

*Annual Report*

*2014*  

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*2015*



# INKEL Limited

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# INKEL Limited

## CORPORATE INFORMATION

### CHAIRMAN

**Shri P K Kunhalikutty**

Hon'ble Minister for Industries & IT, Govt of Kerala

### DIRECTORS

**Shri P.H.Kurian IAS**

Principal Secretary (Industries & IT)

**Shri Tom Jose IAS**

Principal Secretary (Labour)

**Shri Varghese Kurian**

Managing Director ALNAMAL Group

**Shri C K Menon**

Chairman & MD Behzad Group

**Shri Siddeek Ahmed Haji Panamtharayil**

Chairman & MD ITL Eram Group

**Shri C V Rappai**

Director & GM Video Home Group

**Shri Mohamed Althaf**

Regional Director Lulu Group

**Shri M M Abdul Basheer**

Managing Director Indo German Group

**Shri P Nandakumaran,  
Independent Director**

**Smt. Pamela Anna Mathew**

Independent Director

### MANAGING DIRECTOR

**Shri T Balakrishnan IAS(Retd)**

### COMPANY SECRETARY

**Shri K Padmasadan**

### STATUTORY AUDITORS

**M/s. Varma & Varma Chartered Accountants**

### BANKERS

**State Bank of India, State Bank of Travancore**



## NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the members of the company will be held at Grand Hotel, M G Road, Cochin, on Wednesday the 26<sup>th</sup> August 2015 at 11.00 a.m to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the Financial Year ended 31<sup>st</sup> March 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Varghese Kurian (DIN-01114947), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri C K Menon (DIN-01955233) who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Shri Mohamed Althaf (DIN-06409935) who retires by rotation and being eligible offers himself for reappointment.
6. To consider and, if thought fit, approve with or without modification (s) the following resolution as an Ordinary Resolution:

**RESOLVED** that pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014, including any statutory modification (s) or re-enactments (s) thereof for the time being in force, M/s Varma & Varma, Chartered Accountants (Firm Registration No.004532S), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 11<sup>th</sup> annual general meeting of the Company to be held in the year 2019 (subject to ratification of their appointment at every annual general meeting), at a remuneration of Rs. 2 lacs per annum, exclusive of out of pocket expenses, limited to Rs. 15,000/- per annum or any other amounts as may be fixed by the Board of Directors of the Company.

### **SPECIAL BUSINESS**

7. To consider and if thought fit approve with or without modification(s) the following resolution as an Ordinary Resolution:

**RESOLVED** that pursuant to Section 152 and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or enactment(s) thereof for the time being in force) Shri M M Abdul Basheer (DIN : 00120916) who was appointed as an Additional Director with effect from 20.02.2015 by the Board of Directors of the Company and who in terms of Section 161 of the Companies Act, 2013 holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act 2013 proposing the candidature for the office of director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**RESOLVED THAT** Pursuant to the provisions of section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or reenactment thereof for the time being in force) consent of the Members be and is hereby accorded to sub-divide each Equity Share of the Company having Face value of Rs. 10,000/- (Ten Thousand only) into face value of Rs. 10/- (Ten only) each fully paid-up and consequently the Authorised Share Capital of the company of Rs. Rs.200,00,00,000/- would comprise of 200000000 (Twenty crore) Equity shares of Rs. 10/- (Ten only) each with effect from the "Record Date" to be determined by the Board for this purpose.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is authorized to take necessary steps for dematerialisation of the equity shares of the company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to fix a Record Date and to take such steps as may be necessary for



obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all such acts, deeds, matters and things and to give such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Committee, Director and Officer of the Company thereof as it may deem appropriate in this regard.

9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions contained in Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof), the existing Clause V of the Memorandum of Association of the Company be and is hereby amended by deletion of the existing Clause V and by substitution thereof by the following clause:

'V. The Authorized Share Capital of the company is Rs.200,00,00,000/- (Rupees Two Hundred Core) divided into 200000000 (Twenty crore) Equity Shares of Rs.10 /- (Rupees Ten ) each with the rights, privileges and conditions attached hereto.'

10. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

RESOLVED THAT pursuant to section 14 of the Companies Act 2013, Article 5 (a) of the Articles of Association of the company be altered by substituting it with the following new clause:

5. a) The Authorized Share Capital of the Company is Rs. 200, 00,00,000/- (Rupees Two Hundred Crore) divided into 200000000 (Twenty crore) Equity Shares of Rs.10 /- (Rupees Ten) each with power to alter its Share Capital in accordance with the provisions of Section 61 of the Companies Act 2013. Subject to the provisions of the Act or any statutory modification thereof, the Company will have

necessary authority to issue Share Capital with voting rights or with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed.

11. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), approvals(s) and permission(s) and as are agreed by the Board/Committee of Directors consent of the company be and is hereby accorded to the appointment of Mr. T Balakrishnan as Managing Director of the company for a period from 01.11.2014 up to the conclusion of this Annual General Meeting being held on 26.08.2015.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised on behalf of the Company to do all acts, deeds, matters and things as it may at its discretion deem necessary, proper and desirable for such purpose and give such directions as may be necessary and to finalise and execute all documents and writings as may be necessary.

RESOLVED FURTHER THAT Shri T Balakrishnan, Managing Director, be paid remuneration, as fixed by the Remuneration Committee, subject to the maximum limit as prescribed under Part II of Schedule V of the Companies Act 2013 depending on the paid up capital, with due fulfilment of prescribed procedures; encashment of unavailed leave at the end of the tenure, reimbursement of medical expenses as per rules of the Company and gratuity at a rate not exceeding half a month's salary for each completed year of service.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine, alter or vary the terms and conditions of the said remuneration package from time to time in such manner as may be agreed upon between the Board and



Shri T Balakrishnan, adhering to such statutory compliances from time to time as may be required, and to give effect to the foregoing Resolution, or as may be otherwise considered by it to be in the best interest of the Company and that the Board be and is hereby authorized to file application and necessary forms with the Registrar of Companies and to do such other acts, deeds, matters and things as in its absolute discretion as it may consider necessary, expedient or desirable, and to settle any

expedient or desirable, and to settle any question, or doubt that may arise in relation thereto.

RESOLVED FURTHER THAT Mr T Balakrishnan be allowed to draw the remuneration as recommended by the Remuneration Committee on monthly, yearly or as terminal benefits, subject to the limits specified by the Remuneration Committee & the norms under Part II of Schedule V of the Companies Act.

By Order of the Board

Sd/-

**K Padmadasan**

Company Secretary

31.07.2015  
Cochin

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") may appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members are requested to hand over the enclosed attendance slip, duly signed in accordance with their specimen signature (s) registered with the Company for admission to the meeting hall where the Annual General Meeting is proposed to be held.
4. Dividend recommended by the Board of Directors, if approved by the members at the Annual General Meeting will be paid after the

27<sup>th</sup> August 2015 to those members whose names appear on the Company's Register of Members as on 26<sup>th</sup> August 2015. Those who have not furnished the bank account details with the company may please send your bank details to [deptcs@inkelkerala.com](mailto:deptcs@inkelkerala.com) for remittance of dividend.

5. Members may note that dividends not encashed or claimed within seven years and 30 days from the date of declaration of the dividend, will, as per Section 124 read with Section 125 of the Companies Act 2013, be transferred to the Investor Education and Protection Fund of Government of India. A few members have not encashed their dividend pertaining to the dividend declared for the financial year ended 31<sup>st</sup> March 2010 and 31<sup>st</sup> March 2014. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the company. It may be noted that once the amounts in the unpaid dividend account are transferred to the IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.
6. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
7. As a measure of austerity, copies of the annual report will not be distributed at the annual general meeting. Members are therefore requested to bring their copies of the annual report to the Meeting.



**STATEMENT PURSUANT TO SECTION 102(1) OF  
THE COMPANIES ACT, 2013 ("the Act")**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.7

Shri M M Abdul Basheer was appointed as an additional director of the company on 20<sup>th</sup> February 2015 by the Board of Directors of the company. According to the provisions of section 161 of the Companies Act 2013, he holds office as director only up to the date of the ensuing Annual General Meeting. As required by section 160 of the Act, a notice has been received from a member signifying his intention to propose appointment of Shri MM Abdul Basheer as a Director along with a deposit of Rs. 1,00,000/-. The Board considers it desirable that the company should continue to avail itself of his services.

Except, Shri M M Abdul Basheer no other directors of the company are concerned or interested in the proposed resolution.

Item No. 8, 9 and 10

The present face value of equity shares of the Company is Rs. 10,000/- . With a view to increase the liquidity of the equity shares of the Company and also to align ourselves with IPO requirements and taking into account the proposal with the Govt. of Kerala for merger of subsidiaries with INKEL , the Board of Directors at its meeting held on 5<sup>th</sup> June 2015 has approved to sub-divide the nominal value of the equity share capital of the company from Rs. 10,000/- per share to Rs.10/- per share subject to the approval of the members. Accordingly, each paid up equity share of nominal value of Rs. 10,000/- each of the company, existing on the Record date as may be fixed by the Board of Directors, shall stand sub divided into 200000000 (Twenty crore) Equity Shares of Rs.10/- (Rupees Ten) each The Record Date for the aforesaid Sub Division of the equity shares will be fixed by the Board of Directors after the approval of the shareholders is obtained, pursuant to this Annual General Meeting.

At present, the Authorised Share Capital of the Company is Rs. 200, 00,00,000/- (Rupees Two Hundred Crore) divided into 200000 (two lacs) Equity Shares of Rs.10,000 /- (Rupees Ten Thousand) each. The issued, subscribed and paid up capital of the Company is divided into 163027 equity shares of Rs. 10,000/- each amounting to Rs. 163,02,70,000/-.

The proposed sub division of equity shares of the Company from Rs.10,000/- (Rupees Ten thousand only) per Equity share to Rs.10/-(Rupees Ten only) per equity share, requires alteration of the Memorandum and Articles of Association of the Company. Accordingly, Clause V of the Memorandum of Association 5(a) of Articles of Association is proposed to be altered in the manner set out in Resolution at Item No.8 and 9.

The Board recommends the Ordinary Resolutions under Item Nos. 7, 8 and 9 of the notice for approval of the Members.

The Directors /key managerial personnel of the Company or their respective relatives are deemed to be concerned or interested in the Resolutions mentioned at Item No. 8,9&10 of the Notice only to the extent of shares held by them, if any, in the Company.

Item No.11

In accordance with provisions of Section 169 of the Companies Act 2013 appointment of Managing Director requires members' approval

Based on the recommendations of the Remuneration Committee, your Directors have proposed to appoint Mr.T Balakrishnan as Managing Director of the company for a period from 01.11.2014 up to the conclusion of the ensuing Annual General Meeting to be held on or before 30.09.2015.

The information as required under Clause (iv) of Section II of Part II of Schedule V of the Companies Act, 2013, is furnished below:

I. General Information:

INKEL is a public-private partnership venture promoted by Government of Kerala in the year 2007. The company is primarily established with its objects to promote, set-up, operate maintain, sell or otherwise deal in all or any infrastructure facilities, projects and ventures including but not limited to Special Economic Zones, Industrial Parks or Estates, roads, rail and other transport facilities and all or any related infrastructure facilities. It will also act as a key link between Kerala Government and the private sector in facilitating development of infrastructure.

During the year 2014-15 the company has made a net profit of Rs. 1037 lacs and the company has not made any foreign investments or collaborations.



**II. INFORMATION ABOUT THE APPOINTEE:**

Background details:

Mr T Balakrishnan, a post graduate in Political Science & International Relations and joined the Indian Administrative Service in 1980 and held the positions of District Collector, Thiruvananthapuram, Regional Director America Govt. of India Tourist Office New York, Deputy Director General Ministry of Tourism Govt. of India, New Delhi (1995-99), Secretary, Local Self Govt. Dept., Urban Development Dept. Secretary, Culture & Chairman, Kerala Water Authority(1999-01), Secretary, Tourism and Cultural Affairs Department (2001-04), Excise Commissioner (2004-05) and retired as Additional Chief Secretary on 31.10.2011.

Remuneration proposed

1. An annual remuneration of Rs.36 Lakhs
2. Gratuity not exceeding 15 days salary for every year of completed service.
3. Encashment of unavailed Leave, limited to 30 days per year of service or proportionate thereof.
4. Medical reimbursement, as available to an employee of the Company.

Under the stewardship of Mr T Balakrishnan, the Company has moved forward and the two projects at Angamali and Malappuram were launched soon after he took over and these were completed in record time.

The Board recommends the resolution for appointment as per the terms given in the resolution and payment of remuneration as proposed in the Resolution. None of the other Directors of the Company, are in any way concerned or interested in this resolution.

**III. Other Information**

1. Reasons for loss or inadequate profits: The profit generated this year is much higher as compared to previous year but fell short of our expectation. However since several projects are on hand, the profitability is likely to register a much higher graph.

**IV. DISCLOSURE:**

The shareholders of the Company shall be informed of the remuneration package of the managerial person.

# BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report of your Company, for the financial year ended March 31, 2015.

## FINANCIAL RESULTS

The Financial performance of your Company, for the year ended March 31, 2015 is summarized below:  
(Rs. In lacs)

	2014-15	2013-14
Total Income	4541.91	1593.63
Total expenditure	2778.17	804.54
Profit before Depreciation & Tax	1763.74	789.10
Less : Depreciation	180.07	221.25
Profit before Tax	1583.67	567.85
Less : Tax	555.36	184.69
Profit for the year	1028.31	383.16

The highlights of the Company's performance are as under:

Income from operations for the year 2014 -15 is Rs 3,349.65 lakh as against Rs. 635.54 lakh for the previous year. The increase is mainly due to giving on long lease of space at INKEL Tower – I Angamaly and INKEL Greens Malappuram.

There is substantial increase in Other Income as well. The increase is mainly out of Inter corporate advance and Interest on OCCD. However, Interest on FD due to investment in subsidiaries & JVs have registered a decrease, clearly pointing a shift towards the changing profile of the Company since large funds are being deployed on projects.

## CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of your Company for the financial year 2014-2015 are prepared in compliance with applicable provisions of the Companies Act 2013 and Accounting Standards. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries and associate companies, as approved by their respective Board of Directors.

The financial performance of each of the subsidiaries and joint venture companies included in the consolidated financial statements of your Company is set out in the Annexure to this Report.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

A separate statement containing the salient features of financial statements of all subsidiaries of your company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act 2013. The financial statements including the consolidated financial statements, financial statement of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of your Company, [www.inkel.in](http://www.inkel.in). Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company.

## SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 200, 00,00,000/- (Rupees Two Hundred Crore)



divided into 200000 (two lacs) Equity Shares of Rs.10,000 /- (Rupees Ten Thousand)each. The issued, subscribed and paid up capital of the Company is divided into 163027 equity shares of Rs. 10,000/- each amounting to Rs. 163,02,70,000/-.

With a view to increase the liquidity of the equity shares of the Company and taking into account the proposal with the Govt. of Kerala for merger of subsidiaries with INKEL, your directors' proposes to sub-divide the nominal value of the equity share capital of the company. Moreover, in the not so distant future, INKEL may be going for an IPO. At that point of time, face value of the shares will in any case have to be aligned to the listing requirements. The proposal is to sub-divide the shares from Rs.10,000/- per share to Rs.10/- per share subject to the approval of the members.

## **OPERATIONS**

### **Angamaly**

A total of 30 acres on lease from KSIDC is being developed jointly by your Company and its subsidiary INKEL- KSIDC Projects Limited (INKID). On 5.55 acres of land leased to the Company by INKID at Angamaly, the first project of the Company INKEL Tower I, with 2 lac square feet, was commissioned in 2013. The space has been leased to different units, both manufacturing and service and many of them are operational and the rest are awaiting commissioning. The second project in the remaining land, Tower II, with a total plinth area of 24000 Sqm is scheduled to be commissioned during the current financial year. The estimated project cost for Tower II is Rs. 42 Crores.

In the larger plot of remaining 22 acres, it is proposed to develop a business park with a total area of 2.5 million square feet. The Business Park is expected to meet the ever growing demands of segments like IT/ITES, BPO's, Education, Skill Development, Financial Institutions, Data Centers, Office Space and the like, with all infrastructure facilities. The business park will be developed jointly by your Company and selected co-developers.

### **Inkel Greens Malappuram**

An area of 168 acres at Malappuram on lease from KSIDC is being developed jointly by your Company and INKID. Your Company's first project of Small and Medium Industries Park was commissioned in 2011.

In the SME Park set up by the Company in 50,000 sq.ft, factories employing around 400 workmen are in operation. Another 18 small and medium enterprises are setting up units in the SME Park and construction activities are going on.

The Company has tied up with a total of 23 Units, both educational and industrial, for development of projects and most of them have either started operations or are under construction.

In the Education Zone, INKEL NTT Training Center is fully functional in 40,000 sq.ft. area offering 100% job oriented diploma programs to around 350 students which is expected to reach 750 by this year end.

### **Container Freight Station**

The Container Freight Station at Vallarpadam has been in full fledged operation since February 2014. The Operations and Management of the facility is handled by APM Terminals India Private Limited. The facility is yet to register substantial revenue as to cover repayment of debt and servicing of debts for the project. Though the CFS has the major share of the business in Cochin, due to the less than expected performance level of the Container Terminal, the revenue earned so far are much below the projections. However, the business seems to be picking up and going by the projections by the APMT, the performance would show substantial improvement before the end of this financial year.

During the year, the Company has subscribed to the issue of preference shares by MIV Logistics Private Limited to the extent of Rs.1.97 crores.

