

# **ANNUAL REPORT 2016-2017**

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## **INKEL Limited**

CIN : U45209KL2007PLC020471

Registered Office : 2nd Floor, Ajiyal Complex, Post Office Road, Kakkanad, Kochi - 682030

### **CHAIRMAN**

**Shri A C Moideen**

Hon'ble Minister (Industries, Textiles, Sports & Youth Affairs)  
Government of Kerala

### **DIRECTORS**

**Shri Paul Antony IAS**

Additional Chief Secretary (Industries & Power)

**Shri Varghese Kurian**

Managing Director, ALNAMAL Group

**Shri C.K. Menon**

Chairman & MD, Behzad Group

**Shri C.V. Rappai**

Director & GM, Video Home

**Shri Mohamed Althaf**

Regional Director, Lulu Group

**Shri M M Abdul Basheer**

Managing Director, IGCL

**Smt M Beena 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**

**Company Secretary**

Shri K. Padmasadan

**Statutory Auditors**

M/s. Varma & Varma Chartered Accountants, Cochin

**Bankers**

State Bank of India, Federal Bank Ltd.

## NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the members of the company will be held on Friday, the 25th August, 2017 at 10.30 a.m. at Grand Hotel, Jos Junction, M.G. Road, Cochin to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017 including the Balance Sheet and Statement of Profit & Loss for the year ended on that date and Cash Flow Statement and the Consolidated Financial Statements and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Varghese Kurian (DIN – 01114947) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mohamed Althaf (DIN – 06409935) who retires by rotation and being eligible offers himself for re-appointment.
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 there under, 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 11th Annual General Meeting of the Company to be held in the year 2018 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 ended 31.03.2018 as may be determined by the Board 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 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) Mr. C K Menon (DIN – 01955233) who was appointed as an Additional Director with effect from 16.12.2016 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 his candidature for the office of director be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

#### Terms of Appointment of Managing Director

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

RESOLVED THAT pursuant to the provisions of Section 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed by the Board/ Committee of Directors, consent of the Company be and is hereby accorded to the appointment of Mr. T Balakrishnan as Managing Director of the company from 01.04.2017 to 31.07.2017 or until further orders from the Government whichever is earlier, on the same terms of appointment as hitherto.

By Order of the Board

Sd/-  
30.06.2017  
Kochi

Sd/-  
K Padmasadan  
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. Form of proxy is attached at the end of the Annual Report.

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 within the time limit specified in the Act to those members whose names appear on the Company's Register of Members as on 24.08.2017.

**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, 2014, 31st March, 2015 and 31st March, 2016. Details of the unclaimed/unpaid**

**dividend are also uploaded on the company's website [www.inkel.in](http://www.inkel.in). Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the company.**

**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. The route map showing the directions to reach the venue of the 10th Annual General Meeting is given in page no. 102

9. All documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days between 10.00 am to 01.00 pm up to and inclusive of the date Annual General Meeting.

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

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

### **Item No.6**

Mr. C K Menon was appointed as an Additional Director on 16.12.2016 by the Board of Directors of the company. According to the provisions of Section 161 of the Companies Act, 2013, he holds office as director only up to the date of the ensuing Annual General Meeting. As required by Section 160 of the Act, a notice has been received from a member signifying his intention to propose appointment of Mr. C K Menon as a Director along with a deposit of specified amount as mentioned in the Section. The Board considers it desirable that the company should continue to avail itself of his services.

Except, Mr. C K Menon, no other Directors of the company are concerned or interested in the proposed resolution.

### Item No.7

Govt. of Kerala vide G.O (Rt) No.1149/2016/ID dated 01.11.2016 stated that Mr. T Balakrishnan will continue as Managing Director INKEL until a new officer is appointed. Since the order has not specified a duration, for the purpose of compliance, the company has appointed Mr. T Balakrishnan as Managing Director for a period from 01.11.2016 to 31.03.2017 or until further orders from the Government whichever is earlier. Since no orders have been issued so far on the strength of the G.O (Rt) No.1149/2016/ID dated 01.11.2016 that Mr. T Balakrishnan will continue as Managing Director INKEL until a new officer is appointed, he has continued as Managing Director beyond 31.03.2017.

The Board of Directors at its meeting held on 23.06.2017, for compliance purpose, regularise his appointment and extended upto 31st July, 2017 or until a new Officer is appointed, whichever is earlier. In accordance with provisions of Section 169 of the Companies Act, 2013 appointment of Managing Director requires approval of the members.

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

### General Information

INKEL is a Public- Private Partnership venture promoted by Government of Kerala in the year 2007. The company was established with its objects to promote, setup, operate maintain, sell or otherwise deal in all or any infrastructure facilities, projects and ventures including but not limited to Special Economic Zones, Industrial Parks or Estates, roads rail and other transport facilities and all or any related infrastructure facilities.

### Information about the Appointee Background details:

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

### Remuneration proposed:

1. An annual remuneration of Rs. 36,00,000/- (Rupees Thirty Six Lakhs)
2. Gratuity not exceeding 15 days salary for every year of completed service.
3. Encashment of unavailed leave, limited to 30 days per year of service or proportionate thereof.
4. Medical reimbursement, as available to an employee of the company.

None of the other Directors of the Company are in any way concerned or interested in this resolution.

### Other Information

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

### Disclosure

The shareholders of the Company shall be informed of the remuneration package of the managerial person and in compliance of this; the relevant information has been given at the appropriate place.



## BOARD'S REPORT

Dear Members,

The Board of Directors are happy to present this Report on the business and operations of your company for the Financial Year ended 31st March 2017.

### Operational Results

Rs in lacs

PARTICULARS	2016-2017	2015-2016
<b>INCOME</b>		
Sub Lease	1,093.84	2,494.99
PMC	700.63	241.77
Interest	697.94	911.36
Solar Business	678.99	-
Other Income	486.31	338.55
<b>TOTAL (A)</b>	<b>3,657.71</b>	<b>3,986.66</b>
<b>EXPENSE</b>		
Cost of Lease	592.04	1,166.25
Solar Expense	637.56	-
Other Operating Expense	208.88	41.11
Other Expense	1,206.36	846.82
<b>TOTAL (B)</b>	<b>2,644.84</b>	<b>2,054.17</b>
<b>PBT (A) - (B)</b>	<b>1,012.87</b>	<b>1,932.49</b>
<b>TAX EXPENSE</b>	283.97	671.03
<b>PAT</b>	<b>728.90</b>	<b>1,261.46</b>

### Dividend

The Board at its meeting held on 23.06.2017 has recommended a dividend of 30 paise per equity share of Rs. 10/- each for the financial year ended 31st March 2017. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting (AGM) to be held on 25th August 2017.

### Share Capital

During the current year, there has been no change in the capital structure. The present paid up capital of the company is Rs. 1,63,02,70,000/- divided into 163027000 equity shares of Rs. 10/- each.

### Operations

#### BRIDGE PROJECTS

Seguro-Inkel LLP has successfully completed two bridge projects and three are in different stages

of progress. Both the projects are landmarks since the one at Alwaye, across Periyar, is basically a foot overbridge but is meeting the requirement of lakhs of pilgrims every year, who were dependent on wooden temporary bridges or country boats. The other one provides a second new connection from the Willingdon Island to the western side of the Kochi City and facilitates easier access to the coastal areas of Ernakulam and Alleppey Districts.

Three Bridge Projects are currently under execution and these are expected to be completed during the current financial year.

With the success in bridge construction, the LLP is now executing two building projects, with a combined project cost of Rs.8.76 Crores for Government of Kerala. In parallel, the LLP is also bidding for bridge projects now being tendered for.

## **ROAD PROJECTS**

INKEL-EKK Roads Private Limited is now executing 58 km State highway/MDR project in Trivandrum and Kottayam Districts, with a total project cost of Rs. 162 Crores under PPP annuity mode.

The Project is making brisk progress and is scheduled to be completed in August, 2018.

## **CONTAINER FREIGHT STATION**

The Contract between MIV Logistics Private Limited and APM Terminals India Private Limited, for operation and management of the Container Freight Station, Vallarpadam, was terminated with effect from the 31st of December, 2016. The tie up, even after two years, was found to be neither beneficial nor remunerative to MIV.

The CFS is now run directly by MIV, with managerial support from the Company, for day to day operations. The Unit has now started performing better and, hopefully, by the end of this Financial Year, it may turn the corner.

