

21. Significant Accounting Policies

21.1 Basis of Accounting

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India and presented under historical cost convention on the accrual basis of accounting with Going Concern Concept and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and prescribed in the Companies (Accounting Standards) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013, to the extent applicable

21.2: AS 1: Disclosure on accounting policies Current and Non- Current Classification

An asset or liability is classified as current if it satisfies any of the following conditions:

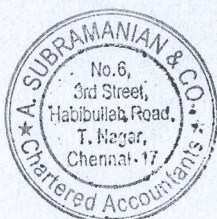
- i. it is expected to be realized or settled or is intended for sale or consumption in the company's normal operating cycle;
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset,
 - it is held primarily for the purpose for which it is being procured; or
 - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- iv. in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current / non-current classification of assets and liabilities, the company has ascertained its normal operating cycle as 12 months. This is based on the nature of services based on arrangements, agreements or contracts entered with respective parties.

21.3: AS 3: Cash flow statements

Cash Flow statement prepared under indirect method is attached to the Balance Sheet and Profit and Loss account.



21.4: AS 5: Net profit or loss for the period, prior period items and changes in accounting policies

(i) Net profit for the period:

All items of income and expense in the period are included in the determination of net profit for the period.

The company after elaborate internal discussions and also considering the fact that all the Loans are Guaranteed by the Co-operative societies it has been decided to revise the norm for Providing for Doubtful debts and had decided to make provision for doubtful debts outstanding for more than 10 Years. Hence, the corporation has made provision for bad and doubtful debts outstanding for more than 10 years.

(ii) Accounting policies:

There has been no change in the Company's accounting policy with respect to treatments of expenses or income. The accounts are maintained on accrual basis of accounting.

21.5: AS 9: Revenue recognition

Revenue is recognized by charging interest for loans disbursed to Sub-Channelizing Agencies on accrual basis and is accounted for all loans due (including the loans whose tenure has expired). Penal/Belated interest on late collection is recorded on receipt basis since there may exist a uncertainty on the collection.

21.6: AS 10: Property, Plant and Equipment

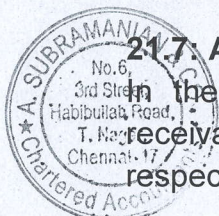
Fixed Assets are stated at cost less depreciation. All charges incurred up to the point to which the asset has been put to use have been capitalized.

As per G.O. 39 dt 24.06.2014 & G.O. 343 dt 10.09.2013, land measuring 3 grounds and 154 square feet in Block No 29, City Survey No 465/10 in Chennai Egmore-Nungambakkam Circle worth INR 4.27 crores was allotted to TABCEDCO by the Government of Tamilnadu free of cost. Administrative sanction was also obtained to erect a new building for official use by the Corporation, which was to be shared with TAMILNADU MINORITIES ECONOMIC DEVELOPMENT CORPORATION (TAMCO) based on mutually agreed terms and conditions. Accordingly, TABCEDCO proposed to share the space and corresponding cost of construction in the ratio of 50:50 vide letter No. A2/778/2012 dated 01.03.2017 and 22.02.2019 Since TAMCO had not agreed to the proposal (refer Vide letter No. A1/0466/2017 dated 03.04.2017 and 15.05.2019) and have moved their operations to another location at Chepauk, the entire cost of construction has been borne by TABCEDCO. The building was inaugurated on 16th May 2017.

Depreciation is calculated on WDV as per Schedule II of Companies Act 2013

21.7: AS 12: Accounting for Government grants

In the current year ended 31st March 2021, no subsidies are recognized as receivable from Government. As on 31st March 2021, there were no write offs with respect to these subsidies.



As on 31st March 2021, Rs. 5,24,98,090/- being the sum unutilized is being held in Reserve Bank of India Public Deposit Account (Interest free PD a/c). The sum has been received and held as custodian and not as direct beneficiary.

21.8: AS 15: Accounting for Employee Benefits

In accordance with the requirement of Accounting Standard 15 (Revised) of Institute of Chartered Accountants of India.

(A) Defined Contribution Plan

Employer's Contribution to Provident Fund is made by the corporation.

(B) Defined Benefit Plan

(i) Gratuity

Provisions for Gratuity liability have been provided based on the length of service, Pay, DA etc. of the Corporation's employees. The provision amount has been computed and certified by an expert. As per their certification, as on 31st March 2021, Provision for Gratuity is Rs. 16,67,395/-

(ii) Leave Salary - Compensated Absences

The Company also extends defined benefit plans in the form of Compensated absences to employees.

Provisions for Leave Salary liability have been provided based on the length of service, Pay, DA etc. of the Corporation's employees. The provision amount has been computed and certified by an expert. As per their certification, as on 31st March 2021, the liability for compensated absences is Rs. 27,65,723/-

21.9: AS 16: Borrowing cost

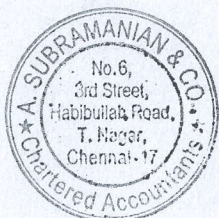
Interest on borrowings to finance other fixed assets are capitalised only if the borrowing costs are attributable to the acquisition of fixed assets that take a substantial period of time to get ready for its intended use.

21.10: AS 17: Segment reporting

The Company operates in only one segment and the total revenue is derived from Interest income from sub-channelizing agencies.

