Companies Act, 2013. Assets costing individually INR 5,000 or less are depreciated fully in the year of purchase and for conditions during a year depreciation is provided on pro-rata basis. Depreciation for the year





is recognised in the Statement of Profit and Loss. A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use.

5. **Intangible assets** are measured initially at cost of acquisition/ development. Thereafter it is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. Depreciation is provided on the straight-line method, over the estimated useful life of the assets at the rates prescribed Schedule II to the Companies Act, 2013. Intangible assets available for use are tested annually for impairment.
6. **Leasehold Assets:** Cost of leasehold assets for 99 years or less are amortised over the lease period. Leases, where risk and reward of ownership, are significantly retained by the lessor are classified as operating leases, and lease rentals thereon are charged to the Profit and Loss Statement over the period of lease. Assets given to the Corporation by Government of Kerala under operating lease are included in fixed assets.
7. **Impairment of Assets:** Carrying amount of assets is reviewed at each balance sheet date, if there is indication of impairment based on the internal and external factors. The assets are treated as impaired when the carrying amount of the assets exceeds its recoverable amount and such impairment loss is charged to Profit and Loss account in the year in which such impairment is identified. The impairment loss recognised in prior accounting period(s) is reversed to the extent of decrease in the impairment loss.
8. **Revenue Recognition:**
  - a) Interest income and penal interest is recognised in accordance with the Accounting Standard AS-9 Revenue Recognition;
  - b) Income arising out of non-banking transactions has been recognised before applying provisions of NBFC Prudential Norms (Reserve Bank) Directions 2007, since such norms are not applicable to a Government Company as defined in Section 2 (45) of the Companies Act, 2013;
  - c) Interest on unutilized funds from channelising agencies kept in bank accounts is recognised on accrual basis; and
  - d) Any other income is recognized as and when it is received
9. **Employee benefits:** Retirement benefits to employees are provided for by contribution to provident and other funds. Contribution as is applicable to the employees on deputation is paid to the respective parent Departments. The accrued liability for gratuity and leave encashment are not recognised as an expenses in the Profit and Loss Statement for the year in which the employee has rendered services, but it is proposed to recognize such expenses as and when it is due and paid for.
10. **Provisions:** A provision is recognised when the company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**Tax Expenses:** Income-tax expenses are recognised in profit or loss except that tax expenses related to items recognised directly in reserves and surplus. Current tax is measured at the





**KERALA STATE WOMEN'S DEVELOPMENT CORPORATION LIMITED**

amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e., differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future

12. **Contingent liabilities:** A provision is recognised when the company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.
13. **Prior period Items:** Prior period income/expense are recognized in the current accounting year as and when the errors or omissions of income/expense in the preparation of the financial statements of one or more prior years are identified. The recognition of prior period income/expense is in accordance with Accounting standard (AS) - 5 Net profit or loss for the period, prior period items and changes in Accounting Policies
14. **Accrual of interest and penal interest:-** Accrual of interest and penal interest are recognized for loan balance which are not expired as on the date of financial statements. Term of loan is five years and loan is considered to be expired upon completion of the term of loan. Accrued Penal Interest is recognised after deduction of average percentage of penal interest waived for previous three years.





**The Kerala State Women's Development Corporation Ltd**  
(Dept. of Women & Child Development, Govt. of Kerala)

KERALA STATE WOMEN'S DEVELOPMENT CORPORATION, THIRUVANANTHAPURAM  
Notes to the Financial Statements for the year ended 31 March 2019