### **Thampanoor project**

A Special Purpose Vehicle by name and style 'INKES Trade Centre Limited' has been incorporated for implementation of the project. Lease agreement for 1.26 acres of land at Thampanoor, Thiruvananthapuram, has been concluded.

### **Bridge Project**

A Bridge which will connect Willingdon Island, Cochin, to Kannangattu across Kumbalam Kayal, at a project cost of Rs 73 crore is now under implementation. The technical partner for the project is M/s Seguro Foundations & Structures Private Limited. Total span of the bridge is to be



622m. The project is expected to be completed before March 2016. The project is being implemented by a Limited Liability Partnership of INKEL and Seguro.

#### **Palakkad Project**

The company has finalized purchase of a land parcel at Palakkad for development. The company is working on formulating ideal projects for this location.

#### **Piravom Project**

Your Company own around 5 acres at Piravom, in Ernakulam District. Pending finalization of a suitable project, at this location, a pilot project for hi-tech agriculture is being implemented.

#### **Petcoke project**

Government of Kerala proposes to establish a Pet coke based Power Plant at Cochin. INKEL has been given the permission for implementation of the project under Swiss Challenge and Case II bidding route. INKEL has submitted Preliminary Project Reports to the Government to facilitate a decision on selection of appropriate technology/ technologies and to initiate further steps for Implementation of Power Project. A final decision on the project is awaited from the Government.

#### **Consultancy**

Business portfolio of the Company includes advisory services and project management services. These are being rendered to subsidiary and associate companies as well as to government departments, autonomous organizations and Local Self Government departments including Palakkad Municipality, Kerala Veterinary University, and Treasuries Department.

#### **NEW PROJECTS**

During the financial year 2015-16 the Company proposes to enter into new areas of business including (i) Hi-Tech Agriculture at locations where development activities are yet to start, (ii) Solar Energy and (iii) Facilities Management.

These diversifications offer good opportunities to the company to earn additional revenue with minimal capital investment but making use of the existing infrastructure and manpower resources.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care 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 and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.



Your Directors draw attention of the members to Note 2.25 to the financial statement which sets out related party disclosures.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The Company proposed to commence its CSR activities by setting a bus shelter at Malappuram to cater to the requirements of rural population. No amount could be spent during the previous financial year since a project which would benefit the most could be identified only at the end of the previous year.

During the FY 2015-16, the Company proposes to undertake CSR activities in solar energy, sanitation and others, to the benefit of economically and socially backward population. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act. During the FY 2015-16, it is proposed to spend Rs. 1.85 lakhs on CSR activities.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Resignation**

During the Financial Year 2014-15, Dr. P Mohamed Ali, Director, resigned from the Board. The Board place on record its appreciation of the valuable contribution by Dr. Mohamed Ali, during his association, which dates back to the formative years, with the Company.

#### **Retirement**

Mr. Tom Jose is retiring at this general meeting and is not seeking re-election. The Board place on record appreciation of the valuable services rendered by Mr Tom Jose as a Director.

#### **Appointment**

During the Financial Year, Shri M M Abdul Basheer, was appointed as Additional Director of your Company. Shri M M Abdul Basheer is proposed to be appointed as a Non Executive Director of your Company at the ensuing Annual General Meeting. Your Directors recommend his appointment as a Non Executive Director of your Company.

Further, in compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Appointment and Qualifications of Directors) Rules 2014, at an Extra Ordinary General meeting held on 27<sup>th</sup> March 2015 Mr. P Nandakumaran and Mrs. Pamela Anna Mathew were appointed as Independent Directors on the Board to hold office upto 2 years. ie upto March 2017.

#### **Re-appointment**

Mr. Varghese Kurian, Mr. C K Menon and Mr. Mohamed Althaf are liable to retire at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and the Articles of Association of your Company and being eligible, have offered themselves for reappointment. Appropriate resolutions for their re-appointment are being placed for your approval at the ensuing Annual General Meeting. Your Directors recommend their reappointment as non Executive Directors of your Company.

#### **Managing Director**

On the recommendations of the Board, Mr T Balakrishnan was appointed as Managing Director of the Company with effect from 01.11.2011 for a term of 3 years, by the members at the Annual General Meeting held on 6<sup>th</sup> September 2013. The Board at its meeting held on the 5<sup>th</sup> June 2015 has recommended appointment of Mr T Balakrishnan as Managing Director on the same terms and conditions, subject to approval by the members up to the conclusion of the ensuing Annual General Meeting. A resolution seeking approval of the members for appointment of Mr T Balakrishnan from 01.11.2014 till the conclusion of the ensuing Annual General Meeting has been circulated for consideration and approval by the members.

As per the Articles of Association of the Company, nomination to the position of Managing Director is the prerogative of the Government of Kerala. The Company is awaiting Orders of the Government of Kerala with regard to Appointment of Managing Director.

#### **Key Managerial Personnel**

Shri T Balakrishnan, Managing Director, Shri K Padmasadan, Company Secretary and Shri George



Raphael, General Manager ( Finance & Accounts) are the key managerial personnel of your Company in accordance with the provisions of Section 203 of the Companies Act, 2013 read with Companies ( Appointment and Remuneration of Managerial Personnel) Rules 2014.

#### **Declaration of Independence**

Your Company has received declarations from the two Independent Directors confirming that they meet the criteria of Independence as prescribed under the provisions of the Companies Act 2013 read with the schedules and rules issued thereunder.

#### **AUDITORS AND AUDITORS' REPORT**

M/s. Varma & Varma Statutory Auditors hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Their appointment, if made, will be in accordance within the limits specified in the Act.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **SECRETARIAL AUDIT**

The Board has appointed M/s. Gopi Mohan, Satheesan & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure V to this Report. The Practising Company Secretary has made observation with regard to the appointment of the Managing Director, appointment of Additional Director, appointment of KMP of a Company as Director by another Company and authorization given to Managing Director for finalization of Board's report. The Board has the following comments to offer.

The extension of terms of appointment of Managing Director was approved by the Board at its Meeting held on 5<sup>th</sup> June 2015. Since the terms and conditions of appointment is subject to approval by the General Meeting of the company, necessary returns can be filed with the Registrar of Companies, after approval by the Members. The

return will be filed once the members approve the appointment at the ensuing annual general meeting.

The Additional Director indeed had made the disclosure at the relevant meeting as confirmed by the Board at the subsequent meeting. Appointment of KMP on the Board of another company has been taken note off at the subsequent meeting of the Board.

The authorization for finalization of Board's report was given to MD on the basis of a basic draft perused by the Board.

#### **DISCLOSURES: CSR Committee**

The CSR Committee comprises Mr. Varghese Kurian (Chairman), Mr. M M Abdul Basheer and Mr. P Nanda Kumaran as members.

#### **Audit Committee**

The company has an adequately qualified Audit Committee. The Committee consists of Director Mr. C V Rappai, Independent Directors Mr. P Nandakumaran and Mrs. Pamela Anna Mathew as members with the Managing Director, 3 other Directors, Statutory Auditors and Internal Auditors as permanent invitees. The Committee reviews the organisation's financial reporting process, disclosure of financial information, annual financial statements and adequacy of internal control systems. The Committee met 4 times during the period under review.

#### **Meetings of the Board**

Four meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.

#### **Particulars of Loans given, Investments made, Guarantees given and Securities provided**

During the year under review the company has neither given any loan, made any investments. However the company has provided guarantee for the loan taken by Seguro – INKEL Consortium LLP after complying with the provisions of the Companies Act.



**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure to this Report.

**Extract of Annual Return**

Extract of Annual Return of the Company is annexed herewith to this Report.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme

4. the Managing Director has not received any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

For and on behalf of the Board of Directors

**T Balakrishnan**  
Managing Director

**M M Abdul Basheer**  
Director

## ANNEXURE - I

### CORPORATE GOVERNANCE REPORT

#### 1. Company's philosophy on Corporate Governance

The Company's philosophy of Corporate Governance is oriented towards achieving efficient conduct of its business, meeting its obligations to stakeholders with transparency, accountability and integrity as the pillars.

#### 2. Board of Directors

##### (i) Composition and size of the Board:

The present strength of Board of Directors is 12. The details of the directors as at March 31, 2015 is given below:

Name of Director	Type of Directorship
Shri P.K. Kunhalikutty	Chairman, GoK nominee
Shri T Balakrishnan	Managing Director, GoK nominee
Shri P.H.Kurian IAS	Non Executive Director, GoK Nominee
Shri Tom Jose IAS	Non Executive Director
Shri C.K.Menon	Non Executive Director
Shri Varghese Kurian	Non Executive Director
Shri C.V.Rappai	Non Executive Director
Shri Siddeek Ahmed Haji Panatharayil	Non Executive Director
Shri Mohamed Althaf	Non Executive Director
Shri M M Abdul Basheer	Additional Director
Shri P Nandakumaran	Independent Director
Smt. Pamela Anna Mathew	Independent Director

##### (ii) Board, General Meetings & Attendance

The details of attendance of the directors at the Board and Annual General Meeting are given below:

Name of Director	No. of Meetings held during the period the was on the Board Director	No. of Meetings attended	Presence at the last AGM
Shri P.K. Kunhalikutty	4	3	-
Shri T Balakrishnan	4	4	YES
Shri P.H.Kurian IAS	4	3	-
Shri Tom Jose IAS	4	1	-
Shri C.K.Menon	4	2	-
Shri Varghese Kurian	4	3	-
Shri C.V.Rappai	4	4	YES
Shri Siddeek Ahmed Haji Panatharayil	4	1	-
Shri Mohamed Althaf	4	3	YES
Shri M M Abdul Basheer	1	1	YES
Shri P Nandakumaran	NIL	NA	-
Smt. Pamela Anna Mathew	NIL	NA	-

### **3. Internal Audit And Compliance**

The Company conducts its internal audit and compliance functions within the parameters of regulatory framework. The internal audit function is being carried out by an external firm of chartered accountants and their quarterly reports are reviewed on quarterly basis by the Audit committee, which issues appropriate recommendations and directions as may be necessary.

The Audit Committee reviews the performance of the audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary/considered appropriate.

## **ANNEXURE - II**

### **CONSERVATION OF ENERGY**

The operations of the Company involve low energy consumption. Adequate measures have however been taken to conserve energy.

### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The Company uses the latest technologies for improving the productivity of its human resources and quality of its services.

### **RESEARCH & DEVELOPMENT**

Specific areas in which R&D was carried out by the Company.

The Company is into development and implementation of Infrastructure Projects. These projects are still to attain commercial implementation. Over the years, the Company proposes to derive benefit out of this exposure and identify potential areas where research is necessary.

### **BENEFITS DERIVED**

As of now, nil.

### **FUTURE PLAN OF ACTION**

The Company will develop collaborative solutions, including identifying areas where cost reduction and higher productivity could be attained.



**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2015**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U45209KL2007PLC020471
2.	Registration Date	09.03.2007
3.	Name of the Company	INKEL Limited
4.	Category/Sub-category of the Company	Closely held public Company limited by shares
5.	Address of the Registered office & contact details	INKEL LIMITED, Inkel Centre, Vallathol Junction, Seaport Airport Road, Thrikkakara, Cochin - 682021. Ph: 0484 - 6491138, Fax : 0484-2577941
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Infrastructural projects	45	100%

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

SN	Name & address of the company	CIN	Holding/subsidiary/Associate	Applicable section
1	INKEL-KSIDC Projects Limited	U74900KL2010PLC025553	Subsidiary	2(87)(ii)
2	INKEL-KINFRA Infrastructure Projects Limited	U74900KL2010PLC025556	Subsidiary	2(87)(ii)
3	MIV Logistics Private Limited	U63012KL2011PTC028839	Associate	2(6)
4	Thalikulam PURA Private Limited	U45100KL2012PTC030590	Subsidiary	2(87)(ii)
5	Tirurangadi PURA Private Limited	U45100KL2012PTC030589	Subsidiary	2(87)(ii)
6	INKES Trade Centre Limited	U45400KL2014PLC037668	Subsidiary	2(87)(ii)
7.	Seguro - INKEL Consortium LLP	AAD-1041	Associate	2(6)

**IV.**
**SHARE HOLDING PATTERN**

Name of shareholders	No. of shares held	Percentage
Govt. of Kerala	40500	24.84
Govt. Companies	12000	7.36
Directors / Relatives of Directors	67217	41.23
Foreign Holdings	22000	13.49
Banks & Corporate Holdings	8700	5.34
Others	12610	7.73
<b>TOTAL</b>	<b>163027</b>	<b>100.00</b>

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

NIL

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

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>NIL</b>				

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

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount (Rs)

SN.	Particulars of Remuneration	Name of MD <b>T Balakrishnan</b>
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission - as % of profit - others, specify...	NIL
5	Others, please specify	NA
	Total	36,00,000
	Ceiling as per the Act	48,00,000



B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors									Amount (Rs)	
		Mr. P.H.Kurian IAS	Mr. Tom Jose IAS	Mr. C.K.Menon	Mr. Varghese Kurian	Mr. C.V. Rappai	Mr. Siddeek Ahmed Haji Panatharayil	Mr. Mohamed Althaf	Mr. M M Abdul Basheer	Mr. P Nanda kumaran	Mrs. Pamela Anna Mathew	Total Amount
1	Independent Directors											
	Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-	-	-	-	-
2	Other Non-Executive Directors											
	Fee for attending board / committee meetings	30,000	22,500	30,000	45,000	67,500	15,000	45,000	-	-	-	2,55,000
	Commission	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (2)	30,000	22,500	30,000	45,000	67,500	15,000	45,000	-	-	-	2,55,000
	Total (B)=(1+2)	30,000	22,500	30,000	45,000	67,500	15,000	45,000	-	-	-	2,55,000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Amount (Rs)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,39,968	12,04,957	22,44,925
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>10,39,968</b>	<b>12,04,957</b>	<b>22,44,925</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY			: NIL		
B. DIRECTORS			: NIL		
C. OTHER OFFICERS IN DEFAULT			: NIL		



## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2015

To,

**The Members,  
INKEL Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INKEL Limited.(hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March, 2015 complied with the statutory provisions and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The Company is not a listed entity and therefore, the Securities and Exchanges Board of India Act, 1992 and various regulations made there under are not applicable to the Company.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by INKEL Limited for the financial year ended on 31 March, 2015 according to the provisions of the Companies Act, 2013 (the Act) and the rules made there under and the other laws applicable to the Company;

During the period under review the Company has complied with the provisions of the Act, Rules, Guidelines, etc. mentioned above subject to the following observations:

1. The re-appointment of Managing Director of the Company with effect from 01/11/2014 was approved by the Board at its meeting held on 05/06/2015 on remuneration and perquisites as recommended by the remuneration committee. The Company is yet to file the prescribed returns regarding the re-appointment with the concerned authorities.

2. During the period under review, one of the Director of the Company resigned from the post of Director which was accepted by the Board. As per the provisions of the section 161 of the Companies Act, 2013, the resignation of the Director and his vacation along with that of an Alternate Director is effective. In our opinion the form filed by the Company in this regard including appointment of Additional Director is not proper. The proceedings of the meeting also does not take note of the disclosure of interest of additional director as required from the date of such acceptance under section 184 of the Companies Act, 2013.
3. As per section 203 of the Act, the Key Managerial Personnel can be appointed as Director of any other company only with the permission of the Board of Directors. The Managing Director of the Company has been appointed as Director in some other companies without complying with the above requirement.
4. The Board of Directors at their meeting held on 30/05/2014 have authorized two directors, including Managing Director, to approve the Board's Report which in our opinion is not in conformity with the provisions of section 179 of the Companies Act, 2013.

In respect of other laws like Acts relating to employee and labour regulations, welfare and connected activities, specifically applicable to the Company, we have relied on information/ records produced by the Company during the course of our audit and the reporting is limited to that extent.

### **We further report that:**

The following Rules issued under the Companies Act, 2013 are not applicable to the Company during the financial year 2014-15:

1. Companies (Prospectus and Allotment of Securities) Rules, 2014 as the Company has not issued any shares or other securities.

2. Companies (Issue of Global Depository Receipts) Rules, 2014 as the Company has not issued any Global Depository Receipts.
3. Companies (Share Capital and Debentures) Rules, 2014 except the splitting and transfer of shares.
4. Companies (Acceptance of Deposits) Rules, 2014 as the Company has not accepted any deposits.
5. Companies (Registration of Charges) Rules, 2014 as the Company has not created any charges on the assets of the Company.
6. Companies (Inspection, investigation and inquiry) Rules, 2014 as no inspection or investigation were ordered on the affairs of the Company.

The Company has complied with the following Rules, issued under the Companies Act, 2013:

1. Companies (Management and Administration) Rules, 2014.
2. Companies (Accounts) Rules, 2014.
3. Companies (Declaration and Payment of Dividend) Rules, 2014.
4. Companies (Audit and Auditors) Rules, 2014
5. Companies (Corporate Social Responsibility Policy) Rules, 2014
6. Companies (Appointment and Qualification of Directors) 2014 subject to the observation in paragraph No. 2 above.

7. Companies (Meeting of Board and its Powers) Rules, 2014 subject to the observation in paragraph No. 4 above.
8. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 subject to the observation in paragraph No. 1 above.

The Board of Directors of the Company is duly constituted with Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to the observation in paragraph No. 2 above.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions taken at the Board Meetings were properly captured and recorded in the minutes.

