



**KERALA URBAN & RURAL DEVELOPMENT  
FINANCE CORPORATION LTD**

**ANNUAL** | 2017  
**REPORT** | 2018



**KERALA URBAN AND RURAL DEVELOPMENT FINANCE  
CORPORATION LIMITED**

**REGISTERED OFFICE :**

5<sup>TH</sup> FLOOR, TRANS TOWERS, VAZHUTHACAUD  
THIRUVANANTHAPURAM

**FORTY EIGHTH  
ANNUAL REPORT  
2017-18**





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## **BOARD OF DIRECTORS**

1. Prof. M. T. Joseph - Chairman
2. Sri. R.S. Kannan - Managing Director
3. Dr. Renu Raj IAS - Director (Director- Urban Affairs Director)
4. Sri. V.V. Rameshan - Director (Chairman, Chamber of Municipal Chairmen)
5. Smt. Yamuna V. - Director (Additional Secretary, Finance Department)
6. Sri. Gigi George - Director (Chief Town Planner)
7. Sri. M.V. Rajan - Director (Chief Engineer)
8. Smt. Minimol. D - Director (Joint Secretary, LSGD)

## **AUDITORS**

**H. RAMAKRISHNAN  
M/S. RDA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
THIRUVANANTHAPURAM**

## **BANKERS**

**State Bank of India, Trivandrum**

**The Federal Bank Limited, Kozhikode**

**Sub-Treasury, Kozhikode & Thiruvananthapuram**

**Kerala State Co-operative Bank, Thiruvananthapuram**

### **REGISTERED OFFICE**

5TH FLOOR, TRANS TOWERS, VAZHUTHACAUD,  
THIRUVANANTHAPURAM-695014

### **REGIONAL OFFICE**

CHAKKORATHUKULAM, WEST HILL (P.O), KOZHIKODE-673 005



## NOTICE TO SHAREHOLDERS

Notice is hereby given to the Shareholders of Kerala Urban & Rural Developing Finance Corporation Limited that the 48th Annual General Meeting of the Company will be held at the Conference Hall of State Municipal House, Vazhuthacaud, Thiruvananthapuram at 12.00 noon on Wednesday the 26th day of September 2018 to transact the following business.

### **A. ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2018
2. To consider declaration of dividend for the Financial Year ended 31.03.2018
3. To take note of the appointment of Statutory Auditors of the Company.

### **B. SPECIAL BUSINESS**

4. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 42, 62 and other applicable provisions of the Companies Act, 2013 read with the applicable Rules, Regulations thereto, and the Articles of Association of the Company and such other necessary approvals, if any the consent of the Shareholders is hereby accorded to offer, issue and allot, on private placement basis 53,164 (Fifty Three Thousand One Hundred and Sixty Four) Equity Shares of Rs.100/- (Rupees One Hundred only) each to the Governor of Kerala.”

“**RESOLVED FURTHER THAT** the aforementioned Equity Shares shall rank pari-passu in all respects with the existing fully paid up Equity Shares of the Company”

“**RESOLVED FURTHER THAT** any Directors of the Company be and are hereby severally authorized to execute all documents, communications and to issue the Share Certificates and to do all further acts, deeds and things as may be required in this connection including filings with any governmental Authority and the Registrar of Companies.”

5. To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 181 and other applicable provisions of the Companies Act, 2013 read with applicable Rules, Regulations thereto, and the Articles of Association of the Company and such other necessary approvals, if any the consent of the Shareholders is hereby accorded to donate an amount of Rs.50,00,000/- (Rupees Fifty Lakhs only) to the Hon. Chief Minister's Flood Relief Fund.”

By Order of the Board  
Sd/-

Thiruvananthapuram  
05.09.2018

**A. Ajith Kumar IAS (Retd)**  
Managing Director

### Notes:

1. The accounts for the year ended 31st March 2018 is not ready for placing before the Annual General Meeting. The Annual General Meeting has to be adjourned to a future date when the Annual Accounts along with Director's Report and Auditor's Report will be ready.
2. Declaration of dividends can be considered after placing the Accounts for the year ended 31st March 2018 before the Annual General Meeting
3. Appointment of Auditors  
The appointment of Auditors for the Company is being made by C & AG and they are yet to appoint an auditor for the year 2018-19. The General Meeting may authorize the Board to fix the remuneration for the Auditor so appointed.
4. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Form for appointing proxy is enclosed, which if used, should be returned to the Company duly completed not later than 48 hours before the commencement of the meeting.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statements sets out the material facts relating to the Special Business under Item No. 4 and 5 mentioned in the accompanying Notice.

### ISSUANCE OF EQUITY SHARES OF COMPANY ON PRIVATE PLACEMENT

The Government of Kerala as per vide Government Orders No.G.O.(Rt)No.941/2015/LSGD dt.27.03.2015, G.O.(Rt)No.3617/2015/LSGD dt.03.12.2015 & G.O(Rt)No.1600/16/LSGD dt.03.05.2016 has released an amount of Rs.53,16,471/- (Rupees Fifty Three Lakhs Sixteen Thousand Four Hundred and Seventy One only) towards Share Capital of the Company against which 53,164 (Fifty Three Thousand One Hundred and Sixty Four ) Equity Shares is to be issued. The members consent is sought to authorize the Board to issue Equity Shares on private placement basis to the Government of Kerala as stated in the Resolution.

### CONTRIBUTION TO THE CHIEF MINISTER'S FLOOD RELIEF FUND

Management of the Company has decided to contribute to the Flood Relief Fund of the Honourable Chief Minister. Section 181 of the Companies Act, 2013 stipulates on obtaining prior permission from the Company in a General Meeting is required whenever the amount intended to contribute exceeds five per cent of its average net profits for the three immediately preceding financial years. Average net profit for the past three years is estimated to be around Rs.3.80 Crores whereas the Company intends to contribute Rs.50,00,000/- (Rupees Fifty Lakhs only) to the Relief Fund.

None of the Directors is concerned or interested in the said resolution.

By Order of the Board

Sd/-

**A. Ajith Kumar IAS (Retd)**  
Managing Director

Thiruvananthapuram  
05.09.2018





## NOTICE TO SHAREHOLDERS

Notice is hereby given to the Shareholders of Kerala Urban and Rural Development Finance Corporation Limited that the 48th Adjourned Annual General Meeting of the Company will be held at the Registered Office of the Company, 5th Floor, Trans Towers, Vazhuthacaud, Thiruvananthapuram at 11.30 AM on Wednesday, the 16th day of September , 2020 to transact the following business.

### A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2018 together with the Report of the Directors and the Auditors along with the comments of Comptroller and Auditor General of India.
2. To consider declaration of dividend for the financial year ended 31.03.2018.

By order of the Board,  
Sd/-

**R.S. KANNAN**  
Managing Director

Thiruvananthapuram  
24.08.2020

### Notes:

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

**KERALA URBAN AND RURAL DEVELOPMENT FINANCE CORPORATION LIMITED  
THIRUVANANTHAPURAM-695 014****DIRECTOR'S REPORT TO SHAREHOLDERS**

Dear Members,

Your Directors are pleased to present the Director's Report of Kerala Urban & Rural Development Finance Corporation Limited for the financial year 2017-18 on the business and operations of the Company together with the audited financial statements for the year ended March 31, 2018.

**1. FINANCIAL RESULTS & PERFORMANCE REVIEW**

(In Rupees)

<b>Financial Highlights</b>	<b>For the Year Ending 31st March 2018</b>	<b>For the Year Ending 31st March 2017</b>
Total Income	7,04,62,615	9,30,98,142
Total Expenditure (including Depreciation)	3,92,83,391	2,36,10,189
Profit/(Loss) before exceptional items and Tax	3,11,79,224	6,94,87,953
Exceptional items	2,13,60,839	-
Profit/(Loss) before Tax	98,18,385	6,94,87,953
Tax (Including deferred tax)	48,30,805	3,40,49,019
Profit/(Loss) after tax	49,87,579	3,54,38,934
Surplus / (Deficit) carried to Balance Sheet	49,87,579	3,54,38,934
Earnings per share	9 (Basic) 9 (Diluted)	62.52 (Basic) 62.52 (Diluted)

During the financial year 2017-18, the turnover of the Company has decreased to Rs. 6,84,65,492 as compared to Rs. 9,16,45,245 of the previous financial year. Further the company incurred a total expenditure of Rs. 3,92,83,391 as compared to Rs. 2,36,10,189 during the previous year. Company had recorded a decrease in net profit as compared to net profit for the previous year.