	Current Year (Rs.)	Previous Year (Rs.)
<b>5. Long-term Borrowings:</b>		
a) Secured Loans:		
National Backward Class Finance and Development Corporation	71,91,63,381	45,03,37,029
National Minority Development and Finance Corporation	1,49,93,27,297	1,17,66,97,130
National Handicapped Finance and Development Corporation	-	2,65,994
National Schedule Casts Finance and Development Corporation	21,96,81,000	17,78,42,700
NSTFDC(National Scheduled Tribe Finance Develop)	22,57,500	
a) Unsecured Loans :		
Loan from Government of Kerala	-	
	<b>2,44,04,29,178</b>	<b>1,80,51,42,853</b>
5.1 The secured loans are covered under the general purpose guarantee given by the Government of Kerala.		
5.2 The rate of interest implicit in the above is in the range of 4.25% to 7.75% p.a.		
5.3 Loan from Government of Kerala is in the nature of working capital financial assistance and do not carry interest till its repayment.		
5.4 There were no default in repayment of the secured loans and interest thereon.		
5.5 The repayment of National corporation is on the quarterly basis		
<b>6. Deferred Tax Liabilities:</b>		
a) Deferred Tax Liabilities:		
Related to fixed assets	-	-
b) Deferred Tax Assets:		
Related to provision for expenses	NIL	NIL
c) Deferred Tax Liabilities (Net)	-	-
<b>7. Other Long-term Liabilities:</b>		
(Dues)/ Receivables Pending Adjustment/ Reconciliation:		
Bank balances - Debit	4,57,90,104	4,56,32,541
Bank balances - Credit	(6,43,00,337)	(6,43,00,337)
Inter Office Account - Debit	4,73,23,901	4,73,23,901
Inter Office Account - Credit	(5,17,32,428)	(5,17,32,428)
Other Debit balances	2,08,95,299	2,08,53,816
Other Credit balances	(76,15,697)	(76,15,697)
	<b>96,39,158</b>	<b>98,38,204</b>
7.1 The above accounts represent balances carried forward from earlier year(s) and are traceable to transactions occurred for the purpose of the Corporation.		
7.2 The Corporation has initiated steps for analysis of these balances, and the matter is in progress.		
7.3 Previous year balances have been notionally reclassified as per board decision		

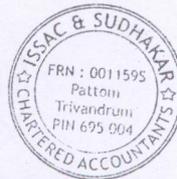




**The Kerala State Women's Development Corporation Ltd**  
(Dept. of Women & Child Development, Govt. of Kerala)

KERALA STATE WOMEN'S DEVELOPMENT CORPORATION, THIRUVANANTHAPURAM  
Notes to the Financial Statements for the year ended 31 March 2019

	Current Year (Rs.)	Previous Year (Rs.)
<b>3. Share Capital:</b>		
a) <b>Authorised Capital</b>		
750,000 equity shares of 100 each (Previous Year: 750,000 equity shares of 100 each)	7,50,00,000 =====	7,50,00,000 =====
b) <b>Issued, subscribed and fully paid up capital</b>		
601,661 equity shares of 100 each, fully paid up (Previous Year: 601,661 equity shares of 100 each, fully paid up)	6,01,66,100	6,01,66,100
	6,01,66,100	6,01,66,100
<b>3.1 Reconciliation of Number of Equity Shares outstanding:</b>		
At the beginning of the year	6,01,661	6,01,661
Shares issued during the year	NIL	NIL
At the end of the year	6,01,661	6,01,661
<b>3.2 Details of shareholders holding more than 5% shares:</b>		
Government of India 8.15%	49,000	49,000
Government of Kerala 91.85%	5,52,661	5,52,661
<b>4. Reserves and Surplus:</b>		
a) <b>General Reserve:</b>		
Opening balance	23,55,41,997	23,55,41,997
Additions during the year:		
Matching Contribution from Government of Kerala		
For General Category Advances	-	0
For SCA	-	0
Closing balance	23,55,41,997	23,55,41,997
b) <b>Special Reserve:</b>		
<b>Borrowers Risk Relief Fund:</b> (Created out of contribution from loanees and reserved to apply for the benefit of borrowers in the event of any contingency.)		
Opening balance	1,83,78,071	1,33,00,749
Additions during the year	88,63,000	83,86,530
	2,72,41,071	2,16,87,279
Less: Amount utilised during the year	29,79,175	33,09,208
	2,42,61,896	1,83,78,071
c) <b>Capital Reserve</b>	124	124
	124	124
d) <b>Profit and Loss Account</b>		
As per last balance sheet	1,38,31,522	1,17,03,824
Less: Interest and depreciation Adj of PYs		
Add: Profit/ (loss) for the year	2,81,90,930	21,27,698
Closing balance	4,20,22,452	1,38,31,522
<b>Total Reserves and Surplus</b>	<b>Total (a+b+c):</b> 30,18,26,470	26,77,51,714





