

ANNUAL REPORT 2015 - 16



INKEL Limited

A Public Private Partnership initiative

Website: www.inkel.in

INKEL Limited

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INKEL Limited

CIN: U45209KL2007PLC020471

Registered Office: Ajiyal Complex, 2nd Floor, Post Office Road , Kakkanad, Cochin – 682030, India.

CHAIRMAN

Shri E P Jayarajan

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

DIRECTORS

Shri P.H.Kurian IAS

Principal Secretary (Revenue), Govt. of Kerala.

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

Shri Mohamed Althaf

Regional Director, Lulu Group

Shri M M Abdul Basheer

Managing Director, Indo German

Smt. Beena Mahadevan IAS

Managing Director, KSIDC

Shri P Nandakumaran

Former Managing Director, SBT

Smt. Pamela Anna Mathew

Managing Director, OEN India Ltd

MANAGING DIRECTOR

Shri T Balakrishnan IAS(Retd)

COMPANY SECRETARY

Shri K Padmasadan

STATUTORY AUDITORS

M/s. Varma & Varma Chartered Accountants, Cochin

BANKERS

State Bank of India, State Bank of Travancore

NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the members of the company will be held on Saturday the 24th September, 2016 at 10.30 AM at Grand Hotel, MG Road Cochin 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 31st March, 2016 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 Mr. C V Rappai (DIN – 02011057) who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in place of Mr. M M Abdul Basheer (DIN– 00120916) who retires by rotation and being eligible offers himself for reappointment.

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

RESOLVED that, pursuant to Sections 139,142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the resolution passed by the members at the AGM held on 26.08.2015 and recommendations of the Board of Directors, the appointment of Varma & Varma, Chartered Accountants (Firm Registration No.004532S) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 10th Annual General Meeting of the Company to be held in the year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to the Auditors for the Financial Year ending 31.03.2017 as may be determined by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

Election of Director

6. 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) Smt. M Beena IAS (DIN :03483417) who was appointed as an Additional Director with effect from 20.02.2016 by the Board of Directors of the Company and who in terms of

Section 161 of the Companies Act, 2013 holds office upto 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 her candidature for the office of Director be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

Acceptance of Deposit

7. 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 Sections 73 and Section 76 and all other applicable provisions if any of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014, as may be amended from time to time and other applicable provisions, if any, and subject to such rules as the Central Government may, in consultation with Reserve Bank of India prescribe and subject to such other conditions, approvals, permissions, as may be necessary, in continuation to the approval accorded by the members at the Extra Ordinary General Meeting held on the 29th July 2016, the consent of the members of the Company be and is hereby accorded to the Company and the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) be and is hereby authorized to invite/ accept/ renew from time to time unsecured deposits from the Public and / or Members of the company beyond the 24th of September 2016, within permissible limits as prescribed under Rule 3(4)(b) of the Companies (Acceptance of Deposits) Rules, 2014 and the overall borrowing limits of the Company, as approved by the Members, from time to time.

RESOLVED FURTHER THAT, Mr. T. Balakrishnan, the Managing Director be and is hereby authorized to issue an advertisement in Form DPT-1 as required under Rule 4(1) and 4(2), after approval by the Board of Directors and to publish the same in an English newspaper (in English language) and in a vernacular newspaper (in vernacular language) having wide circulation in the state of Kerala wherein the Registered Office of the Company is situated.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for invite/accept/ renew from time to time unsecured deposits from the members and/ or public and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable or such invitation/acceptance/ renewal of Deposits by the Company and to settle any

questions, difficulties or doubts that may arise in this regard and to file all such necessary forms with the Registrar of Companies and to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient in accordance with the provisions of Section 73 Section 76 and all other applicable provisions if any of the Companies Act, 2013 ("the Act") read with Companies (Acceptance of Deposits) Rules, 2014 as may be amended from time to time and other applicable provisions, if any.

28.07.2016
Cochin

By Order of the Board
Sd/-
K Padmadasan
Company Secretary

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 24th September 2016 to those members whose names appear on the Company's Register of Members as on 23rd September 2016.

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 31st March, 2010 , 31st March, 2014 and 31st March, 2015. 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.
8. A few shareholders are yet to exchange their share certificates with the new ones consequent to the subdivision of face values of shares. Members who attend the AGM may bring the old certificates for exchange with new certificates. The remaining certificates would be posted to the respective shareholders thereafter.

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.6

Smt. M Beena IAS was appointed as an additional director of the company on 20th February 2016 by the Board of Directors of the company. According to the provisions of section 161 of the Companies Act 2013, she 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 Smt. M Beena IAS 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 her services.

Except, Smt. M Beena IAS no other directors of the company are concerned or interested in the proposed resolution.

Item No.7

The Board of Directors of the Company at their meeting held on 22.06.2016, approved acceptance of deposits from the Public and Shareholders, subject to the provisions of the Act and provisions of Companies (Acceptance of Deposits) Rules, 2014 including approval by the members by a special resolution. The members at the Extra Ordinary General Meeting held on the 29th July, 2016 approved by a special resolution acceptance of deposits by the Company as proposed.

The approval as above shall expire on conclusion of the 11th Annual General Meeting. It is proposed to continue accepting deposits, and the Board of Directors/Managing Director is proposed to be authorized to accept deposits within the specified limit, subject to compliance of the laid down procedures in the Act and hence the proposal.

None of the Directors or Key Managerial Personnel of the Company, including their relatives, is interested in the resolution.

BOARD'S REPORT

Dear Members,

Your Directors are happy to present the 9th Annual Report of your Company, for the Financial Year ended 31st March, 2016.

FINANCIAL RESULTS

The Financial performance of your Company, for the year ended March 31, 2016 is summarized below:

The consolidated performance of the subsidiaries and associate companies viz. INKEL-KSIDC Projects Limited, INKEL-KINFRA Infrastructure Projects Limited, INKES Trade Centre Limited, MIV Logistics Private Limited and SEGURO -INKEL Consortium LLP for the same year are also given below :

(Rs. In lacs)

	Stand Alone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total Income	39,86,66,435	45,41,90,970	58,51,38,598	55,05,33,925
Total expenditure	20,54,17,246	29,58,24,215	42,30,91,782	42,33,38,769
Profit before Depreciation & Tax	21,04,04,798	17,63,73,680	20,01,89,495	16,12,97,134
Less : Depreciation	1,71,55,609	1,80,06,925	3,81,42,679	3,41,01,978
Profit before Tax	19,32,49,189	15,83,66,755	16,20,46,816	12,71,95,156
Less : Tax	6,71,03,315	5,55,36,198	6,67,23,065	5,47,76,352
Less: Profit/Loss of Associate	-	-	(6,38,48,322)	(3,95,17,210)
Profit for the year	12,61,45,874	10,28,30,557	3,14,75,429	3,29,01,594

Dividend:

The Board has recommended a final dividend of 40 paise per equity share for the Financial Year ended 31st March, 2016. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting.

SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 2,00,00,00,000/- (Rupees Two Hundred Crore) divided into 200000000 (twenty crore) Equity Shares of Rs.10/- (Rupees Ten) each. The issued, subscribed and paid up capital of the Company is Rs.1,63,02,70,000/- divided into 16,30,27,000 equity shares of Rs. 10/- each. The Company has appointed M/s. BgSE Financials Limited, Bangalore, as Registrar and Transfer Agents for providing electronic connectivity with NSDL and to handle physical share transfer work.

OPERATIONS

Your Company hitherto was concentrating on establishing and running industrial parks, logistics and general consultancy. The year witnessed the entry of your Company into the

Core Infrastructure sector of Bridges and Roads. In addition, the Company ventured into Solar, Agriculture and also gave a new thrust for Consultancy.

BRIDGE PROJECTS

In association with Seguro Foundations and Structures Private Limited, the Company has completed a Bridge Project of Rs. 14.19 Crore at Aluva Manappuram. This was the second project taken up by the Limited Liability Partnership firm floated by the Company with Seguro. The first bridge project (Cost : Rs.72.54 Crores) across the Vembanad Kayal, connecting Willington Island to EdaKochi is nearing completion. The third bridge project at Kainakary in Alappuzha District across Pamba river (Project cost Rs. 22.14 cr.) is progressing. The fourth bridge project of the joint venture at Station Kadavu, across the Periyar, in Ernakulam District, (Project Cost: 23 Crores) is also progressing. The joint venture has won its fifth bridge project at Vallamkadav across Periyar. Total Project cost is Rs.22.25 crores. The project is expected to be awarded any time.

ROAD PROJECT

INKEL in consortium with M/s EKK & Company bid and won a project to implement 58 kms of road and allied infrastructure in Kottayam and Thiruvananthapuram Districts under Annuity Scheme. A Special Purpose Vehicle INKEL – EKK Roads Private Limited has been incorporated for execution of the Project. The Project cost is Rs. 16147.83 lacs. This subsidiary with an authorized capital of Rs.25 Crore will be a 50:50 joint venture between INKEL and EKK. The road project is to be executed for the Road Infrastructure Corporation of Kerala Limited (RICK).

INKEL BUSINESS PARK

In the wake of the successful implementation of Tower I, INKEL Tower II with allocable space of 2.11 Lac sq ft was completed in record time of 480 days, 45 days ahead of the scheduled date of completion. Almost 25 per cent of the space has since been leased and we have targeted leasing the remaining space during the current financial year. Going by the spate of enquiries this is achievable.

The Business Park at Angamali is gradually turning to be a favoured destination for business enterprises of all nature. We propose to go for Towers III & IV and another building for start ups. These along with an amenity centre will account for around 7 lakh sq ft of built up space in the next eighteen to twenty four months.

Simultaneously as the construction of Towers III & IV, Start Up Building and the Amenities Centre are taken up, we propose to consider joint venture proposals for developing the remaining area of land.

INKEL GREENS

At Malappuram, the development process continued, though much headway could not be made with regard to external infrastructure like connectivity from the town, water and electricity. The 23 units to whom developed plots and/or buildings have been leased continued to function smoothly. During the year 5 units were leased plots for setting up their units.

Your Directors are happy to report that the Government has re-allotted to the JV, INKEL KSIDC 45 acres of land which had, in between, been released to English and Foreign Language University.

Marketing efforts have been redoubled to lease larger plots to entrepreneurs, though this mission had suffered a temporary setback when a major organization with whom the Company had been discussing over the past one year, pulled out for their internal reasons.

CONTAINER FREIGHT STATION

Revenue from this unit during the year under report registered 49.85 Per cent increase over that of the previous year. Cochin Port has registered some improvement in traffic during the year but not to the extent that revenue generation in our CSF would register substantial improvement.

During the year the Company invested Rs.14.03 Crores as Preference Capital (10.75%), to reduce the burden of the long term borrowing from the State Bank of Travancore. With this investment, it would be possible for the unit to meet the SBT commitments on servicing of the loan and contribute for repayment.

TRIVANDRUM PROJECT

The Project could not make much progress during the year. The Corporation of Thiruvananthapuram is processing our application for building permit, since, in between, the area where the plot is located needed to be changed into commercial zone as against the present zoning as industrial. This process is in the final stages and we are hopeful of starting the project any time soon. The project will be implemented by a joint venture of the Company and Kerala State Industrial Enterprises Limited and will have 2 lac square feet of commercial space, very close to the Thiruvananthapuram Central Railway Station.

CONSULTANCY & PMC SERVICES

During the year the Company reactivated its consultancy division and immediate results have been achieved. The Government of Kerala has appointed your Company as one of the agencies for PMC, Feasibility Studies, DPR Preparation, Management Consultancy and Transaction Advisory Services for the Industries Department. Your Company has done Consultancy Services for the Planning Board, KSIDC, Kerala Veterinary & Animal Science University, Palakkad Municipality and others. Assignments for the Planning Board, Kerala Coir Corporation and others are on hand.

The PMC work entrusted to the Company by the Spices Board at Bodynakannore, Tamil Nadu, has been completed, which is the first work done outside the state of Kerala.

SOLAR

Your Company has signed up with Vikram Solar for supply of solar panels and also another EPC contractor for undertaking the work. The Company is now implementing High Mast

Street lighting for the Kongod Panchayat at Palakkad at a cost of Rs.72 Lakhs. Several Projects are now under final stage of discussion and one or two major projects are expected to materialize in the next three months. The Company has bagged a prestigious project of Solar Street light at Ponkunnam-Pala-Thodupuzha Road with a total project cost of Rs.7.31 Crores.

FACILITIES MANAGEMENT

This is another new area the Company has ventured into during the Financial Year. The Company has won the first contract from an optical chain. There is dearth of professional organizations to handle this service area and your Company is equipping itself with manpower to obtain major contracts.

COMMERCIAL AGRICULTURE

Commercial cultivation is turning out to be a lucrative revenue stream in the State and your Company has ventured into commercial cultivation in three areas where your Company owns land directly or through the JVs.

Venturing into Commercial Agriculture is also aimed at utilizing land parcels where there is no scope for immediate development.

At Piravom, where your Company owns 5 acres, open precision farming in 3.5 acres is completed. The crops include Red Lady Papaya, Water Melon (Seedless), Banana and Rambutan. The one Polyhouse at Piravom (10,000 sq ft) has produced approximately One Tonne of vegetables during the last two months.

Malappuram Polyhouses (10,000 sq ft each) have given an initial yield of 1.3 T of vegetables in the last three months..

At Palakkad, as per the mandate given by the Government we have mobilized available land for developing industrial parks. The land is under development and we are processing approvals from the Government for holding them. Further lands would be acquired subject to resources and for consolidation.

In the meanwhile, we are currently proceeding with plans for open farming. Initially an area of 96 acres have been identified, on which mango, coconut, tamarind and gooseberry are to be planted in 20 acres. It is proposed to plant high yielding crops in the remaining area. It is also proposed to set up a AgroMarket at Palakkad, which will be a Super market for all agri related items.

Particulars of loans, guarantees or investments

Being a company engaged in the business of providing infrastructure facilities, provisions of Section 186 is not applicable to the company. However the loans, guarantees or investments covered under the Section form part of the Notes to the financial statements provided in this Annual Report.

Transfer to reserves

We propose to transfer Rs.7,84,86,185/- to the general reserve on account of declaration of dividend.

Public Deposit

The company has not accepted any fixed deposit and as such no amount of principal and interest was outstanding as on date of the Balance Sheet

Particulars of contracts or arrangements made with related parties

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013, in the prescribed form AOC - 2, is appended as Annexure 2 to the Board's Report.

Material change and commitments affecting financial position

There have been no material change/commitments affecting financial position of the company between the end of the financial year and date of the report.

Subsidiaries, Joint Ventures and Associate Companies

As on 31st March 2016, the company has 5 subsidiaries and 3 associates. Out of the 5 subsidiaries, 2 are under dormant status, viz. Thalikulam PURA Private Limited and Tirurangadi PURA Private Limited, the two SPVs incorporated for implementation of the PURA Projects. Despite our best efforts, there has been no progress in this Project. The main issue has been denial by the State Nodal Agencies funds for some of the projects where the funding is jointly to be done by the GoK, Gol and the Company.

In accordance with Section 129(3) of the Companies Act 2013, we have prepared consolidated financial statements of the company which forms part of this Annual Report. Further a statement containing the salient features of the financial statements of our subsidiaries /associates in the prescribed format AOC -1 is appended as Annexure - 1 to this Report.

In accordance with Section 136 of the Companies Act 2013, the audited financial statements, including the consolidated financial statements and related information of the company and the audited accounts of the subsidiaries are available on our website www.inkel.in.

Corporate Social Responsibility (CSR)

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. Our Corporate Governance Report for the FY 2015-16 forms part of this report.

Number of meetings of the Board

The Board met 4 times during the financial year, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act 2013.

Declaration by Independent Directors

The company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act 2013 stating that he/she meets the criteria of independence as provided in sub-section (6) of the Act.

Directors and Key Managerial Personnel Appointment

During the Financial Year, Smt. M Beena IAS, was appointed as Additional Director of your Company. Smt. M Beena is proposed to be appointed as a Non Executive Director of your Company at the ensuing Annual General Meeting. Your Directors recommend her appointment as a Non Executive Director of your Company.

Re-appointment

As per the provisions of the Companies Act, 2013 Mr. C V Rappai and Mr. M M Abdul Basheer retire by rotation at the ensuing Annual General Meeting and being eligible seeks reappointment. The Board recommends their reappointment.

Key Managerial Personnel

Shri T Balakrishnan, Managing Director, Shri K Padmadasan, 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.

Committees of Board

Currently, the Board has 4 committees : the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer Committee. All the committees are duly constituted.