We further report that there are scope for improving the systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **For Gopimohan Satheesan & Associates**

K. P. Gopimohan,  
Partner

Place : Ernakulam  
Date : 10/06/2015

FCS No.: 7110  
C P No.: 2912



## INDEPENDENT AUDITORS' REPORT

To

**The Members of Inkel Limited**

**Thrikkakara**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Inkel Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, 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, 2015, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 account.
  - (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.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.30 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Kochi-19  
Date: 05.06.2015



1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) We are informed that major items of the fixed assets have been physically verified by the management during the year, which, in our opinion is reasonable having regard to the size of the Company and the nature of its business and that no material discrepancies were noticed on such verification.

2. (a) The inventory comprises of only land and building. We are informed that the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

(b) In our opinion and according to the explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification by the management.

3. (a) The company has granted loans to three companies and one limited liability partnership covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").

(b) In case of the above loans, as per the information and explanations given to us, the terms do not stipulate any repayment schedule and the principal/interest are repayable on demand. The parties have been regular in repayment of the demands raised by the Company.

(c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the parties covered in the register maintained under section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of inventory and services. During the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control systems.

5. The Company has not accepted any deposits from the public during the year 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 thereunder are not applicable.

6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company at this stage.

7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, except for minor delays in depositing Works Contract Tax, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to the Company with the appropriate authorities during the year.

There are no arrears of undisputed statutory dues outstanding at the last day of the financial year for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the following disputed amounts of building tax demanded have not been deposited with the authorities as at 31st March, 2015 as per the details given below.

Name of the Statute	Nature of Dues	Amount	Year to Which Amount Relates	Forum Where Dispute is Pending
The Kerala Building Tax Act, 1975	Building Tax	28,55,835	2013-2014	The High Court of Kerala, Ernakulam

(c) As per the information and explanations furnished to us by the management, there are no amounts to be deposited towards Investor Education and Protection Fund and hence the reporting requirements under clauses (vii) (c) of the paragraph 3 of the Order are not applicable.

8. The Company does not have any accumulated losses at the end of the financial year and the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to banks.
10. According to the information and explanations given to us and as stated in Note No.2.30 to the financial statements, the Company has given irrevocable and unconditional corporate guarantee to a bank aggregating to Rs. 45,50,00,000/- in respect of loans availed by the associate company, MIV

Logistics Private Limited. In our opinion, the terms and conditions on which such guarantees have been given are not prima facie prejudicial to the interests of the company.

11. According to the information and explanations given to us and the records of the Company examined by us, the Company has not availed any term loan and hence reporting requirements under clause (xi) of paragraph 3 of the Order are not applicable.

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 on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Place: Kochi - 19  
Date: 05.06.2015



**INKEL Limited**  
**BALANCE SHEET AS AT 31st MARCH, 2015**

	Note No.	As at 31.03.2015 (In Rupees)	As at 31.03.2014 (In Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	1,63,02,70,000	1,63,02,70,000
(b) Reserves and Surplus	2.2	21,80,03,462	17,40,37,543
<b>(2) Non - Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	2.3	2,75,57,651	66,59,723
(b) Other Long - Term Liabilities	2.4	55,46,240	50,73,000
(c) Long - Term Provisions	2.5	10,40,450	27,01,665
<b>(3) Current Liabilities</b>			
(a) Trade Payables	2.6	91,29,133	1,70,59,719
(b) Other Current Liabilities	2.7	5,10,64,117	6,10,51,863
(c) Short Term Provisions	2.8	6,05,89,529	3,52,57,651
<b>TOTAL</b>		<b>2,00,32,00,582</b>	<b>1,93,21,11,164</b>
<b>II. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	2.9	46,59,42,649	50,38,20,786
(ii) Intangible Assets	2.9	93,281	1,44,998
(iii) Capital Work - in - Progress	2.10	8,31,01,054	1,22,54,705
(b) Non - Current Investments	2.11	30,65,81,528	51,93,43,260
(c) Long - Term Loans and Advances	2.12	12,71,19,394	2,10,56,968
(d) Other non-current assets	2.13	9,27,52,268	-
<b>(2) Current Assets</b>			
(a) Inventories	2.14	-	-
(b) Trade Receivables	2.15	11,12,52,071	1,44,96,864
(c) Cash and Cash Equivalents	2.16	40,77,94,372	56,39,86,960
(d) Short - Term Loans and Advances	2.17	40,02,67,809	27,63,56,069
(e) Other Current Assets	2.18	82,96,156	2,06,50,554
<b>TOTAL</b>		<b>2,00,32,00,582</b>	<b>1,93,21,11,164</b>

Significant Accounting Policies and Notes to Accounts 1 & 2

For and on behalf of the Board of Directors

As per our Report of even date attached

**T. Balakrishnan,**  
Managing Director  
DIN: 00052922

**M.M. Abdul Basheer,**  
Director  
DIN: 00120916

**For Varma & Varma**  
Chartered Accountants  
Firm No.004532S

**K. Padmadasan,**  
Company Secretary

**George Raphael,**  
Chief Financial Officer

**Vijay Narayan Govind**  
(Partner)  
Membership No. 203094

Place : Kochi  
Date : 05/06/2015

**INKEL Limited**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015**

Particulars	Note No.	For the year ended 31.03.2015 (In Rupees)	For the year ended 31.03.2014 (In Rupees)
<b>I. Revenue</b>			
Revenue from Operations	2.19	33,49,64,754	6,35,54,506
Other Income	2.20	11,92,26,216	9,58,08,700
<b>II. Total Revenue</b>		<b>45,41,90,970</b>	<b>15,93,63,206</b>
<b>III. Expenses:</b>			
Cost of land acquired/building constructed and disposed (on Long Term Finance Lease Agreements)	2.21	20,50,67,875	2,16,90,146
Employee Benefit Expense	2.22	2,08,26,019	2,85,52,603
Finance Costs	2.23	4,61,648	-
Depreciation and Amortisation	2.9	1,80,06,925	2,21,24,618
Other Expenses	2.24	5,14,61,748	3,02,10,931
<b>IV. Total Expenses</b>		<b>29,58,24,215</b>	<b>10,25,78,298</b>
<b>V. Profit Before Tax (IV - II)</b>		<b>15,83,66,755</b>	<b>5,67,84,908</b>
<b>VI. Tax Expense:</b>			
(1) Current Tax		3,46,38,270	1,54,02,674
(2) Deferred Tax		2,08,97,928	30,66,628
<b>VII. Profit for the period (V - VI)</b>		<b>10,28,30,557</b>	<b>3,83,15,606</b>
<b>VIII. Earning per Equity Share:</b>	2.25		
(1) Basic		630.76	254.17
(2) Diluted		630.76	254.17

Significant Accounting Policies and Notes to Accounts 1 & 2

For and on behalf of the Board of Directors

As per our Report of even date attached

**T. Balakrishnan,**  
Managing Director  
DIN: 00052922

**M.M. Abdul Basheer,**  
Director  
DIN: 00120916

**For Varma & Varma**  
Chartered Accountants  
Firm No.004532S

**K. Padmadasan,**  
Company Secretary

**George Raphael,**  
Chief Financial Officer

**Vijay Narayan Govind**  
(Partner)  
Membership No. 203094

Place : Kochi  
Date : 05/06/2015



**INKEL Limited**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31.03.2015**

(In Rupees)

**NOTE - 2.1 SHARE CAPITAL**

Particulars	Number of Shares	As at 31-03-2015 Amount	Number of Shares	As at 31-03-2014 Amount
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
<b>Equity Share Capital</b>				
Equity Shares of Rs 10,000/- (Rs. 10,000/-) Each	2,00,000	2,00,00,00,000	2,00,000	2,00,00,00,000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs 10,000/- (Rs. 10,000/-) Each	1,63,027	1,63,02,70,000	1,63,027	1,63,02,70,000
	<b>1,63,027</b>	<b>1,63,02,70,000</b>	<b>1,63,027</b>	<b>1,63,02,70,000</b>

**Terms/ Rights attached to Equity Shares**

The company has only one class of shares referred to as equity shares with a face value of Rs. 10,000/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed/ declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(In Rupees)

**Reconciliation of shares at the beginning and at the end of the financial year**

Particulars	Number of Shares	Amount-As at 31-03-2015	Number of Shares	Amount-As at 31-03-2014
<b>Equity Shares</b>				
As at the beginning of the financial year	1,63,027	1,63,02,70,000	1,37,566	1,37,56,60,000
Shares issued during the financial year	-	-	25,461	25,46,10,000
As at the end of the financial year	1,63,027	1,63,02,70,000	1,63,027	1,63,02,70,000
<b>Particulars of Shareholders holding more than 5% share in the Company</b>				
Govt. of Kerala - 24.84 % (Previous year 24.84 %)	40,500	40,50,00,000	40,500	40,50,00,000
Bismi Holdings Ltd - 6.75 % (Previous year 6.75 %)	11,000	11,00,00,000	11,000	11,00,00,000
Shri. Yusuffali M A - 15.13 % (Previous year 15.13 %)	24,666	24,66,60,000	24,666	24,66,60,000
Shri. Varghese Kurian - 6.75 % (Previous year 6.75 %)	11,000	11,00,00,000	11,000	11,00,00,000
Dr.Mohamed Ali - 6.44 % (Previous year 6.44 %)	10,500	10,50,00,000	10,500	10,50,00,000

**NOTE - 2.2 RESERVES & SURPLUS**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Surplus</b>		
Opening Balance	17,40,37,543	17,09,79,588
Net Profit after tax as per Statement of Profit and Loss	10,28,30,557	3,83,15,606
Amount Available for Appropriation	<b>27,68,68,100</b>	<b>20,92,95,194</b>
Less: Appropriations		
Proposed Dividend ( See Note 2.2.1)	4,89,08,100	3,01,36,032
Tax on Proposed Dividend	99,56,538	51,21,619
	<b>5,88,64,638</b>	<b>3,52,57,651</b>
Closing Balance	21,80,03,462	17,40,37,543
	<b>21,80,03,462</b>	<b>17,40,37,543</b>

**2.2.1**

The Board of Directors of the Company has proposed a dividend of Rs.300/- per share(Rs. 200/- per share) for the financial year 2014-15.

**NOTE - 2.3 DEFERRED TAX LIABILITIES (NET)**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
<b>A. Deferred Tax Liability</b>		
On excess of net book value over income tax written down value of fixed assets	2,80,14,787	69,68,126
<b>B. Deferred Tax Assets</b>		
On disallowances	4,57,136	3,08,403
	<b>2,75,57,651</b>	<b>66,59,723</b>

**NOTE - 2.4 OTHER LONG TERM LIABILITIES**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
Security Deposits	55,46,240	50,73,000
	<b>55,46,240</b>	<b>50,73,000</b>

**NOTE - 2.5 LONG TERM PROVISIONS**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Provision for employee benefits</b>		
-Provision for Leave Encashment (See Note 2.26)	10,40,450	19,92,020
-Provision for Gratuity(See Note 2.26)	-	7,09,645
	<b>10,40,450</b>	<b>27,01,665</b>



NOTE - 2.6 TRADE PAYABLES

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
Trade Payables	91,29,133	1,70,59,719
	<b>91,29,133</b>	<b>1,70,59,719</b>

The company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006 and the same is in progress. Based on available information, there are no balance outstanding as payable to such suppliers as at the year end. In the opinion of the management there are no amounts paid/payable towards interest under the said statute.

NOTE - 2.7 OTHER CURRENT LIABILITIES

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
Creditors For Capital Assets	44,82,170	15,17,049
Lease hold Premium received in Advance	3,54,55,170	4,02,99,601
Advance From Customers/Clients	23,91,550	74,61,664
Retention Money payable	48,32,824	71,31,210
Statutory Dues	31,70,494	44,09,607
Security Deposit / Earnest Money Deposit	5,01,403	2,14,232
Unclaimed Dividend	2,30,506	18,500
	<b>5,10,64,117</b>	<b>6,10,51,863</b>

NOTE - 2.8 SHORT TERM PROVISIONS

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Provision for employee benefits</b>		
-Provision for Leave Encashment (See Note 2.26)	14,11,845	-
-Provision for Gratuity(See Note 2.26)	3,13,046	-
Proposed Dividend	4,89,08,100	3,01,36,032
Tax on Proposed Dividend	99,56,538	51,21,619
	<b>6,05,89,529</b>	<b>3,52,57,651</b>

NOTE - 2.10 CAPITAL WORK IN PROGRESS

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
Projects under implementation	8,31,01,054	1,22,54,705
	<b>8,31,01,054</b>	<b>1,22,54,705</b>

**NOTE - 2.11 NON CURRENT INVESTMENTS**
**(In Rupees)**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>a) Investments in Equity Instruments (Un-quoted, Trade, at cost)</b>		
<b>i) In Subsidiary Companies</b>		
-INKEL- KINFRA Infrastructure Projects Ltd 74,000 (74,000) Equity Shares of Rs.10/-each, Fully Paid up	7,40,000	7,40,000
-INKEL- KSIDC Projects Ltd 1,83,23,412 (1,83,23,412) Equity Shares of Rs.10/-each, fully Paid up	18,32,34,120	18,32,34,120
-Thalikkulam PURA Pvt Ltd Nil (8,51,500) Equity Shares of Rs.10/-each, Fully Paid up	-	85,15,000
-Tirurangadi PURA Pvt Ltd Nil (8,35,700) Equity Shares of Rs.10/-each, Fully Paid up	-	83,57,000
- INKES Trade Centre Ltd 37,000 (NIL) Equity Shares of Rs.10/-each, Fully Paid up	3,70,000	-
<b>ii) In Associate companies</b>		
-MIV Logistics Pvt Ltd 1,18,29,714 (1,18,29,714) Equity Shares of Rs.10/-each, Fully Paid up	11,82,97,140	11,82,97,140
-KV Apartments Pvt Ltd( Associate till 31.12.2014) 50,000 (4,50,000) Equity Shares of Rs.10/-each, fully paid up	5,00,000	45,00,000

**NOTE - 2.11 NON CURRENT INVESTMENTS**
**(In Rupees)**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>b) Investments in Optionally Cumulative Convertible Debentures (Un-quoted, Trade, at cost) In Associate companies (Associate till 31.12.2014)</b>		
Nil (19,57,000)15% Optionally Cumulative Convertible Debentures in KV Apartments Pvt Ltd	-	19,57,00,000
<b>c) Investment in Limited Liability Partnership(LLP) (Un-quoted, Trade) In Jointly Controlled Entity</b>		
Seguro - INKEL Consortium LLP- Investment towards 45% of the capital	4,50,000	-
Add: Share of Profit from LLP	29,90,268	-
	34,40,268	-
Total capital of the LLP- Rs.10,00,000 Names of other partner and % share in the capital: Seguro Foundations and Structurals Private Limited, represented by its designated partner - 55%		
<b>Total investments (a) + (b) + ( c)</b>	<b>30,65,81,528</b>	<b>51,93,43,260</b>
Aggregate amount of unquoted investments	<b>30,65,81,528</b>	<b>51,93,43,260</b>

**2.11.1** Having regard to the plans for future operations of the subsidiary/associate companies, the management is of the opinion that the loans given to these companies will be recovered in full together with interest thereon and there is no permanent diminution in the value of such investments.



**NOTE - 2.12 LONG TERM LOANS AND ADVANCES**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Unsecured (Considered good)</b>		
Advance for Capital Assets	17,10,000	-
Security Deposits	21,26,740	14,61,110
Advance to Kerala State Industrial Enterprises Ltd towards proposed Joint Venture Infrastructure Project	1,21,00,000	1,21,00,000
Income Tax (Net)	1,11,82,654	74,95,858
Advance to Related Parties		
- Seguro - INKEL Consortium LLP	10,00,00,000	-
	<b>12,71,19,394</b>	<b>2,10,56,968</b>

**NOTE - 2.13 OTHER NON CURRENT ASSETS**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Trade Receivables</b> (Unsecured Considered good )		
-Outstanding for a period exceeding six months from the date they were due for payment	-	-
-Others(See Note 2.13.1)	9,27,52,268	-
	<b>9,27,52,268</b>	<b>-</b>

**2.13.1** Represents dues from Kerala Academy for Skills Excellence(KASE), a Government of Kerala owned private limited Company in which a director of INKEL Ltd is a director.

**NOTE - 2.14 INVENTORIES**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
Land and Building held on long term finance lease		
Opening Balance	-	-
Add: Additions during the year	20,50,67,875	2,16,90,146
Less: Disposed during the year	20,50,67,875	2,16,90,146
Closing Balance	-	-

**NOTE - 2.15 TRADE RECEIVABLES**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Trade Receivables</b> (Unsecured Considered good )		
-Outstanding for a period exceeding six months from the date they were due for payment	3,73,036	-
-Others( See Note 2.15.1)	11,08,79,035	1,44,96,864
	<b>11,12,52,071</b>	<b>1,44,96,864</b>

**2.15.1** Trade Receivables include Rs.53,82,737/- (Rs.6,58,797/-) due from MIV Logistics Private Limited and Rs. 9,27,52,267/- (Nil) due from Kerala Academy for Skills Excellence(KASE)- a Government of Kerala owned private limited company; in which a director of INKEL Ltd is a director.

**NOTE - 2.16 CASH AND CASH EQUIVALENTS**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
Cash on Hand	7,603	13,279
Balance with Banks		
In Current Accounts	20,36,769	2,30,92,965
In Fixed Deposit Accounts	40,57,50,000	54,08,80,716
	<b>40,77,94,372</b>	<b>56,39,86,960</b>

**2.16.1 Earmarked Balances:**

a. Balance with banks in Current Accounts include earmarked balances for unpaid dividend Rs. 18,197/- (Rs. 18,815/-) for the financial year 2009-10 and Rs.2,30,948/- (NIL) for the financial year 2013-14.