**2. DIVIDEND**

The Directors have not proposed any dividend on the equity shares for the financial year.

**3. CHANGE IN NATURE OF THE BUSINESS, IF ANY**

During the financial year 2017-18, there was no change in the nature of the business of the Company.

**4. AMOUNTS TRANSFERRED TO RESERVES**

The Company has transferred the entire Net profit after tax, that is, an amount of Rs. 49,87,579/- to its free reserves.

**5. SHARE CAPITAL OF THE COMPANY**

The Authorized capital of the Company as on the end of the financial year is Rs. 120,000,000/- divided into 12,00,000 equity shares of Rs.100/- each. The total issued, subscribed and paid up share capital of the Company as on the date of the report is Rs.5,66,83,600/- divided into 5,66,836 equity shares of Rs.100/- each. There was no change in the share capital of the company during financial year.



## 6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes/ events occurred after balance sheet date till the date of the report.

## 7. PERFORMANCE AND NEW PROJECTS

The performance of your Company and the new projects is detailed in the Tables given below:

### PERFORMANCE DURING THE YEAR 2017-18

TABLE -A

Schemes	no. of schemes			loan disbursed (Amount in Rs)			(% ) Total
	old	new	total	old schemes	new schemes	total	
Remunerative	15	1	16	98757282	15858630	114615912	100%
non-remunerative			0			0	
<b>TOTAL</b>	<b>15</b>	<b>1</b>	<b>16</b>	<b>98757282</b>	<b>15858630</b>	<b>114615912</b>	<b>100%</b>

### PERFORMANCE TILL MARCH 2018

TABLE-B

Schemes	No. of Schemes Financed	Loan Disbursed	
		Amount (Rs)	(%) Total
Remunorative	763	2449973948	94%
Non-Remunorative	128	159218077	6%
<b>TOTAL</b>	<b>891</b>	<b>2609192025</b>	<b>100%</b>

### SCHEMES SANCTIONED DURING THE YEAR 2017-18

TABLE-C

(Amount in Rupees)

SL. No.	Name of Local Self Government Institutions	Name of Scheme	Schemes Approved	Schemes sanctioned	Loan amount Disbursed	Balance
1	Pala Municipality	Lawyers chamber	4,10,00,000	3,28,00,000	-	3,28,00,000
2	Vattamkulam Municipality	Community hall cum shopping hall	2,30,00,000	2,00,00,000	-	2,00,00,000
3	Pudussery Grama Panchayath	Kalyana Man-dapam	4,70,50,000	3,00,00,000	-	3,00,00,000
4.	Cherthala Municipality	Shopping Complex	1,44,72,000	1,30,24,800	-	1,30,24,800
<b>Total</b>			<b>12,55,22,000</b>	<b>9,58,24,800</b>		<b>9,58,24,800</b>



## LOAN AMOUNT RELEASED DURING THE YEAR 2017-18 (LOCAL BODY WISE)

TABLE-D

(Amount in Rupees)

SL. No.	Name of Local Self Government Institutions	Name of Scheme	Loan amount sanctioned	Disbursed till 2016-17	Loan amount Disbursed 2017-18	Balance to be disbursed
1	Mavoor GP	Office cum Shopping Complex	55,000,440	2,02,17,600	42,71,850	3,05,10,996
2	Velinalloor GP	Shopping Complex	2,02,66,200	17,885,600	14,29,684	9,50,916
3	Vathikudy GP	Shopping Complex	2,40,00,000	12,415,700	31,14,900	84,69,400
4	Melattur GP	Bus Stand cum Shopping Complex	5,94,00,000	23,296,000	2,33,00,000	1,28,04,000
5	Edakkara GP	Rural Marketing Complex	5,40,00,000	2,56,54,030	1,51,03,350	1,32,42,620
6	Kottappady GP	Shopping Complex	88,20,000	28,60,975	44,05,943	15,53,082
7	Thirunelly GP	Stadium cum Shopping Complex	81,00,000	60,74,750	14,30,845	5,94,405
8	Chakkittapara GP	Community Hall	12,15,00,000	11,81,16,550	33,83,450	0
9	East Eleri GP	Shopping Complex cum bus stand	2,59,74,000	30,12,937	20,22,800	2,09,38,263
10	Eramala GP	Fish Market shopping complex	94,50,000	21,78,000	52,30,000	20,42,000
11	Ottappalam Mlty	Bus stand cum Shopping Complex	3,00,00,000	-	1,58,58,630	1,41,41,370
12	Koyilandy Mlty	Construction of town hall	2,79,65,000	74,73,980	17,65,165	1,87,25,855
13	North Paravoor MLTY	Reovation of town hall	1,91,91,000	42,81,480	1,04,29,268	44,80,252
14	Pala Municipality	Thekkekara Shopping Complex	4,50,00,000	1,07,89,244	39,23,817	3,02,86,939
15	Pala Mlty	Kottaramatham shopping complex	5,90,94,000	2,80,99,557	1,01,13,710	2,08,80,733
16	Kayamkulam Mlty	Vegetable market cum shopping complex	6,40,80,000	58,96,000	88,32,500	4,93,51,500
<b>TOTAL</b>			<b>63,18,40,640</b>	<b>28,82,52,403</b>	<b>11,46,15,912</b>	<b>22,89,72,325</b>



## 8. DIRECTORS

The Board of Directors of the Company during the reporting period is as follows:

Sl No	Name	DIN	Designation	Date of Appointment	Cessation Date
1	Ashok Balasundaram	05230812	Managing Director	16/12/2017	Continuing
2	Baby Veettal Kurian	02987095	Managing Director	03/12/2016	15/07/2017
3	Shajahan Abdul Razak	05255548	Managing Director	15/07/2017	16/12/2017
4.	Haritha Vijaya Kumar	07896977	Director	25/08/2017	Continuing
5.	Kanchana Thankamma	07896385	Director	25/08/2017	Continuing
6.	Poovakalayil Raghavan Sajikumar	06486535	Director		Continuing
7.	Leena Padmavathy Neelakantan Nair	07983345	Director	25/08/2017	Continuing
8.	Vadakkan Veedu Ramesh	07610844	Director	29/06/2016	Continuing
9.	Ali Asgar Pasha	02868853	Director		25/08/2017
10.	Jacob Koshy	07540920	Director		25/08/2017
11.	Mattathil Thomas Joseph	07970853	Director	19/01/2017	Continuing

## 9. BOARD MEETINGS / GENERAL MEETINGS HELD DURING THE PERIOD

The Board of Directors has met Five times during the financial year. The details of which are as follows:

Sl.No.	Date of Meeting
1.	13/06/2017
2.	25/08/2017
3.	22/09/2017
4.	23/01/2018
5.	28/03/2018

Annual General Meeting – AGM for the Financial Year 2016-17 was conducted on 26th September 2017.

## 10. KEY MANAGERIAL PERSONNEL

The Company had not engaged any Key Managerial Personnel during the financial year:

## 11. REMUNERATION TO DIRECTORS & KMPS

The details of the remuneration paid to the Directors are given in the annual return under Section 92 of the Act in Form MGT-9 attached as annexure I.

## 12. PARTICULARS OF EMPLOYEES

During the period under review, no employee of the Company has received specified remuneration and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company and hence there was no requirement of a statement under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



### **13. STATUTORY AUDITORS AND THE AUDITORS' REPORT**

H. Ramakrishnan, M/s. RDA Associates, Chartered Accountants, Thiruvananthapuram were the Statutory Auditors of the Company for the financial year under review. M/s. ARSB & Associates, Chartered Accountants, Thiruvananthapuram was the Internal Auditor of the Company.

### **14. PUBLIC DEPOSITS**

In terms of the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, the Company has not accepted any deposits and as such no amount of principal or interest was outstanding as on the date of the Balance Sheet. And, therefore obtaining of Declarations pursuant to Rule 2 (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014 was not applicable.