Internal financial control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient control of its business.

Significant and Material Orders

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

Extract of Annual Return

In accordance of Section 134(3)(a) of the Companies Act 2013 an extract of Annual Return in the prescribed format is attached as Annexure to this report.

Directors' Responsibility Statement

The directors confirm that :

- a) in the preparation of the annual accounts for the year ended March 31, 2016, 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, 2016 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.

Auditors
STATUTORY AUDITORS

At the Annual General Meeting held on 26th August, 2015 M/s. Varma & Varma Chartered Accountants were appointed as the Statutory Auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the year 2019. In terms of Section 139 of the Companies Act, 2013 the appointment of Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, appointment of M/s. Varma & Varma Chartered Accountants, as Statutory Auditors of the company is placed for ratification by the shareholders.

The Auditors Report for the financial year 2015-16 does not contain any qualification, reservation or adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.

SECRETARIAL AUDITORS

M/s. Gopi Mohan, Satheesan & Associates, Practising Company Secretaries were appointed to conduct Secretarial Audit of the company for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annexure V to this Report. The Practising Company Secretary has made observation with regard to holding of AGM outside the city/town where the Registered Office of the company is situated.

The Board has the comment that the Registered Office of INKEL is outside the limit of the Kochi Corporation. The Section does not specify what is the city limits. For Cochin, there are at least six points which need to be considered apart from the geographical in-separation: A). Postal Zone Limits.

B). City Police Limits. C). Town Bus Limits D). Telephone Code 0484 E). Greater Cochin concepts and F). Urban Conglomeration decided by the Government of India for the purpose of deciding the DA and perquisites of employees. All these factors converge to the view that a meeting held following any of the seven criteria above would met the requirement of the Section. INKEL with its registered office at Cochin 682 021 has held its AGM at an address with the postal zone Cochin 682 015. This also in line with the circular issued by Department of Company Affairs No.1/1/80 - CL-V, dated 16/02/81, wherein it was clarified that meetings of a Company can be held at any place within the postal limits or local limits of the city, town or village in which the registered office of the company is situated and where these two limit do not coincide, within the wider of the two limits.

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.

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.

For and on behalf of the Board of Directors

T. Balakrishnan
Managing Director

M.M. Abdul Basheer
Director

Cochin
28.07.2016

**Statement containing salient features of the financial statement
of subsidiaries / associate companies/joint ventures
FORM NO. AOC – 1**

Part "A" : Subsidiaries													Rs lakhs
Sl No.	Name of subsidiary	Financial period ended	Share capital	Reserves & Surplus	Total assets	Total liabilities	investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of holding
1	INKEL KS/DC Projects Limited	31.03.2016	2476.14	(701.84)	5206.26	3431.96	-	399.93	(266.39)	(36.05)	(230.34)	0	74%
2	INKEL – Kinfra Infrastructure Projects Limited	31.03.2016	10	(150.21)	68.31	208.52		0	(13.92)	0	(13.92)	0	74%
3	INKES Trade Centre Limited	31.03.2016	500	(39.20)	829.15	368.35		2.59	5.04	0	5.04	0	74%
4	Thalikulm Pura Private Limited	31.03.2016											
5	Tirurangadi Pura Private Limited	31.03.2016											

Notes:

1. Sl No. (3) is yet to commence operations.
2. Sl No. (4) and (5) under dormant status.
3. Name of subsidiary which have been liquidated or sold during the year :NIL

Part "B" : Associates & Joint Ventures

Amount in Rs.

Name of Associate / joint Venture	MIV Logistics Private Limited	SEGURO-INKEL Consortium LLP	INKEL – EKK Roads Private Limited
Latest audited Balance Sheet Date	31.03.2016	31.03.2016	Incorporated in 21.01.2016
Shares of Associate/joint venture held by the company on the year end : No:	1,18,29,714	-	3000
Amount of Investment:	11,82,97,140	4,50,000	30,000
Extend of holding	39.43	45	30
Description of how there is significant influence	Controls more than 20% of total share capital	Controls more than 20% of total share capital	Controls more than 20% of total share capital
Reason why associate/joint venture is not consolidated	NA	NA	Since it is incorporated in the year 21.01.2016 the 1st financial year ends on 31.03.2017
Net worth attributable to shareholding as per latest audited Balance Sheet	18,14,55,277	76,45,040	(5,67,530)
Profit/Loss for the year			
I. considered in consolidation	(6,38,48,322)	59,47,407	0
II. not considered in consolidation	(10,18,85,032)	72,69,053	

Notes:

1. Name of associate which is yet to commence operation : INKEL – EKK Roads Private Limited.
2. Name of associate which have been liquidated or sold during the year : NIL

FORM NO. AOC – 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act 2013 including certain arms length transactions under third provision thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name of related Party and nature of relationship :	Mr. Varghese Kurian, Director INKEL
(b)	Nature of contracts/arrangements/ transactions	Contract for providing Lift
(c)	Duration of the contracts/ arrangements/transactions	180 days
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	The work essentially consists of design, engineering manufacture, testing before dispatch, delivery to site, erection, testing, commissioning and putting into operation 2 nos. of passenger lifts and 1 no service lift. The total amount for the work is Rs. 98,23,750/-.
(e)	Date of approval by the Board	20.11.2015
(f)	Amount paid as advance if any	NIL

ANNUAL REPORT ON CSR ACTIVITIES

(Pursuant to Section 135 of the Companies Act 2013)

1. Brief Outline of Company's CSR Policy

Corporate Social Responsibility is the sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods.

The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

2. CSR Committee :

The Corporate Social Responsibility (CSR) Committee of the Board is responsible for overseeing the execution of company's CSR policies. The members of the CSR Committee are :

Shri Varghese Kurian

Shri M M Abdul Basheer

Shri Nandakumaran P

3. Average net profit of the company for last three years : Rs. 881.52 lakhs.

4. Prescribed CSR Expenditure : Rs. 17.63 lacs (2% of the amount as in item 3 above)

5. Details of CSR spent during the financial year

the amount of Rs. 1.85 lacs pertaining to the FY 2014 -15 was spent during the current financial year. The project was construction of a Bus Shelter at Konompara, Malappuram District. The project was taken up through the subsidiary- INKEL -KSIDC Projects Limited.

6. In case company has failed to spend 2 % of average net profit of the last 3 years, reasons for the same :

Some of the projects identified could not be moved forward because of certain local level clearances. During the current year, the Company has taken on hand construction of a road in Vadakarapathy Panchayat, Palakkad District, which is expected to benefit a large population. Major part of the construction is over and the remaining portion will be completed before the end of September since there has been interruption due to the rains. The expenditure is expected to be in the region of Rs. 15 lacs. We are committed to utilizing the full available limit as early as possible.

7. Responsibility statement of the CSR Committee :

The Committee hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the project in compliance with our CSR objectives.

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. 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.

3. 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, 2016 is given below;

Name of Director	Type of Directorship	No. of Meetings held during the period the Director was on the Board	No. of Meetings attended	Presence at the last AGM
Shri P.K. Kunhalikutty	Chairman , GoK nominee	4	1	-
Shri T Balakrishnan, IAS (Retd.)	Managing Director, GoK nominee	4	4	YES
Shri P.H.Kurian IAS	Non Executive Director, GoK Nominee	4	4	-
Shri C.K.Menon	Non Executive Director	4	2	-
Shri Varghese Kurian	Non Executive Director	4	1	-
Shri C.V.Rappai	Non Executive Director	4	3	-
Shri Siddeek Ahmed Haji Panamtharayil	Non Executive Director	4	1	-
Shri Mohamed Althaf	Non Executive Director	4	3	-
Shri M M Abdul Basheer	Non Executive Director	4	3	YES
Smt. M Beena IAS	Additional Director	1	-	-
Shri P Nandakumaran	Independent Director	4	4	YES
Smt. Pamela Anna Mathew	Independent Director	4	2	-

ANNEXURE-II
Conservation of energy

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

The Company is developing its Solar Energy wing so that it contributes to the renewable energy generation efforts of the Government.

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 31.03.2016
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	Public Company limited by shares
5.	Address of the Registered office & contact details	INKEL Limited, Door No. 7/473 ZA-5&6, 2nd Floor, Ajiyal Complex, Kakkanad, Cochin - 682030 Ph: 0484 - 6491138
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BgSE Financials Limited Stock Exchange Towers, No.51, 1st Cross, J. C. Road, Bangalore - 560 027 Phone: Office : 080-4132 966, Mobile: 0 77609 68051 email : rta_admin@bfsi.co.in or manager_rta@bfsi.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name & address of the company	CIN	% of shares held	Holding/Subsidiary/ Associate	Applicable section
1	INKEL-KSIDC Projects Limited	U74900KL2010PLC025553	74	Subsidiary	2(87)(ii)
2	INKEL-KINFRA Infrastructure Projects Limited	U74900KL2010PLC025556	74	Subsidiary	2(87)(ii)
3	MIV Logistics Private Limited	U63012KL2011PTC028839	39.43	Associate	2(6)
4	Thalikulam PURA Private Limited	U45100KL2012PTC030590	98.86	Subsidiary	2(87)(ii)
5	Tirurangadi PURA Private Limited	U45100KL2012PTC030589	98.84	Subsidiary	2(87)(ii)
6	INKES Trade Centre Limited	U45400KL2014PLC037668	74	Subsidiary	2(87)(ii)
7.	SEGURO - INKEL Consortium LLP	AAD-1041	45	Associate	2(6)
8	INKEL-EKK Roads Private Limited	U45203KL2016PTC039948	30	Associate	2(6)

VI. SHARE HOLDING PATTERN

Name of shareholders	No. of shares held	Percentage
Govt. of Kerala	40500000	24.84
Govt. Companies	12000000	7.36
Directors / Relatives of Directors	67217000	41.23
Foreign Holdings	22000000	13.49
Banks & Corporate Holdings	8700000	5.34
Others	12610000	7.73
TOTAL	163027000	100.00

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 Loans	Unsecured Loans excluding deposits	Deposits	Total Indebtedness
	NIL		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD T Balakrishnan
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

B. Remuneration to other directors													Amount (Rs.)
SN.	Particulars of Remuneration	Name of Directors										Total Amount	
		Mr. P.H. Kurian IAS	Mr. Tom Jose IAS	Mr. C.K. Menon	Mr. Varghese Kurian	Mr. C.V. Rappai	Mr. Siddeek Ahmed Haji Panamtharayil	Mr. Mohamed Althaf	Mr. M M Abdul Basheer	Mr. P. Nanda kumaran	Mrs. Pamela Anna Mathew	Mrs. Dr. M Beena IAS	
	Independent Directors												
	Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-	1,12,500	37,500		1,50,000
	Commission	-	-	-	-	-	-	-	-	-	-		-
	Others, please specify	-	-	-	-	-	-	-	-	-	-		
	Total (1)-	-	-	-	-	-	-	-	-	1,12,500	37,500		1,50,000
2.	Other Non-Executive Directors												
	Fee for attending board / committee meetings	67,500	22,500	30,000	15,000	67,500	15,000	60,000	97,500	-	-		
	Commission												
	Others, please specify												
	Total (2)	67,500	22,500	30,000	15,000	67,500	15,000	60,000	97,500			-	3,75,000
	Total (B)=(1+2)	67,500	22,500	30,000	15,000	67,500	15,000	60,000	97,500	1,12,500	37,500	-	5,25,000

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

Amount (Rs)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	12,80,913	14,16,963	26,97,876
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(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	-	-	-
	Total	12,80,913	14,16,963	26,97,876

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	

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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, 2016 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 the Company for the financial year ended on 31 March, 2016 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;

1. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Circulars and Guidelines, etc. mentioned above subject to the following observations:
 - i) *The Annual General Meeting of the shareholders of the Company for the financial was held on 26th August, 2015 at Emakulam which is not within city/town in which the registered office of the Company is situated, as required under Section 96(2) of the Act.*

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:

2. The following Rules issued under the Companies Act, 2013 are not applicable to the Company during the financial year 2015-16:
 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 (Inspection, investigation and inquiry) Rules, 2014 as no inspection or investigation was 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 subject to observation in para 1(i) above.
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
7. Companies (Meeting of Board and its Powers) Rules, 2014.
8. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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.

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.

Place: Ernakulam

Date: 12/05/2016

For Gopimohan Satheesan & Associates

K. P. Gopimohan

Partner

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, 2016, the Statement of Profit and Loss, 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.

Auditors' 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 auditors' 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. 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2.12.1 and Note 2.18.1 to the standalone financial statements which states that having regard to the plan for future operations of the subsidiary/associate companies and the realisable value of assets owned by these Companies, the management is of the opinion that the loans given to these companies will be recovered in full and there is no permanent diminution in the value of such investments.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating

effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditors' 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 2.31(c) 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Kochi- 19

Date:22/06/2016

**“ANNEXURE A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER
LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITORS’ REPORT OF
EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INKEL LIMITED
FOR THE YEAR ENDED 31st MARCH 2016**

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We are informed that fixed assets have been physically verified by the management at reasonable intervals and that no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, the records of the Company examined by us and the confirmation from financial lender in respect of title deed deposited with them and based on the details of immovable property furnished to us by the Company, the title deed of the immovable property are held in the name of the Company.
2. The inventory comprises of land and building. We are informed that the inventory has been physically verified by the management at reasonable intervals and that no material discrepancies were noticed on such verification.
3. The Company has granted unsecured loans to three companies and one limited liability partnership covered in the register maintained under Section 189 of the Act. In relation to such loans :-
 - (a) In our opinion, the terms and conditions on which the loans have been granted to the companies and limited liability partnership covered in the register maintained under Section 189 of the Act were not prima facie prejudicial to the interest of the Company.
 - (b) As per the information and explanations given to us and the records of the Company examined by us, the terms do not stipulate any repayment schedule and the principal and interest are repayable on demand. As per the information and explanations given to us, the Company has not raised any demand against the above loans during the year.
 - (c) There are no overdue amounts in respect of such loans.
4. According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the loans granted, investments made, guarantees given and security provided by the Company.
5. According to the information and explanations given to us and the records of the Company examined by us, 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 Act 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 given to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to the Company to the appropriate authorities during the year, except for minor delays in depositing Income Tax and Service Tax.

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 Company has no dues of Income Tax, Service Tax, Duty of Customs, Duty of Excise or Value Added Tax that have not been deposited on account of any dispute.
8. 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 loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
9. According to the information and explanations given to us and the records of the Company examined by us, no money has been raised by way of initial public offer or further public offer (including debt instruments) and the term loan availed by the Company have been applied for the purpose for which the loan was obtained.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we

have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.