**2.16.2** Balance with banks in Deposit Accounts include Rs. 2,50,000/- (Rs. 50,000/-) held under lien with a maturity period of more than 12 months.

**NOTE - 2.17 SHORT TERM LOANS AND ADVANCES**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
<b>(Unsecured, Considered good)</b>		
Loans/Advances to related parties		
Thalikulam - PURA Private Ltd	-	2,297
Tirurangadi - PURA Private Ltd	-	2,594
INKEL - KSIDC Projects Ltd	25,75,79,025	25,69,95,320
INKEL - KINFRA Infrastructure Projects Ltd	1,86,49,996	1,43,14,207
INKES Trade Centre Ltd	36,72,797	-
Seguro - INKEL Consortium LLP	9,70,06,567	-
<b>Others:</b>		
Advances recoverable in cash or in kind or for value to be received	2,22,18,898	3,75,000
Earnest Money Deposits	-	35,00,000
Balances with Central Excise, etc.	90,207	1,18,731
Advance to Suppliers/Contractors	9,53,377	10,24,920
Advance to employees	96,942	23,000
	<b>40,02,67,809</b>	<b>27,63,56,069</b>

**NOTE - 2.18 OTHER CURRENT ASSETS**

(In Rupees)

Particulars	As at 31-03-2015	As at 31-03-2014
Other Current Assets		
Interest Receivable	79,55,983	2,05,65,519
Prepaid expenses	3,40,173	85,035
	<b>82,96,156</b>	<b>2,06,50,554</b>



**A. TANGIBLE ASSETS**

## FIXED ASSETS

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**NOTE - 2.9**
**B. INTANGIBLE ASSETS**
**IN RUPEES**

1	Computer Software	8,78,432	-	-	8,78,432	7,33,434	51,717	-	7,85,151	93,281	1,44,998
		(8,78,432)	-	-	(8,78,432)	(6,36,768)	(86,666)	-	(7,33,434)	(1,44,998)	(2,41,665)
	<b>Total (B)</b>	<b>8,78,432</b>	<b>-</b>	<b>-</b>	<b>8,78,432</b>	<b>7,33,434</b>	<b>51,717</b>	<b>-</b>	<b>7,85,151</b>	<b>93,281</b>	<b>1,44,998</b>
	Previous Year	(8,78,432)	-	-	(8,78,432)	(6,36,768)	(86,666)	-	(7,33,434)	(1,44,998)	(2,41,665)
	<b>Grand Total (A) + (B)</b>	<b>54,12,18,243</b>	<b>18,11,21,515</b>	<b>21,59,16,211</b>	<b>50,64,23,547</b>	<b>3,72,52,459</b>	<b>1,80,06,925</b>	<b>1,48,71,767</b>	<b>4,03,87,617</b>	<b>46,60,35,930</b>	<b>50,39,65,784</b>
	Previous Year	(50,33,95,426)	(6,14,34,831)	(2,36,12,014)	(54,12,18,243)	(1,67,13,383)	(2,21,24,618)	(15,85,542)	(3,72,52,459)	(50,39,65,784)	(48,66,82,043)

**2.9.1** Deletions/ Adjustments represents cost of land/ building re-classified as current asset based on management decision to dispose the same as per long term finance lease agreement.

**2.9.2** Consequent to Schedule II of the Companies Act, 2013(the Act) becoming applicable with effect from 1st April 2014, depreciation on fixed assets for the year has been on the basis of useful lives prescribed in Schedule II of the Act. This has an impact of increasing the depreciation for the year by an amount of Rs.36,99,235/-.

For and on behalf of the Board of Directors

**T. Balakrishnan,**  
Managing Director  
DIN: 00052922

**K. Padmadasan,**  
Company Secretary

Place : Kochi

Date : 05/06/2015

**M.M. Abdul Basheer,**  
Director  
DIN: 00120916

**George Raphael,**  
Chief Financial Officer

As per our Report of even date attached

**For Varma & Varma**  
Chartered Accountants  
Firm No.004532S

**Vijay Narayan Govind**  
(Partner)  
Membership No. 203094



## INKEL Limited

## NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS AS ON 31.03.2015

## NOTE - 2.19

(In Rupees)

Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
<b>REVENUE FROM OPERATIONS</b>		
Income from disposal of land and building (On long term finance lease)	30,53,38,110	3,43,88,412
Income from Operating Lease	81,63,368	53,40,844
Common Amenity Charges	18,78,396	-
Income from Project Management Services (See Note 2.19.1)	1,43,50,155	2,06,55,050
Share of Course Fee Received	52,34,725	31,70,200
	<b>33,49,64,754</b>	<b>6,35,54,506</b>

**2.19.1** Government of Kerala, Department of Treasury, Trivandrum has entrusted the work of modernising and renovating existing treasuries and construction of new treasury buildings under agreements to the company, at various locations in the State of Kerala. As per the said agreements, read with Government of Kerala, GO on guidelines on this matter (for executing civil works), the company is entitled to the total sum of Rs.11,59,373/- (Rs. 63,30,561/-) as Centage Charges for the year, at agreed rates, which is recognised as income, and included in income from project management services in the statement of profit and loss for the year. Expenses incurred during the year by BSNL, who was engaged as construction agency for the works by the Company for such contracts and by other contractors engaged by the Company aggregating to Rs. 1,96,90,349/- (Rs. 7,60,53,486/-) has been reimbursed to them out of deposits received/receivable from Government of Kerala for the works. Consultancy charges payable to BSNL at agreed rates has been recognized as expenditure.

## NOTE - 2.20

(In Rupees)

Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
<b>OTHER INCOME</b>		
Interest Income	11,41,89,459	9,11,75,351
Share of Profit from LLP	29,90,268	-
Guarantee Fee Received	-	35,00,000
Profit on Sale of Assets	1,71,114	32,289
Tender Fee Received	1,03,000	12,000
Miscellaneous Income	14,15,770	10,89,060
Liquidity Damages	3,56,605	-
	<b>11,92,26,216</b>	<b>9,58,08,700</b>

**NOTE - 2.21**
**(In Rupees)**

Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
<b>Cost of land acquired/building constructed and disposed (on long term finance lease agreements)</b>		
- Cost of Land	3,19,79,883	41,75,276
- Cost of Building	17,30,87,992	1,75,14,870
	<b>20,50,67,875</b>	<b>2,16,90,146</b>

**NOTE - 2.22**
**(In Rupees)**

Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Allowances( See Note 2.22.1)	1,86,26,808	2,66,38,641
Contribution to Provident and Other Funds	14,68,861	12,10,581
Staff Welfare Expense	7,30,350	7,03,381
	<b>2,08,26,019</b>	<b>2,85,52,603</b>

**2.22.1** Includes Rs 15,34,580/- being remuneration to the Managing Director for the period from 1st November 2014 to 31st March 2015, which has been provided in the accounts based on the recommendation of the Remuneration Committee at their meeting held on 20/02/2015 and approved by the Board of Directors at their meeting held on 5/06/2015. Approval from shareholders under Companies Act 2013 is being sought at the ensuing general meeting.

**NOTE - 2.23**
**(In Rupees)**

Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
<b>FINANCE COSTS</b>		
Interest expense	4,61,648	-
	<b>4,61,648</b>	<b>-</b>



NOTE - 2.24

(In Rupees)

Particulars	For the year ended 31-03-2014	For the year ended 31-03-2015
<b>OTHER EXPENSES</b>		
Project Management Services Expenses	59,68,078	67,61,972
Bad Debt Written Off	-	5,32,181
Power & Fuel	17,54,398	13,31,502
Rent	27,78,424	24,76,892
Repairs & Maintenance	12,26,604	11,09,530
Insurance	1,22,934	96,418
Payment to Auditors		
Statutory Audit	1,25,000	1,25,000
Tax Audit	20,000	20,000
Other Services	85,000	50,000
Reimbursement of expenses	15,210	2,310
Meeting expenses	18,46,023	8,56,328
Sitting fee to Directors	3,22,500	-
Consideration for Manpower services	46,55,961	40,71,341
Course expenses	9,16,926	5,43,349
Advertisement & Publicity	12,33,858	25,96,626
Loss on Sale of assets	3,168	97,586
Membership/ Subscription to Professional bodies	44,776	78,680
Postages, Telephone and internet charges	8,74,057	9,64,056
Printing and Stationery	2,43,299	2,61,923
Professional Charges & Legal Fee	7,45,381	25,26,395
Rates & Taxes	27,58,451	15,28,657
Staff Recruitment Expense	7,76,540	2,07,826
Travelling & Conveyance	42,24,854	32,69,202
Trade Investments written off	1,68,81,891	-
Expenditure on projects written off	33,36,351	-
Hostel Running Expense	1,98,085	-
Miscellaneous Expenses	3,03,979	7,03,157
	<b>5,14,61,748</b>	<b>3,02,10,931</b>

**2.24.1** Note on Expenditure on Corporate Social Responsibility activities

i) Gross amount required to be spent during the year:		9,57,400
ii) Amount spent during the year	In cash	Yet to be paid in cash
- Construction/acquisition of any asset	-	-
- on purposes other than above	-	-
	-	-

**NOTE - 2.25**

(In Rupees)

Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
<b>EARNINGS PER SHARE</b>		
Profit after tax for the year as per Statement of Profit and Loss (In Rs.)	10,28,30,557	3,83,15,606
Weighted average number of Equity shares of Rs.10,000/- (Rs.10,000/-) each (fully paid up)- Nos.	1,63,027	1,50,750
Earnings Per Equity Share ( Basic and Diluted ) ( In Rs. )	<b>630.76</b>	<b>254.17</b>

**Note No. 2.26 EMPLOYEE BENEFITS**

(Disclosure under Accounting Standard 15 – 'Employee Benefits', Revised 2005)

**2.26.1 Defined Contribution Plans**

During the year the company has recognized Rs.7,93,229/- (Previous Year Rs.8,91,362/-) in the Statement of Profit and Loss on account of defined contribution plans.

**2.26.2 Defined Benefit Plans**
**Gratuity (Funded)**

(i) Actuarial Assumptions	31st March, 2015
Discount Rate (per annum)	8.00% p.a.
Expected return on plan assets	8.00% p.a.
Salary escalation rate *	5.00% p.a.
<b>Mortality rate</b>	<b>Indian Assured Lives Mortality [1994-1996] Ultimate</b>

\*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rs.)

(ii) Reconciliation of present value of obligation:	31st March, 2015
Present value of obligation at the beginning of the year	18,16,413
Current Service Cost	5,25,145
Interest Cost	1,16,319
Actuarial (gain)/loss	1,11,182
Benefits Paid	(2,11,510)
Curtailments	-
Settlements	-
Present value of obligation at the end of the year	23,57,549

(In Rs.)

(iii) Reconciliation of fair value of plan assets :	31st March, 2015
Fair value of plan assets at the beginning of the year	11,06,768
Expected return on plan assets	1,52,640
Actuarial gain/(loss)	(1,09,357)
Contributions	8,94,452
Benefits paid	-
Assets distributed on settlement	-
Fair value of plan assets at the end of the year	20,44,503



(In Rs.)

(iv) Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March, 2015
Present value of obligation	23,57,549
Fair value of plan assets	20,44,503
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	3,13,046

(In Rs.)

(v) Expenses recognised in the Statement of Profit and Loss:	31st March, 2015
Current Service Cost	5,25,145
Interest Cost	1,16,319
Expected return on plan assets	(1,52,640)
Actuarial (gain) /loss recognised in the period	2,20,539
Past Service Cost	-
Curtailment cost	-
Settlement cost	-
Total expenses recognised in the Statement of Profit and Loss	7,09,363

#### Leave Plan (Unfunded)

(i) Actuarial Assumptions	31st March, 2015
Discount Rate (per annum)	8.00% p.a.
Expected return on plan assets	Not Applicable
Salary escalation rate *	5.00% p.a.
Mortality rate	Indian Assured Lives Mortality [1994-1996] Ultimate

\*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rs.)

(ii) Reconciliation of present value of obligation:	31st March, 2015
Present value of obligation at the beginning of the year	19,92,020
Current Service Cost	7,49,057
Interest Cost	1,89,324
Actuarial (gain)/loss	33,235
Benefits Paid	(5,11,341)
Curtailments	-
Settlements	-
Present value of obligation at the end of the year	24,52,295

(In Rs.)

(iii) Reconciliation of fair value of plan assets :	31st March, 2015
Fair value of plan assets at the beginning of the year	-
Expected return on plan assets	-
Actuarial gain/(loss)	-
Contributions	-
Benefits paid	-
Assets distributed on settlement	-
Fair value of plan assets at the end of the year	-

		(In Rs.)
(iv)	<b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31st March, 2015</b>
	<b>Present value of obligation</b>	24,52,295
	Fair value of plan assets	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	24,52,295

		(In Rs.)
(v)	<b>Expenses recognised in the Statement of Profit and Loss:</b>	<b>31st March, 2015</b>
	Current Service Cost	7,49,057
	Interest Cost	1,89,324
	Expected return on plan assets	-
	Actuarial (gain) /loss recognised in the period	33,235
	Past Service Cost	-
	Curtailment cost	-
	Settlement cost	-
	Total expenses recognised in the Statement of Profit and Loss	9,71,616

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors. Upto the previous year, the liability was being assessed on estimated gross undiscounted basis, since eligible employees being small in number and hence there are no corresponding disclosures for the previous year.

**Note -2.27**

Disclosure of transactions with Related Parties as required by Accounting Standard – 18 on Related Party Disclosures as prescribed by Companies (Accounting Standards) Rules, 2006.

A.	Related parties and nature of relationship	
i.	INKEL KSIDC Projects Ltd.	Subsidiary Company
ii.	INKEL KINFRA Infrastructure Projects Ltd	Subsidiary Company
iii.	Thalikulam PURA Pvt Ltd	Subsidiary Company
iv.	Tirurangadi PURA Pvt Ltd	Subsidiary Company
v.	MIV Logistics Pvt Ltd	Associate Company
vi.	KV Apartments Pvt Ltd	Associate Company(till 31.12.2014)
vii.	Seguro - INKEL Consortium LLP	Jointly Controlled Entity
viii.	INKES Trade Centre Ltd	Subsidiary Company
ix.	Key Managerial Personnel Mr. T Balakrishnan	Managing Director

B. Description of Transactions				
Nature of Transaction		Subsidiary Company/ Associate Company	Key Managerial Personnel	Total
Income				
1	Income:			
	Project Management Services			
	MIV Logistics Pvt Ltd	52,58,634		52,58,634
		(1,09,67,997)		(1,09,67,997)
	INKEL KSIDC Projects Ltd.	21,57,115		21,57,115
		(20,67,492)		(20,67,492)
	Gurantee Commission Received			
	MIV Logistics Pvt Ltd	-		-
		(35,00,000)		(35,00,000)



Nature of Transaction		Subsidiary Company/ Associate Company	Key Managerial Personnel	Total
2	Interest income from Loans/Debentures KV Apartments Private Limited	2,66,56,479 (52,36,973)		2,66,56,479 (52,36,973)
	INKEL KSIDC Projects Ltd.	2,75,29,314 (2,65,91,984)		2,75,29,314 (2,65,91,984)
	INKEL KINFRA Infrastructure Projects Ltd.	48,17,543 (-)		48,17,543 -
	Seguro INKEL Consortium LLP	49,21,085 (-)		49,21,085 (-)
	Thalikulam PURA Private Limited	-		-
	Tirurangadi PURA Private Limited	(2,27,998) -		(2,27,998) -
	Expenses	(2,21,153)		(2,21,153)
1	Remuneration to Managing Director (See Note 2.22.1)		36,34,580 (1,01,00,000)	36,34,580 (1,01,00,000)
	Loans/Advances and Investments			
1	INKEL KSIDC Projects Ltd.			
	- Loan/Advances given	1,00,000 (9,88,52,565)		1,00,000 (9,88,52,565)
	- Loan/Advances recovered	2,64,00,000 (1,96,16,738)		2,64,00,000 (1,96,16,738)
2	INKEL KINFRA Infrastructure Projects Ltd.			
	- Loan/Advances given	- (1,84,387)		- (1,84,387)
3	Thalikulam PURA Pvt Ltd			
	- Loan/Advances given	2,900 (-)		2,900 (-)
	- Loan/Advances written off	5,197 -		5,197 -
	- Investments made	- (84,13,000)		- (84,13,000)
	- Investments written off	85,15,000 (-)		85,15,000 (-)
4	Tirurangadi PURA Pvt Ltd	-		-
	- Loans/Advance given	2,100 (-)		2,100 (-)
	- Amounts written off	4,694 (-)		4,694 (-)
	- Investments made	- (82,55,000)		- (82,55,000)
	- Investments written off	83,57,000 (-)		83,57,000 (-)

Nature of Transaction	Subsidiary Company/ Associate Company	Key Managerial Personnel	Total
5 INKES Trade Centre Ltd Loan/Advances given	38,64,231 (-)		38,64,231 (-)
6 Seguro-INKEL Consortium LLP Loan given	19,25,77,591 (-)		19,25,77,591 (-)
7 KV Apartments Private Limited Sale of shares in the Company	40,00,000 (-)		40,00,000 (-)
Investments			
1 INKEL KINFRA Infrastructure Projects Ltd.	7,40,000 (7,40,000)		7,40,000 (7,40,000)
2 INKEL-KSIDC Ltd	18,32,34,120 (18,32,34,120)		18,32,34,120 (18,32,34,120)
3 KV Apartments Pvt Ltd	5,00,000 (20,02,00,000)		5,00,000 (20,02,00,000)
4 MIV Logistics Pvt Ltd	11,82,97,140 (11,82,97,140)		11,82,97,140 (11,82,97,140)
5 Thalikulam PURA Pvt Ltd	- (85,15,000)		- (85,15,000)
6 Tirurangadi PURA Pvt Ltd	- (83,57,000)		- (83,57,000)
7 INKES Trade Centre Ltd	3,70,000 (-)		3,70,000 (-)
8 Seguro INKEL Consortium LLP (Including share of profit)	34,40,268 (-)		34,40,268 (-)
Guarantee given			
1 MIV Logistics Pvt Ltd	45,50,00,000 (45,50,00,000)		45,50,00,000 (45,50,00,000)
Receivables			
1 MIV Logistics Pvt Ltd	53,82,737 (6,58,797)		53,82,737 (6,58,797)
2 INKEL KSIDC Projects Ltd.	26,09,17,296 (25,93,18,354)		26,09,17,296 (25,93,18,354)
3 INKEL KINFRA Infrastructure Projects Ltd.	1,93,62,701 (1,43,14,207)		1,93,62,701 (1,43,14,207)
4 Thalikulam PURA Pvt Ltd	- (2,297)		- (2,297)
5 Tirurangadi PURA Pvt Ltd	- (2,594)		- (2,594)
6 Seguro INKEL Consortium LLP	19,70,06,567 (-)		- (-)
7 INKES Trade Centre Ltd	36,72,797 (-)		36,72,797 (-)

Note: Transactions in the nature of current account transactions have not been included



**Note - 2.28**

The company is engaged in providing infrastructure facilities and other services in connection with infrastructure projects. In the opinion of the management, this is the only primary reportable segment within the meaning of Accounting Standard-17 notified by the Companies (Accounting Standard) Rules 2006.