The Company has made investments of almost thirty Crores of rupees in this project and no efforts will be spared to make this project profitable.

## **CITY CENTRE, TRIVANDRUM**

Work on this long delayed project will finally commence this year. Clearance from the City Corporation was pending as the project land happened to be in the industrial category due to historic reasons. This issue has now been solved by the Government. This project with an estimated project cost of Rs.42 Crores, is a commercial building, at Thampanoor, with 2 lac square feet of space.

## **CONSULTANCY & PMC**

The Company registered significant gains in Consultancy and Project Management Consultancy. Several prestigious projects have been awarded to the Company by the Government of Kerala and Government organizations like KINFRA.

The company is currently executing PMC for Defence Park Project at Ottapalam, Mega Food Park at Palakkad – Electrical Consultancy, Coir Corporation and Pollution Control Board/Chandiroor ETP

The company has received orders from Government according Administrative Sanction for executing four hospital Projects for the Health Department of Govt of Kerala. This include (i) Construction of Cancer Hospital and Research Institute at Medical College Campus, Kochi (ii) Development of Govt Medical College, Ernakulam (iii) Govt General Hospital, Ernakulam and (iv) Govt Taluk Hospital, Punalur.

Government has entrusted INKEL with construction of 55 treasuries across the State with budgetary provision of Rs.150 cr. Report for 25 treasuries is already submitted and administrative sanction is issued for 10 nos.

The total project cost for the PMC services is Rs.125 crores and the income to the company shall be 3.75 percentage of the project cost.

The total value of hospital projects will be Rs 865 Crores to be implemented in a span of three years. The income to the Company shall be the Centage - 3.5% for projects above 100 Cr and 3.75% for projects below 100 Cr - for executing the above Projects. A detailed plan of action for execution of the project with detailed budget is under preparation.

## **SOLAR ENGINEERING**

We started Solar vertical with a Vision to make INKEL a leading EPC integrator for Implementing Solar projects across the country. We provide street light systems and roof top solutions using solar panels. During the year under review the company bagged a project for laying 1115 Nos. 78W Solar Street lights along the Thodupuzha – Pala - Ponkunnam road with a project cost of Rs. 8 crores. This project is almost complete.

We have also installed 9 Nos. of High Mast Lighting System at Kongad constituency having project value Rs. 72 lakhs. The company has also bagged the order for installation of 800Nos. 60W Solar Street light system along Chengannur - Ettumanoor Road at a project cost of around Rs. 4 crores. We are also doing 10kWp Grid Tie SPV Plant for a client at Angamaly.

## **FACILITIES MANAGEMENT**

We are now carrying out the Facility Management of Tower 1 and Tower 2 at Angamaly and intend to show case this to the public as a testimony to

our expertise in this area. We have implemented mechanized cleaning process to maintain the property towards high levels of standard. Facilities Management of SDS – BPCL, KSIDC Incubation Centre, Angamaly has been entrusted with INKEL Care. INKEL Care has now taken-up the Integrated Facilities Management of MIV and Inkel Green.

### **AGRI BUSINESS**

It is our policy to utilise productively available land parcels till the time the projected developments are taken up. Towards this objective, we have constructed poly houses at Malappuram, Piravam and Palakkad where the Company is in possession of lands both owned or leased. The agricultural assets at Palakkad are looked after and these have started earning revenue to the Company at least on a smaller scale.

### **INKEL BUSINESS PARK**

Fifty percent of the total space at INKEL Tower II has been leased out. The company is aggressively moving forward with one to one meetings as well as meetings with trade bodies and associations for leasing of the remaining area. IBP has almost accomplished the objective for which it was set up. Within a short span of time, the Park is brimming with activities of different nature, all aiding the industrial growth and national resources. More than 75 per cent of the available space has been leased out and the ongoing discussions for leasing are likely to see full occupation of the space much before the end of this Financial Year.

The Park has already become a known destination and this is bound to aid further developments which are planned in the coming months and years in over 23 acres of land at Angamali.

### **INKEL GREENS**

At INKEL Greens Malappuram, 45 acres has already been allotted. 5 educational institutions and 26 industrial units have taken land on lease of which some have started functioning and others are in various stages of implementation.

In the Education Zone, INKEL NTT Training Center is fully functional in 40,000 sq.ft. area offering 100% job oriented diploma programs to around 500 students, every year.

### **Loans. Guarantees . Investments**

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

### **Fixed Deposits**

The Company, during the year, for the first time, went for a public exposure in finance mobilization. The Public Deposit Scheme which was kept open for a short period of 25 days, mobilised nearly Rs.10 Crores. This instrument of finance mobilization will be put to use in the future, when the requirements arise.

There is no outstanding deposit at the end of the year and the company has not made any default in repayment of deposits or payment of interest thereon during the year.

### **Contracts or arrangements made with related parties**

During the year under review, the company has not entered into any contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013

### **Material change and commitments affecting financial position**

There have been no material changes or commitment affecting financial position of the company between the end of the financial year and date of the Report.

### **Subsidiaries & Associates**

As on 31st March, 2017, the company has 6 subsidiaries and 2 associates. The consolidated financial statements of the company and the subsidiaries, form part of this Annual Report in accordance with Section 129(3) of the Companies Act 2013. 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](http://www.inkel.in).

## Corporate Governance

Corporate Governance Report for the FY 2016-17 forms part of this report.

### Number of meetings of the Board

The Board met 5 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. Specific details of the meetings are provided in the Corporate Governance Report which form part of this Annual Report.

## Directors and Key Managerial Personnel

### Appointments

#### Chairman

Shri A C Moideen, Hon'ble Minister (Industries, Textiles, Sports & Youth Affairs), Govt. of Kerala was appointed as the Chairman of the company on 16.12.2016 in the place of Shri E.P.Jayarajan, the former Hon Minister (Industries & Sports).

#### GoK Nominee

Shri Paul Antony IAS, Additional Chief Secretary (Industries & Power), nominee of Govt of Kerala, was appointed as a Director on 16.12.2016 in the place of Shri P H Kurian IAS, the former Additional Chief Secretary (Industries).

### Independent Directors

Mr. P Nandakumaran and Mrs. Pamela Anna Mathew were appointed as Independent Directors of the company for a period of two years, by the members at the Extra Ordinary General Meeting held on 27.03.2015 under section 149(10) of the Companies Act; these appointments however are subject to provisions of section 152 of the Companies Act. Mr. P Nandakumaran and Mrs. Pamela Anna Mathew, were reappointed as Independent Directors at the Extra Ordinary General Meeting held on the 27th March, 2017, for a further period of 2 years.

Independent Directors, can be appointed for a consecutive term of five years under section 149(10) of the Companies Act. Since the appointments are

governed by the overall provisions of Section 152 of the Companies Act, the Company has followed the pattern of two years + two years, below the term of 5 years stipulated under the Act.

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.

### Resignation

During the Year, Shri Siddeek Ahmed Haji Panamtharayil Director, resigned from the Board. The Board place on record its appreciation of the valuable contribution by Shri Siddeek Ahmed Haji during his association, which dates back to the formative years, with the Company.

### Re-appointment

Mr C K Menon was appointed, as Additional Director pursuant to Section 161(1) of the Companies Act 2013, by the Board on 16.12.2016, after a short gap during which he ceased to be a Director on his resigning from the Board.

Your Directors recommend his appointment as Non-Executive Director of your Company pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Varghese Kurian and Mr. Mohamed Althaf are liable to retire at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and the Articles of Association of your Company and being eligible, have offered themselves for reappointment.

Appropriate resolutions for their re-appointment are being placed for your approval at the ensuing Annual General Meeting. Your Directors recommend their reappointment as Non-Executive Directors of your Company.

### Key Managerial Personnel

In accordance with the provisions of Section 203 of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial

Personnel) Rules 2014, Shri T Balakrishnan, Managing Director, Shri K Padmasadan, Company Secretary and Shri George Raphael, General Manager (Finance & Accounts) are the key managerial personnel of your Company.

### **Committees of the Board**

As on 31st March, 2017, 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 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**

#### ***Your Directors state that:***

a) in the preparation of the annual accounts for the year ended March, 31, 2017, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit and loss 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.

### **Audit Report and Auditors**

#### **Audit Report**

The Auditors Report for the FY 2016-17 does not contain any qualification, reservation or adverse remarks. The Auditors Report is enclosed with the financial statements in this report.