**Annexure to Note No.8 Other Current Liabilities**  
**(Schedule of Grant Received and Utilisation 2018-19)**

Particulars	Receipts / Inflow			Utilisation during 2018-19			Closing Balance As at 31 March 2019		
	Opening Balance	Received during 2018-19	Total	From Opening Balance	From Current Year Receipts	Total	Against Opening Balance	Against Current Year Receipts	Total
Government of Kerala Grant:									
Ongoing Scheme 2015-16	4,31,609		4,31,609				4,31,609		4,31,609
Nepkin Vending Machine/ Shepad SHE Toilet	(24,74,303)		(24,74,303)		5,80,929	5,80,929	(24,74,303)	(5,80,929)	(30,55,232)
Survey, Report & Documentation	(7,89,856)		(7,89,856)				(7,89,856)		(7,89,856)
Hostel Maintenance	22,08,072		22,08,072				22,08,072		22,08,072
EDP/Awareness Camp/ Vocational Training	(4,69,833)		(4,69,833)		10,981	10,981	(4,69,833)	(10,981)	(4,80,814)
Flagship Programme on Gender Awareness	41,05,116		41,05,116				41,05,116		41,05,116
Flagship Programme on Gender Awareness (video)	16,33,636		16,33,636				16,33,636		16,33,636
Suraksha @ School	14,46,474		14,46,474				14,46,474		14,46,474
Programme on Gender Awareness (ACA)	9,30,000		9,30,000				9,30,000		9,30,000
Women cell	30,79,884		30,79,884	9,43,359		9,43,359	21,36,525		21,36,525
Women Information Centre 24*7	57,33,318		57,33,318	20,51,546		20,51,546	36,81,772		36,81,772
Flagship Programme on Finishing School Reach	1,59,60,469	25,00,000	1,84,60,469	26,30,739		26,30,739	1,33,29,730	25,00,000	1,58,29,730
Flagship Programme on Finishing School 2007-08	10,01,467		10,01,467				10,01,467		10,01,467
Empowerment of economically marginalised women	1,61,02,693		1,61,02,693				1,61,02,693		1,61,02,693
Ongoing Scheme	2,86,60,413	4,38,50,000	7,25,10,413	27,30,418		27,30,418	2,59,29,995	4,38,50,000	6,97,79,995
Construction of Comfort Stations	27,25,980		27,25,980				27,25,980		27,25,980
Fund from Women and Child Development Ministry	1,77,500		1,77,500				1,77,500		1,77,500
Cresche Monitoring Fund	2,33,300		2,33,300				2,33,300		2,33,300
Social Welfare Dept- Grant in aid scheme	1,07,000		1,07,000				1,07,000		1,07,000
Social Welfare Dept-Fund for women reservation seminar	5,00,000		5,00,000				5,00,000		5,00,000
Social Welfare Dept-Training Fund	1,49,53,851		1,49,53,851				1,49,53,851		1,49,53,851
She pad	1,44,56,255	3,24,87,935	4,69,44,190	1,44,56,255	1,70,20,824	3,14,77,079	1,54,67,111	1,54,67,111	1,54,67,111
Ice Awareness	20,00,000		20,00,000	2,97,000		2,97,000	17,03,000		17,03,000
setting up of Technology Resource centre for women	2,28,625		2,28,625				2,28,625		2,28,625
Step Project expenses	99,54,396		99,54,396				99,54,396		99,54,396
Gender Awareness for workshop	38,11,452	50,06,750	88,18,202	11,40,195		11,40,195			76,78,007
Vanithamithra Project	30,00,000	30,00,000	30,00,000						30,00,000
Loan to Transenders	12,67,07,518	8,68,44,685	21,35,52,203	2,42,49,512	1,76,12,734	4,18,62,246	9,97,86,749	6,12,25,201	17,16,89,957
Total	(47,51,742)	89,29,000	41,77,258						(12,87,627)
Government of India Grant:									
181 Help line	(47,51,742)	89,29,000	41,77,258						(12,87,627)
Total	(1,35,832)	5,46,131	4,10,299				(1,35,832)	5,46,131	4,10,299
Dharana Infrastructure water purifier	(1,35,832)		(1,35,832)				(1,35,832)		(1,35,832)
Total	(1,35,832)	5,46,131	4,10,299				(1,35,832)	5,46,131	4,10,299
Other Grants									
National Minority Development and Finance Corporation	10,96,620	21,77,362	32,73,982	10,96,620	5,36,143	16,32,763			16,41,219
National Schedule Casts Finance and Development Corp.	(9,85,203)	7,00,000	(2,85,203)	9,85,203	1,94,704	11,79,907	(19,70,406)		(14,85,110)
National Backward Casts Finance and Development Corp.		10,55,336	10,83,970				28,634		10,83,970
Construction of WWH CSS	(9,82,000)		(9,82,000)				(9,82,000)		(9,82,000)
Total	(8,41,949)	39,32,688	30,90,749	20,81,823	7,30,847	28,12,670	(29,23,772)		2,78,079
Grant Total	12,09,77,995	10,02,82,514	22,12,30,509	2,63,31,335	2,38,10,466	5,01,39,801	9,67,27,145	6,84,37,298	17,10,90,708