**Note 2.29**

**Interest in joint ventures**

The Company has a 45%(PY-Nil) ownership interest in the Jointly controlled entity (JCE) -Seguro INKEL Consortium LLP, incorporated in India.

Details of Revenue Transactions in the above said joint venture are as under :

(in Rs.)

Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
A. Total Revenue	22,49,00,000	-
B. Total Expenses(including tax expense)	21,82,54,961	-
C. Net Profit/(Loss) from the Joint Venture	66,45,039	-
D. Share of Income/(Loss) of the Company in the above	29,90,268	-

Details of other items related to the interest in the JCE are as under:

(in Rs.)

Particulars	As at 31-03-2015	As at 31-03-2014
Assets of the Company related to interest in the JCE		
-Loans and advances granted to the JCE	19,70,06,567	-

The other venturer in the JCE is Seguro Foundations and Structural Private Limited , which has the remaining 55%(PY- Nil) ownership interest in the JCE.

**Note - 2.30**

Contingent Liabilities not provided for :	As at 31.03.2015(Rs)	As at 31.03.2014 (Rs)
a) Corporate guarantee issued in favour of Associate Company MIV Logistics Pvt Ltd- Amount Outstanding Total amount of guarantee- Rs. 45,50,00,000(Rs.45,50,00,000)	35,37,30,812	24,93,13,632
b) Claims towards Building Tax	28,55,835	35,71,200

**Note - 2.31**

Capital Commitments	As at 31.03.2015(Rs)	As at 31.03.2014 (Rs)
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,96,85,212	

**Note - 2.32**

Dividend Remittances in foreign currency:-	For the year ended 31.03.2015(Rs)	For the year ended 31.03.2014(Rs)
Year to which dividend relates	Financial year 2013-2014	-
Amount remitted during the year	44,00,000	-
Number of non resident shareholders	4	-
Number of shares on which dividend was due	22,000	-

**Note - 2.33**

Figures have been rounded off to the nearest rupee. Previous year figures unless otherwise stated are given within brackets and have been regrouped and recast wherever necessary.

For and on behalf of the Board of Directors

**T. Balakrishnan,**  
Managing Director  
DIN: 00052922

**K. Padmadasan,**  
Company Secretary

**M.M. Abdul Basheer,**  
Director  
DIN: 00120916

**George Raphael,**  
Chief Financial Officer

As per our Report of even date attached

**For Varma & Varma**  
Chartered Accountants  
Firm No.004532S

**Vijay Narayan Govind**  
(Partner)  
Membership No. 203094

Place : Kochi  
Date : 05/06/2015

## INKEL Limited

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

(In Rupees)

Particulars	For the Year ended 31.03.2015	For the Year ended 31.03.2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Taxation and exceptional items</b>	<b>15,83,66,755</b>	<b>5,67,84,908</b>
<b>Adjustments for :</b>		
Depreciation and Amortisation	1,80,06,925	2,21,24,618
Loss/(Profit) on sale of Assets(Net)	(1,67,946)	65,297
Interest Income	(11,41,89,459)	(9,11,75,351)
Interest paid	4,61,648	-
Share of Profit from Seguro-INKEL Consortium LLP	29,90,268	-
Liabilities \Assets no Longer required written off	1,97,29,938	(10,89,060)
Conversion of fixed assets to current assets	20,09,42,226	2,16,90,146
<b>Operating profit before Working Capital Changes</b>	<b>28,61,40,355</b>	<b>84,00,558</b>
<b>Changes in Working Capital</b>		
Adjustments for ( Increase )\Decrease in Operating Assets		
Trade Receivables	(18,95,07,475)	(79,68,709)
Short term loans and advances	(1,83,12,882)	2,42,15,370
Other Current Assets	(2,55,138)	4,657
Long term Loans and Advances	(6,65,630)	(8,24,010)
	(20,87,41,125)	1,54,27,308
<b>Adjustments for increase ( Decrease ) in Operating Liabilities</b>		
Trade Payables	(79,30,586)	1,69,88,485
Other Current Liabilities	(1,31,83,373)	1,96,73,267
Short term Provisions	17,24,891	-
Long term Provisions	(16,61,215)	9,51,314
Long Term Liabilities	4,73,240	(57,93,052)
	<b>(2,05,77,043)</b>	<b>3,18,20,014</b>
<b>Cash generated from Operations</b>	<b>5,68,22,187</b>	<b>5,56,47,880</b>
Taxes Paid	(3,83,25,066)	(2,04,40,754)
<b>Net Cash Used in Operating activities - ( A )</b>	<b>1,84,97,121</b>	<b>3,52,07,126</b>



(In Rupees)

Particulars	For the Year ended 31.03.2015	For the Year ended 31.03.2014
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital WIP	(25,35,70,682)	(6,46,59,403)
Loans and Advances made	(20,55,98,859)	(7,81,32,376)
Interest received on loans/deposits	12,67,98,995	8,30,06,871
Proceeds from sale of Fixed assets	2,70,166	2,71,029
(Investments)/Sale of equity shares	(32,50,536)	(2,11,68,000)
(Investments)/Redemption of debentures	19,57,00,000	(19,57,00,000)
Investments in Others	4,50,000	-
<b>Net Cash Used in Investing activities - ( B )</b>	<b>(13,92,00,916)</b>	<b>(27,63,81,879)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital	-	25,46,10,000
Interest paid	(4,61,648)	-
Dividend paid	(2,99,05,526)	-
Dividend Distribution tax paid	(51,21,619)	-
<b>Net Cash Generated By Financing Activities - ( C )</b>	<b>(3,54,88,793)</b>	<b>25,46,10,000</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>(15,61,92,588)</b>	<b>1,34,35,247</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>56,39,86,960</b>	<b>55,05,51,713</b>
<b>Closing Cash And Cash Equivalents</b>	<b>40,77,94,372</b>	<b>56,39,86,960</b>

Cash and cash equivalents at the end of the year includes Rs.2,50,000/- (Rs. 50,000/-) held under lien and Rs.249,145/- (Rs.18,815/-) deposited in unclaimed dividend account which is earmarked for payment of dividend.

For and on behalf of the Board of Directors

As per our Report of even date attached

**T. Balakrishnan,**  
Managing Director  
DIN: 00052922

**M.M. Abdul Basheer,**  
Director  
DIN: 00120916

**For Varma & Varma**  
Chartered Accountants  
Firm No.0045325

**K. Padmadasan,**  
Company Secretary

**George Raphael,**  
Chief Financial Officer

**Vijay Narayan Govind**  
(Partner)  
Membership No. 203094

Place : Kochi  
Date : 05/06/2015

## 1. Significant Accounting Policies

### a. Basis of Accounting

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### b. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

### c. Fixed Assets

Land acquired on long term lease arrangements that are in the nature of financial leases are classified under Fixed Assets and amortised over the lease period. Buildings constructed on such land are capitalised and depreciated as per company's accounting policy. Such land and building are reclassified and treated as Current Assets (at Net Book Value) when the decision to dispose under long-term finance leases is conclusively taken by the management.

Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation and impairment in value if any, is adjusted.

### d. Depreciation/ Amortisation

Depreciation on fixed assets is provided on Written Down Value Method on the basis of the useful life in the manner prescribed as per Schedule II of The Companies Act, 2013. Leasehold land is amortised over the duration of the lease. Cost of software treated as Intangible Assets is amortised over a period of six years.

### e. Investments

Non-Current Investments are stated at cost. Decline in value, if any, which is not considered temporary in nature, is provided for.

### f. Revenue Recognition

Revenue arising on disposal of current assets under long-term lease arrangements that are in nature of financial leases is recognised in the year in which the lease agreements are entered into. Proportionate income during the period of license agreement and income from other arrangements which are in the nature of operating leases, are recognized as income in the respective years. Other incomes are recognized on accrual basis except when there are significant uncertainties.

### g. Employee Benefits

#### Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.

#### Defined Contribution Plans

The company has defined contribution plans for employees comprising of Provident Fund. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

#### Defined Benefit Plans: Gratuity (Funded)

The company makes contributions to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any, and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

#### Other Long term employee benefits: Compensated absences(Unfunded)

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.



#### **h. Income Tax**

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Deferred Tax assets/ liabilities representing timing differences between accounting income and taxable income are recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same.

#### **i. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gain/loss arising during the year is adjusted to the Statement of Profit and Loss.

#### **j. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. Other borrowing costs are recognized as expenditure for the period in which they are incurred.

#### **k. Earnings per share**

Basic/ diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to

equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/ dilutive potential equity shares outstanding as at the end of the year as the case may be.

#### **l. Impairment of Assets**

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss if any is recognized in the Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

#### **m. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation.

Contingent assets are neither recognized nor disclosed in the accounts.



## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

**The Members of Inkel Limited  
Thrikkakara**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Inkel Limited ("hereinafter referred to as "the Holding Company ") and its subsidiaries- Inkel KSIDC Projects Limited, Inkel KINFRA Infrastructure Projects Limited and INKES Trade Centre Limited (the Holding Company and its subsidiaries together referred to as "the Group"), its associate(MIV Logistics Private Limited) and its's jointly controlled entity(Seguro Inkel Consortium LLP), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds

and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of



expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associate and jointly controlled entity as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

(a) We did not audit the financial statements/financial information of the three subsidiaries and one jointly controlled entity whose financial statements/financial information reflect total assets of Rs.72,37,98,587/- as at March 31,2015, total revenues of Rs.26,18,20,162/- and net cash outflow of Rs. 17,47,206/- for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss of Rs. 10,07,09,522/- for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements/financial information have not been audited by us.

These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entity and associate, is based solely on the reports of the other auditors.

(b) As stated in Note 1, during the year, the Holding Company has written off the book value of investments made in earlier years in the subsidiary companies Thalikulam PURA Private Limited and Thirurangadi PURA Private Limited for the reasons stated therein. Neither of these companies has any significant assets or liabilities. Further, the Holding Company has also disposed the shareholding in an associate enterprise K.V. Apartments Private Limited, which was held only for a period of nine months. In view of the provisions of Accounting Standard -21 on Consolidated Financial Statements and Accounting Standard-23 on Accounting for Investments in Associates, these entities have been excluded for the purpose of consolidation, the effect of which is not material.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters including with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India, we give in the Annexure 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors
- (b) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors companies and associate company incorporated in India, none of the directors of the Group companies, its associate company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entity-Refer Note 2.32.2 to the consolidated financial statements.
  - ii. The Group, its associate and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, and associate company incorporated in India.

Place: Kochi-19  
Date: 31.07.2015



**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INKEL LIMITED, ITS THREE SUBSIDIARIES AND ONE ASSOCIATE COMPANY INCORPORATED IN INDIA FOR THE YEAR ENDED 31ST MARCH 2015**

Our reporting on the Order includes three subsidiary companies (Inkel KSIDC Projects Limited, Inkel KINFRA Infrastructure Projects Limited and INKES Trade Centre Limited) and one associate company (MIV Logistics Private Limited) incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based on solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements. Our reporting does not include one jointly controlled entity to which the Order is not applicable, except to the extent such information is available from the unaudited financial statements furnished to us by the management.

1. (a) The respective companies are maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
In the case of the subsidiary company M/s INKEL KINFRA Infrastructure Projects Limited, assets are still in capital work in progress stage and hence Paragraph 3(i)(a) and (b) of the Order is not applicable.

(b) We are informed that major items of the fixed assets have been physically verified by the management of the respective companies during the year, which, in our opinion and in the opinion of the other auditors is reasonable having regard to the size of the respective companies and the nature of its business and that no material discrepancies were noticed on such verification.

2. (a) The inventory of the Holding Company comprises only of land and building. According to the information given to us, the inventory of the Holding Company has been physically verified by the management of the holding company. In our opinion, the frequency of such verification is reasonable.

In the opinion of the other auditor, and according to the information and explanations given to the other auditor, the physical verification of inventory of M/s INKEL KSIDC Projects Limited has been conducted at reasonable intervals by the management of the subsidiary company.

In the opinion of the other auditors, and according to the information and explanations given to the other auditors, the subsidiary company M/s INKEL KINFRA Infrastructure Projects Limited is an infrastructure company, primarily developing infrastructure projects. Accordingly it does not hold any physical inventory. The subsidiary company M/s INKES Trade Centre Limited does not hold any physical inventories. The associate company M/s MIV Logistics Private Limited is a service company,

primarily rendering container and cargo related activities. Accordingly it does not hold any physical inventories. Thus paragraph 3(ii)(a) to (c) of the Order is not applicable to these three companies.

(b) In our opinion and in the opinion of the other auditor and according to the explanations given to us and the other auditor, the procedures for physical verification of inventory followed by the management of the Holding company and the subsidiary company M/s INKEL KSIDC Projects Limited are reasonable and adequate in relation to the size of the respective companies and the nature of its business.

(c) In our opinion and in the opinion of the other auditor and according to the information and explanation given to us and the other auditor, the management of the Holding company and the subsidiary company M/s INKEL KSIDC Projects Limited is maintaining proper records of inventory and no material discrepancies were noticed on physical verification by the respective companies.

3. (a) According to the information and explanations given to the other auditors, the subsidiary companies and associate company has not granted loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").

The Holding company has granted loan to three subsidiaries and one limited liability partnership covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").

(b) In case of the above loan granted by the Holding company, as per the information and explanations given to us, the terms do not stipulate any repayment schedule and the principal/interest are repayable on demand. The parties have been regular in repayment of the demands raised by the Holding Company.

(c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the party covered in the register maintained under section 189 of the Act.

4. In our opinion and in the opinion of the other auditors and according to the information and explanation given to us and the other auditors, there is an adequate internal control system commensurate with the size of the Holding company, subsidiary companies and associate company and nature of its business for the purchase of inventory and fixed assets and for the sale of inventory and services. During the course of our audit, we have neither come



across nor have we been informed of any continuing failure to correct major weaknesses in the internal controls systems.

5. The holding company, subsidiary companies and associate company has not accepted any deposits from the public during the year 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 thereunder are not applicable.

6. To the best of our knowledge and according to the information and explanations given to us and to the other auditors, the Central Government has not prescribed the maintenance of cost records under Section 148

(1) of the Act for the Holding company, subsidiary companies and associate company at this stage.

7. (a) As per the information and explanations furnished to us and to the other auditors and according to our examination of the records of the respective companies by us and the other

furnished to us and to the other auditors and according to our examination of the records of the respective companies by us and the other auditors, except for minor delays in depositing Works Contract Tax by the Holding company, the respective companies has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to the respective companies with the appropriate authorities during the year.

There are no arrears of undisputed statutory dues outstanding at the last day of the financial year for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us and the records of the holding company examined by us, the following disputed amounts of building tax demanded have not been deposited with the authorities as at 31st March, 2015 as per the details given below:

Name of the Statute	Nature of Dues	Amount	Year to Which Amount Relates	Forum Where Dispute is Pending
The Kerala Building Tax Act, 1975	Building Tax	28,55,835	2013-2014	The High Court of Kerala, Ernakulam

In respect of the subsidiary companies and the associate company, according to the information and explanations given to the other auditors, there are no material dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.

(c) As per the information and explanations furnished to us and to the other auditors, there are no amounts to be deposited towards Investor Education and Protection Fund by the Holding company, the subsidiary companies and associate company and hence the reporting requirements under clauses (vii) (c) of the paragraph 3 of the Order are not applicable.

8. The Group and its associate and jointly controlled entity does not have any accumulated losses as at the end of the financial year on a consolidated basis and the Group and its associate and jointly controlled entity has not incurred cash losses on a consolidated basis in the current financial year and in the immediately preceding financial year.

9. According to the information and explanations given to us and to the other auditors, the holding company and its subsidiary company M/s INKEL KSIDC Projects Limited and its associate company M/s MIV Logistics Private Limited has not defaulted in repayment of dues to banks.

According to the information and explanations given to the other auditor, the subsidiary companies M/s INKEL KINFRA Infrastructure Projects Limited and M/s INKES Trade Centre Ltd. has not taken loans from financial institutions or banks.