With regard to the Secretarial Auditors' observation that the company has not spent the entire amount on CSR, there is only a negligible shortfall in the overall expenditure on CSR activities vis-a-vis the amount representing 2% of the average profit in the last three years, for lack of projects which will benefit large group of people. This amount will be earmarked for spending during the current financial year.

#### **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. The appointment of M/s. Varma & Varma Chartered Accountants, as Statutory Auditors of the company, for the Financial Year 2017-2018 is placed for ratification by the shareholders, pursuant to Section 139 of the Companies Act, 2013.

#### **Secretarial Auditors**

As required under Section 204 of the Companies Act, 2013 and rules thereunder, the Board has

appointed Mr. T R Sreeram, Practicing Company Secretary, as secretarial auditor for FY 2017-18.

### **Corporate Social Responsibility (CSR)**

INKEL through its Corporate Social Responsibility initiatives shall strive to enrich the quality of life in different segments of the society. The Annual Report on the CSR activities is annexed to the Board's Report.

### **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.

### **Acknowledgment**

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

For and on behalf of the Board of Directors

23.06.2017  
Kochi

sd/-  
T Balakrishnan  
Managing Director

sd/-  
M M Abdul Basheer  
Director





**Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures**
**FORM NO. AOC – 1**
**Part “A” : Subsidiaries**
**Rs in lacs**

Sl No	Name of subsidiary	Financial period ended	Share capital	Reserves & Surplus	Total assets	Total liabilities	invest-ments	Turnover	Profit before taxation	Provi-sion for taxation	Profit after taxation	Pro-posed dividend	% of holding
1	INKEL-EKK Roads Pvt Ltd	31.03.2017	1600	(13.07)	5372.40	3785.47	-	6.11	(13.07)	-	(13.07)	-	51
2	INKEL-KSIDC Projects Ltd	31.03.2017	2476.14	(1045.20)	5035.88	3604.95	-	285.34	(380.47)	(37.05)	(343.36)	-	74
3	INKES Trade Centre Ltd	31.03.2017	500	(46.24)	737.16	283.40	-	3.23	(7.03)	-	(7.03)	-	74
4	INKE-KINFRA Infrastructure Projects Ltd	31.03.2017	10	(143.51)	68.66	202.17	-	-	(3.09)	-	(3.09)	-	74
5	Thalikulam Pura Pvt Ltd	31.03.2017											
6	Tirurangadi Pura Pvt Ltd	31.03.2017											

**Notes:**

- Sl. No. (3) is yet to commence operations.
- Sl. No. (5) and (6) under dormant status.
- 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
Latest audited Balance Sheet Date	31.03.2017	31.03.2017
Shares of Associate/joint venture held by the company on the year end : No: Amount of Investment: Extend of holding	1,18,29,714 11,82,97,140 39.43%	- 4,50,000 45%
Description of how there is significant influence	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
Net worth attributable to shareholding as per latest audited Balance Sheet	5,89,25,390	99,89,870
Profit/Loss for the year i. considered in consolidation ii. not considered in consolidation	- (3,20,12,237)	50,69,036 50,69,037

**Notes:**

- Name of associate which is yet to commence operation : NIL
- Name of associate which have been liquidated or sold during the year :NIL

## ANNUAL REPORT ON CSR ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013)

INKEL is committed to ensuring the social well being of the communities in the vicinity of its business operations through Corporate Social Responsibility (CSR) initiatives.

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.

### 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

The financial details as sought by the Companies Act, 2013 for FY 2016-17 are as follows:

Rs. in lacs

Particulars	Amount
Average net profit of the company for last three years	1195
Prescribed CSR expenditure (2% of the average net profit as computed above)	23.91

### Details of CSR spent during the financial year:

#### a) Re-construction of a Road at Vadakarapathy Panchayath

We have sponsored re-construction of a Road at Vadakarapathy Panchayath, Palakkad District. The

Road connects Kalliyampara to Health Centre road, located in a high density area which is near to the land parcels acquired by us at Palakkad. The road constructed at a cost of Rs.13.85 lakh benefits a large number of rural populace.

#### b) Individual/Community toilets under Rural Kerala Open Defecation Free (ODF) Mission

We have participated in the Rural Kerala Open Defecation Free (ODF) Mission of the Govt. of Kerala. We have adopted Vadakarapathy Panchayat, Palakkad District, where we have land holding of roughly 120 acres, for providing Individual/Community toilets. We have constructed 24 toilets at various places in the Panchayath at a cost of Rs.7.2 lakh.

#### c) Initiative of Govt. L P School Trivandrum

Govt. L.P School Cotton Hill, Vazhuthacaud, Thiruvananthapuram has conducted an initiative called 'Cotton Colour Creative'. The theme is drawal of pictures on different themes on classroom walls. We have participated in this by adopting one classroom with an expenditure of Rs.1.50 lakh.

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

There is only a negligible shortfall in the overall expenditure on CSR activities vis-a-vis the amount representing 2% of the average profit in the last three years, for lack of projects which will benefit large group of people. This amount will be earmarked for spending during the current financial year.

### Responsibility statement of the CSR Committee:

It is hereby affirmed 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. Board of Directors

#### i. Composition and size of the Board as on 31.03.2017

The present strength of Board of Directors is 11. The details of the directors as at March 31, 2017 is given below:

Name of Director	Type of Directorship
Shri A C Moideen	Chairman, GoK Nominee
Shri T Balakrishnan	Managing Director, GoK Nominee
Shri Paul Antony IAS	Non Executive Director, GoK Nominee
Shri C.K.Menon	Non Executive Director
Shri Varghese Kurian	Non Executive Director
Shri C.V.Rappai	Non Executive Director
Shri Mohamed Althaf	Non Executive Director
Shri M M Abdul Basheer	Non Executive Director
Smt. M Beena IAS	Non Executive Director
Shri P Nandakumaran	Independent Director
Smt. Pamela Anna Mathew	Independent Director

#### ii. Board, General Meetings & Attendance

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

Name of Director	No. of Meetings held during the period the Director was on the Board	No. of Meetings attended	Presence at the last AGM
Shri A C Moideen	2	2	-
Shri T Balakrishnan	5	5	YES
Shri Paul Antony IAS	2	1	-
Shri C.K.Menon	2	1	-
Shri Varghese Kurian	5	2	-
Shri C.V.Rappai	5	5	YES
Shri Mohamed Althaf	5	4	YES
Shri M M Abdul Basheer	5	5	YES
Smt. M Beena IAS	5	2	-
Shri P Nandakumaran	5	4	YES
Smt. Pamela Anna Mathew	5	3	YES

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

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

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

## **ANNEXURE-II**

### **Conservation of energy**

The operations of the Company involve low energy

consumption. Adequate measures have however been taken to conserve energy.

The Company has developed a Solar Energy wing and is contributing 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.

Foreign Exchange Earnings & Outgo

There was no foreign exchange earnings and outgo during the year under report.



## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2017

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

### I. REGISTRATION & OTHER DETAILS:

1	CIN	U45209KL2007PLC020471
2	Registration Date	09.03.2007
3	Name of the Company	INKEL Limited
4	Category/Sub-category of the Company	Closely held public Company limited by shares
5	Address of the Registered office & contact details	Door No. 7/473 ZA -5&6, 2nd Floor, Ajiyal Complex, Kakkanad, Cochin - 682030 Ph: 0484 – 6491138 Email id: deptcs@inkelkerala.com
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 Office : 080-4132 9661 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	% to total turnover of the company
1	Infrastructural projects	45	100%

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

S N	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	51	Subsidiary	2(87)(ii)

### IV. SHARE HOLDING PATTERN

Name of shareholders	No. of shares held	Percentage
Govt. of Kerala	4,05,00,000	24.84
Govt. Companies	1,20,00,000	7.36
Directors / Relatives of Directors	6,72,17,000	41.23
Foreign Holdings	2,20,00,000	13.49
Banks & Corporate Holdings	87,00,000	5.34
Others	1,26,10,000	7.73
TOTAL	16,30,27,000	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 excluding deposits	Unsecured Loans	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**
**Amount (Rs)**