21.11: AS 18: Related party disclosures:

During the period, there were no transactions entered with related parties.



21.12: AS 22: Accounting for taxes on income

This Corporation has been exempted from paying Income Tax with effect from 1.4.1993 under section 10(26B) of the Income Tax Act, 1961 substituted by the Finance Act 1964, which provides Income Tax exemptions to the National and State level Corporation, which have been established or formed for promoting the interest of the members of the Scheduled Castes, Scheduled Tribes or the Backward Classes or any two or all of them.

21.13: AS 28: Impairment of Assets

At the Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets.

21.14: AS 29: Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized. Contingent Assets are neither recognized nor disclosed in the financial statements.

II. Provision for Bad and Doubtful Debts

During the year the corporation has made provision for bad and doubtful debts outstanding for more than 10 years


III. Pending Litigation

The Director of Backward Classes Welfare, Financial Advisor cum Company Secretary (FACS), TABCEDCO and the Chief Manager of Syndicate Bank, Egmore Branch are the respondents to Case No WP 17407 of 2017 filed before the High Court of Madras by Mr. R Aravind, Junior Assistant of TABCEDCO appointed under compassionate ground and legal heir of former employee, Late D. Rajendran, who expired in November 2013 during his employment with the Corporation. The deceased had availed a loan of INR 3,00,000 from Syndicate Bank, Egmore branch. This matter is still pending before the High Court of Madras. However, this loan amount has been recovered from the terminal benefits of Late D. Rajendran. IV. The Confirmation of balance from the Sub-Channelising Agencies as on 31.3.2021 in respect of loans are awaited.

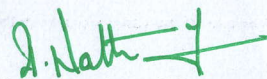


V. Borrowings from NBCFDC, New Delhi have been shown under Unsecured Loan as no tangible assets has been given as security and the same has been guaranteed by Government of Tamil Nadu.

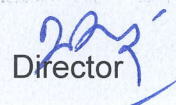
VI. Previous years' figures have been regrouped wherever necessary and all figures have been rounded off to the nearest rupee.



Financial adviser cum
Company Secretary



Managing Director

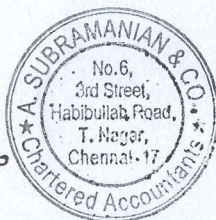


Director

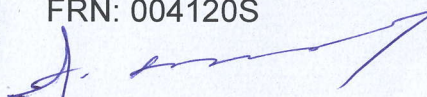
Subject to our report of even date

Place: Chennai
Date: 28.09.2022

UBIN: 22019329AYRL8516



For A. SUBRAMANIAN & CO
Chartered Accountants
FRN: 004120S



A. Subramanian
Partner

Membership No: 019329

TAMIL NADU BACKWARD CLASSES ECONOMIC DEVELOPMENT CORPORATION LTD.,

CHENNAI-600008

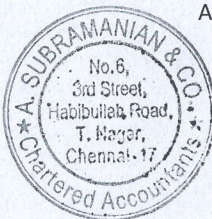
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2021

PARTICULARS	As at 31 March 2021 INR	As at 31 March 2020 INR
A Cash From Operating Items		
Profit Before Tax	4,11,43,049	6,00,46,441
Adjustment for Non-Cash & Non-Operating Items		
Add : Depreciation	21,71,736	19,86,363
Less : Gains on sale of Assets	-	-
Cash after Adjustment	4,33,14,785	6,20,32,804
Adjustment for WC Changes		
(Increase) / Decrease in Short Term Loans	(6,27,29,901)	1,70,54,002
(Increase) / Decrease in Other non current Assets	(83,78,114)	(1,14,13,347)
(Increase) / Decrease in Other Current Assets	1,69,02,030	(8,20,666)
(Increase) / Decrease in Long Term Loans	(18,46,99,713)	(64,45,187)
Increase / (Decrease) in Short Term Provisions	4,67,098	(58,482)
Increase / (Decrease) in Short Term Borrowings	-	-
Increase / (Decrease) in Other Current liabilities	9,44,58,481	(2,27,53,366)
Increase / (Decrease) in Other Long term liabilities	(47,30,974)	(80,96,023)
Increase / (Decrease) in Long Term Provisions	3,30,707	11,99,081
Cash Flow From Operations	(10,50,65,601)	3,06,98,815
B Cash Flow From Investing Activities		
Proceeds From Sale of Fixed Assets	4,956	-
Less : Increase in CWIP	-	-
Less : Purchase of Fixed Assets	(13,75,473)	(7,84,152)
Cash Flow From Investing Activities	(13,70,517)	(7,84,152)
C Cash Flow From Financing Activities		
Proceeds From Issue of Share Capital	-	-
Net Proceeds From Borrowings	15,46,52,404	2,29,69,645
Net Cash Flow From Financing Activities	15,46,52,404	2,29,69,645
Net Cash Generated During The Period	4,82,16,288	5,28,84,308
Opening Cash Balance	1,09,56,46,117	1,04,27,61,809
Closing Cash Balance	1,14,38,62,405	1,09,56,46,117

Financial Advisor Cum
Company Secretary

Managing Director

Director



As per our report of even date attached

For A.Subramanian & Co
Chartered Accountants
FRN: 0041205

Mr. A.Subramanian
Partner

Membership No.019329

Place: Chennai

Date: 28.09.2022

UDIN: 22019329AYRLBL8516