10. According to the information and explanations given to us and to the other auditors, the holding company, subsidiary companies and associate company have not given guarantees for loans taken by others outside of the Group from banks and financial institutions.

11. The holding company and the subsidiary companies have not availed any term loan and hence reporting requirements under clause (xi) of paragraph 3 of the Order are not applicable.

The term loans taken by the associate company M/s MIV Logistics Private Limited have been applied for the purpose for which they were raised.

12. During the course of our examination of the books and records of the holding company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and to the other auditors, there are no instances of material fraud on or by the respective companies, noticed or reported during the year, nor have we been informed of such case by the management.

Place: Kochi - 19  
Date: 31.07.2015



**INKEL LIMITED**  
**Consolidated Balance Sheet as at 31st March, 2015**

	Note No.	As at 31.03.2015 (In Rupees)	As at 31.03.2014 (In Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	2.1	1,63,02,70,000	1,63,02,70,000
(b) Reserves and Surplus	2.2	9,45,09,533	11,47,89,784
(c) Minority Interest	2.3	5,20,35,338	5,75,88,131
<b>(2) Non - Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	2.4	2,55,57,898	67,60,767
(b) Other Long - Term Liabilities	2.5	57,26,240	50,73,000
(c) Long - Term Provisions	2.6	11,64,619	27,01,665
<b>(3) Current Liabilities</b>			
(a) Trade Payables	2.7	1,15,54,225	1,79,11,898
(b) Other Current Liabilities	2.8	9,16,52,172	8,12,60,287
(c) Short Term Provisions	2.9	6,08,05,482	3,52,57,651
<b>TOTAL</b>		<b>1,97,32,75,507</b>	<b>1,95,16,13,183</b>
<b>II. ASSETS</b>			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.10	87,53,02,179	91,38,53,604
(ii) Intangible Assets	2.10	93,281	1,44,998
(iii) Capital Work - in - Progress	2.11	9,02,35,242	1,87,83,393
(b) Non - Current Investments	2.12	6,46,43,657	32,28,06,346
(c) Long - Term Loans and Advances	2.13	10,47,05,393	3,94,16,331
(d) Other Non-Current Assets	2.14	9,28,96,268	1,44,000
<b>(2) Current Assets</b>			
(a) Inventories	2.15	-	-
(b) Trade Receivables	2.16	20,36,85,211	1,21,73,830
(c) Cash and Cash Equivalents	2.17	40,86,82,727	56,66,02,585
(d) Short - Term Loans and Advances	2.18	12,04,85,855	5,68,87,580
(e) Other Current Assets	2.19	1,25,45,694	2,08,00,516
<b>TOTAL</b>		<b>1,97,32,75,507</b>	<b>1,95,16,13,183</b>

Significant Accounting Policies and Notes to Accounts

1 & 2

As per our Report of even date attached

**T. Balakrishnan,**  
Managing Director  
DIN: 00052922

**M.M. Abdul Basheer,**  
Director  
DIN: 00120916

For and on behalf of the Board of Directors

**For Varma & Varma**  
Chartered Accountants  
Firm No.004532S

**K. Padmadasan,**  
Company Secretary  
Place : Kochi  
Date : 31/07/2015

**George Raphael,**  
Chief Financial Officer

**Vijay Narayan Govind**  
(Partner)  
Membership No. 203094

**INKEL LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015**

	Particulars	Note No.	As at 31.03.2015 (In Rupees)	As at 31.03.2014 (In Rupees)
<b>I.</b>	<b>Revenue</b>			
	Revenue from Operations	2.20	46,62,83,742	6,28,06,611
	Other Income	2.21	8,42,50,183	6,82,90,136
	<b>II. Total Revenue</b>		<b>55,05,33,925</b>	<b>13,10,96,747</b>
	<b>III. Expenses:</b>			
	Cost of land acquired/building constructed and disposed (on Long Term Finance Lease Agreements)	2.22	21,08,83,262	2,62,49,107
	Construction and other related expenses		9,45,82,098	-
	Employee Benefit Expense	2.23	2,14,53,155	2,85,52,603
	Finance costs	2.24	5,02,399	-
	Depreciation and Amortisation	2.10	3,41,01,978	2,66,26,463
	Other Expenses	2.25	6,18,15,877	3,26,28,106
	<b>IV. Total Expenses</b>		<b>42,33,38,769</b>	<b>11,40,56,279</b>
<b>V.</b>	<b>Profit Before Tax (II- IV)</b>		<b>12,71,95,157</b>	<b>1,70,40,468</b>
<b>VI.</b>	<b>Tax Expense:</b>			
	(1) Current Tax		3,59,79,223	1,54,02,674
	(2) Deferred tax		1,87,97,129	37,16,733
<b>VII.</b>	<b>Profit for the period (V - VI)</b>		<b>7,24,18,804</b>	<b>(20,78,939)</b>
<b>VIII.</b>	Less: Share of Profit/(Loss) of Subsidiaries for the year transferred to Minority Interest		(65,06,575)	(40,64,520)
<b>IX.</b>	Share of Profit/ (Loss) of Associate Company		(3,95,17,210)	(45,23,270)
<b>X.</b>	<b>Profit / ( Loss ) for the period after Minority Interest</b>		<b>3,94,08,169</b>	<b>(25,37,689)</b>
<b>XI.</b>	<b>Earning per Equity Share:</b>	2.27		
	(1) Basic		241.73	(16.83)
	(2) Diluted		241.73	(16.83)

Significant Accounting Policies and Notes to Accounts 1 & 2

As per our Report of even date attached

**T. Balakrishnan,**  
Managing Director  
DIN: 00052922

**M.M. Abdul Basheer,**  
Director  
DIN: 00120916

For and on behalf of the Board of Directors  
**For Varma & Varma**  
Chartered Accountants  
Firm No.0045325

**K. Padmadasan,**  
Company Secretary  
Place : Kochi  
Date : 31/07/2015

**George Raphael,**  
Chief Financial Officer

**Vijay Narayan Govind**  
(Partner)  
Membership No. 203094



**INKEL LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2015**

**NOTE - 2.1 SHARE CAPITAL**

(In Rupees)

Particulars	Number of Shares	As at 31-03-2015	Number of Shares	As at 31-03-2014
		Amount		Amount
<b>SHARE CAPITAL</b>				
<b>Authorised Equity Share Capital</b>				
Equity Shares of Rs 10,000/- (Rs. 10,000/-) Each	2,00,000	2,00,00,00,000	2,00,000	2,00,00,00,000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs 10,000/- (Rs. 10,000/-) Each	1,63,027	1,63,02,70,000	1,63,027	1,63,02,70,000
	1,63,027	1,63,02,70,000	1,63,027	1,63,02,70,000

**Terms/ Rights attached to Equity Shares**

The company has only one class of shares referred to as equity shares with a face value of Rs. 10,000/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed/ declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

**Reconciliation of shares at the beginning and at the end of the financial year**

(In Rupees)

Particulars	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares</b>				
As at the beginning of the financial year	1,63,027	1,63,02,70,000	1,37,566	1,37,56,60,000
Shares issued during the financial year	-	-	25,461	25,46,10,000
As at the end of the financial year	1,63,027	1,63,02,70,000	1,63,027	1,63,02,70,000
<b>Particulars of Shareholders holding more than 5% share in the Company</b>				
Govt. of Kerala - 24.84 % (Previous year 24.84 %)	40,500	40,50,00,000	40,500	40,50,00,000
Bismi Holdings Ltd - 6.75 % (Previous year 6.75 %)	11,000	11,00,00,000	11,000	11,00,00,000
Shri. Yusuffali M A - 15.13 % (Previous year 15.13 %)	24,666	24,66,60,000	24,666	24,66,60,000
Shri. Varghese Kurian - 6.75 % (Previous year 6.75 %)	11,000	11,00,00,000	11,000	11,00,00,000
Dr.Mohamed Ali - 6.44 % (Previous year 6.44 %)	10,500	10,50,00,000	10,500	10,50,00,000

**NOTE - 2.2 RESERVES & SURPLUS**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Surplus</b>		
Opening Balance	11,67,54,993	15,45,50,333
Net Profit/(Loss) after tax as per Statement of Profit and Loss	3,94,08,169	(25,37,689)
Closing Balance	<b>15,61,63,162</b>	<b>15,20,12,644</b>
<b>Amount Available for Appropriation</b>		
Less: Appropriations		
Proposed Dividend ( Refer Note 2.2.1)	4,89,08,100	3,01,36,032
Tax on Proposed Dividend	99,56,538	51,21,619
	<b>5,88,64,638</b>	<b>3,52,57,651</b>
<b>Closing balance</b>	<b>9,72,98,524</b>	<b>11,67,54,993</b>
Less: Minority interest adjusted (as per Contra)	27,88,991	19,65,209
	<b>9,45,09,533</b>	<b>11,47,89,784</b>

**2.2.1** The Board of Directors of the Company has proposed a dividend of Rs.300/- per share(Rs. 200/- per share) for the financial year 2014-15.

**NOTE - 2.3 MINORITY INTEREST**

Particulars	As at 31-03-2015	As at 31-03-2014
Share Capital	6,47,69,554	6,46,39,554
In case of the subsidiary company INKEL- KSIDC Project Ltd.		
Add: Share of accumulated reserves	(90,16,632)	(49,52,112)
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss	(65,06,575)	(40,64,520)
Add: Adjusted against majority interest (as per Contra)	27,88,991	19,65,209
<b>Closing Balance</b>	<b>5,20,35,338</b>	<b>5,75,88,131</b>

**NOTE - 2.4 DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>A. Deferred Tax Liability</b>		
Opening Balance	-	-
On excess of net book value over income tax written down value of fixed assets	2,62,61,686	70,69,170
<b>B. Deferred Tax Assets</b>		
On disallowances	7,03,788	3,08,403
	<b>2,55,57,898</b>	<b>67,60,767</b>

**NOTE - 2.5 OTHER LONG TERM LIABILITIES**

Particulars	As at 31-03-2015	As at 31-03-2014
Security Deposits	57,26,240	50,73,000
	<b>57,26,240</b>	<b>50,73,000</b>



**NOTE - 2.6 LONG TERM PROVISIONS**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Provision for Employee Benefits</b>		
- Provision for Leave Encashment (See Note 2.28)	11,50,132	19,92,020
- Provision for Gratuity (See Note 2.28)	-	7,09,645
Other Long Term Provision	14,487	-
	<b>11,64,619</b>	<b>27,01,665</b>

**NOTE - 2.7 TRADE PAYABLES**

Particulars	As at 31-03-2015	As at 31-03-2014
Trade Payables	1,15,54,225	1,79,11,898
	<b>1,15,54,225</b>	<b>1,79,11,898</b>

The group has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006 and the same is in progress. Based on available information, there are no balance outstanding as payable to such suppliers as at the year end. In the opinion of the management of the respective companies there are no amounts paid/payable towards interest under the said statute.

**NOTE - 2.8 OTHER CURRENT LIABILITIES**

Particulars	As at 31-03-2015	As at 31-03-2014
Creditors For Capital Assets	44,82,170	15,17,049
Lease hold Premium received in Advance	7,02,10,910	5,66,68,479
Advance From Customers/Clients	23,91,550	74,61,664
Retention Money payable	48,32,824	71,31,210
Statutory Dues	60,02,702	53,12,561
Security Deposit / Earnest Money Deposit	35,01,510	31,50,824
Unclaimed Dividend	2,30,506	18,500
	<b>9,16,52,172</b>	<b>8,12,60,287</b>

**NOTE - 2.9 SHORT TERM PROVISIONS**

Particulars	As at 31-03-2015	As at 31-03-2014
Provision for employee benefits		
- Provision for Leave Encashment (See Note 2.28)	14,11,845	
- Provision for Gratuity (See Note 2.28)	3,13,046	
Proposed Dividend	4,89,08,100	3,01,36,032
Tax on Proposed Dividend	99,56,538	51,21,619
Provision for Income Tax	2,15,953	-
	<b>6,08,05,482</b>	<b>3,52,57,651</b>





**NOTE - 2.11 CAPITAL WORK IN PROGRESS**

Particulars	As at 31-03-2015	As at 31-03-2014
Projects under implementation	8,31,01,054	1,22,54,705
Capital work in progress	71,34,188	65,28,688
	-	-
	<b>9,02,35,242</b>	<b>1,87,83,393</b>

**NOTE - 2.12 NON CURRENT INVESTMENTS**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>a) Investments in Equity Instruments</b>		
<b>(Un-quoted, Trade, at cost)</b>		
<b>i) In Subsidiary Companies</b>		
-Thalikkulam PURA Pvt Ltd	-	85,15,000
Nil (8,51,500) Equity Shares of Rs.10/-each, Fully Paid up	-	-
-Tirurangadi PURA Pvt Ltd	-	83,57,000
Nil (8,37,700) Equity Shares of Rs.10/-each, Fully Paid up	-	-
Add: Share of Profit as per appropriation a/c	-	-
<b>ii) In Associate companies</b>	-	-
-MIV Logistics Pvt Ltd		
1,18,29,714 (1,18,29,714) Equity Shares of Rs.10/-each, Fully Paid up	-	-
<b>Opening Balance</b>	10,57,34,346	11,59,62,347
Less: Unrealised Profit on Consultancy Income and Guarantee Cost	(20,73,479)	(57,04,731)
Less: Share of Profit/ (Loss) of Associate	(3,95,17,210)	(45,23,270)
<b>Closing Balance</b>	6,41,43,657	10,57,34,346
-KV Apartments Pvt Ltd	5,00,000	45,00,000
50,000 (4,50,000) Equity Shares of Rs.10/-each, Fully Paid up	-	-
-	-	-
<b>b) Investments in Optionally Convertible Debentures</b>	-	-
<b>(Un-quoted, Trade, at cost)</b>	-	-
In Associate companies	-	-
Nil (19,57,000) 15% Optionally Convertible Debentures in KV Apartments Pvt Ltd	-	19,57,00,000
-	-	-
<b>Total investments (a) + (b)</b>	<b>6,46,43,657</b>	<b>32,28,06,346</b>
Aggregate amount of unquoted investments	<b>6,46,43,657</b>	<b>32,28,06,346</b>

**NOTE - 2.13 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Unsecured (Considered good)</b>		
Advance for Capital Assets	17,10,000	3,75,000
Security Deposits	32,71,990	15,11,109
Advance to Kerala State Industrial Enterprises Ltd towards proposed Joint Venture Infrastructure Project	1,21,00,000	1,21,00,000
Income Tax (Net)	3,26,23,403	2,54,30,222
Advance to Related Parties		
- Seguro - INKEL Consortium LLP	5,50,00,000	-
	<b>10,47,05,393</b>	<b>3,94,16,331</b>

**NOTE - 2.14 OTHER NON CURRENT ASSETS**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Trade Receivables</b>		
(Unsecured Considered good )		
-Outstanding for a period exceeding six months from the date they were due for payment	-	-
-Others (See Note no. 2.14.1)	9,27,52,268	-
Other Non-Current Assets	1,44,000	1,44,000
	<b>9,28,96,268</b>	<b>1,44,000</b>

**2.14.1** Represents dues from Kerala Academy for Skills Excellence(KASE), a Government of Kerala owned private limited Company in which a director of INKEL Ltd is a director.

**NOTE - 2.15 INVENTORIES**

Particulars	As at 31-03-2015	As at 31-03-2014
Land and Building held on long term finance lease	-	
Opening Balance	-	
Add: Additions during the year	21,08,83,262	2,62,49,107
Less: Disposed during the year	21,08,83,262	2,62,49,107
Closing Balance	-	

**NOTE - 2.16 TRADE RECEIVABLES**

Particulars	As at 31-03-2015	As at 31-03-2014
Trade Receivables	-	-
(Unsecured Considered good )	-	-
-Outstanding for a period exceeding six months from the date they were due for payment	3,73,036	-
-Others	20,33,12,175	1,21,73,830
	<b>20,36,85,211</b>	<b>1,21,73,830</b>

**2.16.1** Trade Receivables include Rs.53,82,737/- (Rs.6,58,797/-) due from MIV Logistics Private Limited and Rs. 9,27,52,267/- (Nil) due from Kerala Academy for Skills Excellence(KASE)- a Government of Kerala owned private limited company; In which a director of INKEL Ltd is a director.