11. According to the information and explanations given to us and based on the examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in Note 2.28 to the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
16. According to the information and explanations given to us and the records of the Company examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

Place: Kochi- 19

Date: 22/06/2016

"ANNEXURE B" REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INKEL LIMITED FOR THE YEAR ENDED 31st MARCH 2016

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

We have audited the internal financial controls over financial reporting of INKEL Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kochi- 19

Date: 22/06/2016

INKEL Limited
BALANCE SHEET AS AT 31st MARCH 2016

Particulars	Note No.	As at 31.03.2016 (In Rupees)	As at 31.03.2015 (In Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	1,63,02,70,000	1,63,02,70,000
(b) Reserves and Surplus	2.2	26,56,63,151	21,80,03,462
(2) Non - Current Liabilities			
(a) Long-term Borrowings	2.3	3,00,00,000	-
(b) Deferred Tax Liabilities (Net)	2.4	5,38,26,040	2,75,57,651
(c) Other Long - Term Liabilities	2.5	63,53,240	55,46,240
(d) Long - Term Provisions	2.6	22,54,189	10,40,450
(3) Current Liabilities			
(a) Trade Payables	2.7		
i. Total outstanding dues of micro enterprise and small enterprise		3,13,999	-
ii. Total outstanding dues other than micro enterprise and small enterprise		96,50,437	91,29,133
(b) Other Current Liabilities	2.8	5,92,06,945	5,10,64,117
(c) Short Term Provisions	2.9	12,36,23,473	6,05,89,529
TOTAL		2,18,11,61,474	2,00,32,00,582
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.10	68,32,48,990	46,59,42,649
(ii) Intangible Assets	2.10	3,59,618	93,281
(iii) Capital Work - in - Progress	2.11	67,308	8,31,01,054
(b) Non - Current Investments	2.12	50,91,88,935	30,65,81,528
(c) Long - Term Loans and Advances	2.13	15,69,26,769	12,71,19,394
(d) Other non-current assets	2.14	2,05,73,000	9,27,52,268
(2) Current Assets			
(a) Inventories	2.15	-	-
(b) Trade Receivables	2.16	24,24,51,332	11,12,52,071
(c) Cash and Cash Equivalents	2.17	18,46,44,159	40,77,94,372
(d) Short - Term Loans and Advances	2.18	36,96,36,282	40,02,67,809
(e) Other Current Assets	2.19	1,40,65,081	82,96,156
TOTAL		2,18,11,61,474	2,00,32,00,582
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 : 22/06/2016

INKEL Limited
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

Particulars	Note No.	For the year ended 31.03.2016 (In Rupees)	For the year ended 31.03.2015 (In Rupees)
I. REVENUE			
Revenue from Operations	2.20	29,88,59,302	33,49,64,754
Other Income	2.21	9,98,07,133	11,92,26,216
II. Total Revenue		39,86,66,435	45,41,90,970
III. Expenses:			
Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.22	11,66,24,551	20,50,67,875
Employee Benefit Expense	2.23	2,75,43,191	2,08,26,019
Finance Costs	2.24	-	4,61,648
Depreciation and Amortisation	2.10	1,71,55,609	1,80,06,925
Other Expenses	2.25	4,40,93,895	5,14,61,748
IV. Total Expenses		20,54,17,246	29,58,24,215
V. Profit Before Tax (II - IV)		19,32,49,189	15,83,66,755
VI. Tax Expense:			
(1) Current Tax		4,08,34,925	3,46,38,270
(2) Deferred Tax		2,62,68,390	2,08,97,928
VII. Profit for the year (V - VI)		12,61,45,874	10,28,30,557
VIII. Earning per Equity Share:	2.26		
(1) Basic		0.77	0.63
(2) Diluted		0.77	0.63
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 : 22/06/2016

INKEL Limited
NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2016
NOTE - 2.1 SHARE CAPITAL

(In Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Equity Share Capital				
Equity Shares of Rs 10/- (Rs. 10,000/-) Each	20,00,00,000	2,00,00,00,000	2,00,000	2,00,00,00,000
	20,00,00,000	2,00,00,00,000	2,00,000	2,00,00,00,000
Issued, Subscribed and Paid up				
Equity Shares of Rs 10/- (Rs. 10,000/-) Each	16,30,27,000	1,63,02,70,000	1,63,027	1,63,02,70,000
	16,30,27,000	1,63,02,70,000	1,63,027	1,63,02,70,000

2.1.1 Pursuant to shareholders' approval dated 26th August 2015, the equity shares of Rs.10,000/- each of the Company were subdivided into 1,000 Equity Shares of Rs.10/- each. Accordingly, all shares and per share information in the financial results reflect the effect of sub-division for each of the years presented.

2.1.2 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/- (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	As at 31.03.2016		As at 31.03.2015	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
As at the beginning of the financial year	16,30,27,000	1,63,02,70,000	1,63,027	1,63,02,70,000
Shares issued during the financial year	-	-	-	-
As at the end of the financial year	16,30,27,000	1,63,02,70,000	1,63,027	1,63,02,70,000
Particulars of Shareholders holding more than 5% share in the Company				
Govt. of Kerala - 24.84 % (Previous year 24.84 %)	4,05,00,000	40,50,00,000	40,500	40,50,00,000
Bismi Holdings Ltd - 6.75 % (Previous year 6.75 %)	1,10,00,000	11,00,00,000	11,000	11,00,00,000
Shri. Yusuffali M A - 15.13 % (Previous year 15.13 %)	2,46,66,000	24,66,60,000	24,666	24,66,60,000
Shri. Varghese Kurian - 6.75 % (Previous year 6.75 %)	1,10,00,000	11,00,00,000	11,000	11,00,00,000
Dr.Mohamed Ali - 6.44 % (Previous year 6.44 %)	1,05,00,000	10,50,00,000	10,500	10,50,00,000

Pursuant to shareholders' approval dated 26th August 2015, the equity shares of Rs.10,000/- each of the Company were subdivided into 1,000 Equity Shares of Rs.10/- each. Accordingly, the current year notes have been stated to this effect.

NOTE - 2.2 RESERVES & SURPLUS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Surplus		
Opening Balance	21,80,03,462	17,40,37,543
Net Profit after tax as per Statement of Profit and Loss	12,61,45,874	10,28,30,557
Amount Available for Appropriation	34,41,49,336	27,68,68,100
Less: Appropriations		
Proposed Dividend (See Note 2.2.1)	6,52,10,800	4,89,08,100
Tax on Proposed Dividend	1,32,75,385	99,56,538
	7,84,86,185	5,88,64,638
Closing Balance	26,56,63,151	21,80,03,462
	26,56,63,151	21,80,03,462

2.2.1 The Board of Directors of the Company has proposed a dividend of Rs. 0.40/- per share of face value Rs.10 each (Rs. 300/- per share of face value Rs.10,000 each) for the financial year 2015-16, which is subject to approval by shareholders in the ensuing Annual General Meeting.

NOTE - 2.3 LONG TERM BORROWINGS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Term Loans from Other parties		
Unsecured (See Note 2.3.1)	3,00,00,000	-
	3,00,00,000	-

2.3.1 The above interest free loan was sanctioned by the State Level Export Promotion Committee(SLEPC) under the Assistance to States for developing Export Infrastructure and other Allied Activities(ASIDE) Scheme implemented by Kerala Industrial Infrastructure Development Corporation(KINFRA) acting as the Government of Kerala appointed Nodal agency. The loan is repayable in three annual instalments of Rs. 1 crore each starting from the fourth year of disbursement, to be paid before 31st March 2019, 31st March 2020 & 31st March 2021 respectively.

NOTE - 2.4 DEFERRED TAX LIABILITIES (NET)

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
A. Deferred Tax Liability		
On excess of net book value over Income tax written down value of fixed assets	5,61,64,244	2,80,14,787
B. Deferred Tax Assets		
On disallowances	23,38,204	4,57,136
	5,38,26,040	2,75,57,651

NOTE - 2.5 OTHER LONG TERM LIABILITIES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposits	63,53,240	55,46,240
	63,53,240	55,46,240

NOTE - 2.6 LONG TERM PROVISIONS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits		
- Provision for Leave Encashment (See Note-2.27)	22,54,189	10,40,450
	22,54,189	10,40,450

NOTE - 2.7 TRADE PAYABLES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade Payables (See Note 2.7.1)		
i. Total outstanding dues of micro enterprise and small enterprise	3,13,999	-
ii. Total outstanding dues other than micro enterprise and small enterprise	96,50,437	91,29,133
	99,64,436	91,29,133

2.7.1 The company has taken steps to identify the suppliers who qualify under the definition of micro enterprises and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Intimations have been received from one supplier regarding their status under the said Act as at the year end, based on which, principal amount unpaid to such supplier as at the year end aggregating to Rs.3,13,999/- (Rs. Nil) has been included under Trade Payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material.

NOTE - 2.8 OTHER CURRENT LIABILITIES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Accounts payable - Capital	3,60,29,491	44,82,170
Lease hold Premium received in Advance	46,13,336	3,54,55,170
Advance From Customers/Clients	-	23,91,550
Retention Money payable	1,21,66,764	48,32,824
Statutory Dues	57,03,888	31,70,494
Security Deposit / Earnest Money Deposit	3,68,460	5,01,403
Unclaimed Dividend	3,25,006	2,30,506
	5,92,06,945	5,10,64,117

NOTE - 2.9 SHORT TERM PROVISIONS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits		
-Provision for Leave Encashment (See Note 2.27)	20,38,319	14,11,845
-Provision for Gratuity (See Note 2.27)	-	3,13,046
Proposed Dividend	6,52,10,800	4,89,08,100
Tax on Proposed Dividend	1,32,75,385	99,56,538
Provision for Income tax	4,08,34,925	-
Provision for Capital Expenditure for Long Term Finance Lease (See Note 2.9.1)	22,64,044	-
	12,36,23,473	6,05,89,529

2.9.1 Details of Provisions

Nature of Provision	Balance as at 01.04.2015	Additional Provision during the year	Amounts used/changed during the year	Unused amounts reversed	Balance as at 31.03.16
Provision for Capital Expenditure for Long Term Finance Lease	-	22,64,044	-	-	22,64,044

INKEL Limited
NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2016

NOTE - 2.10
A. TANGIBLE ASSETS

SL. NO.	Particulars	Opening Balance	Additions during the year	Deletions/ Adjustments during the year	Closing Balance	Opening Balance	Depreciation for the year	Deleted during the year	Closing Balance	NET BLOCK AS ON 31.03.2016	NET BLOCK AS ON 31.03.2015
1	Freehold Land	18,17,45,828 (4,52,20,250)	12,61,66,065 (13,65,25,578)	-	30,79,11,893 (18,17,45,828)	-	-	-	-	30,79,11,893 (18,17,45,828)	18,17,45,828 (4,52,20,250)
2	Leasehold Land - See Note 2.10.1	15,42,85,083 (18,75,37,452)	-	3,12,32,348 (3,32,52,369)	12,30,52,735 (15,42,85,083)	67,14,018 (60,55,465)	16,49,146 (19,31,040)	16,24,484 (12,72,487)	87,38,880 (67,14,018)	11,83,14,055 (14,75,71,065)	14,75,71,065 (18,14,81,987)
3	Building- See Note 2.10.1 and 2.10.2	13,69,55,737 (28,20,48,739)	19,52,16,998 (3,63,93,840)	9,53,39,171 (18,14,86,842)	23,68,33,562 (13,69,55,737)	1,50,89,822 (1,89,12,692)	73,53,286 (66,81,629)	1,24,26,823 (1,25,24,499)	99,96,285 (1,50,69,822)	22,68,37,277 (12,18,65,915)	12,18,65,915 (26,31,36,047)
4	Plant & Machinery- See Note 2.10.2 and 2.10.3	87,41,775 (62,88,363)	1,52,38,791 (24,53,412)	18,42,874 -	2,21,37,892 (87,41,775)	33,82,776 (6,80,526)	35,06,779 (27,02,250)	2,378 -	88,87,177 (33,82,776)	1,52,50,715 (53,58,999)	53,58,999 (56,07,837)
5	Furniture and Fittings	1,23,96,547 (85,05,932)	58,56,221 (38,90,615)	23,100 -	1,82,29,668 (1,23,96,547)	63,75,027 (47,12,046)	23,82,420 (16,82,981)	19,483 -	87,37,964 (63,75,027)	94,91,704 (60,21,520)	60,21,520 (37,93,866)
6	Office Equipments	31,00,294 (25,02,169)	8,99,075 (5,98,125)	6,52,877 -	33,46,892 (31,00,294)	22,05,241 (10,85,281)	5,22,246 (11,19,960)	8,20,043 -	21,07,444 (22,05,241)	12,39,248 (8,95,053)	8,95,053 (14,16,888)
7	Computer	45,88,315 (36,48,020)	16,55,690 (11,95,445)	8,750 (2,56,150)	62,35,255 (45,88,315)	32,40,109 (22,79,302)	12,83,989 (12,04,150)	8,313 (2,43,343)	45,15,785 (32,40,109)	17,19,470 (13,48,206)	13,48,206 (13,69,718)
8	Motor Car	8,83,724 (18,04,574)	-	-	8,83,724 (8,83,724)	6,17,246 (12,86,532)	90,310 (1,80,152)	-	7,07,556 (6,17,246)	1,76,168 (2,66,478)	2,66,478 (5,16,042)
9	Electrical Fittings	28,47,812 (27,83,312)	39,66,963 (64,500)	9,30,885 -	58,83,880 (28,47,812)	19,98,227 (15,05,181)	3,33,770 (4,93,046)	7,58,567 -	15,75,430 (19,98,227)	43,08,460 (8,49,585)	8,49,585 (12,78,131)
Total (A)		50,55,45,115 (54,03,39,811)	34,89,99,801 (18,11,21,515)	13,00,29,605 (21,59,16,211)	72,45,15,311 (50,55,45,115)	3,96,02,466 (3,65,19,025)	1,71,21,946 (1,79,55,208)	1,54,58,091 (1,45,71,767)	4,12,66,321 (3,96,02,466)	68,32,48,990 (46,59,42,649)	46,59,42,649 (50,38,20,796)

B. INTANGIBLE ASSETS

1	Computer Software	8,78,432 (8,78,432)	3,00,000 -	-	11,78,432 (8,78,432)	7,85,151 (7,33,434)	33,663 (51,717)	-	8,18,814 (7,85,151)	3,59,618 (93,281)	93,281 (1,44,998)
Total (B)		8,78,432 (8,78,432)	3,00,000 -	-	11,78,432 (8,78,432)	7,85,151 (7,33,434)	33,663 (51,717)	-	8,18,814 (7,85,151)	3,59,618 (93,281)	93,281 (1,44,998)
Grand Total (A) + (B)		50,64,23,547 (54,12,18,243)	34,92,99,801 (18,11,21,515)	13,00,29,605 (21,59,16,211)	72,56,93,743 (50,64,23,547)	4,03,87,617 (3,72,52,459)	1,71,55,609 (1,80,06,925)	1,54,58,091 (1,45,71,767)	4,20,85,135 (4,03,87,617)	68,36,08,608 (46,60,35,930)	46,60,35,930 (50,39,65,784)

2.10.1 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.

2.10.2 Additions during the year to Building and Plant & Machinery is net of Rs.8,62,27,224 (Rs.Nil) and Rs.37,72,776 (Rs.Nil) respectively, being the government grant received under the "Assistance to State for Developing Export Infrastructure and other Allied Activities" (ASIDE) Scheme.

2.10.3 Additions during the year to Plant & Machinery is net of Rs.14,41,382 (Rs.Nil) being subsidy received from Government of Kerala as per the State Horticulture Mission- Kerala- Hi Tech Agriculture Plan Scheme.

NOTE - 2.11 CAPITAL WORK IN PROGRESS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Projects under implementation	67,308	8,31,01,054
	67,308	8,31,01,054

NOTE - 2.12 NON CURRENT INVESTMENTS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Investments in Equity Instruments (Un-quoted, Trade, at cost)		
i) In Subsidiary Companies		
- 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
- INKES Trade Centre Ltd 37,00,000 (37,00,000) Equity Shares of Rs.10/- each, fully paid up	3,70,00,000	3,70,00,000
ii) In Associate companies		
- 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
iii) In Joint Ventures		
- INKEL-EKK Roads Pvt Ltd 3,000(Nil) Equity Shares of Rs.10/- each, fully paid up	30,000	-
iv) In Others		
- KV Apartments Pvt Ltd (Associate till 31.12.2014) 50,000 (50,000) Equity Shares of Rs.10/- each, fully paid up	5,00,000	5,00,000
b) Investments in Preference Instruments (Un-quoted, Trade, at cost)		
i) In Associate companies		
- MIV Logistics Pvt Ltd 1,60,00,000 (Nil) Optionally Convertible Preference Shares of Rs.10/- each, fully paid up	16,00,00,000	-
c) Investment in Limited Liability Partnership(LLP) (Un-quoted, Trade, at cost)		
i) In Jointly Controlled Entity		
- SEGURO - INKEL Consortium LLP Investment towards 45% of the capital Add: Share of Profit from LLP	4,50,000 89,37,675 93,87,675	4,50,000 29,90,268 34,40,268
Total capital of the LLP- Rs.10,00,000		
Total investments (a) + (b) + (c)	50,91,88,935	30,65,81,528
Aggregate amount of unquoted investments	50,91,88,935	30,65,81,528

2.12.1 Having regard to the plans for future operations of the subsidiary/associate companies and the realizable value of assets owned by these 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 - 2.13 LONG TERM LOANS AND ADVANCES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Advance for Capital Assets	59,27,500	17,10,000
Security Deposits	15,82,490	21,26,740
Advance to Kerala State Industrial Enterprises Ltd towards proposed Joint Venture Infrastructure Project		1,21,00,000
Income Tax (Net)	4,60,88,185	1,11,82,654
Advance to Related Parties		
- SEGURO - INKEL Consortium LLP	10,33,28,594	10,00,00,000
	15,69,26,769	12,71,19,394

NOTE - 2.14 OTHER NON CURRENT ASSETS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade Receivables (Unsecured Considered good)		
-Outstanding for a period exceeding six months from the date they were due for payment	-	-
-Others (See Note 2.14.1)	2,05,73,000	9,27,52,268
	2,05,73,000	9,27,52,268

2.14.1 Trade Receivables include Rs.Nil (Rs.9,27,52,268/-) due from Kerala Academy for Skills Excellence (KASE), a Government of Kerala owned private limited company; in which a director of INKEL Limited is a director.