9. Depreciation schedule

Sl. No.	Description of Assets	As at 01.04.2018	Additions	Sales/Adj	As at 31.03.2019	Rate in %	As at 31.03.2018	\$Sales/Adj	For the year	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
<b>Tangible Assets:</b>												
1	Buildings	1,28,08,358	8,21,921		1,36,30,279		89,26,925		5,19,181	94,46,106	41,84,173	38,81,433
2	Furniture & Fixtures	80,36,690	25,74,003		1,06,10,693		63,07,433		9,73,109	72,80,542	33,30,151	17,29,257
3	Machinery	75,864			75,864		72,501		699	73,200	2,664	3,363
4	Office Equipment	23,86,300			23,86,300		20,28,451		92,124	21,20,575	2,65,725	3,57,849
5	Electric Appliances	5,19,758	4,92,561		10,12,319		4,34,151		94,123	5,28,275	4,84,044	85,607
6	Computers	67,50,936	68,750		68,19,686		65,71,517		22,599	65,94,116	2,25,570	1,79,419
7	Vehicles	61,21,594	89,117		62,10,711		46,79,662		4,59,980	51,39,642	10,71,069	14,41,332
8	Hostel Appliances	99,159			99,159		97,358		169	97,527	1,632	1,801
9	Books	2,08,984			2,08,984		2,08,984			2,08,984		
10	Land	1,96,088			1,96,088						1,96,088	1,96,088
11	Plant & Machinery	38,325	66,656		1,04,981		10,800		13,186	23,986	80,995	27,525
12	Asset bought out of GIA	121			121						121	121
	<b>Sub-total:</b>	<b>3,72,42,177</b>	<b>41,13,008</b>	<b>-</b>	<b>4,13,55,185</b>		<b>2,93,37,782</b>	<b>-</b>	<b>21,75,171</b>	<b>3,15,12,953</b>	<b>98,42,231</b>	<b>79,04,394</b>
<b>Intangible Assets:</b>												
1	Computer Software	68,884			68,884		65,860			65,860	3,024	3,024
2	Trade mark & Copy rights	1,00,000			1,00,000		20,000		10,000	30,000	70,000	80,000
	<b>Sub-total:</b>	<b>1,68,884</b>	<b>-</b>	<b>-</b>	<b>1,68,884</b>		<b>85,860</b>	<b>-</b>	<b>10,000</b>	<b>95,860</b>	<b>73,024</b>	<b>83,024</b>
	<b>Grand Total:</b>	<b>3,74,11,061</b>	<b>41,13,008</b>	<b>-</b>	<b>4,15,24,069</b>		<b>2,94,23,642</b>	<b>-</b>	<b>21,85,171</b>	<b>3,16,08,813</b>	<b>99,15,254</b>	<b>79,87,417</b>

9.1 The assets and liabilities of the Kerala Working Womens' Welfare Society vested with the company with effect from 01/04/1989 as per Government Order No G.O.MS 1594/Social welfare dated 18/07/1994

9.2 The assets and liabilities including Land and building at Thrikkakara and Mananthavady in which the hostels have been accounted in the company's books on the basis of the government order.