### **15. EXTRACT OF ANNUAL RETURN U/S 92**

As required under Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return under Section 92 in the prescribed Form MGT-9 is set out as Annexure I attached hereto and forms part of this report .

### **16. CONTRACTS WITH RELATED PARTIES**

No Related Party Transactions as per Section 134(3)(h) of the Companies Act, is reported during the period.

### **17. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

During the financial year, there were no cases reported or filed regarding sexual harassment of women at workplace.

### **18. FRAUD REPORTING**

During the financial year, there were no cases regarding fraud have been reported to the Board/ Central Government.

### **19. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

There is no order in materials passed by the Courts or Tribunal or Regulators.

### **20. VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT**

There was no voluntary revision of Financial Statements or Board's Report in respect of preceding three financial years.

### **21. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has adequate internal control and process on place with respective Financial Statements.

### **22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

Your Company's operations do not involve large scale use of energy, however, it acknowledges, the concept of conservation of energy. The Company has not carried out any activity relating to Research and Development and technology absorption, adaptation and innovation.



## 23. FOREIGN EXCHANGE EARNINGS & OUTGO

There were no foreign exchange earnings or out go for the Company during the financial year.

## 24. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance to the provisions of Section 134 (5) of the Companies Act, 2013, your Directors wish to place on record:

- (i) that in preparing the annual accounts, all the applicable accounting standards have been followed and that there are no material departures.
- (ii) that the accounting policies are adopted and consistently followed and the judgments and estimates made 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 of the company for that period.
- (iii) that proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting fraud and irregularities.
- (iv) that the Annual Accounts have been prepared on going concern basis.
- (v) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating efficiently.

## APPRECIATION

Your Directors take this opportunity to acknowledge with gratitude the trust, confidence, co-operation and support received from Government of Kerala, Government of India, Local Self Government Institutions in the State, Office of the C&AG, Reserve Bank of India, HUDCO, all the Bankers, Statutory Auditors and Internal Auditors.

For and on behalf of the Board

Sd/-

**CHAIRMAN**



BALANCE SHEET AS AT 31st MARCH 2018

Particulars	Note No.	Figures as at 31 <sup>st</sup> March 2018	Figures as at 31 <sup>st</sup> March 2017
<b>I EQUITY &amp; LIABILITIES</b>		<b>in Rs.</b>	<b>in Rs.</b>
<b>(1) Shareholders Funds</b>			
(a) Share Capital	1	5,66,83,600	5,66,83,600
(b) Reserves & Surplus	2	22,38,42,046	21,88,54,467
		28,05,25,646	27,55,38,067
<b>(2) Share application Money Pending Allotments</b>		53,16,471	1,06,34,100
<b>(3) Non Current Liabilities</b>			
(a) Long term borrowings	3A	-	35,69,11,253
(b) Other Non Current Liabilities	3B	51,30,93,353	50,68,40,296
		51,30,93,353	86,37,51,549
<b>(4) Current Liabilities</b>			
(a) Other Current Liabilities	4	34,16,414	1,61,58,745
(b) Short Term Provisions	5	16,98,95,521	17,56,24,547
		17,33,11,935	19,17,83,292
<b>Total</b>		<b>97,22,47,406</b>	<b>1,34,17,07,009</b>

Particulars	Note No.	Figures as at 31 <sup>st</sup> March 2018 (in Rs.)	Figures as at 31 <sup>st</sup> March 2017 (in Rs.)
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(1) Tangible Assets	6	50,94,971	43,89,096
(b) Deffered Tax Assets (net)	7	2,00,32,092	2,11,48,198
(c) Long term Loans and Advances	8	60,61,57,950	99,50,99,814
		63,12,85,014	1,02,06,37,108
<b>(2) Current Assets</b>			
a) Cash & Cash Equivalenrs	9	21,51,42,772	22,10,45,158
(b) Other Current Assets	10	12,58,19,621	10,00,24,743
		34,09,62,393	32,10,69,901
<b>Total</b>		<b>97,22,47,406</b>	<b>1,34,17,07,009</b>

For and on behalf of the Board		As per our report dated 24.02.2020
<b>M.T. Joseph</b> (Chairman)	Sd/-	<b>For RDA &amp; Associates</b>
<b>R.S.Kannan</b> (Managing Director)	Sd/-	Chartered Accountants
<b>Yamuna V.</b> (Director)	Sd/-	FRN:322810E
Thiruvananthapuram		<b>H. Ramakrishnan</b>
Dated: 14.01.2020		Partner No.88020
		Thiruvananthapuram
		Dated : 24.02.2020





**KERALA URBAN AND RURAL DEVELOPMENT FINANCE CORPORATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED**  
**31ST MARCH 2018**

Particulars	Note No.	Figures for the current reporting period (Year ended March 31, 2018) in Rs.	Figures for the current reporting period (Year ended March 31, 2017) in Rs.
<b>A. CONTINUING OPERATIONS</b>			
1 Revenue from operations	11	6,84,65,492	9,16,45,245
2 Other income	12	19,97,123	14,52,897
<b>3 Total revenue (1+2)</b>		<b>7,04,62,615</b>	<b>9,30,98,142</b>
<b>4 Expenses</b>			
(a) Employee benefits expense	13	88,75,648	99,42,674
(b) Finance costs	14	2,12,93,198	22,80,075
(c) Depreciation and amortisation expense	15	3,59,944	2,87,860
(d) General Charges	16	34,44,317	28,73,328
(e) Provision for NPA	17	53,10,284	82,40,144
(f) Prior Period Adjustment	18	-	(13,892)
<b>Total expenses</b>		<b>3,92,83,391</b>	<b>2,36,10,189</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		3,11,79,224	6,94,87,953
<b>6 Exceptional Items</b>	19	2,13,60,839	
<b>7 Profit / (Loss) before extraordinary items and tax (5 - 6)</b>		98,18,385	
<b>8 Extraordinary Items</b>		-	
<b>9 Profit before Tax (7-8)</b>		98,18,385	
<b>10 Tax expense:</b>			
(a) Current tax		37,14,700	2,55,00,000
(f) Income Tax (FY 2008-09)			15,75,357
(g) Deferred tax Expense/(Income)- Current Year		11,16,105	69,73,662
<b>11 Profit / (Loss) from continuing operations (10-11)</b>		48,30,805	3,40,49,019
<b>12 Profit / (Loss) for the Year</b>		49,87,579	3,54,38,934
<b>13 Earnings per equity share (of Rs.100/- each):</b>			
(a) Basic		9	62.52
(b) Diluted		9	62.52

For and on behalf of the Board		As per our report dated 24.02.2020
<b>M.T. Joseph</b> (Chairman) Sd/-		<b>For RDA &amp; Associates</b>
<b>R.S.Kannan</b> (Managing Director) Sd/-		Chartered Accountants
<b>Yamuna V.</b> (Director) Sd/-		FRN:322810E
Thiruvananthapuram		<b>H. Ramakrishnan</b>
Dated: 14.01.2020		Partner No.88020
		Thiruvananthapuram
		Dated : 24.02.2020



**KERALA URBAN AND RURAL DEVELOPMENT FINANCE CORPORATION LIMITED  
CASHFLOW STATEMENT FOR THE YEAR ENDED 31.03.2018**

Particulars	2017-18		2016-17	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax from operations		3,11,79,223.58		6,94,87,952.89
<b>ADJUSTMENTS FOR:-</b>				
Depreciation	3,59,944.32		2,87,860.00	
Provision for NPA	53,10,284.00		82,40,144.00	
Provision for leave encashment	(10,05,286.00)		5,84,683.00	
Change in P & L Appropriation & reserve	(2,61,91,644.47)	(2,15,26,702.15)	(4,08,19,803.21)	(3,28,76,482.21)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL ADJUSTMENT</b>		<b>96,52,521.43</b>		<b>3,66,11,470.68</b>
<b>ADJUSTMENTS FOR:-</b>				
Stock of Stationery	7,485.00		480.00	
Loans to local governments				
Advance Tax & TDS	(4,06,35,884.00)		(1,40,92,331.00)	
Other Current Assets	1,48,33,521.04		25,67,225.55	
Other Current Liabilities	(1,27,42,330.66)		(93,73,332.01)	
Other Non Current Liabilities	62,53,056.90		75,20,773.00	
Short Term Provision	(47,23,740.00)		2,94,87,066.12	
Deferred Tax	11,16,105.47		69,73,661.92	2,30,83,543.58
HUDCO TOL Adjustment	(35,69,11,253.00)	(39,28,03,039.25)		
<b>CASH GENERATED FROM OPERATIONS</b>		<b>(38,31,50,517.82)</b>		<b>5,96,95,014.26</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(38,31,50,517.82)</b>		<b>5,96,95,014.26</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(10,98,819.00)			
Sale of fixed Assets	33,000.00			
Increase in Share Capital	-			
Increase/(Decrease) in share application money	(53,17,629.00)		31,00,000	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(63,83,448.00)</b>		<b>31,00,000.00</b>