NOTE - 2.15 INVENTORIES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Land and Building held on long term finance lease		
Opening Balance	-	-
Add: Additions during the year	11,66,24,551	20,50,67,875
Less: Disposed during the year	11,66,24,551	20,50,67,875
Closing Balance	-	-
	-	-

NOTE - 2.16 TRADE RECEIVABLES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade Receivables (Unsecured Considered good)		
-Outstanding for a period exceeding six months from the date they were due for payment	69,87,885	3,73,036
-Others (See Note 2.16.1)	23,54,63,447	11,08,79,035
	24,24,51,332	11,12,52,071

2.16.1 Trade Receivables include Rs.58,35,872/- (Rs.53,82,737/-) due from MIV Logistics Private Limited, Rs.10,15,37,226 (Rs.Nil) due from Kerala State Industrial Development Corporation (KSIDC), a Government of Kerala owned private limited company in which a director of INKEL Limited is a director and Rs.9,30,82,680/- (Rs.Nil) due from Kerala Academy for Skills Excellence (KASE), a Government of Kerala owned private limited company; in which a director of INKEL Limited is a director.

NOTE - 2.17 CASH AND CASH EQUIVALENTS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Cash on Hand	12,028	7,603
Balance with Banks		
In Current Accounts	6,32,671	20,36,769
In Fixed Deposit Accounts	18,39,99,460	40,57,50,000
	18,46,44,159	40,77,94,372

2.17.1 Earmarked Balances:

a. Balance with banks in Current Accounts include earmarked balances for unpaid dividend Rs.18,500/- (Rs.18,500/-) for the Financial Year 2009-10, Rs.1,79,606/- (Rs.2,30,948/-) for the Financial Year 2013-14 and Rs.1,26,900/- (Nil) for the Financial Year 2014-15.

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

2.17.3 Balance with banks in Deposit Account includes Rs. 5,34,61,396/- (Rs. 2,50,000/-) held under lien.

NOTE - 2.18 SHORT TERM LOANS AND ADVANCES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Loans/Advances to related parties		
INKEL- KSIDC Projects Ltd- Subsidiary Company (See Note 2.18.1)	28,79,01,618	25,75,79,025
INKEL - KINFRA Infrastructure Projects Ltd- Subsidiary Company(See Note 2.18.1)	1,98,48,286	1,86,49,996
INKES Trade Centre Ltd- Subsidiary Company	-	36,72,797
SEGURO - INKEL Consortium LLP- Jointly Controlled Entity	3,76,73,521	9,70,06,567
INKEL - EKK Roads (P) Ltd- Jointly Controlled Entity	1,63,497	-
Others:		
Advances recoverable in cash or in kind or for value to be received	2,00,65,850	2,22,18,898
Earnest Money Deposits	10,50,000	-
Balances with Government Authorities	2,13,190	90,207
Advance to Suppliers/Contractors	24,27,820	9,53,377
Advance to employees	2,92,500	96,942
	36,96,36,282	40,02,67,809

2.18.1 Having regard to the plans for future operations of the subsidiary companies and the realizable value of assets owned by these Companies, the management is of the opinion that the loans given to these companies will be recovered in full together with interest thereon.

NOTE - 2.19 OTHER CURRENT ASSETS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Interest Receivable	1,37,03,296	79,55,983
Prepaid expenses	3,61,785	3,40,173
	1,40,65,081	82,96,156

INKEL Limited
**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2016**
NOTE - 2.20 REVENUE FROM OPERATIONS

(In Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Income from disposal of land and building (On long term finance lease)	24,94,98,745	30,53,38,110
Income from Operating Lease	92,00,513	81,63,368
Common Amenity Charges	46,82,328	18,78,396
Income from Project Management Services (See Note 2.20.1)	2,41,77,415	1,43,50,155
Share of Course Fee Received	1,13,00,301	52,34,725
	29,88,59,302	33,49,64,754

2.20.1 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 on guidelines on this matter (for executing civil works), the company is entitled to the total sum of Rs.4,50,921/- (Rs.11,59,373/-) 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 aggregated to Rs.74,07,478/- (Rs.1,96,90,349/-) has been reimbursed to them out of the deposits received/receivable from Government of Kerala for the works. Consultancy charges payable to BSNL at agreed rates has been recognized as expenditure.

NOTE - 2.21 OTHER INCOME

(In Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest Income	9,11,35,767	11,41,89,459
Share of Profit from LLP	59,47,407	29,90,268
Profit on Sale of Asset	68,861	1,71,114
Guarantee Fee Received	13,73,031	-
Liquidity Damages	40,000	3,56,605
Agricultural Income	2,78,697	-
Miscellaneous Income	9,63,370	15,18,770
	9,98,07,133	11,92,26,216

**NOTE - 2.22 COST OF LAND ACQUIRED/BUILDING/AMENITIES
CONSTRUCTED AND DISPOSED**

(On long term finance lease agreements)

(In Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Cost of Land	2,96,07,864	3,19,79,883
Cost of Building/Plant and Equipment	8,47,52,643	17,30,87,992
Cost of Amenities	22,64,044	-
	11,66,24,551	20,50,67,875

NOTE - 2.23 EMPLOYEE BENEFIT EXPENSES

(In Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Salaries & Allowances	2,49,15,944	1,81,53,310
Contribution to Provident and Other Funds	12,34,789	14,68,861
Staff Welfare Expense	13,92,458	12,03,848
	2,75,43,191	2,08,26,019

NOTE - 2.24 FINANCE COSTS

(In Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest expense	-	4,61,648
	-	4,61,648

NOTE - 2.25 OTHER EXPENSES

(In Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Expenditure on Corporate Social Responsibility Activity (See Note 2.25.1)	2,11,825	-
Agricultural expenses	17,49,046	-
Project Management Services Expenses	41,11,185	59,68,078
Power & Fuel	36,95,561	17,54,398
Rent	34,63,360	27,78,424
Repairs & Maintenance	48,89,275	12,26,604
Insurance	1,15,388	1,22,934
Payment to Auditors		
Statutory Audit	1,85,000	1,25,000
Taxation Matters	60,000	20,000
Other Services	1,19,000	85,000
Reimbursement of expenses	11,258	15,210
Bank Charges	66,364	42,290
Meeting expenses	9,75,454	18,46,023
Sitting fee to Directors	5,45,905	3,22,500
Consideration for Manpower services	40,37,664	46,55,961
Hostel Running and Course expenses	12,41,234	11,15,011
Advertisement & Publicity	79,15,096	12,33,858
Loss on Sale of assets	1,79,867	3,168
Membership/ Subscription to Professional bodies	1,68,494	44,776
Postages, Telephone and internet charges	9,76,638	8,74,057
Printing and Stationery	2,62,619	2,43,299
Professional Charges & Legal Fee	13,44,894	7,45,381
Rates & Taxes	18,90,189	27,58,451
Staff Recruitment Expense	6,94,772	7,76,540
Travelling & Conveyance	41,01,961	42,24,854
Trade Investments written off	-	1,68,81,891
Expenditure on projects written off	4,11,669	33,36,351
Miscellaneous Expenses	6,70,177	2,61,689
	4,40,93,895	5,14,61,748

2.25.1 Note on Expenditure on Corporate Social Responsibility activities

i) Gross amount required to be spent during the year Rs.17,63,000 (Rs.9,57,400)	In cash	Yet to be paid in cash
ii) Amount spent during the year		
- Construction/acquisition of any asset	-	-
- on purposes other than above	2,11,825	-
	2,11,825	-

NOTE - 2.26 EARNINGS PER SHARE

(In Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Profit after tax for the year as per Statement of Profit and Loss (In Rs.)	12,61,45,874	10,28,30,557
Weighted average number of Equity shares of Rs.10/- (Rs.10,000/-) each (fully paid up) - (See Note 2.1.1)	16,30,27,000	16,30,27,000
Basic and Diluted Earnings Per Equity Share- In Rs. (Face Value of Share- Rs.10 each) - See Note 2.26.1	0.77	0.63

2.26.1 Previous year figures have been recast pursuant to sub-division of the face value of equity shares of the Company from Rs.10,000/- each to Rs.10/- each during the year.

Note No. 2.27 EMPLOYEE BENEFITS

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

2.27.1 Defined Contribution Plans

During the year the company has recognized Rs.9,21,033/- (Previous Year Rs.7,93,229/-) in the Statement of Profit and Loss on account of defined contribution plans.

2.27.2 Defined Benefit Plans
Gratuity (Funded)

(i) Actuarial Assumptions	31st March, 2016	31st March, 2015
Discount Rate	8.00% p.a.	8.00% p.a.
Rate of return on plan assets	Not Applicable	Not Applicable
Compensation escalation rate *	5.00% p.a.	5.00% p.a.
Mortality rate	Indian Lives Mortality[1994-1996] Ultimate Table	Indian Lives Mortality[1994-1996] Ultimate Table

*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 Rupees)

(ii) Reconciliation of present value of obligation:	31st March, 2016	31st March, 2015
Present value of obligation at the beginning of the year	23,57,549	18,16,413
Current Service Cost	3,86,837	5,25,145
Interest Cost	2,04,077	1,16,319
Actuarial (gain)/loss	(78,620)	1,11,182
Benefits Paid	(1,87,699)	(2,11,510)
Curtailments	-	-
Settlements	-	-
Present value of obligation at the end of the year	26,82,144	23,57,549

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31st March, 2016	31st March, 2015
	Fair value of plan assets at the beginning of the year	20,44,503	11,06,768
	Expected return on plan assets	1,63,560	1,52,640
	Actuarial gain/(loss)	1,23,033	(1,09,357)
	Contributions	8,19,064	8,94,452
	Benefits paid	(1,59,891)	-
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	29,90,269	20,44,503

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March, 2016	31st March, 2015
	Present value of obligation	26,82,144	23,57,549
	Fair value of plan assets	29,90,269	20,44,503
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(3,08,125)	3,13,046

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31st March, 2016	31st March, 2015
	Current Service Cost	3,86,837	5,25,145
	Interest Cost	2,04,077	1,16,319
	Expected return on plan assets	(1,63,560)	(1,52,640)
	Actuarial (gain) /loss recognised in the period	(2,01,653)	2,20,539
	Past Service Cost	-	-
	Curtailement cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	2,25,701	7,09,363

Leave Plan (Unfunded)

(i)	Actuarial Assumptions	31st March, 2016	31st March, 2015
	Discount Rate	8.00% p.a.	8.00% p.a.
	Rate of return on plan assets	Not Applicable	Not Applicable
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Lives Mortality[1994-1996] Ultimate Table	Indian Lives Mortality[1994-1996] Ultimate Table

*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 Rupees)

(ii)	Reconciliation of present value of obligation:	31st March, 2016	31st March, 2015
	Present value of obligation at the beginning of the year	24,52,295	19,92,020
	Current Service Cost	13,16,083	7,49,057
	Interest Cost	2,48,827	1,89,324
	Actuarial (gain)/loss	6,88,205	33,235
	Benefits Paid	(4,12,902)	(5,11,341)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	42,92,508	24,52,295

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31st March, 2016	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 Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March, 2016	31st March, 2015
	Present value of obligation	42,92,508	24,52,295
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	42,92,508	24,52,295

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31st March, 2016	31st March, 2015
	Current Service Cost	13,16,083	7,49,057
	Interest Cost	2,48,827	1,89,324
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	6,88,205	33,235
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	22,53,115	9,71,616

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

Note -2.28

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.	INKES Trade Centre Ltd	Subsidiary Company
iv.	Thalikulam PURA Pvt Ltd	Subsidiary Company
v.	Tirurangadi PURA Pvt Ltd	Subsidiary Company
vi.	MIV Logistics Pvt Ltd	Associate Company
vii.	KV Apartments Pvt Ltd	Associate Company (till 31.12.2014)
viii.	INKEL- EKK Roads Pvt Ltd	Jointly Controlled Entity
ix.	SEGURO - INKEL Consortium LLP	Jointly Controlled Entity
x.	Key Managerial Personnel	
	Mr. T Balakrishnan	Managing Director

B. Description of Transactions

(In Rupees)

Nature of Transaction	Subsidiary/ Associate	Key Managerial Personnel	Total
Income			
1 Project Management Services			
MIV Logistics Pvt Ltd	7,49,012	-	7,49,012
	(52,58,634)	-	(52,58,634)
INKEL KSIDC Projects Ltd.	25,69,423	-	25,69,423
	(21,57,115)	-	(21,57,115)
SEGURO- INKEL Consortium LLP	1,07,05,014	-	1,07,05,014
	-	-	-
INKES Trade Centre Ltd	80,95,500	-	80,95,500
	-	-	-
2 Guarantee Commission Received			
SEGURO-INKEL Consortium LLP	13,73,031	-	13,73,031
	-	-	-
3 Scrap Sales			
MIV Logistics Pvt Ltd	97,707	-	97,707
	-	-	-
4 Interest income from Loans/Debentures			
KV Apartments	-	-	-
	(2,66,56,479)	-	(2,66,56,479)
INKEL KSIDC Projects Ltd.	3,11,67,943	-	3,11,67,943
	(2,75,29,314)	-	(2,75,29,314)
INKEL KINFRA Infrastructure Projects Ltd.	10,87,747	-	10,87,747
	(48,17,543)	-	(48,17,543)
SEGURO - INKEL Consortium LLP	1,65,92,296	-	1,65,92,296
	(49,21,085)	-	(49,21,085)

Nature of Transaction	Subsidiary/ Associate	Key Managerial Personnel	Total
Expenses			
1 Remuneration to Managing Director	-	36,19,781	36,19,781
	-	(36,34,580)	(36,34,580)
Loans and Advances			
1 INKEL KSIDC Projects Ltd.			
- Loan/Advances given	-	-	-
	(1,00,000)	-	(1,00,000)
- Loan/Advances recovered	1,52,292	-	1,52,292
	(2,64,00,000)	-	(2,64,00,000)
2 Thalikulam PURA Pvt Ltd			
- Loan/Advances given	-	-	-
	(2,900)	-	(2,900)
- Loan/Advances recovered	-	-	-
	(5,197)	-	(5,197)
3 Tirurangadi PURA Pvt Ltd.			
- Loan/Advances given	-	-	-
	(2,100)	-	(2,100)
- Loan/Advances recovered	-	-	-
	(4,694)	-	(4,694)
4 INKES Trade Centre Ltd			
Loan/Advances given	1,21,12,000	-	1,21,12,000
	(38,64,231)	-	(38,64,231)
5 SEGURO-INKEL Consortium LLP			
- Loan/Advances given	6,64,25,790	-	6,64,25,790
	(19,25,77,591)	-	(19,25,77,591)
- Loan/Advances recovered	13,93,45,137	-	13,93,45,137
	-	-	-
6 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 Projects Ltd	18,32,34,120	-	18,32,34,120
	(18,32,34,120)	-	(18,32,34,120)
3 MIV Logistics Pvt Ltd (Including Preference Shares)	27,82,97,140	-	27,82,97,140
	(11,82,97,140)	-	(11,82,97,140)
4 Thalikulam PURA Pvt Ltd (Fully written off in the books of accounts)	85,15,000	-	85,15,000
	(85,15,000)	-	(85,15,000)
5 Tirurangadi PURA Pvt Ltd. (Fully written off in the books of accounts)	83,57,000	-	83,57,000
	(83,57,000)	-	(83,57,000)

Nature of Transaction	Subsidiary/ Associate	Key Managerial Personnel	Total
6 INKES Trade Centre Ltd	3,70,00,000	-	3,70,00,000
	(3,70,000)	-	(3,70,000)
7 SEGURO-INKEL Consortium LLP (Including share of profit)	93,87,675	-	93,87,675
	(34,40,268)	-	(34,40,268)
8 INKEL-EKK Roads Private Limited	30,000	-	30,000
	-	-	-
9 KV Apartments Private Limited	5,00,000	-	5,00,000
	(5,00,000)	-	(5,00,000)
Guarantee given			
1 MIV Logistics Pvt Ltd	23,19,74,071	-	23,19,74,071
	(45,50,00,000)	-	(45,50,00,000)
2 SEGURO-INKEL Consortium LLP	24,00,00,000	-	24,00,00,000
	-	-	-
3 INKEL-EKK Roads Private Limited	64,00,000	-	64,00,000
	-	-	-
Receivables			
1 MIV Logistics Pvt Ltd	58,35,872	-	58,35,872
	(53,82,737)	-	(53,82,737)
2 INKEL KSIDC Projects Ltd.	29,05,81,557	-	29,05,81,557
	(26,09,17,296)	-	(26,09,17,296)
3 INKEL KINFRA Infrastructure Projects Ltd.	2,08,27,258	-	2,08,27,258
	(1,93,62,701)	-	(1,93,62,701)
4 SEGURO-INKEL Consortium LLP	14,27,22,458	-	14,27,22,458
	(19,70,06,567)	-	(19,70,06,567)
5 INKES Trade Centre Ltd	84,59,798	-	84,59,798
	(36,72,797)	-	(36,72,797)
6 INKEL-EKK Roads Private Limited	1,63,497	-	1,63,497
	-	-	-

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

Note - 2.29

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 2.30 Interest in joint ventures

1. SEGURO-INKEL Consortium LLP

The Company has a 45% (45%) 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 Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
A. Total Revenue	46,06,81,479	22,49,00,000
B. Total Expenses(including tax expense)	44,74,65,018	21,82,54,961
C. Net Profit/(Loss) from the Joint Venture	1,32,16,461	66,45,039
D. Share of Income/(Loss) of the Company in the above	59,47,407	29,90,268

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

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Assets of the Company related to interest in the JCE -Loans and advances granted to the JCE	14,27,22,458	19,70,06,567

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

2. INKEL-EKK Roads Private Limited

The Company has a 30% (Nil) ownership interest in the Jointly controlled entity (JCE) - INKEL-EKK Roads Private Limited, incorporated in India.