9.3 The Corporation have leasehold lands in Thrikkakara, Manjeri, Devikulam, Kannur and Mananthavady. Lease rent to Government of Kerala has been accounted on cash basis.





KERALA STATE WOMEN'S DEVELOPMENT CORPORATION, THIRUVANANTHAPURAM  
Notes to the Financial Statements for the year ended 31 March 2019

	Current Year (Rs.)	Previous Year (Rs.)
<b>8. Other Current Liabilities:</b>		
Current maturities of long term debt		
NBCFDC	13,54,23,648	8,48,51,461
NMDFC	17,84,73,870	17,76,98,075
NSCFDC	7,85,81,700	4,82,63,000
NSTFDC	2,62,500	
Grant from Government of Kerala/ Central Agencies	17,10,90,707	12,09,77,995
Security deposits/ EMD Payable	15,56,483	12,37,330
Employee related statutory obligations	9,70,194	9,38,279
Liability for Expenses	49,43,128	1,06,92,529
Tax deducted at source	3,82,115	5,28,407
Income tax Payable	49,37,188	11,70,687
Income tax Payable (Relating to Pys)		
Other Payables	1,55,923	1,55,923
Gst	4,08,619	
	<b>57,71,86,075</b>	<b>44,65,13,686</b>
8.1 Details of Movement and Utilisation of Grant is attached as Annexure to Note No.8.		
<b>9. Fixed Assets:</b>		
(See Next Page)	99,15,255	79,87,417
<b>10. Loans and Advances</b>		
Self employment Loans for individual income generation advanced out of funds provided by national channelising agencies together with matching share of Government of Kerala:		
Unsecured considered good	1,90,44,13,575	1,22,90,01,637
Unsecured considered doubtful		
	<b>1,90,44,13,575</b>	<b>1,22,90,01,637</b>
10.1 Income from doubtful advances are recognised only when such income is realised.		
<b>11. Cash and Bank Balances:</b>		
Cash on hand	62,554	1,08,199
Balance with Banks:		
In Current Account	17,16,37,368	21,85,73,135
In Deposit Accounts (Interest accrued but not due NIL)	59,96,98,269	48,11,03,219
Balance with Govt. of Kerala Treasury Accounts	26,15,986	10,00,100
	<b>77,40,14,177</b>	<b>70,07,84,653</b>
11.1 Balance in deposit accounts with banks bear maturity of 3 months or less.		
11.2 Deposits with the Treasury are made at the instance of Government of Kerala.		







KERALA STATE WOMEN'S DEVELOPMENT CORPORATION, THIRUVANANTHAPURAM

Notes to the Financial Statements for the year ended 31 March 2018

	Current Year (Rs.)	Previous Year (Rs.)
<b>17. Finance Cost:</b>		
Cost of Funds from National Channelising Agencies	8,05,04,032	5,90,45,160
Other Borrowing Cost (Guarantee Fee to Government of Kerala)	1,83,77,006	1,11,17,401
	9,88,81,038	7,01,62,561
<b>18. Administrative and Other Expenses:</b>		
Rent	23,92,946	21,88,067
Rates and Taxes	2,00,664	50,01,180
Electricity and Water Charges	8,03,137	6,00,822
Telephone and Internet Charges	7,17,492	7,59,245
Travelling Expenses - Directors	3,35,737	3,32,543
Traveling & Conveyance	10,06,631	8,91,253
Vehicle Expenses	4,66,518	4,43,463
Printing & Stationery	8,97,283	13,95,465
Statutory Audit Fee	1,47,000	1,30,000
Fee for Professional Services	3,55,400	1,86,700
Maintenance and Upkeep	28,56,579	35,01,160
Advertisement expenses	6,61,109	18,14,903
General Expenses	38,33,915	41,82,029
Project Expenses General	60,20,391	52,46,033
	2,06,94,801	2,66,72,863
<b>19. Depreciation and Amortisation:</b>		
On Tangible Assets	21,75,171	20,13,904
On Intangible Assets	10,000	10,000
Amortisation	21,85,171	20,23,904
<b>20. Earnings per Equity Share:</b>		
Net Profit after tax as per Profit and Loss Statement	2,81,90,930	21,27,698
Weighted Average number of equity shares used as denominator	6,01,661	6,01,661
Basic and Diluted Earnings per Share	46.86	3.54
Face Value per equity share	100	100