<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase/(Decrease) in loans & advances	38,36,31,579.75		(10,14,81,837.75)	
<b>Dividend Paid (including Dividend Tax)</b>				
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>38,36,31,579.75</b>		<b>(10,14,81,837.75)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		<b>(59,02,386.07)</b>		<b>3,86,86,823.49</b>
<b>D. CASH &amp; CASH EQUIVALENTS</b>				
<b>OPENING CASH &amp; CASH EQUIVALENTS</b>		<b>22,10,45,158.49</b>		<b>25,97,31,981.94</b>
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>		<b>21,51,42,772.42</b>		<b>22,10,45,158.45</b>

For and on behalf of the Board		As per our report dated 24.02.2020
<b>M.T. Joseph</b> (Chairman) Sd/-		<b>For RDA &amp; Associates</b>
<b>R.S.Kannan</b> (Managing Director) Sd/-		Chartered Accountants
<b>Yamuna V.</b> (Director) Sd/-		FRN:322810E
Thiruvananthapuram		<b>H. Ramakrishnan</b>
Dated: 14.01.2020		Partner No.88020
		Thiruvananthapuram
		Dated : 24.02.2020

**Notes:**

- 1. Cash and cash equivalents include cash in hand, debit balance with bank and treasury accounts and deposits.*
- 2. The above cash flow statement has been prepared under the "indirect method" as set out in the Accounting Standard on cash flow statement[AS 3] issued by ICAI.*



KERALA URBAN AND RURAL DEVELOPMENT FINANCE CORPORATION LIMITED

<b>Note : 1 - Share Capital</b>				
Particulars	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
(a) Authorised Share Capital	12,00,000	12,00,00,000	12,00,000	12,00,000
1200000 Equity Shares of Rs.100/- each				
(b) Shares issued, subscribed and fully paid				
566836 Equity Shares of Rs.100/- each	5,66,836	5,66,83,600	5,66,836	5,66,83,600
(c) Shares issued, subscribed and not fully paid	Nil		Nil	
(d) par value per share;	100		100	
(e) a reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period	5,66,836	5,66,83,600	5,66,836	5,66,83,600
(f) shares in the company held by each shareholder holding more than 5 per cent shares specifying the number shares held.				
Government of kerala - 89.21% shares	5,05,659	5,05,65,900	5,05,659	5,05,65,900
(g) calls unpaid (showing aggregate value of calls unpaid by directors and officers)	Nil		Nil	
(h) forfeited shares (amount originally paid up)	Nil		Nil	
<b>TOTAL OF SHARE CAPITAL</b>	<b>5,66,836</b>	<b>5,66,83,600</b>	<b>5,66,836</b>	<b>5,66,83,600</b>

<b>Note : 2 - Reserves and Surplus</b>		
Particulars	Figures as at 31st March 2018	Figures as at 31st March 2017
	in Rs.	in Rs.
<b>General Reserve</b>		
Opening Balance	1,11,10,000	1,11,10,000
Add: Additions during the year		
Closing Balance	1,11,10,000	1,11,10,000
<b>Capital Profit -Profit on sale of assets</b>	71,610	71,610
<b>Profit and Loss a/c</b>		
Opening Balance	15,65,56,812	13,49,76,449
Add: Excess Provision of Income Tax provided in the year 2011-12		
Add: Additions during the year	49,87,579	3,54,38,934
Closing Balance	16,15,44,391	17,04,15,383
Transfer to Statutory Reserve	9,97,516	70,87,787
Provision against profit accounted on TOL in the previous years		
Proposed Dividend	-	56,68,360
Proposed Dividend Tax	-	11,02,425
Profit after appropriation	16,05,46,875	15,65,56,812
<b>Statutory Reserve</b>		
Opening Balance	5,11,16,046	4,40,28,259
Less: Retained Earnings		
Add: Transfer during the year	9,97,516	70,87,787
Closing Balance	5,21,13,562	5,11,16,046
<b>Total</b>	<b>22,38,42,046</b>	<b>21,88,54,467</b>



<b>Note : 3 A Long term borrowings</b>		
<b>Particulars</b>	<b>Figures as at 31st March 2018</b>	<b>Figures as at 31st March 2017</b>
	<b>in Rs.</b>	<b>in Rs.</b>
<b>Unsecured Borrowings</b>		
(a) Direct Loan from HUDCO		2,03,079
(b) Interest accrued on direct loan from HUDCO		3,62,061
(c) Interest accrued on taken over loan from HUDCO		10,63,46,113
(d) Government loan. TOL Remittance		25,00,00,000
<b>Total</b>	<b>-</b>	<b>35,69,11,253</b>

<b>Note : 3 B Other Non Current Liabilities</b>		
<b>Particulars</b>	<b>Figures as at 31st March 2018</b>	<b>Figures as at 31st March 2017</b>
	<b>in Rs.</b>	<b>in Rs.</b>
KSRDB	48,30,93,353	47,68,40,296
KSRDB Pension Fund	3,00,00,000	3,00,00,000
<b>Total</b>	<b>51,30,93,353</b>	<b>50,68,40,296</b>

<b>Note : 4 Other Current Liabilities</b>		
<b>Particulars</b>	<b>Figures as at 31st March 2018</b>	<b>Figures as at 31st March 2017</b>
	<b>in Rs.</b>	<b>in Rs.</b>
(a) Interest accrued and due on Government Loan		
(b) Rent received in Advance	2,31,075	2,31,075
(c) Other payables		
Outstanding Expenses	15,68,765	14,09,222
Grand-in- aid to NGO's		2,13,300
Seed Capital	11,08,778	1,21,15,000
Front End Fee payable		9,06,660
RR Charges Payables		1,36,372
Contractor's Security Deposit	29,079	29,079
Excess Remittance by ULBs and GP	4,34,997	4,38,634
Excess Remittance by CDS	33,249	33,249
Excess Remittance by HUDCO		4,12,177
Technical Unit		2,33,977
CIBIL	5,900	
Sundry Creditors	611	
SGST OUTPUT	1,980	
CGST OUTPUT	1,980	
<b>Total</b>	<b>34,16,414</b>	<b>1,61,58,745</b>



<b>Note : 5 Short Term Provisions</b>		
<b>Particulars</b>	<b>Figures as at 31st March 2018</b>	<b>Figures as at 31st March 2017</b>
	<b>in Rs.</b>	<b>in Rs.</b>
(a) Provisions for Leave Encashment	7,78,065	1783351
(b) Others		
Provision for Taxation	15,55,99,222	15,53,98,714
Provision for Bad and Doubtful Debt	-	27,20,416
Proposed Dividend	1,13,36,720	1,13,36,720
Proposed Dividend Tax	21,81,514	21,81,514
Provision against profit accounted on TOL in the previous years	-	22,03,832
<b>Total</b>	<b>16,98,95,521</b>	<b>17,56,24,547</b>