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

(Based on the Unaudited financial statements certified by the management of the Company)

(In Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
A.Total Revenue	-	-
B.Total Expenses(including tax expense)	6,67,530	-
C. Net Profit/(Loss) from the Joint Venture	(6,67,530)	-
D. Share of Income/(Loss) of the Company in the above	(2,00,259)	-

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

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Assets of the Company related to interest in the JCE -Advances granted to the JCE	1,63,497	-

The other venturer in the JCE is EKK Infrastructural Private Limited ,which has the remaining 70% (Nil) ownership interest in the JCE.

Note - 2.31 Contingent Liabilities not provided for :

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Corporate guarantee issued in favour of - - MIV Logistics Private Limited	23,19,74,071	35,37,30,812
- SEGURO-INKEL Consortium LLP	24,00,00,000	-
b) Bank guarantee issued in favour of - - INKEL-EKK Roads Private Limited	64,00,000	-
c) Claims towards Building Tax	30,16,979	28,55,835

Note - 2.32 Capital Commitments

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,27,92,689	9,96,85,212

Note - 2.33

Disclosure under Micro, Small and Medium Enterprises Development Act 2006

Company had sought confirmation from the vendors whether they fall in the category of Micro or Small Enterprises. Based on the information available, the required disclosure for Micro and small enterprises under the above Act is given below:

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
a. Principal Amount remaining unpaid But not due as at the year end	3,13,999	-
b. Interest due thereon as at the year end	-	-
c. Interest paid by the Company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) But without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e. Interest accrued and remaining unpaid as at the year end	-	-
f. Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Note - 2.34 Dividend Remittances in foreign currency

(In Rupees)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Year to which dividend relates	Financial Year 2014-2015	Financial Year 2013-2014
Amount remitted during the year	66,00,000	44,00,000
Number of non resident shareholders	4	4
Number of shares on which dividend was due	22,000	22,000

Note - 2.35

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

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. Padmasadan,
Company Secretary

George Raphael,
Chief Financial Officer

Vijay Narayan Govind
(Partner)
Membership No. 203094

Place : Kochi
Date : 22/06/2016

INKEL Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(In Rupees)

Particulars		For the year ended 31.03.2016	For the year ended 31.03.2015
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Taxation and exceptional items	19,32,49,189	15,83,66,755
	Adjustments for :		
	Depreciation and Amortisation	1,71,55,609	1,80,06,925
	Loss/(Profit) on sale of Assets(Net)	1,11,006	(1,67,946)
	Interest Income	(9,11,35,767)	(11,41,89,459)
	Interest paid	-	4,61,648
	Share of Profit from SEGURO-INKEL Consortium LLP	(59,47,407)	(29,90,268)
	Liabilities/Assets no Longer required written off	-	1,97,29,938
	Conversion of fixed assets to current assets	11,43,60,507	20,09,42,226
	Operating profit before Working Capital Changes	22,77,93,137	28,01,59,819
	Changes in Working Capital		
	Adjustments for (Increase)/Decrease in Operating Assets		
	Trade Receivables	(13,11,99,261)	(9,67,55,207)
	Short term loans and advances	(6,89,936)	(1,83,12,882)
	Other Current Assets	(21,612)	(2,55,138)
	Other Non-Current Assets	7,21,79,268	(9,27,52,268)
	Long term Loans and Advances	5,44,250	(6,65,630)
		(5,91,87,291)	(20,87,41,125)
	Adjustments for Increase/(Decrease) in Operating Liabilities		
	Trade Payables	8,35,303	(79,30,586)
	Other Current Liabilities	(2,34,98,993)	(1,31,83,373)
	Short term Provisions	25,77,472	17,24,891
	Long term Provisions	12,13,739	(16,61,215)
	Long Term Liabilities	8,07,000	4,73,240
		(1,80,65,479)	(2,05,77,043)
	Cash generated from Operations	15,05,40,367	5,08,41,651
	Taxes Paid	(3,49,05,531)	(3,83,25,066)
	Net Cash Used in Operating activities - (A)	11,56,34,836	1,25,16,585
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets including Capital WIP	(33,03,77,615)	(25,35,70,682)
	Loans and Advances made	4,00,92,869	(20,55,98,859)
	Interest received on loans/deposits	8,53,88,453	12,67,98,995
	Proceeds from sale of Fixed assets	1,00,000	2,70,166
	(Investments)/Sale of equity shares/preference shares	(19,66,60,000)	27,30,000
	(Investments)/Redemption of debentures	-	19,57,00,000
	Investments in Others	-	4,50,000
	Net Cash Used in Investing activities - (B)	(40,14,56,293)	(13,32,20,380)

INKEL Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(In Rupees)

Particulars		For the year ended 31.03.2016	For the year ended 31.03.2015
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Issue of Share Capital	-	-
	Proceeds from Long term borrowings	3,00,00,000	-
	Grant and Subsidy received from Government	9,14,41,382	
	Interest paid	-	(4,61,648)
	Dividend paid	(4,88,13,600)	(2,99,05,526)
	Dividend Distribution tax paid	(99,56,538)	(51,21,619)
	Net Cash Generated By Financing Activities - (C)	6,26,71,244	(3,54,88,793)
	Net increase in Cash and Cash equivalents (A+B+C)	(22,31,50,213)	(15,61,92,588)
	Cash and Cash equivalents at the beginning of the year	40,77,94,372	56,39,86,960
	Closing Cash And Cash Equivalents	18,46,44,159	40,77,94,372

Cash and cash equivalents at the end of the year includes Rs.5,34,61,396/- (Rs.2,50,000/-) held under lien and Rs.3,25,006/- (Rs.2,49,448/-) 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.004532S

K. Padmadasan,
Company Secretary

George Raphael,
Chief Financial Officer

Vijay Narayan Govind
(Partner)
Membership No. 203094

Place : Kochi

Date : 22/06/2016

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 asset 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. Government Grant/Subsidies

Government Grants and Subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the Grants/Subsidies will be received. Government Grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets.

Government Grants in the nature of Promoter's Contribution like Investment Subsidy, where no repayment is ordinarily expected in respect thereof, are treated as Capital Reserve.

Other Government grants and subsidies are recognized as Income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis.

f. Investments

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

g. 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.

h. Employee Benefits

i. 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.

ii. 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.

iii. 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.

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.

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.

j. 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.

k. 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.

l. 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.

m. 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.

n. 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

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 subsidiary Companies – INKEL-KSIDC Projects Limited, INKEL-KINFRA Infrastructure Projects Limited and INKES Trade Centre Limited (the Holding company and its subsidiary Companies together referred to as **"the Group"**), its associate Company (MIV Logistics Private Limited) and its jointly controlled entities (SEGURO-INKEL Consortium LLP and INKEL-EKK Roads Private Limited), comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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 Company and jointly controlled entities 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 including its associate Company and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associate Company and its jointly controlled entities 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.

Auditors' 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 auditors' 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. 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 subparagraph (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 Company and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No 2.13.1 to the Consolidated Financial Statements which states that having regard to the plan for future operations of the associate company and the realizable value of assets owned by the said Company, the

management is of the opinion that there is no permanent diminution in the value of investment in preference shares.

Our opinion is not modified in respect of these matters.

Other Matters

a) We did not audit the financial statements/ financial information of the three subsidiary Companies and one jointly controlled entity whose financial statements /financial information reflect total assets of Rs.1,01,90,62,293/- as at March 31,2016, total revenues of Rs.50,09,33,013/- and net cash inflow amounting to Rs1,88,28,946 /- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Groups share of net loss of Rs.6,38,48,322/- for the year ended 31st March, 2016 as considered in the consolidated financial statements, in respect of one associate Company 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 subsidiary Companies, associate Company and jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary Companies, jointly controlled entity and associate Company, is based solely on the reports of the other auditors.

b) We did not audit the financial statements / financial information of one jointly controlled entity, whose financial statements / financial information reflect total assets of Rs.Nil as at 31st March, 2016, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. As stated in Note No 1.b.(iii) to the Consolidated Financial Statements, these financial statements / financial information are unaudited and 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 this jointly controlled entity and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

c) As stated in Note No 1.b.(iv) to the Consolidated Financial Statements, the Consolidated Financial Statements of the associate company –M/s. MIV Logistics Private Limited has been prepared using the unaudited financial statements of its associate Company - M/s. Seabird Seaplane Private Limited, as stated in the Independent Auditors' Report on the Consolidated Financial Statements of the said company. In our opinion and according to the information and explanations given to us by the Management, the impact of the financial statements / financial information of M/s Seabird Seaplane Private Limited are not material to the Group.

d) As stated in Note No 1.b.(ii) to the Consolidated Financial Statements, during the financial year 2014-15, the Holding Company has written off the book value of investments made in earlier years in the subsidiary companies Thalikulam PURA Private Limited and Tirurangadi PURA Private Limited for the reasons stated therein. Neither of these companies has any significant assets or liabilities. Further, during the financial year 2014-2015, the Holding Company has also disposed the shareholding in an associate Company K.V. Apartments Private Limited, which was held only for a period of nine months in the financial year 2014-15. 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 with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, having regard to the observations stated under Other Matters paragraph above, 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.

(c) 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, 2016 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 of the Group companies, its associate company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group including its associate company and jointly controlled company, which are companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditors' 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 entities – Refer Note No 2.33.I.(c), to the consolidated financial statements.
- ii. The Group, its associate Company and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary Companies and associate company incorporated in India.

Place: Kochi-19

Date: 22/06/2016

**ANNEXURE A REFERRED TO IN PARAGRAPH 1(f) 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 SUBSIDIARY COMPANIES,
 ASSOCIATE COMPANY AND JOINTLY CONTROLLED COMPANY INCORPORATED IN
 INDIA FOR THE YEAR ENDED 31ST MARCH 2016**

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

In conjunction with our audit of the consolidated financial statements of *INKEL Limited* ("hereinafter referred to as **"the Holding Company"**) and its three subsidiary companies – INKEL-KSIDC Projects Limited, INKEL-KINFRA Infrastructure Projects Limited and INKES Trade Centre Limited (the Holding company and its subsidiary companies together referred to as **"the Group"**), its associate company (MIV Logistics Private Limited) and jointly controlled company (INKEL-EKK Roads Private Limited), which are companies incorporated in India, as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Group, its associate company and jointly controlled company, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's, its associate company's and jointly controlled company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of

the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's, its associate company's and jointly controlled company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the respective companies

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

a. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

b. As stated in sub-paragraph (b) of the Other Matters paragraph in our independent audit report, the financial statements/ financial information of the jointly controlled company are unaudited and have been furnished to us by the Management and our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting does not include reporting insofar as it relates to the jointly controlled company.

Place: Kochi-19

Date: 22/06/2016

INKEL Limited
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

Particulars	Note No.	As at 31.03.2016 (In Rupees)	As at 31.03.2015 (In Rupees)
I. EQUITY AND LIABILITIES			
(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	5,73,81,276	9,45,09,533
(c) Minority Interest	2.3	5,50,22,839	5,20,35,338
(2) Non - Current Liabilities			
(a) Long - Term Borrowings	2.4	12,38,83,170	-
(b) Deferred Tax Liabilities (Net)	2.5	4,82,22,264	2,55,57,898
(c) Other Long - Term Liabilities	2.6	2,33,34,231	57,26,240
(d) Long - Term Provisions	2.7	24,53,432	11,64,619
(3) Current Liabilities			
(a) Trade Payables	2.8		
i. Total outstanding dues of micro enterprises and small enterprises		3,13,999	-
ii. Total outstanding dues other than micro enterprises and small enterprises		2,24,96,849	1,15,54,225
(b) Other Current Liabilities	2.9	12,67,31,747	9,16,52,172
(c) Short Term Provisions	2.10	12,36,23,473	6,08,05,482
TOTAL		2,21,37,33,280	1,97,32,75,507
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.11	1,14,04,85,086	87,53,02,179
(ii) Intangible Assets	2.11	3,59,618	93,281
(iii) Capital Work - in - Progress	2.12	3,09,53,001	9,02,35,242
(b) Non - Current Investments	2.13	16,05,00,000	6,46,43,657
(c) Long - Term Loans and Advances	2.14	13,43,90,865	10,47,05,393
(d) Other Non-Current Assets	2.15	3,90,34,480	9,28,96,268
(2) Current Assets			
(a) Inventories	2.16	-	-
(b) Trade Receivables	2.17	38,14,23,732	20,36,85,211
(c) Cash and Cash Equivalents	2.18	20,43,30,147	40,86,82,727
(d) Short - Term Loans and Advances	2.19	8,83,13,547	12,04,85,855
(e) Other Current Assets	2.20	3,39,42,804	1,25,45,694
TOTAL		2,21,37,33,280	1,97,32,75,507

Significant Accounting Policies and Notes to Accounts 1&2

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

As per our separate 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 : 22/06/2016

INKEL Limited
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

Particulars	Note No.	For the year ended 31.03.2016 (In Rupees)	For the year ended 31.03.2015 (In Rupees)
I. Revenue			
Revenue from Operations	2.21	52,51,12,576	46,62,83,742
Other Income	2.22	6,00,26,022	8,42,50,183
II. Total Revenue		58,51,38,598	55,05,33,925
III. Expenses:			
Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.23	12,25,47,226	21,08,83,262
Construction and other related expenses	2.24	17,29,78,195	9,45,82,098
Employee Benefit Expense	2.25	3,04,87,611	2,14,53,155
Finance Costs	2.26	1,05,80,313	5,02,399
Depreciation and Amortisation	2.11	3,81,42,679	3,41,01,978
Other Expenses	2.27	4,83,55,758	6,18,15,877
IV. Total Expenses		42,30,91,782	42,33,38,769
V. Profit/(Loss) Before Tax		16,20,46,816	12,71,95,156
VI. Tax Expense:			
(1) Current Tax		4,40,08,196	3,59,79,223
(2) Tax - Prior Years		50,501	-
(3) Deferred tax		2,26,64,368	1,87,97,129
VII. Profit/(Loss) for the year before Minority Interest, Share in Net Profit/ (Loss) of Associate		9,53,23,751	7,24,18,804
VIII. Share of Profit/ (Loss) of Associate Company		(6,38,48,322)	(3,95,17,210)
IX. Profit/ (Loss) for the year		3,14,75,429	3,29,01,594
X. Profit/ (Loss) attributable to Owners of the Company		4,22,14,402	3,94,08,169
Minority Interest		(1,07,38,973)	(65,06,575)
		3,14,75,429	3,29,01,594
XI. Earning per Equity Share:	2.28		
(1) Basic		0.26	0.24
(2) Diluted		0.26	0.24

Significant Accounting Policies and Notes to Accounts 1 & 2

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

As per our separate 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 : 22/06/2016

INKEL Limited
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2016
NOTE - 2.1 SHARE CAPITAL

Particulars	As at 31-03-2016		As at 31-03-2015	
	Number of Shares	Amount (In Rupees)	Number of Shares	Amount (In Rupees)
SHARE CAPITAL				
Authorised Equity Share Capital				
Equity Shares of Rs.10/- (Rs. 10,000/-) Each	20,00,00,000	2,00,00,00,000	2,00,000	2,00,00,00,000
	20,00,00,000	2,00,00,00,000	2,00,000	2,00,00,00,000
Issued, Subscribed and Paid up				
Equity Shares of Rs 10/-(Rs. 10,000/-) Each	16,30,27,000	1,63,02,70,000	1,63,027	1,63,02,70,000
	16,30,27,000	1,63,02,70,000	1,63,027	1,63,02,70,000

2.1.1 Pursuant to shareholders' approval dated 26th August 2015, the equity shares of Rs.10,000/- each of the Company were subdivided into 1,000 Equity Shares of Rs.10/- each. Accordingly, all shares and per share information in the financial results reflect the effect of sub-division for each of the years presented.