**NOTE - 2.17 CASH AND CASH EQUIVALENTS**

Particulars	As at 31-03-2015	As at 31-03-2014
Cash on Hand	7,913	13,279
Balance with Banks		
In Current Accounts	21,24,814	2,57,58,590
In Fixed Deposit Accounts	40,65,50,000	54,08,30,716
	-	
	<b>40,86,82,727</b>	<b>56,66,02,585</b>

**2.17.1 Earmarked Balances:**

a. Balance with banks in Current Accounts include earmarked balances for unpaid dividend Rs. 18,197 (Rs. 18,815) for the FY 2009-10 and Rs.2,30,948/- (NIL) for the FY 2013-14

**2.17.2** Balance with banks in Deposit Accounts include Rs. 2,50,000/- (Rs. 50,000/-) with a maturity period of more than 12 months

**NOTE - 2.18 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31-03-2015	As at 31-03-2014
(Unsecured, Considered good)		
Loans to related parties		
Thalikulam - PURA Private Ltd	-	2,297
Tirurangadi - PURA Private Ltd	-	2,594
Seguro - INKEL Consortium LLP	5,33,53,612	-
<b>Others:</b>		
Advances recoverable in cash or in kind or for value to be received	2,06,06,155	-
Earnest Money Deposits	-	35,00,000
Balances with Central Excise, etc.	4,54,75,769	5,23,34,769
Advance to Suppliers/Contractors	9,53,377	10,24,920
Advance to employees	96,942	23,000
	<b>12,04,85,855</b>	<b>5,68,87,580</b>

**NOTE - 2.19 OTHER CURRENT ASSETS**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Other Current Assets</b>		
Interest Receivable	86,39,483	2,07,15,481
Prepaid expenses	3,40,173	85,035
Others	35,66,038	-
	<b>1,25,45,694</b>	<b>2,08,00,516</b>

**NOTE - 2.17 CASH AND CASH EQUIVALENTS**

Particulars	As at 31-03-2015	As at 31-03-2014
Cash on Hand	7,913	13,279
Balance with Banks		
In Current Accounts	21,24,814	2,57,58,590
In Fixed Deposit Accounts	40,65,50,000	54,08,30,716
	-	
	<b>40,86,82,727</b>	<b>56,66,02,585</b>

**2.17.1 Earmarked Balances:**

a. Balance with banks in Current Accounts include earmarked balances for unpaid dividend Rs. 18,197 (Rs. 18,815) for the FY 2009-10 and Rs.2,30,948/- (NIL) for the FY 2013-14

**2.17.2** Balance with banks in Deposit Accounts include Rs. 2,50,000/- (Rs. 50,000/-) with a maturity period of more than 12 months

**NOTE - 2.18 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31-03-2015	As at 31-03-2014
(Unsecured, Considered good)		
Loans to related parties		
Thalikulam - PURA Private Ltd	-	2,297
Tirurangadi - PURA Private Ltd	-	2,594
Seguro - INKEL Consortium LLP	5,33,53,612	-
<b>Others:</b>		
Advances recoverable in cash or in kind or for value to be received	2,06,06,155	-
Earnest Money Deposits	-	35,00,000
Balances with Central Excise, etc.	4,54,75,769	5,23,34,769
Advance to Suppliers/Contractors	9,53,377	10,24,920
Advance to employees	96,942	23,000
	<b>12,04,85,855</b>	<b>5,68,87,580</b>

**NOTE - 2.19 OTHER CURRENT ASSETS**

Particulars	As at 31-03-2015	As at 31-03-2014
<b>Other Current Assets</b>		
Interest Receivable	86,39,483	2,07,15,481
Prepaid expenses	3,40,173	85,035
Others	35,66,038	-
	<b>1,25,45,694</b>	<b>2,08,00,516</b>



**NOTE - 2.23**

Particulars	For the year ended 2014-15	For the year ended 2013-14
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Allowances (See Note 2.23.1)	1,92,50,085	2,66,38,641
Contribution to Provident and Other Funds	14,72,720	12,10,581
Staff Welfare Expense	7,30,350	7,03,381
	<b>2,14,53,155</b>	<b>2,85,52,603</b>

**2.23.1** Includes Rs 15,34,580/- being remuneration to the Managing Director for the period from 1st November 2014 to 31st March 2015, which has been provided in the accounts based on the recommendation of the Remuneration Committee at their meeting held on 20/02/2015 and approved by the Board of Directors at their meeting held on 05/06/2015. Approval from shareholders under Companies Act 2013 is being sought at the ensuing general meeting.

**NOTE - 2.24**

Particulars	For the year ended 2014-15	For the year ended 2013-14
<b>FINANCE COSTS</b>		
Interest expense	5,02,399	-
	<b>5,02,399</b>	<b>-</b>

NOTE - 2.25

Particulars	For the year ended 2014-15	For the year ended 2013-14
<b>OTHER EXPENSES</b>		
Project Management Services Expenses	5,968,078	6,761,972
Bad Debt Written Off	-	532,181
Power & Fuel	6,054,414	1,331,502
Rent	2,778,424	2,476,892
Repairs & Maintenance	1,298,523	1,120,000
Insurance	122,934	96,418
Payment to Auditors		
Statutory Audit	218,500	175,000
Tax Audit	40,000	40,000
Other Services	102,426	79,756
Reimbursement of expenses	15,210	2,310
Meeting expense	2,365,941	1,145,684
Sitting fee to Directors	322,500	-
Consideration for Manpower services	5,220,571	4,600,051
Course expense	916,926	543,349
Advertisement & Publicity	1,794,555	2,711,459
Loss on Sale of assets	3,168	97,586
Membership/ Subscription to Professional bodies	44,776	78,680
Postages, Telephone and internet charges	900,324	985,154
Printing and Stationery	253,480	269,631
Professional Charges & Legal Fee	1,231,469	2,836,894
Rates & Taxes	2,795,591	1,575,360
Staff Recruitment Expense	776,540	207,826
Travelling & Conveyance	4,327,800	3,307,830
Trade Investments written off	16,881,891	-
Expenditure on projects written off	3,336,351	864,415
Hostel Running Expense	198,085	-
Miscellaneous Expenses	522,288	788,156
Preincorporation Expense	674,932	-
Preliminary Expense	2,650,180	-
	<b>61,815,877</b>	<b>32,628,106</b>



**Note 2.26. Note on Expenditure on Corporate Social Responsibility activities**

i) Gross amount required to be spent during the year:		9,57,400
ii) Amount spent during the year	In cash	Yet to be paid in cash
- Construction/acquisition of any asset	-	-
- on purposes other than above	-	-

**NOTE - 2.27**

Particulars	For the year ended 2014-15	For the year ended 2013-14
<b>EARNINGS PER SHARE</b>		
Profit /(Loss) after tax (In Rs.)	3,94,08,169	(25,37,689)
Weighted average of Equity shares of Rs.10,000/- (Rs.10,000/-) each (fully paid up)	1,63,027	1,50,750
-	-	-
Earnings Per Equity Share ( Basic and Diluted ) ( In Rs. )	<b>241.73</b>	<b>(16.83)</b>

Note: Continued in page 66 A- attached separate booklet

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

(In Rupees)

	Particulars	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit Before Taxation and exceptional items</b>	12,71,95,156	1,70,40,468
	<b>Adjustments for :</b>		
	Depreciation and Amortisation	3,41,01,978	2,66,26,463
	Loss/(Profit) on sale of Assets(Net)	(1,67,946)	65,297
	Interest Income	(8,12,76,927)	(6,48,79,837)
	Interest paid	5,02,399	-
	Liabilities \Assets no Longer required written off	1,97,29,938	(10,89,060)
	Adjustments towards minority interest	1,30,000	-
	Conversion of fixed assets to current assets	21,08,83,262	2,62,49,107
	<b>Operating profit before Working Capital Changes</b>	<b>31,10,97,860</b>	<b>40,12,438</b>
	<b>Changes in Working Capital</b>		
	Adjustments for ( Increase )\Decrease in Operating Assets		
	Trade Receivables	(18,94,37,902)	(22,90,889)
	Short term loans and advances	(6,35,98,275)	(2,26,28,914)
	Other Current Assets	(38,21,176)	4,54,15,828
	Long term Loans and Advances	(5,67,60,881)	(3,83,54,231)
	Other Non Current Assets	(9,27,52,268)	2,10,49,030
		<b>(40,63,70,502)</b>	<b>31,90,824</b>
	<b>Adjustments for increase ( Decrease ) in Operating Liabilities</b>		
	Trade Payables	(6,357,674)	1,67,21,998
	Other Current Liabilities	1,31,26,500	(47,41,597)
	Short term Provisions	17,24,891	(1,41,58,379)
	Long term Provisions	(15,37,046)	(20,29,189)
	Long Term Liabilities	6,53,240	(16,73,464)
		<b>76,09,911</b>	<b>(58,80,631)</b>
	<b>Cash generated from Operations</b>	<b>(8,76,62,731)</b>	<b>13,22,631</b>
	Taxes Paid	(4,29,56,451)	(2,59,77,382)
	<b>Net Cash Used in Operating activities - ( A )</b>	<b>(13,06,19,182)</b>	<b>(2,46,54,751)</b>

		(In Rupees)	
	Particulars	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets including Capital WIP	(28,50,94,223)	(6,22,97,379)
	Proceeds from sale of Fixed assets	2,70,166	4,01,623
	(Investments)/Sale of Equity shares	40,00,000	(2,11,68,000)
	(Investments) /Redemption of Debentures	19,57,00,000	(19,57,00,000)
	Interest received in deposits	9,33,52,925	6,48,79,837
	<b>Net Cash Used in Investing activities - ( B )</b>	<b>82,28,868</b>	<b>(21,38,83,919)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Dividend paid	(2,99,05,526)	-
	Dividend distribution tax paid	(51,21,619)	-
	Interest paid	(5,02,399)	-
	Issue of share capital	-	25,46,10,000
	<b>Net Cash Generated By Financing Activities - ( C )</b>	<b>(3,55,29,544)</b>	<b>25,46,10,000</b>
	<b>Net increase in Cash and Cash equivalents</b>	<b>(15,79,19,858)</b>	<b>1,60,71,330</b>
	Cash and Cash equivalents at the beginning of the year	56,66,02,585	55,05,31,255
	<b>Closing Cash And Cash Equivalents</b>	<b>40,86,82,727</b>	<b>56,66,02,585</b>

For and on behalf of the Board of Directors

As per our Report of even date attached

**T. Balakrishnan,**  
Managing Director  
DIN: 00052922

**M.M. Abdul Basheer,**  
Director  
DIN: 00120916

**For Varma & Varma**  
Chartered Accountants  
Firm No.004532S

**K. Padmadasan,**  
Company Secretary

**George Raphael,**  
Chief Financial Officer

**Vijay Narayan Govind**  
(Partner)  
Membership No. 203094

Place : Kochi  
Date : 31/07/2015



# **ATTENDANCE SLIP**

(Please complete this attendance slip and hand over at the entrance of the Meeting hall)

CIN: U45209KL2007PLC020471

INKEL Limited, inkel Centre, Vallathol Junction, Seaport Airport Road, Thrikkakara, Cochin – 682021.

Ph: 0484 – 6491138, Fax : 0484-2577941

I hereby record my presence at the **EIGHTH ANNUAL GENERAL MEETING** of INKEL Limited held at 11.00A.M on 26<sup>th</sup> August 2015 at Grand Hotel M G Road, Cochin.

Full name of the Member :

Folio No. :

No. of shares :

Name of Proxy :

Member's/Proxy's Signature :

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN: U45209KL2007PLC020471

INKEL Limited, inkel Centre, Vallathol Junction, Seaport Airport Road, Thrikkakara, Cochin – 682021.

Ph: 0484 – 6491138, Fax : 0484-2577941

Name of the member (s):

E-mail Id:

Registered address:

Folio No.

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

2) 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

3) 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **8th Annual General Meeting** of the Company, to be held on Wednesday, 26th August, 2015 at 11.00 a.m. at Grand Hotel, M G Road, Cochin and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Consider and adopt audited financial statements
2. Declaration of dividend on equity shares
3. Reappointment of following Directors, retiring by rotation :
  - a) Shri Varghese Kurian
  - b) Shri C K Menon
  - c) Shri Mohamed Althaf
4. Appointment of Auditors and fix their remuneration
5. Appointment of Shri M M Abdul Basheer as a Director
6. Approval of sub-division of shares
7. Approval of alteration of capital clause of Memorandum of Association
8. Approval of alteration of capital clause of Articles of Association
9. Appointment of Mr. T Balakrishnan as Managing Director

Affix  
Revenue  
Stamp

Signed this..... day of..... 20....

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of first Proxy holder

\_\_\_\_\_  
signature of second proxy holder

\_\_\_\_\_  
signature of third proxy holder

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**Note No. 2.28 EMPLOYEE BENEFITS**

(Disclosure under Accounting Standard 15 – 'Employee Benefits', Revised 2005)

**In case of the company:**

**2.28.1 Defined Contribution Plans**

During the year the company has recognized Rs.7,93,229/- (Previous Year Rs.8,91,362/-) in the Statement of Profit and Loss on account of defined contribution plans.

**2.28.2 Defined Benefit Plans**

**Gratuity (Funded)**

(i)	Actuarial Assumptions	31st March, 2015
	Discount Rate (per annum)	8.00% p.a.
	Expected return on plan assets	8.00% p.a.
	Salary escalation rate *	5.00% p.a.
	Mortality rate	Indian Assured Lives Mortality[1994-1996] Ultimate

\*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rs.)

(ii)	Reconciliation of present value of obligation:	31st March, 2015
	Present value of obligation at the beginning of the year	18,16,413
	Current Service Cost	5,25,145
	Interest Cost	1,16,319
	Actuarial (gain)/loss	1,11,182
	Benefits Paid	(2,11,510)
	Curtailments	-
	Settlements	-
	Present value of obligation at the end of the year	23,57,549

(In Rs.)

(iii)	Reconciliation of fair value of plan assets :	31st March, 2015
	Fair value of plan assets at the beginning of the year	11,06,768
	Expected return on plan assets	1,52,640
	Actuarial gain/(loss)	(1,09,357)
	Contributions	8,94,452
	Benefits paid	-
	Assets distributed on settlement	-
	Fair value of plan assets at the end of the year	20,44,503



(In Rs.)

(iv)	<b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31st March, 2015</b>
	Present value of obligation	23,57,549
	Fair value of plan assets	20,44,503
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	3,13,046

(In Rs.)

(v)	<b>Expenses recognised in the Statement of Profit and Loss:</b>	<b>31st March, 2015</b>
	Current Service Cost	5,25,145
	Interest Cost	1,16,319
	Expected return on plan assets	(1,52,640)
	Actuarial (gain) /loss recognised in the period	2,20,539
	Past Service Cost	-
	Curtailment cost	-
	Settlement cost	-
	Total expenses recognised in the Statement of Profit and Loss	7,09,363

**Leave Plan (Unfunded)**

(i)	<b>Actuarial Assumptions</b>	<b>31st March, 2015</b>
	Discount Rate (per annum)	8.00% p.a.
	Expected return on plan assets	Not Applicable
	Salary escalation rate *	5.00% p.a.
	Mortality rate	Indian Assured Lives Mortality[1994-1996] Ultimate

\*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rs.)

(ii)	<b>Reconciliation of present value of obligation:</b>	<b>31st March, 2015</b>
	Present value of obligation at the beginning of the year	19,92,020
	Current Service Cost	7,49,057
	Interest Cost	1,89,324
	Actuarial (gain)/loss	33,235
	Benefits Paid	(5,11,341)
	Curtailments	-
	Settlements	-
	Present value of obligation at the end of the year	24,52,295

(In Rs.)

(iii)	Reconciliation of fair value of plan assets :	31st March, 2015
	Fair value of plan assets at the beginning of the year	-
	Expected return on plan assets	-
	Actuarial gain/(loss)	-
	Contributions	-
	Benefits paid	-
	Assets distributed on settlement	-
	Fair value of plan assets at the end of the year	-

(In Rs.)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March, 2015
	Present value of obligation	24,52,295
	Fair value of plan assets	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	24,52,295

(In Rs.)

(v)	Expenses recognised in the Statement of Profit and Loss:	31st March, 2015
	Current Service Cost	7,49,057
	Interest Cost	1,89,324
	Expected return on plan assets	-
	Actuarial (gain) /loss recognised in the period	33,235
	Past Service Cost	-
	Curtailment cost	-
	Settlement cost	-
	Total expenses recognised in the Statement of Profit and Loss	9,71,616

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors. Upto the previous year, the liability was being assessed on estimated gross undiscounted basis, since eligible employees being small in number and hence there are no corresponding disclosures for the previous year.

**Note -2.29**

Disclosure of transactions with Related Parties as required by Accounting Standard – 18 on Related Party Disclosures as prescribed by Companies (Accounting Standards) Rules, 2006.