SN	Particulars of Remuneration	Name of Directors										Total Amount	
		Mr. Paul Antony	Mr. P.H. Kurian	Mr. Varghese Kurian	Mr. C.K Menon	Mr. Siddeek Ahmed Haji Panatharayil	Mr. C.V. Rappai	Mr. Mohamed Althaf	Mr. M M Abdul Basheer	Mr. P Nandakumar	Mrs. Pamela Anna Mathew	Mrs. Dr. M Beena	
1	Independent Directors	-	-	-	-	-	-	-	-	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-	1,75,000	1,35,000	-	3,10,000
	Commission	-	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-	-	-	-	-	-
2	Other Non-Executive Directors												
	Fee for attending board /committee meetings	25,000	25,000	50,000	25,000	0	1,70,000	90,000	2,00,000	-	-	50,000	6,35,000
	Commission												
	Others, please specify												
	Total (2)	25,000	25,000	50,000	25,000	0	1,70,000	90,000	2,00,000	-	-	50,000	6,35,000
	Total (B)=(1+2)	25,000	25,000	50,000	25,000	0	1,70,000	90,000	2,00,000	1,75,000	1,35,000	50,000	9,45,000



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

Amount (Rs)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Incometax Act, 1961	1,719,327	1,874,428	3,593,755
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	167,923	169,291	337,214
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	others, specify...			
5	Others, please specify			
	<b>Total</b>	<b>1,887,250</b>	<b>2,043,719</b>	<b>3,930,969</b>

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

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

## SECRETARIAL AUDIT REPORT For the Financial Year ended 31<sup>st</sup> March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

### Form MR-3

To,  
The Members  
Inkel Limited  
(CIN # U45209KL2007PLC020471)  
Kakkanad, Kochi-682 030.  
Kerala. India.

I 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). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the verification of company's 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the company has followed the Board processes and has the required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Inkel Limited** for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made there under; **(The clause is not applicable as the company is an Unlisted Public Company).**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(The clause is not applicable as the company is a Unlisted Public Company)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings (The clause is not applicable during the Audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **(The company being an Unlisted Public Company, Clause (v) and its sub clauses (a) to (h) are not applicable)**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998.

I have also examined with applicable clauses of following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India and

(ii) The Listing Agreements entered into by the company with Bombay Stock (s) Exchange Limited, National Stock Exchange of India Limited and London Stock Exchange. ***(The Clause is not applicable as the company is an Unlisted Public Company)***

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above, subject to the following observations:

1. The provisions of the Act regarding Corporate Social Responsibility (CSR) is applicable to the company. As per the provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, the company should have spent Rs. 23,91,471/- (Rupees twenty three lakhs ninety one thousand four hundred and seventy one only) on CSR activities, which is 2% of the average net profit of the last three financial years. However, the company has spent Rs. 21,05,000/- (Rupees twenty one lakhs and five thousand only) on CSR activities during the Audit period. Consequently a sum of Rs. 2,86,471/- (Rupees two lakhs eighty six thousand four hundred and seventy one only) remains under spent.

In respect of other laws, like legislation relating to employee and labour regulations, welfare and connected activities specifically applicable to the company, I have relied on information/records produced by the company during the course of the audit and the reporting is limited to that extent. The company has complied with following legislations specifically applicable to it:

(a) Employees Provident Fund and Miscellaneous Provisions Act, 1952;

(b) Employees State Insurance Act, 1948;

(c) The Maternity Benefit Act, 1961;

(d) The Payment of Gratuity Act, 1972;

(e) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

(f) The Minimum Wages Act, 1948;

(g) The Payment of Bonus Act, 1965 and

(h) Kerala Industrial Establishments (National and Festival Holidays) Act, 1958.

#### **I further report that:**

The Board of Directors of the company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Director and Independent Directors. The change in the composition of the Board of Directors that took place during the audit period 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.

Decisions at Board Meetings are carried out and recorded in the Minutes of Meetings of Board of Directors.

There are adequate 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.

**I further report that** during the audit period following Special Resolutions were passed having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations and guidelines as applicable:

(i) On 29/07/2016, a special resolution was passed

in the Extra Ordinary General Meeting for acceptance of unsecured deposit from Members and/or Public.

- (ii) In the Annual General Meeting held on 24/09/2016, a special resolution was passed for acceptance of unsecured deposit from Members and/or Public beyond 24/09/2016.

**Place : Ernakulam**

**Date : 24.04.2017**

- (iii) On 27/03/2017, a special resolution was passed in the Extra Ordinary General Meeting ratifying the appointment of the Managing Director of the company and fixing his remuneration (term of appointment is from 01/11/2016 to 31/03/2017 or until further orders from the Government, whichever is earlier).

**Name of the Company Secretary : T R Sreeram**

**FCS No. : 4926**

**C.P. No : 3351**

## **Annexure - A**

To,  
 The Members  
 Inkel Limited  
 (CIN # U45209KL2007PLC020471)  
 Kakkanad, Kochi – 682 030.  
 Kerala. India.

The report of even date is to be read along with this Annexure.

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices that were followed provide a reasonable basis for my opinion.

**Place : Ernakulam**

**Date : 24.04.2017**

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Whereever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. I have based my opinion on the basis of information/records produced by the company during the course of the audit and the reporting is limited to that extent.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Name of the Company Secretary : T R Sreeram**

**FCS No. : 4926**

**C.P. No : 3351**

## INDEPENDENT AUDITOR'S REPORT

To The Members of Inkel Limited,  
Kochi

### 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, 2017, 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We have taken into account the provisions of the

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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, 2017, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 2.13.1, Note 2.19.1 and

Note 2.19.2 to the standalone financial statements which states that having regard to the plans for future operations of the subsidiary companies/associate company, the realizable value of assets owned by subsidiary company INKEL- KSIDC Projects Limited and associate company MIV Logistics Private Limited and based on the discussions held by the management of subsidiary company INKEL-KINFRA Infrastructure Projects Limited with senior officials of Government of Kerala, the management is of the opinion that the loans given to the subsidiary companies will be recovered in full and there is no permanent diminution in the value of investments in the subsidiary companies/associate company.

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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.33(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.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No 2.18.4 to the standalone financial statements.

Place: Kochi-19  
Date: 23.06.2017



**“ANNEXURE A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INKEL LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

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 deeds deposited with them and based on the details of immovable property furnished to us by the Company, the title deeds of the immovable property are held in the name of the Company.

2. The inventory comprises of land and building/ amenities. 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 two 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 complied with 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 in accepting deposits from the public during the year.

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, Sales 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 2.30 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: 23.06.2017





**“ANNEXURE B” REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INKEL LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

**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, 2017 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.

**Auditor’s 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 auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit 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, 2017, 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: 23.06.2017



## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2017

Particulars	Note No.	As at 31.03.2017 (In Rupees)	As at 31.03.2016 (In Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	2.1	1,63,02,70,000	1,63,02,70,000
(b) Reserves and Surplus	2.2	33,85,53,468	26,56,63,151
(2) Non - Current Liabilities			
(a) Long-term Borrowings	2.3	11,21,63,000	3,00,00,000
(b) Deferred Tax Liabilities (Net)	2.4	6,00,92,346	5,38,26,040
(c) Other Long -Term Liabilities	2.5	64,28,622	63,53,240
(d) Long - Term Provisions	2.6	34,51,389	22,54,189
(3) Current Liabilities			
(a) Short Term Borrowings	2.7	1,03,50,000	-
(b) Trade Payables	2.8		
i. Total outstanding dues of micro enterprises and small enterprises; and		-	3,13,999
ii. Total outstanding dues other than micro enterprises and small enterprises		3,88,81,323	96,50,437
(c) Other Current Liabilities	2.9	4,76,84,895	5,92,06,945
(d) Short Term Provisions	2.10	2,49,76,844	12,36,23,473
<b>TOTAL</b>		<b>2,27,28,51,887</b>	<b>2,18,11,61,474</b>
<b>II. ASSETS</b>			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets (Property, Plant and Equipment)	2.11	66,45,07,268	68,32,48,990
(ii) Intangible Assets	2.11	2,26,548	3,59,618
(iii) Capital Work - in - Progress	2.12	75,000	67,308
(b) Non - Current Investments	2.13	59,18,63,033	50,91,88,935
(c) Long - Term Loans and Advances	2.14	9,78,36,781	15,69,26,769
(d) Other non-current assets	2.15	2,57,50,342	2,05,73,000
(2) Current Assets			
(a) Inventories	2.16	-	-
(b) Trade Receivables	2.17	16,45,08,873	24,24,51,332
(c) Cash and Cash Equivalents	2.18	34,12,84,792	18,46,44,159
(d) Short - Term Loans and Advances	2.19	38,04,86,278	36,99,98,067
(e) Other Current Assets	2.20	63,12,972	1,37,03,296
<b>TOTAL</b>		<b>2,27,28,51,887</b>	<b>2,18,11,61,474</b>