**21. Additional Information/ Disclosures:**

- 21.1 There were no consumption of raw material (imported or indigenous) and hence such disclosures are not applicable to the Company (Previous Year NIL).
- 21.2 Contingent Liabilities not provided for - NIL (Previous Year NIL)
- 21.3 Details of earnings in Foreign Exchange - NIL (Previous Year NIL)
- 21.4 Details of expenditure in foreign exchange - NIL (Previous Year NIL)
- 21.5 Payment to Auditors towards Statutory Audit Fee ` 1,47,000/- (plus GST) (Previous Year ` 1,30,000/- plus GST), and Other Matters NIL (Previous Year NIL).

**21.6 Payment to Directors of the Company:**

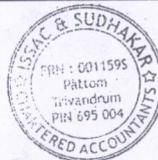
Sl.No.	Particulars	Current Year	Previous Year
a.	Salaries & Allowances (Managing Director)	1549095/-	1306568/-
b.	Honorarium to Chairperson	240000/-	240000/-
c.	Traveling Expenses (Managing Director)	151991/-	198337/-
d.	Traveling Expenses (Directors)	122144/-	108138/-
e.	Leave Travel Concession	NIL	NIL
f.	Sitting Fee	18600/-	18000/-

21.7 The Company is operating in a single segment, i.e. Welfare of Women. Accordingly, no separate disclosures of segment information have been made as per Accounting Standard AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

21.8 As per Accounting Standard AS-18 on Related Party disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related party as defined in the Accounting Standard is given below:

- a) Nature of relationship of related parties as identified by the Corporation and relied upon by the Auditors:

Nature of Relationship	Name of Related Party
Entities having significant influence in the enterprise	a. National Backward Classes Finance and Development Corporation (NBCFDC)
	b. National Minority Development and Finance Corporation (NMDFC)
	c. National Schedule Tribe Finance and Development Corporation (NSTFDC)
	d. National Schedule Casts Finance and Development Corporation (NSCFDC)
Key Management Personnel	Smt. BINDU V C , Managing Director (From . 01/04/2018 to 31/03/2019)
	Sri. SUJITH S., Company Secretary (From . 01/04/2018 to 31/03/2019)





b) Transactions with related parties during the year:

Entities having significant influence in the enterprise	Amounts in `				
	NBCFDC	NMDFC	NHFDC	NSCFDC	NSTFDC
Opening balance	53,51,88,490/- (28,77,99,391/-)	1,35,43,95,205/- (1,02,46,63,670/-)	2,65,994/- (2,65,994/-)	22,61,05,700/- (19,17,56,600/-)	
Funds Received during the year	40,42,50,000/- (30,00,00,000/-)	54,05,00,000/- (47,00,00,000/-)	NIL	12,04,20,000/- (7,47,15,000/-)	25,20,000/-
Repayment during the year	8,48,51,461/- (5,26,10,901/-)	21,70,94,038/- (14,02,68,465/-)	2,65,994	4,82,63,000/- (4,03,65,900/-)	
Closing Balance	85,45,87,029/- (53,51,88,490/-)	1,67,78,01,167/- (1,35,43,95,205/-)	Nil (265994/-)	29,82,62,700/- (22,61,05,700/-)	25,20,000
Interest due and paid	2,09,43,965/- (1,20,00,306/-)	5,21,04,287/- (4,12,82,544/-)	NIL	74,55,780/- (57,62,310/-)	

Note: Previous year figures are shown in italics.