**Note:6 Fixed assets - separately attached as Annexure I**

<b>Note 7 Disclosure under Accounting Standard 22</b>		
<b>Particulars</b>	<b>Figures as at 31st March 2018</b>	<b>Figures as at 31st March 2017</b>
	<b>in Rs.</b>	<b>in Rs.</b>
Deferred tax (asset) / liability on timing difference arising on:		
Depreciation	22,128	25,087
Provision for leave encashment	3,32,378	1,93,296
Provision for NPA & Bad debts	(17,55,739)	(27,17,317)
Provision Against income recognised in PY reversed	(7,15,033)	(7,15,033)
Disallowance under Section 40(a)(ia)	(6,227)	(24,632)
Disallowance under Section 43	(1,79,09,599)	(1,79,09,599)
<b>Deferred tax liability on above</b>	<b>(2,00,32,092)</b>	<b>(2,11,48,198)</b>
Deferred Tax (asset)/liability as per last Balance sheet	(2,11,48,198)	(2,81,21,860)
Deferred tax for the period	11,16,105	69,73,662
Deferred tax for earlier years rectified		
<b>Net Deferred tax (asset) / liability</b>	<b>(2,00,32,092)</b>	<b>(2,11,48,198)</b>



**Note: 8 Long term Loan and Advances**

Particulars	Figures as at 31 <sup>st</sup> March 2018	Figures as at 31 <sup>st</sup> March 2017
	in Rs.	in Rs.
<b>A. HUDCO LOAN</b>		
a) Loan to Urban local Bodies	7,45,442	7,45,442
Interest accrued and due	64,479	64,479
	8,09,921	8,09,921
Less - Provision for NPA	3,93,129	3,93,129
	4,16,792	4,16,792
b) Taken Over Loan- DDA		6,04,34,707
Interest accrued and due		2,96,13,741
		<b>9,00,48,448</b>
c) Taken Over Loan - others	-	6,50,69,601
Interest accrued and due		22,81,33,415
	-	<b>29,32,03,016</b>
<b>B. KURDFC LOAN</b>		
a) Loan to Urban local Bodies	33,47,52,795	33,29,64,111
Interest accrued and due	7,31,077	3,12,413
	33,54,83,872	33,32,76,524
Less - Provision for NPA	3,75,81,983	3,23,25,352
	29,79,01,889	30,09,51,172
b) Loan to Grama Panchayats	30,59,51,796	30,85,32,869
		4,067
	30,59,51,796	30,85,36,936
<b>C. CDS LOAN</b>	42,95,174	42,95,174
Interest accrued and due	94,541	94,541
	43,89,715	43,89,715
Less - Provision for NPA	24,99,542	24,45,889
	<b>18,90,173</b>	<b>19,43,826</b>
<b>D. LOAN TO STAFF ( HOUSING)</b>		
Interest accrued and due	(2,700)	(376)
Interest tax due on the above	-	-
	<b>(2,700)</b>	<b>(376)</b>
<b>E. MUNICIPAL EMPLOYEES HOUSING LOAN</b>		
Less - Provision for NPA		
<b>Total</b>	<b>60,61,57,950</b>	<b>99,50,99,814</b>
<b>Sub- Classification</b>		
Secured, considered good	60,38,50,985	90,26,90,748
Unsecured, considered good	23,06,965	9,24,09,066
Doubtful		
<b>Total</b>	<b>60,61,57,950</b>	<b>99,50,99,814</b>



<b>Note: 9 Cash and Cash Equivalents</b>		
<b>Particulars</b>	<b>Figures as at 31st March 2018</b>	<b>Figures as at 31st March 2017</b>
	<b>in Rs.</b>	<b>in Rs.</b>
(i) Cash on hand	6,381	3,948
(ii) Balance with Bank		
(a) Current Account	1,98,92,114	1,53,88,232
(b) Short Term Deposit		15,23,69,846
(iii) Balance in Government Treasury		
(a) Savings bank Account	77,81,723	2,32,82,732
(b) Fixed Deposit	18,74,62,239	3,00,00,000
(iv) Stamp	315	400
<b>Total</b>	<b>21,51,42,772</b>	<b>22,10,45,158</b>

<b>Note: 10 Other Current Assets - Short term Loan &amp; Advances</b>		
<b>Particulars</b>	<b>Figures as at 31st March 2018</b>	<b>Figures as at 31st March 2017</b>
	<b>in Rs.</b>	<b>in Rs.</b>
Advance recoverable in cash or in kind or value to be received	1,042,509	989,679
Prepaid Expenses	134,598	88,835
Advance Income Tax	122,312,949	81,677,065
HUDCO reconciliation suspense		5,238,000
Suspense Account		298,882
Front end fee receivable from HUDCO		1,209,283
L.C.S. Suspense		1,239,350
HUDCO Research & Development Receivable from HUDCO		271,784
Interest accrued on bank deposit	1,115,355	7,926,805
Somachandran Contractor	9,250	9,250
Petrol Deposit	65,000	45,000
Electricity Deposit	99,884	94,864





Stock of Stationery	3,725	11,210
Project expense new building kozhikode	914,784	914,784
Gas Deposit	1,700	1,700
Telephone Deposit	8,253	8,253
SGST Receivable	52,357	
CGST Receivable	52,357	
IGST Receivable	900	
GST Receivable	6,000	
<b>Total</b>	<b>125,819,621</b>	<b>100,024,743</b>
<b>Sub- Classification</b>		
Secured, considered good		-
Unsecured, considered good	125,819,621	97,304,327
Doubtful	-	2,720,416
<b>Total</b>	<b>125,819,621</b>	<b>100,024,743</b>

### Schedule to the Profit and Loss Account

#### Note: 11 Revenue from Operations

Particulars	Figures as at 31st	Figures as at 31st
	March 2018	March 2017
	in Rs.	in Rs.
Interest Receipts		
On HUDCO Loans:		
CDS Loans		42,639
Others	434,021	20,665
On KURDFC Loans and Advances	55,372,415	76,108,430
On Municipal Employees Housing Loan		
Others:		
On Bank Deposits	5,264,309	14,918,902
Tressury Deposits	6,810,317	
On SB Deposits	584,430	554,609
<b>Total</b>	<b>68,465,492</b>	<b>91,645,245</b>

**Note: 12 Other Income**

Particulars	Figures as at 31st March 2018	Figures as at 31st March 2017
	in Rs.	in Rs.
Rent on building	1,323,349	1,452,897
Financial Assistance for Reimbursement of Expenditure	672,000	
Right to information	80	
Interest on Income Tax refund		
HO Miscellaneous income	1,694	
Gratuity form LIC		
<b>Total</b>	<b>1,997,123</b>	<b>1,452,897</b>

**Note:13 Employee benefit expenses**

Particulars	Figures as at 31st March 2018	Figures as at 31st March 2017
	in Rs.	in Rs.
Salaries, allowances and bonus to staff	8,849,898	7,951,762
Salary and allowances to Managing Director	187,958	1,276,128
Staff welfare expenses	55,642	56,077
Group gratuity premium to LIC	160,415	290,588
Contribution to P.F	464,703	701,707
Companies contribution to IF	8,553	79,281
Provision for Earned leave	(1,005,286)	-584,683
Administratiave Expense to PF	32,919	49,707
Medical Expenses MD		
Group Insurance	5,200	6,000
Stipend to Cost Accountant trainee	115,646	116,107
<b>Total</b>	<b>8,875,648</b>	<b>9,942,674</b>

**Note:14 Finance cost**

Particulars	Figures as at 31st March 2018	Figures as at 31st March 2017
	in Rs.	in Rs.
<b>A. INTEREST PAYMENT</b>		
Interest on Loan on Fixed Deposit	38,451	167,469
Interest on HUDCO loan:		
HUDCO Taken over loan	21,254,747	
Direct Loan		
	21,293,198	167,469



<b>B. GUARANTEE COMMISSION</b>		
On HUDCO loan		2,112,606
	-	2,112,606
<b>Total</b>	<b>21,293,198</b>	<b>2,280,075</b>

**Note:15 Depreciation and amortisation expenses  
(See Annexure I)**

Particulars	Figures as at 31st March 2018	Figures as at 31st March 2017
	in Rs.	in Rs.
Depreciation	359,944	287,860
<b>Total</b>	<b>359,944</b>	<b>287,860</b>