Significant Accounting Policies and Notes to Accounts

1 &amp; 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 : 23.06.2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

Particulars	Note No.	For the year ended 31.03.2017 (In Rupees)	For the year ended 31.03.2016 (In Rupees)
<b>I. Revenue</b>			
Revenue from Operations	2.21	27,59,05,886	29,91,37,999
Other Income	2.22	8,98,65,255	9,95,28,436
<b>II. Total Revenue</b>		<b>36,57,71,141</b>	<b>39,86,66,435</b>
<b>III. Expense:</b>			
Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.23	5,92,04,063	11,66,24,551
Purchase of Stock in Trade	2.24	6,06,88,285	-
Employee Benefits Expense	2.25	4,26,58,328	2,75,43,191
Finance Costs	2.26	1,17,55,687	-
Depreciation and Amortisation Expense	2.11	2,56,11,055	1,71,55,609
Other Expense	2.27	6,45,66,848	4,40,93,895
<b>IV. Total Expense</b>		<b>26,44,84,266</b>	<b>20,54,17,246</b>
<b>V. Profit Before Tax (II - IV)</b>		<b>10,12,86,875</b>	<b>19,32,49,189</b>
<b>VI. Tax Expense:</b>			
(1) Current Tax		3,49,54,710	4,08,34,925
Less: MAT Credit Entitlement		1,28,24,458	-
Net Current tax		2,21,30,252	4,08,34,925
(2) Deferred tax		62,66,306	2,62,68,390
<b>VII. Profit for the year (V - VI)</b>		<b>7,28,90,317</b>	<b>12,61,45,874</b>
<b>VIII. Earning per Equity Share:</b>	2.28		
(Face value of share Rs 10/- (Rs 10/-) each)			
(1) Basic		0.45	0.77
(2) Diluted		0.45	0.77
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 : 23.06.2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

(In Rupees)

	Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit Before Taxation and exceptional items</b>	<b>10,12,86,875</b>	<b>19,32,49,189</b>
	<b>Adjustments for :</b>		
	Depreciation and Amortisation expense	2,56,11,055	1,71,55,609
	Loss/(Profit) on sale of Assets(Net)	(1,43,715)	1,11,006
	Interest Income	(6,97,93,806)	(9,11,35,767)
	Finance costs	1,17,55,687	-
	Share of Profit from Seguro-INKEL Consortium LLP	(50,69,036)	(59,47,407)
	Conversion of fixed assets to current assets	5,92,04,063	11,43,60,507
	<b>Operating profit before Working Capital Changes</b>	<b>12,28,51,123</b>	<b>22,77,93,137</b>
	<b>Changes in Working Capital</b>		
	<b>Adjustments for (Increase)\Decrease in Operating Assets</b>		
	Trade Receivables	7,79,42,459	(13,11,99,261)
	Short term loans and advances	1,55,50,593	(7,11,548)
	Other Non-Current Assets	(51,77,342)	7,21,79,268
	Long term Loans and Advances	39,150	5,44,250
		<b>8,83,54,860</b>	<b>(5,91,87,291)</b>
	<b>Adjustments for Increase\Decrease in Operating Liabilities</b>		
	Trade Payables	2,89,16,887	8,35,303
	Other Current Liabilities	2,07,29,234	(2,34,98,993)
	Short term Provisions	(14,55,771)	25,77,472
	Long term Provisions	11,97,200	12,13,739
	Long Term Liabilities	(22,56,710)	8,07,000
		<b>4,71,30,840</b>	<b>(1,80,65,479)</b>
	<b>Cash generated from Operations</b>	<b>25,83,36,823</b>	<b>15,05,40,367</b>
	<b>Taxes Paid</b>	<b>(3,72,75,536)</b>	<b>(3,49,05,531)</b>
	<b>Net Cash Used in Operating activities - ( A )</b>	<b>22,10,61,287</b>	<b>11,56,34,836</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets including Capital WIP	(9,36,12,359)	(33,03,77,615)
	Loans and Advances made	2,40,93,592	4,00,92,869
	Interest received on loans/deposits	7,71,84,130	8,53,88,453
	Proceeds from sale of Fixed assets	2,88,557	1,00,000
	(Investments)/Sale of equity shares/preference shares	(8,15,70,000)	(19,66,60,000)
	Share of Profit received from LLP	39,64,938	-
	<b>Net Cash Used in Investing activities - ( B )</b>	<b>(6,96,51,142)</b>	<b>(40,14,56,293)</b>

<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Short term borrowings	1,03,50,000	-
	Proceeds from Long term borrowings	8,21,63,000	3,00,00,000
	Grant and Subsidy received from Government	-	9,14,41,382
	Finance costs paid	(90,41,727)	-
	Dividend paid	(6,49,65,400)	(4,88,13,600)
	Dividend Distribution tax paid	(1,32,75,385)	(99,56,538)
	<b>Net Cash Generated By Financing Activities - ( C )</b>	<b>52,30,488</b>	<b>6,26,71,244</b>
	Net increase in Cash and Cash equivalents (A+B+C)	15,66,40,633	(22,31,50,213)
	Cash and Cash equivalents at the beginning of the year	18,46,44,159	40,77,94,372
	<b>Closing Cash And Cash Equivalents</b>	<b>34,12,84,792</b>	<b>18,46,44,159</b>

Cash and cash equivalents at the end of the year includes Rs.7,84,33,734/- (Rs.5,34,61,396/-) held under lien, Rs.5,70,406/- (Rs.3,25,006/-) deposited in unpaid dividend account which is earmarked for payment of dividend and Rs.1,00,99,500/- (Rs.NIL/-) deposited in Deposit Repayment Reserve which is earmarked for repayment of public deposits.

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.004532

**K. Padmadasan,**  
Company Secretary

**George Raphael,**  
Chief Financial Officer

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

Place : Kochi  
Date : 23.06.2017



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2017

### 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. Tangible Assets (Property, Plant and Equipment)

Property, Plant and Equipments are stated at cost less accumulated depreciation and impairment in value if any. Cost includes purchase price (inclusive of non – refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (Major components).

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.

The cost of assets not ready for use at the balance sheet date are disclosed under Capital Work in Progress.

#### d. Intangible Assets

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

#### e. Depreciation/ Amortisation

Depreciation on property, plant and equipments is provided on Written Down Value Method on the basis of the useful lives in the manner prescribed as per Schedule II of The Companies Act, 2013 based on a review by the management at the year end.

Leasehold land is amortised over the duration of the lease. Cost of software treated as Intangible Assets are amortised over a period of six years.

#### f. Government Grant/Subsidies

Grants and Subsidies in the nature of Promoters contribution or identifiable with non depreciable assets are credited to capital reserve.

Grants and Subsidies, specifically identifiable with capital assets other than depreciable assets, are credited to the carrying cost of the respective asset. Grants/Subsidies in the nature of revenue are recognized as income over the period necessary to match them with the related costs which they are intended to compensate.

#### g. Investments

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



## **h. 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.

Income from services rendered are recognized based on the stage of completion of the respective contracts/arrangements having regard to the specific milestones wherever specified therein.

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

## **i. 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, Employee's State Insurance and National Pension Scheme. 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) & Long term employee benefits: Compensated absences (Funded).***

#### **a) Gratuity**

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.

#### **b) Compensated absences**

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.

### ***iv. Termination Benefits***

Termination benefits are recognized in the Statement of Profit and Loss for the period in which the same accrue.

## **j. 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. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

## **k. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities other than forward contracts, outstanding at the Balance



Sheet date are translated at the applicable exchange rates prevailing at the said date. The exchange gain/loss arising during the year are adjusted to the Statement of Profit and Loss.