Key Management Personnel:

Remuneration Paid 24,17,794/- (Previous Year 19,39,018/-)

- 21.9 The disclosure required by Accounting Standard 19 – "Leases": The Company has taken office/ hostel premises under operating lease or rent agreements. These are generally not non-cancelable and range between 11 months to 3 years and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable, interest free security deposits under these agreements. Lease rent payments are recognised in the Profit and Loss Account under 'Rent and Rates' among Other Expenses.
- 21.10 As required by the Accounting Standard AS-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, the Company has carried out an assessment of impairment of assets. There has been no impairment loss during the year.
- 21.11 The Corporation did not have any transactions during the year, or in the immediate previous year, or balance outstanding as on the balance sheet date with enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no particulars to disclose.
- 21.12 The Company has regrouped and reclassified the previous year figures, wherever necessary, so as to make them comparable to those of current year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
THE KERALA STATE WOMEN'S DEVELOPMENT CORPORATION LIMITED

As per Report of even date



*Bindu.V.C*  
Bindu.V.C  
Managing Director  
DIN - 07644408

*K.S. Saleekha*  
K.S. Saleekha  
Chairperson  
DIN - 07644468

For ISSAC & SUDHAKAR  
Chartered Accountants  
FRN : 0011595

C.A. V. SUDHAKAR, FCA  
Partner (M.No:028517)

UDIN: 21028517AAAAR4549

Thiruvananthapuram  
Date: 29-04-2021





## PERFORMANCE HIGHLIGHTS OF KSWDC - 2018-19

- 1) High scoring business of 130 crores in the history of KSWDC through the fine tuning of the loan schemes of the National Corporations to the most deserving 4726 loanees in the form of Microfinance, Term Loan and Educational Loan.
- 2) KSWDC won Rs. 30 lakhs from National Corporations as Grant in Aid in appreciation of excellent performance in terms of loan disbursement and recovery.
- 3) Awarded the Best SCA among Level- 3 organizations by NSFDC and received Performance incentive amounting to Rs. 10 lakhs.
- 4) Became a Channelizing agency of NSTFDC- National Scheduled Tribe Development Corporation Ltd. and debuted with loan disbursement of Rs.26 lakhs to 15 tribal women.
- 5) Government Guarantee got raised from Rs. 140 crores to Rs. 390.56 crores.
- 6) Introduced New SWARNIMA Loan scheme at low interest rate and disbursed Rs. 2107350/- among flood affected women of backward class in association with NBCFDC, to help and rebuild their homes and lives.
- 7) Announced repayment holiday of 6 months for 7448 loanees from the flood affected villages as a social responsibility to ensure assistance in difficult times.
- 8) Commenced the construction of two new working women hostels (Vanitha Mithra Kendra) in Perinthalmanna (Malappuram) and Kakkanad (Ernakulam) with Central and State funding under the Construction of Working Women's Hostels scheme of the Ministry of Women and Child Development, Govt. of India.
- 9) Regional office, Ernakulam which was functioning in a private rented building was shifted to the new office set up in a building owned by the KSWDC. As part of widening the business and facilitating greater access to the needy of the services of the Corporation, new district offices opened at Malappuram & Palakkad.
- 10) The She Pad Project for providing quality sanitary napkins and incinerators free of cost to the school girls of the State has reached out to 1.5 lakh girl students of 1200 Govt./Aided schools in the year.
- 11) Successfully implemented Integrated Skill Development Centre for Tribal Women in Chakkittapara Tribal Settlement under Kozhikode region for



providing advanced skill training for tribal women. Consequently, a tailoring unit was started by thirteen tribal women by availing NSTFDC loan thru' KSWDC.

- 12) The Corporation along with the employees contributed to Rs. 37 lakhs to the Chief Minister's Disaster Relief Scheme towards flood relief. Besides that, KSWDC distributed 10 lakh sanitary napkins in the relief camps statewide with the help of HLL Lifecare Ltd. The employees of the corporation have also participated in relief work and distributed consumables worth Rs. 4 lakhs in affected areas.



Vanitha Mithra Kendram, WWH, Perinthalmanna, Malappuram



**THE KERALA STATE WOMEN'S  
DEVELOPMENT CORPORATION LTD.**

(Dept. of Women & Child Development, Govt. of Kerala)

Registered and Corporate Office  
First Floor, Transport Bhavan, East Fort, Attakulangara P.O.,  
Thiruvananthapuram- 695 023, Kerala, India  
Tel: 91-471-2454570, 2454585  
Email:md@kswdc.org & head&kswdc.org