**Note:16 General Charges**

Particulars	Figures as at 31st March 2018	Figures as at 31st March 2017
	in Rs.	in Rs.
Directors' sitting fee	3,700	1,300
Rates and taxes	39,031	91,279
Printing and stationery	49,444	84,941
Postage, telegram and phone	21,202	26,891
Books and periodicals	6,086	7,380
Electricity and water charges	250,055	269,751
Advertisement charges	158,069	82,282
Motor car expenses	483,724	146,238
Repairs and maintenance	123,179	284,453
<i>Remuneration to auditors</i>		
Statutory Audit fees	90,000	90,000
Tax Audit fees	17,000	17,000
<i>To others</i>		
Internal audit fees	85,000	85,000
GST Audit fee	25,000	
Travelling expenses to Directors	46,689	32,228



Travelling expenses to others	18,550	79,688
Miscellaneous expenses	40,279	43,707
General Insurance	7,367	2,274
Bank charges	1,298	1,263
Property tax	96,082	94,252
Legal charges	7,500	75,000
Rent for office building	708,865	565,232
Professional Expenses	358,300	144,300
Board meeting expenses	25,668	8,461
Annual General meeting expenses	5,400	37,526
Office cleaning expenses	1,344	2,155
Internet charge	9,785	11,773
Mobile charge	1,268	10,955
Training fee for Staff	3,300	
Security charges	173,792	275,941
Fees and Subscription Charges	5,000	
Honourarium to Chairman	279,286	40,000
KSRDB Expenses	303,054	262,059
<b>Total</b>	<b>3,444,317</b>	<b>2,873,328</b>

**Note: 17 Provisions for Non-Performing Assets**

Particulars	Figures as at 31st March 2018	Figures as at 31st March 2017
	in Rs.	in Rs.
<b>CDS LOAN</b>		
Provision at the end of the year	2,499,542	24,45,889
Less Provision available from last year	24,45,889	25,75,641
Provision for the year(A)	<b>53,653</b>	<b>(1,29,752)</b>
<b>HUDCO LOANS</b>		
Provision at the end of the year	393,129	393,129
Less Provision available from last year	393,129	393,129
Provision for the year(B)	-	-
<b>KURDFC LOAN</b>		
Provision at the end of the year	37,581,983	32,325,352
Less Provision available from last year	32,325,352	2,39,55,456
Provision for the year(C)	<b>5,256,631</b>	<b>83,69,896</b>



MUNICIPAL EMPLOYEES HOUSING LOAN		
Provision at the end of the year		-
Less Provision available from last year		-
Provision for the year(D)	-	-
<b>Total</b>	<b>53,10,284</b>	<b>82,40,144</b>

**Note:18 Prior Period Adjustments**

Particulars	Figures as at 31st March 2018	Figures as at 31st March 2017
	in Rs.	in Rs.
Prior period income	-	13,892
Less: Prior period expenses	-	
<b>Net Prior Period Expense</b>	-	<b>(13,892)</b>

**Note:19 Exceptional items**

Particulars	Figures as at 31st March 2018	Figures as at 31st March 2017
	<b>Exceptional items</b>	<b>21,360,839</b>
<b>Total</b>	<b>21,360,839</b>	

For and on behalf of the Board

MT Joseph Sd/-  
ChairmanR.S.Kanan Sd/-  
Managing DirectorYamuna V Sd/-  
Director

Thiruvananthapuram

Dated: 14.01.2020

As per our report dated 24.02.2020

For RDA & Associates  
Chartered Accountants  
FRN:322810ESd/-  
H Ramakrishnan  
Partner No.88020

Dated: 24.02.2020

Name of the Asset	Gross Block						Depreciation				Amount in Rupees	
	As on 01.04.2017	Additions during the year	Sales/Deletion during the year	As on 31.03.2018	Up to 31.03.2017	During the year	Adj. In sales/delh	As on 31.03.2018	Scrap value	Net block		
										As on 31.03.2018	As on 31.03.2017	
Land	38,600.00	-	-	38,600.00	-	-	-	-	-	38,600.00	38,600.00	
Building	1,09,80,485.00	-	-	1,09,80,485.00	72,19,458.13	1,63,969.52	-	73,83,427.65	5,49,024.25	30,48,033.10	32,12,002.75	
Office equipments	6,67,669.00	-	-	6,67,669.00	6,13,371.37	11,018.83	-	6,24,390.20	33,383.45	9,895.35	20,913.00	
Furniture & fittings	8,78,333.00	-	-	8,78,333.00	7,96,908.94	2,358.28	-	7,99,267.22	33,249.80	45,815.98	37,798.09	
Electrical fittings	5,03,428.00	-	-	5,03,428.00	4,52,549.47	18,638.97	-	4,71,188.44	25,171.40	7,068.16	25,707.60	
Motor cars	18,34,212.00	9,49,581.00	33,000.00	27,50,793.00	16,17,547.88	97,741.02	-	17,15,288.90	1,16,754.60	9,18,749.50	1,30,643.40	
UPS Battery		51,250.00		51,250.00		2,116.36		2,116.36	2,562.50	46,571.14	-	
Mobile Phone		22,988.00		22,988.00		2,345.92		2,345.92	1,149.40	19,492.68	-	
Library books	45,866.00	-	-	45,866.00	45,866.00	-	-	45,866.00	-	-	-	
Electrical appliances	11,613.00	-	-	11,613.00	11,033.00	-	-	11,033.00	580.65	(0.65)	-	
Generator	5,56,730.00	-	-	5,56,730.00	5,28,893.50	-	-	5,28,893.50	27,836.50	-	-	
Computer	8,18,670.00	-	-	8,18,670.00	7,86,015.10	-	-	7,86,015.10	32,654.90	-	-	
Loan Software		75,000.00		75,000.00		46,969.07		46,969.07	3,750.00	24,280.93	-	
Cycles	3,794.00	-	-	3,794.00	3,794.00	-	-	3,794.00	-	-	-	
Fire protection	6,84,193.00	-	-	6,84,193.00	6,49,983.35	-	-	6,49,983.35	34,209.65	-	-	
Air Conditioner	4,16,190.00	-	-	4,16,190.00	3,25,265.91	14,786.20	-	3,40,052.11	20,809.50	55,328.39	70,114.59	
Office building	9,86,766.00	-	-	9,86,766.00	9,86,766.00	-	-	9,86,766.00	-	-	-	
<b>Total</b>	<b>1,84,26,549.00</b>	<b>10,98,819.00</b>	<b>33,000.00</b>	<b>1,94,92,368.00</b>	<b>1,40,37,452.65</b>	<b>3,59,944.17</b>	<b>-</b>	<b>1,43,97,396.82</b>	<b>8,81,136.60</b>	<b>42,13,834.58</b>	<b>35,35,779.43</b>	
Previous year	<b>1,84,26,549.00</b>	<b>-</b>	<b>-</b>	<b>1,84,26,549.00</b>	<b>1,37,49,591.95</b>	<b>2,87,860.00</b>	<b>-</b>	<b>1,40,37,451.95</b>	<b>8,53,317.71</b>	<b>35,35,779.34</b>	<b>38,23,639.00</b>	

8,71,666.08

Scrap value

Note: With effect from 01-04-2014 the depreciation has been provided on the basis of useful life prescribed in schedule II of the Companies Act 2013



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

### Note: 19 -Significant Accounting Policies

#### a. Method of Accounting

The financial statements are prepared under historical cost convention on accrual basis and in accordance with the generally accepted accounting principles and accounting standards specified under Companies (Accounting Standards) Rules, 2006 except as otherwise stated.

#### b. Advances

Advances have been classified as Standard, Sub-standard and Doubtful assets and provisions for possible losses on such advances are made at the rates prescribed in the 'prudential norms on income recognition, asset classification and provisioning' prescribed by RBI, though the same is not applicable to the Corporation. However the above mentioned norms are not followed by the Corporation for the loans and advances taken over by the Corporation from HUDCO viz. loans and advances to Neyyattinkara Municipality, Alappuzha Municipality, TRIDA and defunct Development Authorities of Alappuzha, Kottayam, Palakkad, Kannur and Kasaragod. However, on receipt of the amount it is being deducted.

#### c. Revenue Recognition

Income is recognized on accrual basis on standard assets classified as above except in the case of taken over liability and non-performing assets which are recognized on realization basis.

#### d. Fixed assets

Fixed Assets are stated at cost less depreciation. Cost comprises of the purchase price or acquisition cost and any other cost attributable for bringing the assets to their present working condition for their intended use.