#### **I. 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.

#### **m. 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.

#### **n. 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.

#### **o. 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.



## NOTES FORMING PART OF BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2017

### NOTE - 2.1 SHARE CAPITAL

(In Rupees)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Equity Share Capital				
Equity Shares of Rs 10/-(Rs. 10/-) each	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
Issued, Subscribed and Paid up				
Equity Shares of Rs 10/-(Rs. 10/-) each	16,30,27,000	1,63,02,70,000	16,30,27,000	1,63,02,70,000
	16,30,27,000	1,63,02,70,000	16,30,27,000	1,63,02,70,000

#### 2.1.1 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/-) 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 31.03.2017		As at 31.03.2016	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares</b>				
As at the beginning of the financial year	16,30,27,000	1,63,02,70,000	16,30,27,000	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	16,30,27,000	1,63,02,70,000
<b>Particulars of Shareholders holding more than 5% share in the Company</b>				
Govt. of Kerala - 24.84 % (Previous year 24.84 %)	4,05,00,000	40,50,00,000	4,05,00,000	40,50,00,000
Bismi Holdings Ltd - 6.75 % (Previous year 6.75 %)	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Shri.Yusuffali M A - 15.13 % (Previous year 15.13 %)	2,46,66,000	24,66,60,000	2,46,66,000	24,66,60,000
Shri.Varghese Kurian - 6.75 % (Previous year 6.75 %)	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Dr.Mohamed Ali - 6.44 % (Previous year 6.44 %)	1,05,00,000	10,50,00,000	1,05,00,000	10,50,00,000

## NOTE - 2.2 RESERVES & SURPLUS

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
Surplus		
Opening balance	26,56,63,151	21,80,03,462
Net Profit after tax as per Statement of Profit and Loss	7,28,90,317	12,61,45,874
Amount available for appropriation	<b>33,85,53,468</b>	<b>34,41,49,336</b>
Less: Appropriations		
Proposed Dividend (See Note 2.2.1)	-	6,52,10,800
Tax on proposed dividend	-	1,32,75,385
<b>Total Appropriations</b>	-	7,84,86,185
Closing Balance	33,85,53,468	26,56,63,151
<b>Total Surplus</b>	<b>33,85,53,468</b>	<b>26,56,63,151</b>

**2.2.1** The Board of Directors of the company has proposed final dividend of Rs. 0.30/- (Rs.0.40/-) per share, which is subject to approval by the shareholders at the ensuing Annual General Meeting. In accordance with the revised Accounting Standard-4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016) proposed dividend for the year and Corporate Dividend Tax thereon has not been recognised as a distribution of profit in the current year's accounts.

## NOTE - 2.3 LONG TERM BORROWINGS

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>(a) Loans from Other parties</b>		
Unsecured (See Note 2.3.1)	3,00,00,000	3,00,00,000
<b>(b) Deposits</b>		
Unsecured (See Note 2.3.2)	8,21,63,000	-
	<b>11,21,63,000</b>	<b>3,00,00,000</b>

**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.

**2.3.2** Deposits accepted from various parties and interest thereon are repayable over the agreed terms. The details are as follows:

(In Rupees)

Terms of repayment	Cumulative basis		Non-Cumulative basis	
	Rate	Amount	Rate	Amount
Within 1 year	10.92%	71,21,000	10.50%	32,29,000
Within 2 years	11.46%	57,20,000	11.00%	26,00,000
Within 3 years	12.01%	3,51,89,000	11.50%	3,86,54,000
<b>Total</b>		<b>4,80,30,000</b>		<b>4,44,83,000</b>

Interest is payable on a quarterly / maturity basis in accordance with the terms agreed with the depositors.

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

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>A. Deferred Tax Liability</b>		
On excess of net book value over Income tax written down value of fixed assets	6,28,66,589	5,61,64,244
<b>B. Deferred Tax Assets</b>		
On Provisions/other disallowances	27,74,243	23,38,204
<b>Net Deferred Tax Liability</b>	<b>6,00,92,346</b>	<b>5,38,26,040</b>

**NOTE - 2.5 OTHER LONG TERM LIABILITIES**

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
Security Deposits	40,96,530	63,53,240
Interest accrued but not due on borrowings	23,32,092	-
	<b>64,28,622</b>	<b>63,53,240</b>

**NOTE - 2.6 LONG TERM PROVISIONS**

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Provision for employee benefits (See Note-2.29)</b>		
- Provision for Leave Encashment	34,51,389	22,54,189
	<b>34,51,389</b>	<b>22,54,189</b>

**NOTE - 2.7 SHORT TERM BORROWINGS**

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Deposits</b>		
Unsecured (See Note 2.3.2)	1,03,50,000	-
	<b>1,03,50,000</b>	<b>-</b>

**NOTE - 2.8 TRADE PAYABLES**

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Trade Payables (See Note 2.8.1)</b>		
i. Total outstanding dues of micro enterprise and small enterprise	-	3,13,999
ii. Total outstanding dues other than micro enterprise and small enterprise	3,88,81,323	96,50,437
	<b>3,88,81,323</b>	<b>99,64,436</b>

**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 some of the suppliers regarding their status under the said Act as at the year-end, based on which, principal amount unpaid to such suppliers as at the year end aggregating to Rs. Nil (Rs.3,13,999/-) has been included under Trade Payables. In the opinion of the management, there are no over due to the above parties and the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material. Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
a. Principal Amount remaining unpaid but not due as at the year end	-	3,13,999
b. Interest due thereon and remaining unpaid 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, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## NOTE - 2.9 OTHER CURRENT LIABILITIES

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
Accounts payable - Capital	31,50,939	3,60,29,491
Lease hold Premium received in Advance	-	46,13,336
Interest accrued but not due on borrowings	3,81,868	-
Unpaid dividend	5,70,406	3,25,006
Other payables		
Advances from Customers	3,43,49,800	-
Retention Money payable	30,28,338	1,21,66,764
Statutory Dues	59,72,544	57,03,888
Security Deposit / Earnest Money Deposit	2,31,000	3,68,460
	<b>4,76,84,895</b>	<b>5,92,06,945</b>

## NOTE - 2.10 SHORT TERM PROVISIONS

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for employee benefits		
-Provision for Leave Encashment (See Note 2.29)	18,83,441	20,38,319
-Provision for Gratuity (See Note 2.29)	9,63,151	-
Proposed Dividend	-	6,52,10,800
Tax on Proposed Dividend	-	1,32,75,385
Provision for Income tax	2,21,30,252	4,08,34,925
Provision for Capital Expenditure for Long Term Finance Lease (See Note No.2.10.1)	-	22,64,044
	<b>2,49,76,844</b>	<b>12,36,23,473</b>

### 2.10.1 Details of Provisions

(In Rupees)

Nature of Provision	Balance as at 01.04.2016	Additional Provision during the year	Amounts used/ changed during the year	Unused amounts reversed	Balance as at 31.03.17
Provision for Capital Expenditure for Long Term Finance Lease	22,64,044	-	22,64,044	-	-

## NOTE - 2.11

(In Rupees)