2.1.2 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/- (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

Particulars	Number of Shares	Amount as at 31.03.2016 (In Rupees)	Number of Shares	Amount as at 31.03.2015 (In Rupees)
Equity Shares				
As at the beginning of the financial year	16,30,27,000	1,63,02,70,000	1,63,027	1,63,02,70,000
Shares issued during the financial year	-	-	-	-
As at the end of the financial year	16,30,27,000	1,63,02,70,000	1,63,027	1,63,02,70,000
Particulars of Shareholders holding more than 5% share in the Company				
Govt. of Kerala - 24.84 % (Previous year 24.84 %)	4,05,00,000	40,50,00,000	40,500	40,50,00,000
Bismi Holdings Ltd - 6.75 % (Previous year 6.75 %)	1,10,00,000	11,00,00,000	11,000	11,00,00,000
Shri. Yusuffali M A - 15.13 % (Previous year 15.13 %)	2,46,66,000	24,66,60,000	24,666	24,66,60,000
Shri. Varghese Kurian - 6.75 % (Previous year 6.75 %)	1,10,00,000	11,00,00,000	11,000	11,00,00,000
Dr.Mohamed Ali - 6.44 % (Previous year 6.44 %)	1,05,00,000	10,50,00,000	10,500	10,50,00,000

Pursuant to shareholders' approval dated 26th August 2015, the equity shares of Rs.10,000/- each of the Company were subdivided into 1,000 Equity Shares of Rs.10/- each. Accordingly the current year notes have been stated to this effect.

INKEL Limited
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2016
NOTE - 2.2 RESERVES & SURPLUS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Surplus		
Opening Balance	9,72,98,524	11,67,54,993
Net Profit/(Loss) after tax as per Statement of Profit and Loss	4,22,14,402	3,94,08,169
Closing Balance	13,95,12,926	15,61,63,162
Amount Available for Appropriation		
Less: Appropriations		
Proposed Dividend (Refer Note 2.2.1)	6,52,10,800	4,89,08,100
Tax on Proposed Dividend	1,32,75,385	99,56,538
	7,84,86,185	5,88,64,638
Closing Balance	6,10,26,741	9,72,98,524
Less: Minority Interest adjusted (as per Contra)	36,45,465	27,88,991
	5,73,81,276	9,45,09,533

2.2.1 The Board of Directors of the Company has proposed a dividend of Rs. 0.40/- per share of face value of Rs 10 each (Rs. 300/- per share of face value of Rs 10,000 each), which is subject to approval by shareholders in the ensuing Annual General Meeting.

NOTE - 2.3 MINORITY INTEREST

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Share Capital	7,76,39,554	6,47,69,554
Add: Share of accumulated reserves	(1,55,23,207)	(90,16,632)
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss	(1,07,38,973)	(65,06,575)
Add: Adjusted against majority interest (as per Contra)	36,45,465	27,88,991
Closing Balance	5,50,22,839	5,20,35,338

NOTE - 2.4 LONG TERM BORROWINGS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
From Banks		
Federal Bank Limited (See Note 2.4.1)	9,38,83,170	-
From Other Parties		
Unsecured (See Note 2.4.2)	3,00,00,000	-
	12,38,83,170	-

2.4.1 In case of the jointly controlled entity - M/s SEGURO-INKEL Consortium LLP, Loan taken from Federal Bank, sanction date - 23.04.2015, Cash Credit limit - Rs 24 crore.

2.4.2 The above interest free loan was sanctioned by the State Level Export Promotion Committee(SLEPC) under the Assistance to States for developing Export Infrastructure and other Allied Activities(ASIDE) Scheme implemented by Kerala Industrial Infrastructure Development Corporation(KINFRA) acting as the Government of Kerala appointed Nodal agency. The loan is repayable in three annual instalments of Rs. 1 crore each starting from the fourth year of disbursement, to be paid before 31st March 2019, 31st March 2020 & 31st March 2021 respectively.

INKEL Limited
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31.03.2016
NOTE - 2.5 DEFERRED TAX LIABILITIES (NET)

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
A. Deferred Tax Liability		
Opening Balance		
On excess of net book value over Income tax written down value of fixed assets	5,61,64,244	2,62,61,686
B. Deferred Tax Assets		
On disallowances	79,41,980	7,03,788
	4,82,22,264	2,55,57,898

NOTE - 2.6 OTHER LONG TERM LIABILITIES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposits	69,53,240	57,26,240
Lease Premium received in advance	1,50,74,696	-
Retention & Earnest Money Deposit	13,06,295	-
	2,33,34,231	57,26,240

NOTE - 2.7 LONG TERM PROVISIONS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits		
- Provision for Leave Encashment (See Note 2.29)	24,53,432	11,50,132
Other Long Term Provision	-	14,487
	24,53,432	11,64,619

NOTE - 2.8 TRADE PAYABLES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade Payables (See Note 2.8.1)		
i. Total outstanding dues of micro enterprises & small enterprises	3,13,999	-
ii. Total outstanding dues other than micro enterprises & small enterprises	2,24,96,849	1,15,54,225
	2,28,10,848	1,15,54,225

2.8.1 The company has taken steps to identify the suppliers who qualify under the definition of micro enterprises and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Intimations have been received from one supplier regarding their status under the said Act as at the year end, based on which, principal amount unpaid to such supplier as at the year end aggregating to Rs. 3,13,999/- (Rs. Nil) has been included under Trade Payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material.

INKEL Limited
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31.03.2016
NOTE - 2.9 OTHER CURRENT LIABILITIES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Accounts Payable- Capital	6,77,21,873	44,82,170
Lease hold Premium received in Advance	3,33,56,248	7,02,10,910
Advance From Customers/Clients	7,85,130	23,91,550
Retention Money payable	1,36,85,396	48,32,824
Statutory Dues	1,02,60,013	60,02,702
Security Deposit / Earnest Money Deposit	4,76,871	35,01,510
Unclaimed Dividend	3,25,006	2,30,506
EKK Infrastructure Ltd - towards expense	1,21,210	-
	12,67,31,747	9,16,52,172

NOTE - 2.10 SHORT TERM PROVISIONS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits		
- Provision for Leave Encashment (See Note 2.29)	20,38,319	14,11,845
- Provision for Gratuity (See Note 2.29)	-	3,13,046
Proposed Dividend	6,52,10,800	4,89,08,100
Tax on Proposed Dividend	1,32,75,385	99,56,538
Provision for Income Tax	4,08,34,925	2,15,953
Provision for Capital Expenditure for Long Term Finance Lease (See Note 2.10.1)	22,64,044	-
	12,36,23,473	6,08,05,482

2.10.1 Details of Provisions
In case of the Company

Nature of Provision	Balance as at 01.04.2015	Additional Provision during the year	Amounts used/changed during the year	Unused amounts reversed	Balance as at 31.03.16
Provision for Capital Expenditure for Long Term Finance Lease	-	22,64,044	-	-	22,64,044

NOTE - 2.12 CAPITAL WORK IN PROGRESS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Projects under implementation	3,09,53,001	9,02,35,242
	3,09,53,001	9,02,35,242

INKEL Limited

NOTE - 2.11

A. TANGIBLE ASSETS

(In Rupees)

SL. NO.	Particulars	Opening Balance	Additions during the year	GROSS BLOCK Deletions/ Adjustments during the year	Closing Balance	Opening Balance	DEPRECIATION Depreciation for the year	Deleted during the year	Closing Balance	NET BLOCK AS ON 31.03.2016	NET BLOCK AS ON 31.03.2015
1	Freehold Land	18,17,45,828 (4,52,20,250)	12,61,68,065 (13,65,25,578)	-	30,79,11,893 (18,17,45,828)	-	-	-	-	30,79,11,893 (18,17,45,828)	18,17,45,828 (4,52,20,250)
2	Leasehold Land - See Note 2.11.1	54,82,00,131	5,95,95,800	3,76,71,649	57,01,24,282	2,85,58,502	68,13,363	21,41,111	3,32,30,754	53,68,93,528	51,96,41,829
3	Building- See Note 2.11.1 and Note 2.11.2	(56,76,80,602) 18,58,34,306 (30,56,90,444)	- 21,04,07,506 (8,38,61,470)	(3,94,80,471) 9,53,39,171 (18,77,17,608)	(54,82,00,131) 30,09,02,641 (18,58,34,306)	(2,38,13,071) 2,66,86,060 (1,89,16,478)	(64,30,633) 2,31,74,209 (2,02,74,369)	(16,85,202) 1,24,26,823 (1,25,24,787)	(2,85,58,502) 3,74,13,446 (2,66,66,060)	(51,96,41,829) 26,34,89,195 (15,91,68,246)	(56,38,67,531) 15,91,68,246 (29,07,73,986)
4	Plant & Machinery - See Note 2.11.2 and 2.11.3	87,41,775 (62,86,363)	1,52,38,791 (24,53,412)	18,42,674	2,21,37,892 (87,41,775)	33,82,776 (6,80,526)	35,06,779 (27,02,250)	2,378	58,87,177 (33,82,776)	1,52,50,715 (53,58,999)	53,58,999 (56,07,837)
5	Furniture and Fittings	1,24,13,646 (65,23,031)	58,58,221 (38,90,615)	23,100	1,82,48,787 (1,24,13,646)	63,85,491 (47,19,790)	23,84,350 (16,65,701)	19,483	87,50,358 (63,85,491)	94,96,409 (60,28,155)	60,28,155 (38,03,241)
6	Office Equipments	31,00,294 (25,02,169)	8,99,075 (5,98,125)	6,52,677	33,48,692 (31,00,294)	22,05,241 (10,85,281)	5,22,246 (11,19,960)	6,20,043	21,07,444 (22,05,241)	12,39,248 (8,95,053)	8,95,053 (14,16,898)
7	Computer	45,88,315 (36,49,020)	16,55,690 (11,95,445)	8,750 (2,56,150)	62,35,255 (45,88,315)	32,40,109 (22,79,302)	12,83,989 (12,04,150)	8,313	45,15,785 (32,40,109)	17,19,470 (13,48,206)	13,48,206 (13,69,718)
8	Motor Car	(18,04,574) (8,78,432)	-	(9,20,850)	(8,83,724) (8,83,724)	6,17,245 (7,33,434)	90,310 (1,60,152)	-	7,07,556 (6,17,245)	1,76,168 (2,66,478)	2,66,478 (5,16,042)
9	Electrical Fittings	28,47,812 (27,83,312)	39,66,963 (64,500)	9,30,885	58,83,890 (28,47,812)	19,98,227 (15,05,181)	3,33,770 (4,93,046)	7,56,567	15,75,430 (19,98,227)	43,08,460 (8,49,585)	8,49,585 (12,78,131)
Total (A)		94,83,55,831	42,37,88,111	13,64,68,906	1,23,56,73,036	7,30,53,652	3,81,09,016	1,59,74,718	9,51,87,950	1,14,04,85,086	87,53,02,179
Previous Year		(96,81,41,765)	(20,85,69,145)	(22,83,75,079)	(94,83,55,831)	(5,42,88,161)	(3,40,50,261)	(1,52,84,770)	(7,30,53,652)	(87,53,02,179)	(91,38,53,604)

B. INTANGIBLE ASSETS

1	Computer Software	8,78,432 (8,78,432)	3,00,000	-	11,78,432 (8,78,432)	7,85,151 (7,33,434)	33,663 (51,717)	-	8,18,814 (7,85,151)	3,59,618 (93,281)	93,281 (1,44,988)
Total (B)		8,78,432	3,00,000	-	11,78,432	7,85,151	33,663	-	8,18,814	3,59,618	93,281
Previous Year		(8,78,432)	-	-	(8,78,432)	(7,33,434)	(51,717)	-	(7,85,151)	(93,281)	(1,44,988)
Grand Total (A) + (B)		94,92,34,263	42,40,88,111	13,64,68,906	1,23,68,51,468	7,38,38,803	3,81,42,679	1,59,74,718	9,60,06,764	1,14,08,44,704	87,53,95,460
Previous Year		(96,90,20,197)	(20,55,89,145)	(22,83,75,079)	(94,92,34,263)	(5,50,21,595)	(3,41,01,978)	(1,52,84,770)	(7,38,38,803)	(87,53,95,460)	(91,39,98,602)

2.11.1 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.

2.11.2 Additions during the year to Building and Plant & Machinery is net of Rs.8,62,27,224 (Rs.Nil) and Rs.37,72,776 (Rs.Nil) respectively, being the government grant received under the "Assistance to State for Developing Export Infrastructure and other Allied Activities "(ASIDE) Scheme.

2.11.3 Additions during the year to Plant & Machinery is net of Rs.14,41,382 (Rs.Nil) being subsidy received from Government of Kerala as per the State Horticulture Mission- Kerala- Hi Tech Agriculture Plan Scheme.

INKEL Limited
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31.03.2016
NOTE - 2.13 NON CURRENT INVESTMENTS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Investments in Equity Instruments (Un-quoted, Trade, at cost)		
i) In Associate companies		
-MIV Logistics Pvt Ltd		
1,18,29,714 (1,18,29,714) Equity Shares of Rs.10/-each,		
Opening Balance	6,41,43,657	10,57,34,346
Less: Unrealised Profit on Consultancy Income	(2,95,335)	(20,73,479)
Less: Share of Profit/ (Loss) of Associate (See Note No. 2.13.2)	(6,38,48,322)	(3,95,17,210)
Closing Balance	-	6,41,43,657
ii) In Others		
- KV Apartments Pvt Ltd (Associate till 31.12.2014)	5,00,000	5,00,000
50,000 (50,000) Equity Shares of Rs.10/- each, fully paid up		
b) Investments in Preference Instruments (Un-quoted, Trade, at cost)		
i) In Associate companies		
- MIV Logistics Pvt Ltd		
1,60,00,000 (Nil) Optionally Convertible Preference Shares of Rs.10/- each, fully paid up	16,00,00,000	-
Total investments (a) + (b)	16,05,00,000	6,46,43,657
Aggregate amount of unquoted investments	16,05,00,000	6,46,43,657

2.13.1 Having regard to the plans for future operations of the associate company and the realizable value of assets owned by the said Company, the management is of the opinion that there is no permanent diminution in the value of investment in preference shares.

2.13.2 The Company's accumulated share of losses in the consolidated financial statements of the associate company M/s MIV Logistics Pvt Ltd exceeds the carrying amount of the investment and hence the investment in Associate company is reported at nil value in accordance with Accounting Standard – 23 on Accounting for Investments in Associates in Consolidated Financial Statements as prescribed by Companies (Accounting Standards) Rules, 2006.

NOTE - 2.14 LONG TERM LOANS AND ADVANCES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Advance for Capital Assets	59,27,500	17,10,000
Security Deposits	15,82,490	32,71,990
Advance to Kerala State Industrial Enterprises Ltd towards proposed Joint Venture Infrastructure Project	-	1,21,00,000
Income Tax (Net)	7,00,50,148	3,26,23,403
Advance to Related Parties		
- SEGURO - INKEL Consortium LLP	5,68,30,727	5,50,00,000
	13,43,90,865	10,47,05,393

INKEL Limited
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31.03.2016
NOTE - 2.15 OTHER NON CURRENT ASSETS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade Receivables		
(Unsecured Considered good)		
-Outstanding for a period exceeding six months from the date they were due for payment	-	-
-Others (See Note 2.15.1)	2,05,73,000	9,27,52,268
Earnest Money Deposits	2,25,000	-
Security Deposits	66,96,000	-
Advance Income Tax and TDS	4,62,605	-
Fixed Deposit with Banks (See Note 2.15.2)	1,09,33,875	-
Other Non Current Assets	1,44,000	1,44,000
	3,90,34,480	9,28,96,268

2.15.1 Trade Receivables include Rs. Nil (Rs.9,27,52,268/-) due from Kerala Academy for Skills Excellence (KASE), a Government of Kerala owned private limited company; in which a director of INKEL Limited is a director.