<b>A. Related parties and nature of relationship</b>		
i.	Thalikulam PURA Pvt Ltd	Subsidiary Company
ii.	Thirurangadi PURA Pvt Ltd	Subsidiary Company
iii.	MIV Logistics Pvt Ltd	Associate Company
iv.	KV Apartments Pvt Ltd	Associate Company(till 31.12.2014)
v.	Seguro-INKEL Consortium LLP	Jointly Controlled Entity
vi.	Seguro Foundations and Structural Pvt Ltd	Enterprise having substantial interest in the Jointly Controlled Entity
vii.	KSIDC Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-KSIDC Projects Limited
viii.	Kinfra Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-KINFRA Infrastructure Projects Limited
ix.	Key Managerial Personnel Mr. T Balakrishnan	Managing Director of the company

**B. Description of Transactions**

	Nature of Transaction	Subsidiary Company/ Associate Company/ Jointly controlled entity	Enterprise having substantial interest in the jointly controlled entity	Enterprise having substantial interest in the subsidiary company	Key Managerial Personnel	Total
1	<b>Income</b> Income: Project Management Services MIV Logistics Pvt Ltd	52,58,634 (1,09,67,997)				52,58,634 (1,09,67,997)
	Guarantee Commission Received MIV Logistics Pvt Ltd	- (35,00,000)				- (35,00,000)
2	Interest income from Loans/ Debentures KV Apartments Private Limited	2,66,56,479 (52,36,973)				2,66,56,479 (52,36,973)
	Seguro-INKEL Consortium LLP	49,21,085 (-)				49,21,085 (-)
	Thalikulam PURA Pvt Ltd	- (2,27,998)				- (2,27,998)
	Thirurangadi PURA Pvt Ltd	- (2,21,153)				- (2,21,153)



	Nature of Transaction	Subsidiary Company/ Associate Company/ Jointly controlled entity	Enterprise having substantial interest in the jointly controlled entity	Enterprise having substantial interest in the subsidiary company	Key Managerial Personnel	Total
	<b><u>Expenses</u></b>					
1	Remuneration to Managing Director ( See Note 2.23.1)				36,34,580 (1,01,00,000)	36,34,580 (1,01,00,000)
2	Sub Contract Expenses Seguro Foundations and Structurals Pvt Ltd		19,27,43,976 (-)			19,27,43,976 (-)
	<b><u>Loans/Advances and Investments</u></b>					
1	Sale of shares in the Company	40,00,000 (-)				40,00,000 (-)
2	Seguro-INKEL Consortium LLP Loan given	19,25,77,591 (-)				19,25,77,591 (-)
3	Thalikulam PURA Pvt Ltd - Loan/Advances given	2,900 (-)				2,900 (-)
	- Loan/Advances written off	5,197 (-)				5,197 (-)
	- Investments made	- (8,41,300)				- (8,41,300)
	- Investments written off	85,15,000 (-)				85,15,000 (-)
4	Thirurangadi PURA Pvt Ltd - Loan/Advances given	2,100 (-)				2,100 (-)
	- Loan/Advances written off	4,694 (-)				4,694 (-)
	- Investments made	- (82,55,000)				- (82,55,000)
	- Investments written off	83,57,000 (-)				83,57,000 (-)
	<b><u>Investments</u></b>					
1	KV Apartments Pvt Ltd	5,00,000 (20,02,00,000)				5,00,000 (20,02,00,000)
2	MIV Logistics Pvt Ltd	11,82,97,140 (11,82,97,140)				11,82,97,140 (11,82,97,140)
3	Thalikulam PURA Pvt Ltd	- (85,15,000)				- (85,15,000)
4	Tirurangadi PURA Pvt Ltd	- (83,57,000)				- (83,57,000)
5	Seguro-INKEL Consortium LLP (including share of profit)	34,40,268 (-)				34,40,268 (-)

	Nature of Transaction	Subsidiary Company/ Associate Company/ Jointly controlled entity	Enterprise having substantial interest in the jointly controlled entity	Enterprise having substantial interest in the subsidiary company	Key Managerial Personnel	Total
	<b><u>Guarantee given</u></b>					
1	MIV Logistics Pvt Ltd	45,50,00,000 (45,50,00,000)				45,50,00,000 (45,50,00,000)
	<b><u>Receivables</u></b>					
1	MIV Logistics Pvt Ltd	53,82,737 (6,58,797)				53,82,737 (6,58,797)
2	Thalikulam PURA Pvt Ltd	- (2,297)				- (2,297)
3	Tirurangadi PURA Pvt Ltd	- (2,594)				- (2,594)
4	Seguro-INKEL Consortium LLP	19,70,06,567 (-)				19,70,06,567 (-)
5	KSIDC Ltd			32,78,538 (-)		32,78,538 (-)
6	KINFRA Ltd			1,44,000 (1,44,000)		1,44,000 (1,44,000)

Note: 1. Transactions in the nature of current account transactions have not been included

2. Transactions with the Jointly Controlled Entity are prior to elimination

#### **Note - 2.30**

##### **In case of the company and its subsidiaries and its associate and jointly controlled entity:**

The companies are engaged in providing infrastructure facilities and other services in connection with infrastructure projects. In the opinion of the management, this is the only primary reportable segment within the meaning of Accounting Standard-17 notified by the Companies (Accounting Standards) Rules, 2006.

#### **Note - 2.31**

##### **In case of the subsidiary company INKEL-KINFRA Infrastructure Projects Limited:**

The company has entered agreement with KINFRA as per Govt Order No. 1176/2009/ID dt 31-08-09 for developing of 3.37 acres of land at Vellayil and 85 acres at Ramanattukara under long term lease for 90 years. Pending execution of the agreements till date no lease premium is amortised during the period under review.

##### **In case of the subsidiary company INKES Trade Centre Limited:**

The company has entered agreement with KSIE Ltd for developing of land at Thampanoor. Pending execution of the agreements no lease premium is amortised during the period under review.

**Note - 2.32**

Contingent Liabilities not provided for :	As at 31.03.2015(Rs)	As at 31.03.2014 (Rs)
<b>In case of the Company</b>		
"2.32.1 Corporate guarantee issued in favour of Associate Company MIV Logistics Pvt Ltd- Amount Outstanding total amount of guarantee- Rs. 45,50,00,000 (Rs.45,50,00,000)"	35,37,30,812	24,93,13,632
2.32.2 Claims towards Building Tax	28,55,835	35,71,200
<b>In case of the subsidiary company INKEL - KSIDC Project Ltd.</b>		
2.32.3 The Company has entered into lease agreement with Kerala State Industrial Development Corporation (KSIDC ) one of the promoters, for taking on long term lease 12.14 Hectares of Land at Angamaly and the deed was registered on 30th August 2010 and 100.68 Hectares of Land at Malappuram registered on 2nd September 2010,in respect of which an Irrevocable unconditional Bank Guarantee had to be furnished to KSIDC for the balance lease premium of Rs.3218.98 lakh. This is yet to be furnished as the matter is under negotiation with KSIDC. Contingent liability not provided for amounts to Rs. 805 lakh as at the close of the year ( previous year Rs.805 lakh), on account of interest as per the lease agreement not provided in the books for the unpaid balance lease premium, as the matter is under renegotiation by the management with KSIDC and a waiver is expected.	8,05,00,000	8,05,00,000

**Note No 2.33** Additional information as required by paragraph 2 of the General instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act,2013.

Name of the entity	For the year ended 31.03.2015 Net Assets, ie Total Assets - Total liabilities		For the year ended 31.03.2014 Net Assets, ie Total Assets - Total liabilities	
	As a % of consolidated net assets	Amount - Rs	As a % of consolidated net assets	Amount - Rs
Parent Company	93.45%	1,66,04,89,074	89.89%	1,62,03,33,423
Subsidiaries:				
INKEL KSIDC Projects Limited	8.35%	14,83,42,991	9.11%	16,41,47,096
INKEL KINFRA Infrastructure Projects Limited	(0.53%)	(93,45,291)	(0.31%)	(55,93,289)
INKES Trade Centre Ltd	(0.12%)	(21,57,590)		
Jointly Controlled Entity: SEGURO-INKEL Consortium LLP	0.19%	34,40,268		
Minority Interest	-1.35%	(2,39,54,582)	1.32%	2,37,60,685
<b>Total</b>	<b>100.00%</b>	<b>1,77,68,14,871</b>	<b>100.00%</b>	<b>1,80,26,47,915</b>



Name of the entity	For the year ended 31.03.2015 Share in Profit or (Loss)		For the year ended 31.03.2014 Share in Profit or (Loss)	
	As a % of consolidated Profit or (Loss)	Amount - Rs	As a % of consolidated Profit or (Loss)	Amount - Rs
Parent Company	260.94%	10,28,30,557	(1509.86%)	3,83,15,606
Subsidiaries:				
INKEL KSIDC Projects Limited	(40.10%)	(1,58,04,105)	464.08%	(1,17,76,900)
INKEL KINFRA Infrastructure Projects Limited	(9.52%)	(37,52,002)	4.10%	(1,04,007)
INKES Trade Centre Ltd	(6.41%)	(25,27,590)	0.00%	-
Jointly Controlled Entity:				
SEGURO-INKEL Consortium LLP	7.59%	29,90,268	0.00%	-
Minority Interest	(112.49%)	(4,43,28,959)	1141.68%	(2,89,72,388)
<b>Total</b>	<b>100.00%</b>	<b>3,94,08,169</b>	<b>100.00%</b>	<b>(25,37,689)</b>

**Note - 2.34**

Capital Commitments	As at 31.03.2015(Rs)	As at 31.03.2014 (Rs)
Estimated amount of contracts remaining to be executed on capital account and not provided for	99,685,212	-

**Note - 2.35**

Dividend Remittances in foreign currency:-	For the year ended 31.03.2015(Rs)	For the year ended 31.03.2014(Rs)
Year to which dividend relates	Financial year 2013-2014	-
Amount remitted during the year	44,00,000	-
Number of non resident shareholders	4	-
Number of shares on which dividend was due	22,000	-

**Note - 2.36**

Figures have been rounded off to the nearest rupee. Previous year figures unless otherwise stated are given within brackets and have been regrouped and recast wherever necessary.

**T. Balakrishnan,**  
Managing Director  
DIN: 00052922

**M.M. Abdul Basheer,**  
Director  
DIN: 00120916

**For Varma & Varma**  
Chartered Accountants  
Firm No.004532S

**K. Padmadasan,**  
Company Secretary

**George Raphael,**  
Chief Financial Officer

**Vijay Narayan Govind**  
(Partner)  
Membership No. 203094

Place : Kochi  
Date : 31/07/2015

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. Principles of Consolidation

The consolidated financial statements relate INKEL Limited (the 'Company'), its subsidiary companies, jointly controlled entity and the Group's share of profit / loss in its associate company. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements / financial information of the subsidiary companies, jointly controlled entity and associate company used in the consolidation are drawn upto the same reporting date as that of the Company, i.e., 31 March, 2015.
- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered, as per AS 21 'Consolidated Financial Statements'.
- iii. The consolidated financial statements include the share of profit / loss of an associate entity which has been accounted for using 'equity method' as per AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements'. Accordingly, the share of profit / loss of the associate entity (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.
- iv. Share of profit / loss, assets and liabilities in the jointly controlled entity, which are not subsidiaries, have been consolidated on a proportionate basis by considering the book values of like items of assets, liabilities, incomes and expenses to the extent of the Group's equity interest in such entity as per AS 27 'Financial Reporting of Interests in Joint Ventures'. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.
- v. Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- vi. Following subsidiary companies, associate company and jointly controlled entity have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	% of Holding and voting power either directly or indirectly through subsidiary as at	
		31 March, 2015	31 March, 2014
INKEL KSIDC Projects Limited	Subsidiary Company	74%	74%
INKEL KINFRA Infrastructure Projects Limited	Subsidiary Company	74%	74%
INKES Trade Centre Limited	Subsidiary Company	74%	-
SEGURO - INKEL Consortium LLP	Jointly Controlled Entity	45%	-
MIV Logistic Private Limited	Associate Company	39.43%	39.43%

- vii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.



**b. Basis of Preparation**

The Consolidated Financial Statements of Inkel Limited (the Company) and its subsidiaries INKEL-KINFRA Infrastructure Projects Limited, INKEL-KSIDC Projects Limited and INKES Trade Centre Limited collectively referred to as the 'group' and its associate MIV Logistics Private Limited and jointly controlled entity Seguro-INKEL Consortium LLP have been prepared in accordance with Accounting Standard - 21 (AS 21), "Consolidated Financial Statements", Accounting Standard - 23 (AS 23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard - 27 (AS 27) "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standards) Rules, 2006.

During the year the company has written off the book value of investments made in earlier years in the subsidiary companies Thalikulam PURA Private Limited and in Thirurangadi PURA Private Limited as these companies have not commenced any commercial activities and there are no plans for revival. Neither of these companies has any significant assets or liabilities. Further, the company has also disposed the shareholding in an associate enterprise K.V. Apartments Private Limited, which was held only for a period of nine months. In view of the provisions of Accounting Standard -21 on Consolidated Financial Statements and Accounting Standard-23 on Accounting for Investments in Associates, these entities have been excluded for the purpose of consolidation, the effect of which is not material.

**c. Basis of Accounting**

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these consolidated financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

**d. Use of Estimates**

The presentation of consolidated financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities (including contingent liabilities if any) as on the date of the consolidated financial statements and the reported amount of revenues and expenses during

the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known /materialized.

**e. Fixed Assets**
**In case of the company and its subsidiaries:**

Land acquired on long term lease arrangements that are in the nature of financial leases are classified under Fixed Assets and amortised over the lease period. Buildings constructed on such land are capitalised and depreciated as per company's accounting policy. Such land and building are reclassified and treated as Current Assets (at Net Book Value) when the decision to dispose under long-term finance leases is conclusively taken by the management.

Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation and impairment in value if any, is adjusted.

**In case of the associate company MIV Logistics Private Limited:**

Land acquired on long term lease arrangements that are in the nature of financial leases are classified under Fixed Assets and amortised over the lease period. Such land and building are reclassified and treated as under Current Assets (at Net Book Value) when the decision to dispose under long-term finance leases is conclusively taken by the management.

Fixed assets are stated at cost of acquisition till the date of installation of the assets and improvement thereon. Expenses incurred directly to the cost of assets were allocated to specific fixed assets and pre incorporation costs and costs which are not specifically identifiable to a particular assets were allocated to all assets in the ratio of costs standing under each assets as on 31.03.2015.

**f. Project Development Expense**
**In case of the subsidiary INKES Trade Centre Limited and INKEL-KINFRA Infrastructure Projects Limited**

Expense incurred in connection with Project Development are treated as project development expense pending capitalisation/ adjustment. These expenses are shown under capital work in progress.

**g. Depreciation/ Amortization**
**In case of the company:**

Depreciation on fixed assets is provided on Written Down Value Method on the basis of the useful life in the manner prescribed as per the Schedule II of The Companies Act, 2013.



Leasehold land is amortised over the duration of the lease.

Cost of software treated as Intangible Assets is amortised over a period of six years.

**In case of the subsidiary INKEL-KSIDC Project Limited:**

Depreciation on all assets is charged from the date when the fixed assets are ready for their intended use and up to the month of disposal

Depreciation is provided on written down value basis as per the useful lives prescribed in Schedule II of the Companies Act 2013.

**In case of the subsidiary INKES Trade Centre Limited:**

Depreciation on the Fixed Assets will be provided on written down value method at the rates specified under Schedule II of the Companies Act, 2013 as amended from time to time.

**In case of the subsidiary INKEL-KINFRA Infrastructure Projects Limited:**

Depreciation on fixed assets as and when added will be provided in accordance with the Provisions of Schedule II of the Companies Act, 2013.

**In case of the associate company MIV Logistics Private Limited:**

Depreciation on all assets is charged from the date when the fixed assets are ready for their intended use and up to the month of disposal.

Depreciation is provided on written down value basis as per the useful lives prescribed in Schedule II of the Companies Act 2013 except in the case of Building, in whose case the useful lives has been assessed lower than the life prescribed in schedule II to the Companies Act, 2013. The difference in useful life is due to the fact that land is acquired on Lease basis for 30 years from Cochin Port Trust and hence remaining useful life only considered for Building

Grant received during the year by the associate company amounting to Rs. 5 crores under ASIDE scheme of the Government of India were deducted from the total cost of eligible assets viz. ware house building and Container yard in proportion to the value standing on the date in the books of the company and depreciation charged on the net value as per Accounting Standard 12 "Accounting for Government Grants" prescribed by the Companies (Accounting Standards) Rules, 2006.

**h. Government Grants**

**In case of jointly controlled entity SEGURO-INKEL Consortium LLP:**

Grants and subsidies from the government are

recognised when there is reasonable assurance that (i) the LLP will comply with the conditions attached to them, and (ii) the grant/subsidy is received/ will be received.

**i. Investments**

Non-Current Investments are stated at cost. Decline in value, if any, which is not considered temporary in nature, is provided for.

**j. Revenue Recognition**

**In case of the company and its subsidiaries:**

Revenue arising on disposal of current assets under long-term lease arrangements that are in nature of financial leases is recognised in the year in which the lease agreements are entered into.

Proportionate income during the period of license agreement and income from other arrangements which are in the nature of operating leases, are recognized as income in the respective years.

Other incomes are recognized on accrual basis except when there are significant uncertainties.

**In case of the associate company MIV Logistics Private Limited:**

Revenue from service is recognized as and when services are rendered and related costs are incurred in accordance with terms of the contractual arrangement.

Interest Income is accounted on accrual basis.

**In case of jointly controlled entity SEGURO-INKEL Consortium LLP:**

Revenue is recognized based on percentage of completion method in accordance with Accounting Standard- 7 "Construction Contracts". Contract revenue is recognized only to the extent of costs incurred that are expected to be recovered and where the outcome of the contract cannot be estimated reliably, no profit is recognized.

**k. Employee Benefits**

**In case of the subsidiary companies INKES Trade Centre Limited, INKEL-KINFRA Infrastructure Limited and jointly controlled entity SEGURO-INKEL Consortium LLP:**

Employee benefits are not provided as the companies do not have direct employees.

**In case of the company and its subsidiaries and associate company:**

**Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.



**Defined Contribution Plans**

The companies have defined contribution plans for employees comprising of Provident Fund. The contributions paid/payable to these plans during the year are charged to the Consolidated Statement of Profit and Loss for the year.

**Defined Benefit Plans: Gratuity (Funded)****In case of the company:**

The company makes contributions to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any, and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

**In case of the subsidiaries and associate company:**

The company makes contributions to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India.

**Other Long term employee benefits: Compensated absences (Unfunded)****In case of the company:**

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

**I. Income Tax**

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Deferred Tax assets/ liabilities representing timing differences between accounting income and taxable income are recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same.

**m. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities

outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gain/loss arising during the year is adjusted to the Consolidated Statement of Profit and Loss.

**n. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. Other borrowing costs are recognized as expenditure for the period in which they are incurred.

**o. Earnings per share**

Basic/ diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/ dilutive potential equity shares outstanding as at the end of the year as the case may be.

**p. Preliminary Expenses****In case of the subsidiary INKES Trade Centre Limited:**

Preliminary expenses and pre-incorporation expenses are fully written off.

**q. Impairment of Assets**

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss if any is recognized in the Consolidated Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**r. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation.

Contingent assets are neither recognized nor disclosed in the accounts.



**INKEL Limited**

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