### A. TANGIBLE ASSETS - (Property, Plant & Equipment)

SL. NO.	Particulars	GROSS BLOCK			DEPRECIATION			Closing Balance	NET BLOCK AS ON 31.03.2017	NET BLOCK AS ON 31.03.2016
		Opening Balance	Additions during the year	Deletions/ Adjustments during the year	Closing Balance	Depreciation for the year	Deleted during the year			
1	Freehold Land	30,79,11,893 (18,17,45,828)	2,98,18,149 (12,61,66,065)	-	33,77,30,042 (30,79,11,893)	-	-	-	33,77,30,042 (30,79,11,893)	30,79,11,893 (18,17,45,828)
2	Leasehold Land - See Note 2.10.1	12,30,52,735 (15,42,85,083)	-	1,05,20,524 (3,12,32,348)	11,25,32,211 (12,30,52,735)	13,83,857 (16,49,146)	6,96,611 (16,24,484)	74,25,926 (67,38,680)	10,51,06,285 (11,63,14,055)	11,63,14,055 (14,75,71,065)
3	Building - See Note 2.10.1 and 2.10.2	23,68,33,562 (13,69,55,737)	1,06,61,426 (19,52,16,996)	4,72,44,108 (9,53,39,171)	20,02,50,880 (23,68,33,562)	1,23,66,198 (73,53,286)	22,58,492 (1,24,26,823)	2,01,46,889 (99,96,285)	18,01,46,889 (22,68,37,277)	22,68,37,277 (12,18,95,915)
4	Plant & Machinery - See Note 2.10.2 and 2.10.3	2,21,37,892 (87,41,775)	2,06,96,475 (1,52,38,791)	49,41,827 (18,42,674)	3,78,92,540 (2,21,37,892)	52,09,577 (35,06,779)	5,47,291 (2,378)	1,15,49,463 (68,87,177)	2,63,43,077 (1,52,50,715)	1,52,50,715 (53,58,999)
5	Furniture and Fittings	1,82,29,668 (1,23,96,547)	2,49,900 (58,56,221)	-	1,84,79,568 (1,82,29,668)	28,03,273 (23,82,420)	-	1,15,41,237 (87,37,964)	69,38,331 (94,91,704)	94,91,704 (60,21,520)
6	Office Equipments	33,46,692 (31,00,294)	1,26,189 (8,99,075)	11,400 (6,52,677)	34,61,481 (33,46,692)	5,62,752 (5,22,246)	10,830 (6,20,043)	26,59,366 (21,07,444)	8,02,115 (12,39,248)	12,39,248 (8,95,053)
7	Computer	62,35,255 (45,88,315)	11,03,655 (16,55,690)	-	73,38,910 (62,35,255)	13,21,418 (12,83,989)	-	58,37,203 (45,15,785)	15,01,707 (17,19,470)	17,19,470 (13,48,206)
8	Motor Car	8,83,724 (8,83,724)	32,09,154 (-)	8,83,724 (-)	32,09,154 (8,83,724)	6,73,617 (90,310)	7,39,452 (-)	6,41,721 (7,07,556)	25,67,433 (1,76,168)	1,76,168 (2,66,478)
9	Electrical Fittings	58,83,890 (28,47,812)	2,20,221 (39,66,963)	-	61,04,111 (58,83,890)	11,57,292 (3,33,770)	-	27,32,722 (15,75,430)	33,71,389 (43,08,460)	43,08,460 (8,49,585)
<b>Total (A)</b>		<b>72,45,15,311 (50,55,45,115)</b>	<b>6,60,85,169 (34,89,99,801)</b>	<b>6,36,01,583 (13,00,29,605)</b>	<b>72,69,98,897 (72,45,15,311)</b>	<b>2,54,77,984 (1,71,21,946)</b>	<b>42,52,676 (1,54,58,091)</b>	<b>6,24,91,629 (4,12,66,321)</b>	<b>66,45,07,268 (68,32,48,990)</b>	<b>68,32,48,990 (46,59,42,649)</b>

### B. INTANGIBLE ASSETS

1	Computer Software	11,78,432 (8,78,432)	-	-	11,78,432 (11,78,432)	1,33,071 (33,663)	-	9,51,884 (8,18,813)	2,26,548 (3,59,618)	3,59,618 (93,281)
<b>Total (B)</b>		<b>11,78,432 (8,78,432)</b>	<b>-</b>	<b>-</b>	<b>11,78,432 (11,78,432)</b>	<b>1,33,071 (33,663)</b>	<b>-</b>	<b>9,51,884 (8,18,813)</b>	<b>2,26,548 (3,59,618)</b>	<b>3,59,618 (93,281)</b>
<b>Grand Total (A) + (B)</b>		<b>72,56,93,743 (50,64,23,547)</b>	<b>6,60,85,169 (34,92,99,801)</b>	<b>6,36,01,583 (13,00,29,605)</b>	<b>72,81,77,329 (72,56,93,743)</b>	<b>2,56,11,055 (1,71,55,609)</b>	<b>42,52,676 (1,54,58,091)</b>	<b>6,34,43,513 (4,20,85,134)</b>	<b>66,47,33,816 (68,36,08,608)</b>	<b>68,36,08,608 (46,60,35,930)</b>

**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. NIL (Rs.8,62,27,224) and Rs. Nil (Rs.37,72,776) 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.Nil (Rs.14,41,382) being subsidy received from Government of Kerala as per the State Horticulture Mission- Kerala- Hi Tech Agriculture Plan Scheme.



**NOTE - 2.12 CAPITAL WORK IN PROGRESS**

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
Building under construction-Materials in hand	75,000	67,308
	<b>75,000</b>	<b>67,308</b>

**NOTE - 2.13 NON CURRENT INVESTMENTS**

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>a) Investments in Equity Instruments</b> <b>(Un-quoted, Trade, at cost)</b>		
<b>i) In Subsidiary Companies</b>		
- INKEL- KINFRA Infrastructure Projects Ltd 74,000 (74,000) Equity Shares of Rs.10/- each, fully paid up	7,40,000	7,40,000
- INKEL- KSIDC Projects Ltd 1,83,23,412 (1,83,23,412) Equity Shares of Rs.10/- each, fully paid up	18,32,34,120	18,32,34,120
- 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
- INKEL-EKK Roads Pvt Ltd 81,60,000 (Nil) Equity Shares of Rs.10/- each, fully paid up	8,16,00,000	-
<b>ii) In Associate companies</b>		
- MIV Logistics Pvt Ltd 1,18,29,714 (1,18,29,714) Equity Shares of Rs.10/- each, fully paid up	11,82,97,140	11,82,97,140
<b>iii) In Joint Ventures</b>		
- INKEL-EKK Roads Pvt Ltd Nil (3,000) Equity Shares of Rs.10/- each, fully paid up	-	30,000
<b>iv) In Others</b>		
- KV Apartments Pvt Ltd 50,000 (50,000) Equity Shares of Rs.10/- each, fully paid up	5,00,000	5,00,000
<b>b) Investments in Preference Instruments</b> <b>(Un-quoted, Trade, at cost)</b>		
<b>i) In Associate companies</b>		
- MIV Logistics Pvt Ltd 1,60,00,000 (1,60,00,000) optionally convertible preference shares of Rs.10/- each, fully paid up	16,00,00,000	16,00,00,000
<b>c) Investment in Limited Liability Partnership(LLP)</b> <b>(Un-quoted, Trade, at cost)</b>		
<b>i) In Jointly Controlled Entity</b>		
- Seguro - INKEL Consortium LLP Investment towards 45% of the capital	4,50,000	4,50,000
Add: Share of Profit from LLP	1,00,41,773	89,37,675
	1,04,91,773	93,87,675
Total capital of the LLP- Rs.10,00,000		
<b>Total investments (a) + (b) + (c)</b>	<b>59,18,63,033</b>	<b>50,91,88,935</b>
<b>Aggregate amount of unquoted investments</b>	<b>59,18,63,033</b>	<b>50,91,88,935</b>

**2.13.1** 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 there is no permanent diminution in the value of such investments.

#### **NOTE - 2.14 LONG TERM LOANS AND ADVANCES**

**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
Capital Advances	5,68,447	59,27,500
Security Deposits	15,43,340	15,82,490
Advance to Related Parties		
- Seguro - INKEL Consortium LLP	5,31,96,198	10,33,28,594
Income Tax (Net)	4,25,28,796	4,60,88,185
	<b>9,78,36,781</b>	<b>15,69,26,769</b>

#### **NOTE - 2.15 OTHER NON CURRENT ASSETS**

**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
Balance with Banks in Fixed Deposit accounts (See Note No. 2.15.1)	11,00,500	-
Trade Receivables		
(Unsecured Considered good)		
-Outstanding for a period exceeding six months from the date they were due for payment	-	-
-Others	2,46,49,842	2,05,73,000
	<b>2,57,50,342</b>	<b>2,05,73,000</b>

**2.15.1** Rs.11,00,500/- (Rs.Nil) is held against public deposits in pursuance of the requirements of applicable Rules.

#### **NOTE - 2.16 INVENTORIES**

**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
Land and Building held on long term finance lease		
Opening Balance	-	-
Add: Additions during the year	5,92,04,063	11,66,24,551
Less: Disposed during the year	5,92,04,063	11,66,24,551
Closing Balance	-	-
	<b>-</b>	<b>-</b>

#### **NOTE - 2.17 TRADE RECEIVABLES**

**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
Trade Receivables		
(Unsecured Considered good)		
-Outstanding for a period exceeding six months from the date they were due for payment	1,61,67,966	69,97,537
-Others (See Note 2.17.1)	14,83,40,907	23,54,53,795
	<b>16,45,08,873</b>	<b>24,24,51,332</b>

**2.17.1 Trade Receivables include debts due from:**
**(In Rupees)**

Particulars	Description	As at 31.03.2017	As at 31.03.2016
MIV Logistics Private Limited	Private limited company in which a director of INKEL Limited is a director	90,66,462	58,35,872
Kerala Industrial Infrastructure Development Corporation (KINFRA)	Government of Kerala owned Statutory Body in which a director of INKEL Limited is a director	76,79,984	-
Kerala State Industrial Development Corporation (KSIDC)	Government of Kerala owned private limited company in which a director of INKEL Limited is a director	2,300	10,15,37,226
Kerala Academy for Skills Excellence (KASE)	Government of Kerala owned private limited company in which a director of INKEL Limited is a director	8,52,316	9,30,82,680

**NOTE - 2.18 CASH AND CASH EQUIVALENTS**
**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
Cash on Hand	5,861	12,028
Balance with Banks		
In Current Accounts	2,30,91,091	6,32,671
In Fixed Deposit Accounts	31,81,87,840	18,39,99,460
	<b>34,12,84,792</b>	<b>18,46,44,159</b>

**2.18.1 Earmarked Balances:**

Balance with banks in current accounts include earmarked balances for unpaid dividend Rs.5,70,406/- (Rs.3,25,006).