2.15.2 Balance with Fixed Deposit Accounts for Rs.1,09,33,875/- (Nil) held under lien with a maturity period of more than 12 months.

2.15.3 In case of the jointly controlled entity - M/s SEGURO-INKEL Consortium LLP, balance with Fixed Deposits Accounts for Rs 2,42,97,500/-(Nil) held under lien with a maturity period of more than 12 months.

NOTE - 2.16 INVENTORIES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Land and Building held on long term finance lease		
Opening Balance		-
Add: Additions during the year	12,25,47,226	21,08,83,262
Less: Disposed during the year	12,25,47,226	21,08,83,262
Closing Balance	-	-
	-	-

NOTE - 2.17 TRADE RECEIVABLES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade Receivables		
(Unsecured Considered good)		
-Outstanding for a period exceeding six months from the date they were due for payment	59,25,622	3,73,036
-Others(See Note 2.17.1)	37,54,98,110	20,33,12,175
	38,14,23,732	20,36,85,211

2.17.1 Trade Receivables include Rs.58,35,872/- (Rs.53,82,737/-) due from MIV Logistics Private Limited, Rs.10,15,37,226 (Rs. Nil) due from Kerala State Industrial Development Corporation (KSIDC), a Government of Kerala owned private limited company in which a director of the Company is a director and Rs.9,30,82,680/- (Rs. Nil) due from Kerala Academy for Skills Excellence (KASE), a Government of Kerala owned private limited company; in which a director of the Company is a director.

2.17.2 In case of the Subsidiary Company - M/s INKEL - KSIDC Projects Limited, trade receivables includes dues for lease premium.

2.17.3 In case of the jointly controlled entity - M/s SEGURO-INKEL Consortium LLP, trade receivables is dues from Government authorities towards construction of bridges.

INKEL Limited
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31.03.2016
NOTE - 2.18 CASH AND CASH EQUIVALENTS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Cash on Hand	13,088	7,913
Balance with Banks		
In Current Accounts	7,13,424	21,24,814
In Fixed Deposit Accounts	20,36,03,635	40,65,50,000
	20,43,30,147	40,86,82,727

2.18.1 Earmarked Balances:

a. Balance with banks in Current Accounts include earmarked balances for unpaid dividend Rs.18,500/- (Rs.18,500/-) for the Financial Year 2009-10, Rs.1,79,606/- (Rs.2,30,948/-) for the Financial Year 2013-14 and Rs.1,26,900/- (Nil) for the Financial Year 2014-15.

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

2.18.3 Balance with banks in Deposit Account includes Rs. 5,34,61,396/- (Rs. 2,50,000/-) held under lien.

NOTE - 2.19 SHORT TERM LOANS AND ADVANCES

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Loans/advances to related parties		
SEGURO - INKEL Consortium LLP	2,07,20,437	5,33,53,612
INKEL - EKK Roads Private Ltd	1,14,448	-
Others:		
Advances recoverable in cash or in kind or for value to be received	2,01,28,970	2,06,06,155
Earnest Money Deposits	12,75,000	-
Balances with Government Authorities	3,96,41,372	4,54,75,769
Advance to Suppliers/Contractors	25,85,320	9,53,377
Advance to employees	3,48,000	96,942
Others	35,00,000	-
	8,83,13,547	12,04,85,855

NOTE - 2.20 OTHER CURRENT ASSETS

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Interest Receivable	1,50,00,323	86,39,483
Prepaid expenses	3,61,785	3,40,173
Mobilisation/Secured Advance	1,42,11,459	-
Others	43,69,237	35,66,038
	3,39,42,804	1,25,45,694

INKEL Limited
**NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016**
NOTE - 2.21 REVENUE FROM OPERATIONS

(In Rupees)

Particulars	For the year ended 2015 - 16	For the year ended 2014 - 15
Income from disposal of land and building (On Long Term Finance Lease)	28,47,93,715	33,90,33,880
Construction Income	20,57,88,651	10,12,05,000
Share of Course Fee Received	1,13,00,301	52,34,725
Income from Operating Lease	1,01,47,680	88,12,180
Income from Project Management Services (Refer Note 2.21.1)	83,99,901	1,01,19,561
Common Amenity Charges	46,82,328	18,78,396
	52,51,12,576	46,62,83,742

2.21.1 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 on guidelines on this matter (for executing civil works), the company is entitled to the total sum of Rs.4,50,921/- (Rs.11,59,373/-) 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 aggregated to Rs.74,07,478/- (Rs.1,96,90,349/-) has been reimbursed to them out of the deposits received/receivable from Government of Kerala for the works. Consultancy charges payable to BSNL at agreed rates has been recognized as expenditure.

NOTE - 2.22 OTHER INCOME

(In Rupees)

Particulars	For the year ended 2015 - 16	For the year ended 2014 - 15
Interest Income	5,23,92,516	8,12,76,927
Guarantee Fee Received	7,55,167	-
Profit on Sale of Assets	68,861	1,71,114
Liquidity Damages	40,000	6,31,605
Interest on Lease Premium	31,14,816	-
Interest on Secured Advance	5,27,276	-
Interest on Mobilisation Advance	5,98,609	-
Interest on Fixed Deposit/Bank	10,10,564	-
Agricultural Income	2,78,697	-
Miscellaneous Income	12,39,516	21,70,537
	6,00,26,022	8,42,50,183

INKEL Limited
**NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016**
NOTE - 2.23 COST OF LAND ACQUIRED/BUILDING/AMENITIES CONSTRUCTED AND DISPOSED

(On long term finance lease agreements)

(In Rupees)

Particulars	For the year ended 2015 - 16	For the year ended 2014 - 15
- Cost of Land	3,55,30,539	3,77,95,270
- Cost of Building/Plant and Equipment	8,47,52,643	17,30,87,992
- Cost of Amenities	22,64,044	-
	12,25,47,226	21,08,83,262

NOTE - 2.24 CONSTRUCTION AND OTHER RELATED EXPENSE

(In Rupees)

Particulars	For the year ended 2015 - 16	For the year ended 2014 - 15
Construction Expenses - Sub Contract	17,11,27,350	8,67,34,789
Labour welfare cess	2,03,677	11,35,800
Value Added Tax	16,47,168	10,32,509
Upfront Fee	-	56,79,000
	17,29,78,195	9,45,82,098

NOTE - 2.25 EMPLOYEE BENEFIT EXPENSES

(In Rupees)

Particulars	For the year ended 2015 - 16	For the year ended 2014 - 15
Salaries & Allowances	2,76,08,899	1,92,50,085
Contribution to Provident and Other Funds	14,86,254	14,72,720
Staff Welfare Expense	13,92,458	7,30,350
	3,04,87,611	2,14,53,155

NOTE - 2.26 FINANCE COSTS

(In Rupees)

Particulars	For the year ended 2015 - 16	For the year ended 2014 - 15
Interest Expense	1,05,80,313	5,02,399
	1,05,80,313	5,02,399

INKEL Limited
**NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016**
NOTE - 2.27 OTHER EXPENSES

(In Rupees)

Particulars	For the year ended 2015 - 16	For the year ended 2014 - 15
Expenditure on Corporate Social Responsibility Activity (See Note 2.27.1)	2,11,825	-
Agricultural expenses	17,49,046	-
Project Management Services Expenses	48,03,371	59,68,078
Power & Fuel	36,95,561	60,54,414
Rent	34,63,360	27,78,424
Repairs & Maintenance	50,88,489	12,98,523
Insurance	1,15,388	1,22,934
Payment to Auditors		
Statutory Audit	2,88,000	2,18,500
Taxation Service	87,500	40,000
Other Services	1,24,000	1,02,426
Reimbursement of expenses	11,258	15,210
Meeting expense	15,47,922	23,65,941
Sitting fee to Directors	7,85,905	3,22,500
Bank charges & interest	5,12,037	-
Consideration for Manpower services	45,13,925	52,20,571
Hostel Running and Course expenses	12,41,234	11,15,011
Advertisement & Publicity	83,96,504	17,94,555
Loss on Sale of assets	1,79,867	3,168
Membership/ Subscription to Professional bodies	1,68,494	44,776
Postages, Telephone and internet charges	9,86,710	9,00,324
Printing and Stationery	2,85,681	2,53,480
Professional Charges & Legal Fee	15,97,466	12,31,469
Rates & Taxes	19,81,504	27,95,591
Staff Recruitment Expense	6,94,772	7,76,540
Travelling & Conveyance	42,34,824	43,27,800
Trade Investments written off	-	1,68,81,891
Expenditure on projects written off	4,11,669	33,36,351
Guarantee Commission	89,590	-
Business Promotion Expense	1,54,498	-
Preincorporation Expense	2,00,259	6,74,932
Preliminary Expense	-	26,50,180
Miscellaneous Expenses	7,35,099	5,22,288
	4,83,55,758	6,18,15,877

NOTE - 2.27.1. Note on Expenditure on Corporate Social Responsibility activities

i)	Gross amount required to be spent during the year Rs 17,63,000/- (Rs 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	2,11,825 -
		2,11,825 -

INKEL Limited
**NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016**
NOTE - 2.28 EARNINGS PER SHARE

Particulars	For the year ended 2015 - 16	For the year ended 2014 - 15
Profit/ (Loss) after tax (In Rs.)	4,22,14,402	3,94,08,169
Weighted average number of Equity shares of Rs.10/- (Rs.10,000/-) each (fully paid up) - (See Note 2.1.1)	16,30,27,000	16,30,27,000
Basic and Diluted Earnings Per Equity Share- In Rs. (Face Value of Share- Rs.10 each) - See Note 2.28.1	0.26	0.24

2.28.1 Previous year figures have been recast pursuant to sub-division of the face value of equity shares of the Company from Rs.10,000/- each to Rs.10/- each during the year.

Note No. 2.29 EMPLOYEE BENEFITS

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

2.29.1 Defined Contribution Plans
In case of Holding Company - INKEL LIMITED

During the year the company has recognized Rs.9,21,033/- (Previous Year Rs.7,93,229/-) in the Statement of Profit and Loss on account of defined contribution plans.

In case of Subsidiary Company - INKEL-KSIDC PROJECTS LIMITED

During the year the company has recognized Rs.1,81,630/- (Previous Year Nil-) in the Statement of Profit and Loss on account of defined contribution plans.

2.29.2 Defined Benefit Plans
In case of Holding Company - INKEL LIMITED
Gratuity (Funded)

(i)	Actuarial Assumptions	31st March, 2016	31st March, 2015
	Discount Rate	8.00% p.a.	8.00% p.a.
	Rate of return on plan assets	Not Applicable	Not Applicable
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Lives Mortality[1994-1996] Ultimate Table	Indian Lives Mortality[1994-1996] Ultimate Table

*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 Rupees)

(ii)	Reconciliation of present value of obligation:	31st March, 2016	31st March, 2015
	Present value of obligation at the beginning of the year	23,57,549	18,16,413
	Current Service Cost	3,86,837	5,25,145
	Interest Cost	2,04,077	1,16,319
	Actuarial (gain)/loss	(78,620)	1,11,182
	Benefits Paid	(1,87,699)	(2,11,510)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	26,82,144	23,57,549

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31st March, 2016	31st March, 2015
	Fair value of plan assets at the beginning of the year	20,44,503	11,06,768
	Expected return on plan assets	1,63,560	1,52,640
	Actuarial gain/(loss)	1,23,033	(1,09,357)
	Contributions	8,19,064	8,94,452
	Benefits paid	(1,59,891)	-
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	29,90,269	20,44,503

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March, 2016	31st March, 2015
	Present value of obligation	26,82,144	23,57,549
	Fair value of plan assets	29,90,269	20,44,503
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(3,08,125)	3,13,046

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31st March, 2016	31st March, 2015
	Current Service Cost	3,86,837	5,25,145
	Interest Cost	2,04,077	1,16,319
	Expected return on plan assets	(1,63,560)	(1,52,640)
	Actuarial (gain) /loss recognised in the period	(2,01,653)	2,20,539
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	2,25,701	7,09,363

Leave Plan (Unfunded)

(i)	Actuarial Assumptions	31st March, 2016	31st March, 2015
	Discount Rate	8.00% p.a.	8.00% p.a.
	Rate of return on plan assets	Not Applicable	Not Applicable
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Lives Mortality[1994-1996] Ultimate Table	Indian Lives Mortality[1994-1996] Ultimate Table

*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 Rupees)

(ii)	Reconciliation of present value of obligation:	31st March, 2016	31st March, 2015
	Present value of obligation at the beginning of the year	24,52,295	19,92,020
	Current Service Cost	13,16,083	7,49,057
	Interest Cost	2,48,827	1,89,324
	Actuarial (gain)/loss	6,88,205	33,235
	Benefits Paid	(4,12,902)	(5,11,341)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	42,92,508	24,52,295

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31st March, 2016	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 Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March, 2016	31st March, 2015
	Present value of obligation	42,92,508	24,52,295
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	42,92,508	24,52,295

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31st March, 2016	31st March, 2015
	Current Service Cost	13,16,083	7,49,057
	Interest Cost	2,48,827	1,89,324
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	6,88,205	33,235
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	22,53,115	9,71,616

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

In case of Subsidiary - INKEL-KSIDC PROJECTS LIMITED
Gratuity (Funded)

(i)	Actuarial Assumptions	31st March, 2016
	Discount Rate (per annum)	8.00% p.a.
	Rate of return on plan assets	Not Applicable
	Compensation escalation rate *	5.00% p.a.
	Mortality rate	Indian 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 Rupees)

(ii)	Reconciliation of present value of obligation:	31st March, 2016
	Present value of obligation at the beginning of the year	-
	Current Service Cost	7,859
	Interest Cost	314
	Actuarial (gain)/loss	6,203
	Benefits Paid	(3,685)
	Curtailments	-
	Settlements	-
	Present value of obligation at the end of the year	9,691

(In Rupees)

iii)	Reconciliation of fair value of plan assets :	31st March, 2016
	Fair value of plan assets at the beginning of the year	-
	Expected return on plan assets	-
	Actuarial gain/(loss)	-
	Contributions	76,496
	Benefits paid	(3,685)
	Assets distributed on settlement	-
	Fair value of plan assets at the end of the year	72,811

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March, 2016
	Present value of obligation	9,691
	Fair value of plan assets	72,811
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(63,120)

(In Rupees)

(v)	Expenses recognized in the Statement of Profit and Loss:	31st March, 2016
	Current Service Cost	7,859
	Interest Cost	314
	Expected return on plan assets	-
	Actuarial (gain) /loss recognized in the period	6,203
	Past Service Cost	-
	Curtailment cost	-
	Settlement cost	-
	Total expenses recognized in the Statement of Profit and Loss	14,376

Leave Plan (Unfunded)

(i)	Actuarial Assumptions	31st March, 2016
	Discount Rate (per annum)	8.00% p.a.
	Rate of return on plan assets	Not Applicable
	Compensation escalation rate *	5.00% p.a.
	Mortality rate	Indian 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 Rupees)

(ii)	Reconciliation of present value of obligation:	31st March, 2016
	Present value of obligation at the beginning of the year	-
	Current Service Cost	1,52,796
	Interest Cost	6,112
	Actuarial (gain)/loss	40,335
	Benefits Paid	-
	Curtailments	-
	Settlements	-
	Present value of obligation at the end of the year	1,99,243

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31st March, 2016
	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 Rupees)

(iv) Net (Asset)/Liability recognized in the Balance Sheet as at year end:	31st March, 2016
Present value of obligation	1,99,243
Fair value of plan assets	-
Net present value of unfunded obligation recognized as (asset)/liability in the Balance Sheet	(1,99,243)

(In Rupees)

(v) Expenses recognized in the Statement of Profit and Loss:	31st March, 2016
Current Service Cost	1,52,796
Interest Cost	6,112
Expected return on plan assets	-
Actuarial (gain) /loss recognized in the period	40,335
Past Service Cost	-
Curtailment cost	-
Settlement cost	-
Total expenses recognized in the Statement of Profit and Loss	1,99,243

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 -2.30

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. Thalikulam PURA Private Limited	Subsidiary Company
ii. Tirurangadi PURA Private Limited	Subsidiary Company
iii. MIV Logistics Private Limited	Associate Company
iv. KV Apartments Private Limited	Associate Company(till 31.12.2014)
v. SEGURO-INKEL Consortium LLP	Jointly Controlled Entity
vi. INKEL- EKK Roads Private Limited	Jointly Controlled Entity
vii. Seguro Foundations and Structures Private Limited	Enterprise having substantial interest in the Jointly Controlled Entity
viii. KSIDC Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-KSIDC Projects Limited
ix. KINFRA Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-KINFRA Infrastructure Projects Limited
x. Key Managerial Personnel Mr. T Balakrishnan	Managing Director of the company