#### e. Depreciation

The change arising from the adoption of useful life of Tangible assets in accordance with part C of schedule II to the companies Act.

#### f. Employee Benefits.

- i. Gratuity: Gratuity benefits for the staff have been covered under Group Gratuity Insurance Scheme of the Life Insurance Corporation of India.
- ii. Provident Fund: The employees of the Corporation are covered by the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Contributions to PF are accounted on accrual basis.
- iii. Leave encashment: The liability towards leave encashment is provided on accrual basis at the rate of one day's salary for eleven days duty subject to a maximum of 300 days' salary per employee.

#### g. KSRDB Pension.

During the year 2013-14 an amount of Rs.3.00Crore is received from Defunct Kerala State Ru-



ral Development Board (KSRDB) as per the Government Order in order to pay pension to Defunct KSRDB employees. This fund has been deposited in Sub Treasury Vellayambalam as per government order. The monthly interest arising from the deposits is used for paying the pension to employees. The excess amount received as interest is kept in KSRDB pension payable account.

#### **h. Taxes on income:**

Tax expenses comprising of both current tax and deferred tax are considered in determining the networking results for the year. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amount that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on account of unabsorbed depreciation and carry forward losses are recognized only when there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against such deferred tax assets can be realized. Current tax is determined based on the provisions of Income Tax Act, 1961.

#### **i. Taken Over Liability Written off**

The Corporation has followed Accrual basis of accounting till financial year 2010-11 for interest income on Taken over Liability i.e. interest on amounts due from Neyyattinkara Municipality, Alappuzha Municipality, TRIDA, Defunct Development Authorities and North Paravoor even though these institutions did not pay any interest. Interest payable to HUDCO was accounted as expenses upto the financial Year 2010-11. The difference between the interest receivable from the aforesaid institutions and the interest payable to HUDCO was considered as a part of income for the Company. As per Accounting Standard 9 of Companies (Accounting Standards) Rules 2006, "Revenue Recognition", such a treatment of income will not represent the true and fair view of the State of affairs of the Company. So, the Company changed its accounting policy regarding the recognition of income and expenses relating to Taken Over Liability and it was decided that the interest income and expenses relating to Taken Over Liability would be accounted only on realization basis from the financial Year 2011-12 onwards ie. From the financial year 2011-12 onwards the income from Taken Over Liability would not be recognized till its realization and interest payable to HUDCO would not be paid till the realization of interest from the concerned borrowers.

During 2014-15 Government of Kerala as per G.O.(Rt) No. 822/2015/LSGD dt. 20.03.2015 sanctioned Rs.25 Crore as loan assistance to the Company and the order stated that it will be adjusted future releases of the plan fund of the of the defaulting entities. KURDFC remitted the whole amount to HUDCO as Principal Rs.18,74,86,746 /- and interest Rs.6,25,13,254/- as per the OTS proposal of HUDCO Lr. No.HUDCO/TRO/Fin-51/KURDFC/1986. . As per the Company Principal overdue to HUDCO as on 31.03.2015 is Rs.10,69,51,619/- The reason for the difference is the remittances to HUDCO is allocated by them towards interest instead of principal as accounted by the Company.





This amount of Rs.25 crore was shown as a part of Long term borrowings till the financial year 2016 -17 as Government Loan. However in 2017, it was decided that the amount of Rs.25 crore is to be written off from the accounts since it need not be repaid to the Government. The basis for this decision was based on the G.O.(Rt) No. 822/2015/LSGD dt. 20.03.2015 where it was specified that it will be adjusted future releases of the plan fund of the of the defaulting entities

**j. One Time Settlement of HUDCO Taken Over Loan- reg.**

Our role is to repay the loan to HUDCO by receiving the payment from the local bodies. Since these local bodies did not remit the payment in time to KURDFC, the company too did not repay the loan to HUDCO and resulted in heavy dues. Considering the mounting dues, the Government of Kerala vide GO (Rt) No.2080/15/Fin dated 12.03.2015 has sanctioned a loan assistance of Rs.25 crore during 2014-15 as the whole amount has been guaranteed by Govt.of Kerala and the same has paid to HUDCO by KURDFC. As per this Government Order the amount will be adjusted against future release to the defaulting entities.

In respect of the balance due amount, the HUDCO had come up with One Time Settlement proposal and ready to settle the entire loan as follows

1. *The One Time Settlement (OTS) amount to be paid for TRIDA Rs.8.97 crores*
2. *Neyyattinkara Rs.335.20 lakh*
3. *8 DDAs / Municipalities Rs.49.46 lakh*

As per the decision arrived at the meeting convened by the Hon. Minister for LSGD on 30th August 2017, a proposal submitted by HUDCO to accept a One Time Settlement of dues from Neyyattinkara Municipality (3.352 Crores) & 5 Defunct Development Authorities (49.46 Lakhs) was accepted.

In the meeting it is decided to pay an amount of Rs.87,36,230/- (which was remitted by Neyyattinkara Municipality to KURDFC on 21.04.2016 along with interest @ 8.5% , amounting to Rs. 9 ,81,630 /-) to HUDCO. Hence, KURDFC has paid an amount of Rs.97,17,860/- to HUDCO on 19.09.2017. Apart from this, the meeting has directed KURDFC to settle the dues from the five Defunct Development Authorities amounting to Rs.49.60 Lakhs and the same has paid to HUDCO on 19.09.2017.

As such HUDCO has forwarded letters no. HUDCO/TRO/FIN-51/2017-18 dated 18.10.2017 and HUDCO/TRO/FIN-51/2017-18/448 dated 18.10.2018 stating that the entire dues of Neyyattinkara Municipality and DDAs towards HUDCO as per the OTS scheme.

As per the GO (Rt) No.801/2018/LSGD dated 24.03.2018 the Government of Kerala has decided to settle the loan dues of TRIDA by releasing an amount of Rs. 8.97 crores. Subsequently HUDCO has forwarded a letter No HUDCO/TRO/FIN-51/2018/71 dated 13.04.2018 that there is no dues outstanding by KURDFC/TRIDA to HUDCO

**k. EXCEPTIONAL ITEM**

The Exceptional item appearing in the Financial Statement is as a result of writing off of certain Assets and liabilities. The computation details are as follows:

Particulars		Amount	Amount
Assets written off			
	Loan Receivables (1)	26,99,30,275	
	Other Current Assets (2)	82,57,298	
Total of Assets written off (A)			<b>27,81,87,573</b>
Liabilities written off			
	Other Current Liabilities (3)	19,02,486	
	Long term Borrowings – Government Loan (4)	25,00,00,000	
Total Liabilities written off (B)			<b>25,19,02,486</b>
Net off (A-B=C)			<b>2,62,85,087</b>
Provision written off			
	Provision for Bad and Doubtful debts	27, 20,416	
	Provision against profit accounted on TOL in the previous years	22, 03,832	
Total Provision written back (D)			<b>49,24,248</b>
Exceptional Item (C-D)			<b>2,13,60,839</b>

**1. Loan Receivables:-**

SL.NO	ULB	PRINCIPAL	INTEREST	PENAL INT	TOTAL
1	NEYATTINKARA	1,49,68,552	15,21,64,009	1,23,68,941	17,95,01,502
2	TRIDA				-
3	ALAPPUZHA		5,98,924	34,471	6,33,395
4	ALAPPUZHA DDA	95,80,300	2,93,60,671		3,89,40,971
5	KOTTAYAM DDA	1,78,04,000			1,78,04,000
6	PALAKKAD DDA	44,50,102			44,50,102
7	KANNUR DDA	1,75,99,164			1,75,99,164
8	KASARGODE DDA	1,10,01,141			1,10,01,141
	TOTAL	<b>7,54,03,259</b>	<b>18,21,23,604</b>	<b>1,24,03,412</b>	<b>26,99,30,275</b>



## 2. Other Current Assets

Sl No	Particulars	Amount
1	HUDCO reconciliation suspense	52,38,000
2	Suspense account	2,98,882
3	Front end fee receivable from HUDCO	12,09,282
4	LCS suspense	12,39,350
5	HUDCO research and development receivable from HUDCO	271,784
	<b>Total</b>	<b>82,57,298</b>

## 3. Other Current liabilities

Sl No	Particulars	Amount
1	Grant in aid to NGOs	213,300
2	Front end fee payable	906,660
3	RR charge payable	136,372
4	Excess remittance by HUDCO Loanees	412,177
5	Technical unit	233,977
	<b>Total</b>	<b>19,02,486</b>

## 4. Long term Borrowings – Government Loan Current liabilities

Loan Assistance from Government. : 25,00,00,000/-

(GO attached as Annexure)

This amount of Rs.25 crores was shown as a part of Long term borrowings till the financial year 2016 -17 as Government Loan. However in 2017 it was decided that the amount of Rs.25 crores is to be written off from the accounts since it need not be repaid to the Government. The basis for this decision was based on the G.O.(Rt) No. 822/2015/LSGD dt. 20.03.2015 where it was specified that it will be adjusted future releases of the plan fund of the of the defaulting entities.

l. Finance cost includes HUDCO Taken Over Liability related cost of Rs.2,12,54,747. (Computation)

m. Stock of stationary showed in other current asset and current year consumption cost includes in general charges.