INKEL Limited
**NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016**
B. Description of Transactions

(In Rupees)

Nature of Transaction	Subsidiary Company/ Associate Company/ Jointly controlled entity	Key Managerial Personnel	Total
Income			
1 Income:			
a. Project Management Services MIV Logistics Private Limited	7,49,012 (52,58,634)	- -	7,49,012 (52,58,634)
SEGURO - INKEL Consortium LLP	1,07,05,014 -	- -	1,07,05,014 -
b. Gurantee Commission Received MIV Logistics Private Limited	- (35,00,000)	- -	- (35,00,000)
SEGURO - INKEL Consortium LLP	13,73,031 -	- -	13,73,031 -
c. Scrap Sales MIV Logistics Private Limited	97,707 -	- -	97,707 -
2 Interest income from Loans/Debentures KV Apartments Private Limited	- (2,66,56,479)	- -	- (2,66,56,479)
SEGURO - INKEL Consortium LLP	1,65,92,296 (49,21,085)	- -	1,65,92,296 (49,21,085)
Expenses			
1 Remuneration to Managing Director	- -	36,19,781 (36,34,580)	36,19,781 (36,34,580)
2 Sub Contract Expenses	38,02,83,000 (19,27,43,976)	- -	38,02,83,000 (19,27,43,976)
Loans and Advances			
1 KV Apartments Private Limited Sale of shares in the Company	- (40,00,000)	- -	- (40,00,000)
2 SEGURO - INKEL Consortium LLP - Loan/Advances given	6,64,25,790 (19,25,77,591)	- -	6,64,25,790 (19,25,77,591)
- Loan/Advances recovered	13,93,45,137 -	- -	13,93,45,137 -
Investments			
1 KV Apartments Private Limited	5,00,000 (5,00,000)	- -	5,00,000 (5,00,000)
2 MIV Logistics Private Limited (Including preference shares)	27,82,97,140 (11,82,97,140)	- -	27,82,97,140 (11,82,97,140)
3 SEGURO-INKEL Consortium LLP (including share of profit)	93,87,675 (34,40,268)	- -	93,87,675 (34,40,268)
4 INKEL EKK Roads Private Limited	30,000 -	- -	30,000 -

INKEL Limited
**NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS
 FOR THE YEAR ENDED 31.03.2016**
B. Description of Transactions

(In Rupees)

Nature of Transaction	Subsidiary Company/ Associate Company/ Jointly controlled entity	Key Managerial Personnel	Total
Guarantee given			
1 MIV Logistics Private Limited	23,19,74,071	-	23,19,74,071
	(45,50,00,000)	-	(45,50,00,000)
2 SEGURO-INKEL Consortium LLP	24,00,00,000	-	24,00,00,000
3 INKEL - EKK Roads Private Limited	64,00,000	-	64,00,000
	-	-	-
Receivables			
1 MIV Logistics Private Limited	58,35,872	-	58,35,872
	(53,82,737)	-	(53,82,737)
2 SEGURO-INKEL Consortium LLP	14,27,22,458	-	14,27,22,458
	(19,70,06,567)	-	(19,70,06,567)
3 INKEL - EKK Roads Private Limited	1,63,497	-	1,63,497
	-	-	-
4 KSIDC Limited	42,39,237	-	42,39,237
	(32,78,538)	-	(32,78,538)
5 KINFRA Ltd	1,44,000	-	1,44,000
	(1,44,000)	-	(1,44,000)
6 Seguro Foundations and Structures Private Limited	2,81,56,624	-	2,81,56,624
	-	-	-
Payables			
1 Seguro Foundations and Structures Private Limited	2,66,99,496	-	2,66,99,496
	(44,33,550)	-	(44,33,550)

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 - 2.31
In case of the company and its subsidiaries and its 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.

In case of the associate company :

The company has during the year a single segment namely "LOGISTICS". Therefore the company's business does not fall under different segments as defined by AS-17 "Segmental Reporting" issued by ICAI.

Note - 2.32.1
In case of the subsidiary company INKES Trade Centre Limited:

The company has entered agreement with KSIE Ltd for developing of land at Thampanoor and lease premium is amortised during the period under review.

Preoperative expense incurred will be allocated to the assets at the time of capitalization.

INKEL Limited
**NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016**
Note - 2.32.2
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.

Note - 2.32.3
In case of the subsidiary company INKEL-KINFRA INFRASTRUCTURE PROJECTS LIMITED:

Unamortised amount of lease premium in the books of the company were Rs 3735.30 lakh (Previous Year 3869.70 Lakh)

Service tax input credit receivables is shown as balance lying with Govt Authorities under Current asset in accordance with the service tax rules.

Note - 2.33 Contingent Liabilities not provided for :

(In Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
I. In case of the Company		
a) Corporate guarantee issued in favour of -		
- MIV Logistics Private Limited	23,19,74,071	35,37,30,812
- SEGURO-INKEL Consortium LLP	24,00,00,000	-
b) Bank guarantee issued in favour of -		
- INKEL-EKK Roads Private Limited	64,00,000	-
c) Claims towards Building Tax	30,16,979	28,55,835
II. In case of the the subsidiary company INKEL - KSIDC Project Limited		
a) Interest on unpaid lease premium payable by the subsidiary company INKEL - KSIDC Project Limited to KSIDC	8,05,00,000	8,05,00,000
III. In case of Associate Company MIV Logistics Private Limited		
a) Preference Share Dividend (Payable to Holding Company INKEL Limited)	1,72,00,000	-

Note No 2.34 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	As at 31.03.2016 Net Assets, ie Total Assets - Total liabilities		As at 31.03.2015 Net Assets, ie Total Assets - Total liabilities	
	As a % of consolidated net assets	"Amount (In Rupees)"	As a % of consolidated net assets	"Amount (In Rupees)"
Parent Company	87.91%	1,53,19,63,548	85.37%	1,51,67,90,527
Subsidiaries:				
INKEL KSIDC Projects Limited	7.04%	12,27,46,943	8.35%	14,83,42,980
INKEL KINFRA Infrastructure Projects Limited	-0.60%	(1,03,75,554)	-0.33%	(57,80,309)
INKES Trade Centre Ltd	1.96%	3,40,98,923	-0.12%	(21,57,590)
Jointly Controlled Entity:				
SEGURO-INKEL Consortium LLP	0.54%	93,87,675	0.19%	34,40,268
INKEL EKK Roads Private Limited	-0.01%	(1,70,259)	-	-
Associate Company:				
Equity Investment in MIV Logistics Private Limited		11,82,97,140		11,82,97,140
Less: Share of Loss		(11,82,97,140)		(5,41,53,483)
			3.61%	6,41,43,657
Minority Interest	3.16%	5,50,22,839	2.93%	5,20,35,338
Total	100.00%	1,74,26,74,115	100.00%	1,77,68,14,871

Name of the entity	For the year ended 31.03.2016 Share in Profit or (Loss)		For the year ended 31.03.2015 Share in Profit or (Loss)	
	As a % of consolidated Profit or (Loss)	Amount (In Rupees)	As a % of consolidated Profit or (Loss)	Amount (In Rupees)
Parent Company	400.78%	12,61,45,874	312.54%	10,28,30,557
Subsidiaries:				
INKEL KSIDC Projects Limited	-47.25%	(1,48,70,895)	-62.66%	(2,06,15,854)
INKEL KINFRA Infrastructure Projects Limited	-14.60%	(45,95,245)	-11.40%	(37,52,002)
INKES Trade Centre Ltd	-20.22%	(63,64,158)	-7.68%	(25,27,590)
Jointly Controlled Entity:				
SEGURO-INKEL Consortium LLP	18.90%	59,47,407	9.09%	29,90,268
INKEL EKK Roads Private Limited	-0.64%	(2,00,259)	-	-
Associate Company:				
MIV Logistics Private Limited	-202.85%	(6,38,48,322)	-120.11%	(3,95,17,210)
Minority Interest	-34.12%	(1,07,38,973)	-19.78%	(65,06,575)
Total	100.00%	3,14,75,429	100.00%	3,29,01,594

Note - 2.35

(In Rupees)

Capital Commitments	As at 31.03.2016	As at 31.03.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,27,92,689	9,96,85,212

INKEL Limited
**NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016**
Note - 2.36
Disclosure under Micro, Small and Medium Enterprises Development Act 2006

Company had sought confirmation from the vendors whether they fall in the category of Micro or Small Enterprises. Based on the information available, the required disclosure for Micro and small enterprises under the above Act is given below:

(In Rupees)

	Particulars	As at 31.03.2016	As at 31.03.2015
a.	Principal Amount remaining unpaid But not due as at the year end	3,13,999	-
b.	Interest due thereon as at the year end	-	-
c.	Interest paid by the Company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
d.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) But without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e.	Interest accrued and remaining unpaid as at the year end	-	-
f.	Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Note - 2.37 Dividend Remittances in foreign currency:-

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Year to which dividend relates	Financial year 2014-15	Financial year 2013-2014
Amount remitted during the year	66,00,000	44,00,000
Number of non resident shareholders	4	4
Number of shares on which dividend was due	22,000	22,000

Note - 2.38

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 : 22/06/2016

INKEL Limited
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(In Rupees)

	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Taxation and exceptional items	16,20,46,816	12,71,95,156
	Adjustments for :		
	Depreciation and Amortisation	3,81,42,679	3,41,01,978
	(Profit)/Loss on sale of Assets(Net)	1,11,006	(1,67,946)
	Interest Income	(5,34,03,080)	(8,12,76,927)
	Interest paid	1,05,80,313	5,02,399
	Liabilities \Assets no Longer required written off	-	1,97,29,938
	Conversion of fixed assets to current assets	12,02,83,182	21,08,83,262
	Operating profit before Working Capital Changes	27,77,60,916	31,09,67,860
	Changes in Working Capital		
	Adjustments for (Increase)\Decrease in Operating Assets		
	Trade Receivables	(17,74,43,186)	(18,94,37,902)
	Short term loans and advances	3,21,72,308	(6,35,98,275)
	Other Current Assets	(1,50,36,270)	(38,21,176)
	Long term Loans and Advances	1,19,58,773	(5,67,60,881)
	Other Non Current Assets	5,43,24,393	(9,27,52,268)
		(9,40,23,982)	(40,63,70,502)
	Adjustments for increase (Decrease) in Operating Liabilities		
	Trade Payables	1,12,56,623	(63,57,674)
	Other Current Liabilities	(2,82,54,628)	1,31,26,500
	Short term Provisions	25,77,472	17,24,891
	Long term Provisions	12,88,813	(15,37,046)
	Long Term Liabilities	1,76,07,991	6,53,240
		44,76,271	76,09,911
	Cash generated from Operations	18,82,13,205	(8,77,92,731)
	Taxes Paid	(4,13,29,075)	(4,29,56,451)
	Net Cash Used in Operating activities - (A)	14,68,84,130	(13,07,49,182)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets including Capital WIP	(30,57,81,669)	(28,50,94,223)
	Proceeds from sale of Fixed assets	1,00,000	2,70,166
	(Investments)/Sale of Equity shares/Preference Shares	(16,00,00,000)	40,00,000
	(Investments) /Redemption of Debentures	-	19,57,00,000
	Interest received in deposits	4,70,42,240	9,33,52,925
	Net Cash Used in Investing activities - (B)	(41,86,39,429)	82,28,868

INKEL Limited
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(In Rupees)

	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend paid	(4,88,13,600)	(2,99,05,526)
	Dividend distribution tax paid	(99,56,538)	(51,21,619)
	Interest paid	(1,05,80,313)	(5,02,399)
	Adjustments towards minority interest	1,28,70,000	1,30,000
	Proceeds from Long term Borrowings	12,38,83,170	-
	Net Cash Generated By Financing Activities - (C)	6,74,02,719	(3,53,99,544)
	Net increase in Cash and Cash equivalents(A+B+C)	(20,43,52,580)	(15,79,19,858)
	Cash and Cash equivalents at the beginning of the year	40,86,82,727	56,66,02,585
	Closing Cash And Cash Equivalents	20,43,30,147	40,86,82,727

Cash and cash equivalents at the end of the year includes Rs.5,34,61,396/- (Rs.2,50,000/-) held under lien and Rs.3,25,006/- (Rs.2,49,448/-) deposited in unclaimed dividend account which is earmarked for payment of dividend.

For and on behalf of the Board of Directors

As per our separate 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 : 22/06/2016

1. Significant Accounting Policies

a. Principles of Consolidation

The consolidated financial statements relate to 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:

- 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., 31st March, 2016.
- 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'.
- 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 entities.

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, 2016	31 March, 2015
INKEL KSIDC Projects Limited	Subsidiary Company	74%	74%
INKEL KINFRA Infrastructure Projects Limited	Subsidiary Company	74%	74%
INKES Trade Centre Limited	Subsidiary Company	74%	74%
SEGURO - INKEL Consortium LLP	Jointly Controlled Entity	45%	45%
INKEL - EKK Roads Private Limited	Jointly Controlled Entity	30%	-
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

i. 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 entities SEGURO-INKEL Consortium LLP and INKEL-EKK Roads Private Limited 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.

- ii. During the Financial Year 2014-15, the company has written off the book value of investments made in earlier years in the subsidiary companies Thalikulam PURA Private Limited and in Tirurangadi 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 the Financial Year 2014-15. 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.
- iii. The company had made investment in a Jointly Controlled Entity INKEL- EKK Roads Private Limited during the year. The financial statements / financial information of the Jointly Controlled Entity incorporated in the consolidated financial statements are unaudited and are as certified by the Management of the Jointly Controlled Entity. The Jointly Controlled Entity does not have any significant assets or liabilities and the impact of the net assets and results of the Jointly Controlled Entity in the Consolidated Financial Statement is not considered material.
- iv. In case of the consolidated financial statements of the Associate company M/s MIV Logistics Private Limited, as stated in the Basis of Accounting of the Significant Accounting Policies of the Consolidated Financial Statements of M/s MIV Logistics Private Limited, M/s. Seabird Seaplane Private Limited is an associate company of MIV Logistics Private Limited. Investments in the associate company M/s. Seabird Seaplane Private Limited is accounted for using the Equity Method of accounting as laid down by Accounting Standard 23 - "Accounting for Investment in Associates in Consolidated Financial Statements". The investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investors' share of profit and loss of the investee after the date of acquisition. No statutory audit has been conducted by the associate company M/s. Seabird Seaplane Private Limited for the year ended 31.03.2016 as on date. The impact of the financial results of M/s Seabird Seaplane Private Limited in the consolidated financial statements of M/s INKEL Limited is not considered 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:

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 asset were allocated to all assets in the ratio of costs standing under each asset as on 31.03.2016.

Lease Premium paid in respect of Land taken on lease is taken under Fixed Assets and is amortized over the lease period.

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 upto 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 case of Building, in whose case the useful lives have been assessed lower than the life prescribed in schedule II to 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

h. Government Grants/Subsidies
In case of the company:

Government Grants and Subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the Grants/Subsidies will be received. Government Grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets.

Government Grants in the nature of Promoter's Contribution like Investment Subsidy, where no repayment is ordinarily expected in respect thereof, are treated as Capital Reserve.

Other Government grants and subsidies are recognized as Income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis.

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 Projects 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 Consolidated 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 Consolidated Statement of Profit and Loss for the period in which they occur.

l. 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.

ATTENDANCE SLIP

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

CIN: U45209KL2007PLC020471

Door No. 7/473 ZA-5&6, 2nd Floor, Ajiyal Complex, Kakkanad, Cochin, Ernakulum - 682030

Ph : 0484 6491138, Fax : 0484 2978102

I hereby record my presence at the **NINTH ANNUAL GENERAL MEETING** of INKEL Limited to be held on Saturday, the 24th September, 2016 at 10.30 am at Grand Hotel, MG 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

Door No. 7/473 ZA-5&6, 2nd Floor, Ajiyal Complex, Kakkanad, Cochin, Ernakulam - 682030

Ph : 0484 6491138, Fax : 0484 2978102

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) _____ of _____ having e-mail id _____ or failing
him

3) _____ 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 at the **Annual General Meeting** of INKEL Limited to be held on Saturday the 24th September 2016 at 10.30 am at Grand Hotel, MG Road, Cochin and at any adjournment thereof in respect of such resolutions as indicated in the notice.

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.

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.



Registered Office: Door No. 7/473 ZA-5&6, Ajiyal Complex,
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