### Note: 20- Notes to Accounts

1. Current Liabilities includes an amount of Rs. 1,21,15,000/- being the amount received from Government as seed capital during 1999-2000 for giving loan to urban Local Bodies at concessional rate of interest for the scheme of Solid Waste Management. Out of this, an amount of Rs.10 lakhs has been disbursed as loan to Kozhikode Corporation at nominal rate of interest and another Rs.25 lakhs has been disbursed to Varkala Municipality as interest free loan for their Solid Waste Management Scheme. Further ,the Company sanctioned loan of Rs.23,31,000/- to Tirur municipality, Rs. 30,00,000/-to Pala Municipality and Rs.26,48,026/- to Kalpetta Municipality during the year 2012-2013, which were still



pending for disbursement. An amount of Rs.8,49,600 which was already been sanctioned to Kalpetta Municipality during 2012-2013 and it has been disbursed during the financial year 2013-14. During the FY 2017-18, Govt. has resumed Rs.1,10,06,222 from the balance amount and it has been returned back in the financial year 2018-19.

2. "Advances recoverable" includes an amount of Rs.16,70,000/- given to PWD Calicut on 26.02.2013 for repairing works of their Office Building at Calicut for which utilization certificate received for Rs.14,61,250/- during 2014-15 and refund from PWD Rs.208,750/- is still pending

3. Interest receipts include an amount of Rs.892,463/-/- received by the company being interest from loans advances classified as non-performing assets, not recognized in earlier years due to non-receipt.

4. Details of payment made to Managing Director for the year under report are as under :-

Salaries & allowances : NIL(Previous year Rs. 10,39,042/-)

Pension contribution : Rs.187,958/- (Previous year 237,086)

Travelling allowance : Rs.19,750/- (Previous year Rs. 19,630/- )

Training fee : NIL(Previous year NIL)

Medical Expense : NIL (Previous Year NIL)

There was no full time Managing Director during the FY 2017-18, hence the amount of salary is Nil and the pension contribution showed above is the arrear amount to the erstwhile MD.

5. The Corporation filed in the Sub Court, Kozhikode a suit against Sri. M.Somachandran, contractor, originally engaged by the corporation for the construction of office building at Kozhikode, for realizing the loss suffered by the corporation due to termination of his contract for non compliances of the terms of the contract .The case was decreed in favour of the corporation on 30.09.2001. Corporation filed the execution petition for realization of the dues in march 2003 in Vadakara Sub-Court . The court dismissed the execution petition on the ground that judgment debtor is residing in Mahe outside the jurisdiction of Vadakara Sub-court. Therefore ,they filed another execution petition before the sub-court, Vadakara for realization of the decree amount by attachment and sale of his fractional share of property. Action has been initiated for attachment and sale of his fractional share of property situated in Vadakara .

This execution petition was filed on 11.01.2007 but the same was stayed by High Court of Kerala in RFA No.542/04 and CMCP 28/04 filed by Sri. M. Somachandran before the High court. Now the stay has been vacated by the High Court. Then he has submitted a petition before the Honorable High Court for a negotiation talk, Court permitted the same .Accordingly a negotiation talk was held the Managing Director represented the KURDFC. However, the Contractor has not appeared. The total loss to be recovered from Sri. M. Somachandran, Contractor as on 31.03.2017 is Rs. 52.36 lakhs.



6. The breakup of deferred tax assets /(liabilities) into major components of the respective balances are as follows:

Amount in Rs.			
Particulars	For 2016-17	For 2017-18	As on 31.03.2018
Depreciation	25,087	(2959)	22,128
Provision for leave encashment	1,93,296	1,39,082	3,32,378
Provision for NPA & Bad debts	(27,17,317)	9,61,578	(17,55,739)
Provision Against income recognized in the previous Financial Year is reversed	(7,15,033)	0030	(7,15,033)
Disallowance under Section 40(a) (ia)	(24,632)	18405	(6227)
Disallowance under Section 43	(1,79,09,599)	0	(1,79,09,599)
<b>Total</b>	<b>(2,11,48,198)</b>	<b>11,16,106</b>	<b>(2,00,32,092)</b>

7. Basic and Diluted Earnings per Share:

Amount in Rs.		
Particulars	Current Year	Previous Year
Profit available to equity share holders	<b>49,87,961</b>	3,54,38,934
Weighted Avg. No. of Equity Shares	566,836	566,836
Basic and Diluted EPS	9	62.52
Nominal Value per Share	100	100

8. An amount of Rs.10,01,273 /- has been transferred from the Profit & Loss Account to Statutory Reserve as per Section 45 IC of the Reserve Bank of India Act 1934.

9. Provision required to be made as per the Income Tax Act for payment of Income Tax is Rs.37,17,000 /-.

10. Income tax assessments for the following Assessment years are pending .Breakup of the Income tax paid ,Provision for Income Tax are given below:

Amount in Rs.		
Assessment Year	Income Tax paid including TDS	Provision for Income Tax
2006-07	81,38,875	45,20,036
2008-09	1,09,88,068	82,25,000
2009-10	1,64,65,784	2,34,50,628
2011-12	1,69,58,646	428,99,845
2016-17	4,72,92,913	4,72,88,963
2017-18	1,40,68,546	255,00,000
2018-19	84,00,117	37,17,000
<b>Total</b>	<b>12,23,12,949</b>	<b>15,56,01,472</b>



For the AY 2010-11 a revision petition has filed U/s 264 of Income Tax since the Assessment Order based on the provisional accounts even though company later filed return based on the audited accounts.

For the AY 2011-12 The Income Tax Department recognized the un realized interest on HUD-CO Taken Over Loan, however the interest expenses on the same not considered by the income tax department hence a request has been filed to rectify the same. The Company approached CBDT with a proposal for reassessment and to keep in abeyance of recovery proceedings. The matter is pending with Income Tax Department.

11. A sum of Rs.47,68,40,296/- shown as 'KSRDB, Trivandrum' under "Other Non Current Liabilities". Out of this, Rs.40,00,00,000 was received on 2008-09 and Rs. 489,81,910/-- during 2015-16 and the balance of Rs. 341,11,443/- is the loan repayment from loanees of Defunct KSRDB. Once the entire process of taken over completes the company will consolidate the assets and liabilities in the books of accounts of the Company

12. The liability in respect of excess remittance of ULB's, GP and CDS are as follows.

Sl No	Particulars	Amount in Rs.
1	Urban Local Bodies	4,33,667/-
2	Grama Panchayath	1,330/-
3	Community Development Scheme	33,429

13. Rent of Rs 672000/- which is reimbursed by Govt. for the building owned by KURDFC being currently used by State Information Commission is shown under "Other Income".

For and on behalf of the Board

As per our report dated 24.02.2020

**Prof. M.T.Joseph** Sd/-  
Chairman

**For M/s. RDA & Associates**  
**Chartered Accountants**  
FRN. 322810E

**R.S. Kannan** Sd/-  
Managing Director

Sd/-  
**H. Ramakrishnan**  
Partner No: 88020

**Yamuna V.** Sd/-  
Director

Thiruvananthapuram  
Dated: 24.02.2020

Thiruvananthapuram  
Dated: 14.01.2020