**2.18.2** Balance with banks in Deposit Accounts include Rs.2,54,606/- (Rs.50,000/-) held with a maturity period of more than 12 months and Rs.1,00,99,500/-(Rs.Nil) is held against public deposits in pursuance of the requirements of applicable Rules.

**2.18.3** Balance with banks in Deposit Account includes Rs. 7,84,33,734/- (Rs.5,34,61,396/-) held under lien.

**2.18.4** The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as provided in the Table below:

**(In Rupees)**

Particulars	SBN	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	8,000	7,247	15,247
(+) Permitted Receipts	-	1,63,900	1,63,900
(-) Permitted Payments	-	1,51,660	1,51,660
(-) Amount deposited in Banks	8,000	3,900	11,900
Closing Cash in hand as on 30.12.2016	-	15,587	15,587

The above disclosures do not include direct remittances made by customers into the Bank Account of the Company Rs.2,33,947/- (SBN - Rs.1,89,000/- and other denomination notes Rs.44,947/-).

**NOTE - 2.19 SHORT TERM LOANS AND ADVANCES**
**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
Loans/Advances to related parties		
INKEL- KSIDC Projects Ltd- Subsidiary Company (See Note 2.19.1)	29,78,77,291	28,79,01,618
INKEL - KINFRA Infrastructure Projects Ltd- Subsidiary Company (See Note 2.19.2)	2,01,87,290	1,98,48,286
Seguro - INKEL Consortium LLP- Jointly Controlled Entity	5,35,61,145	3,76,73,521
INKEL - EKK Roads (P) Ltd- Subsidiary Company	-	1,63,497
Others:		
Advances recoverable in cash or in kind or for value to be received	72,26,758	2,04,27,635
Earnest Money Deposits	1,00,000	10,50,000
Balances with Government Authorities	2,84,332	2,13,190
Advance to Suppliers/Contractors	9,19,978	24,27,820
Advance to employees	3,29,484	2,92,500
	<b>38,04,86,278</b>	<b>36,99,98,067</b>

**2.19.1** Having regard to the plans for future operations of the subsidiary company-INKEL-KSIDC Projects Ltd and the realizable value of assets owned by the Company, the management is of the opinion that the loan given to the company will be recovered in full together with interest thereon.

**2.19.2** Based on the discussions held by the management with senior officials of Government of Kerala, it is expected that loans given in earlier years of the subsidiary company-INKEL-KINFRA Infrastructure Projects Ltd will be recovered in full and no provision is required at this stage.

**NOTE - 2.20 OTHER CURRENT ASSETS**
**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
Interest Receivable	63,12,972	1,37,03,296
	<b>63,12,972</b>	<b>1,37,03,296</b>

## NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

### NOTE - 2.21 REVENUE FROM OPERATIONS

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Sale of Services</b>		
Income from disposal of land and building (On long term finance lease)	10,93,84,400	24,94,98,745
Income from operating lease	81,55,727	92,00,513
Common amenity charges	47,43,290	46,82,328
Income from Project Management Consultancy services (See Note 2.21.1)	7,00,63,425	2,41,77,415
Share of course fee received	1,15,76,199	1,13,00,301
Lighting system commissioning Division	30,93,346	-
Facility Management Service	35,90,462	-
<b>Sale of Products</b>		
Sale of lighting system	6,48,05,636	-
Income from agriculture	4,93,401	2,78,697
	<b>27,59,05,886</b>	<b>29,91,37,999</b>

#### 2.21.1 Details of Project Management Consultancy services (PMC):

a. Revenue recognized from PMC contracts :Rs.7,00,63,425/-

b. Details of cost incurred for PMC contracts : Rs.1,97,82,977/-

The above cost represents only direct costs incurred in relation/allocable to the PMC contracts. Details of indirect costs (if any), which are not separately ascertainable have not been included in the same.

c. Amount of advances received: Rs. Nil

d. Amount of retentions: Rs. Nil

### NOTE - 2.22 OTHER INCOME

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest income	6,97,93,806	9,11,35,767
Guarantee fee received	1,44,01,165	13,73,031
Share of profit from LLP	50,69,036	59,47,407
Profit on sale of asset	1,44,285	68,861
Subsidy received	42,275	-
Liquidity damages	95,005	40,000
Miscellaneous income	3,19,683	9,63,370
	<b>8,98,65,255</b>	<b>9,95,28,436</b>

### 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 31.03.2017	For the year ended 31.03.2016
Cost of Land	98,23,912	2,96,07,864
Cost of Building/Amenities	4,93,80,151	8,70,16,687
	<b>5,92,04,063</b>	<b>11,66,24,551</b>

**NOTE - 2.24 PURCHASE OF STOCK IN TRADE**

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Solar light	5,57,15,416	-
Highmast light	49,72,869	-
	<b>6,06,88,285</b>	<b>-</b>

**NOTE - 2.25 EMPLOYEE BENEFITS EXPENSE**

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Salaries & allowances	3,76,59,982	2,49,15,944
Contribution to provident and other funds	24,75,295	12,34,789
Staff welfare expense	25,23,051	13,92,458
	<b>4,26,58,328</b>	<b>2,75,43,191</b>

**NOTE - 2.26 FINANCE COSTS**

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest on public deposits	56,11,382	-
Other Borrowing costs - Expense for procurement & administration of public deposits	61,44,305	-
	<b>1,17,55,687</b>	<b>-</b>

**NOTE - 2.27 OTHER EXPENSES**

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Expenditure on corporate social responsibility activity (See Note 2.27.1)	21,05,000	2,11,825
Project Management Consultancy service expense	91,32,415	41,11,185
Hostel running and course expense	20,95,153	12,41,234
Lighting system commissioning expense	30,67,652	-
Facility management divisional expense	34,69,981	-
Agricultural expense	68,95,955	17,49,046
Power & Fuel	24,44,248	36,95,561
Rent	26,51,668	34,63,360
Repairs & maintenance	32,20,055	48,89,275
Insurance	1,60,557	1,15,388
Payments to the Auditors		
- as auditor	3,50,000	2,50,000
- for taxation matters	92,500	60,000
- for other services	22,000	54,000
- for reimbursement of expense	24,103	11,258



Bank charges	2,49,229	66,364
Meeting expense	12,17,592	9,75,454
Sitting fee to directors	9,69,498	5,45,905
Consideration for manpower services	44,21,106	40,37,664
Advertisement & publicity	50,61,974	79,15,096
Loss on sale of assets	570	1,79,867
Membership/subscription to professional bodies	1,09,359	1,68,494
Postages, telephone and internet charges	12,47,343	9,76,638
Printing and stationery	2,95,026	2,62,619
Professional charges & legal fee	35,74,911	13,44,894
Rates & Taxes	52,09,599	18,90,189
Staff Recruitment Expense	2,85,963	6,94,772
Travelling & Conveyance	55,46,184	41,01,961
Expenditure on projects written off	-	4,11,669
Miscellaneous Expense	6,47,207	6,70,177
	<b>6,45,66,848</b>	<b>4,40,93,895</b>

### 2.27.1 Note on Expenditure on corporate social responsibility activities

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
i) Gross amount required to be spent during the year	23,87,842	17,63,000
ii) Amount spent during the year		
- Construction/acquisition of any asset	-	-
- on purposes other than above	21,05,000	2,11,825
	<b>21,05,000</b>	<b>2,11,825</b>

### NOTE - 2.28 EARNINGS PER SHARE

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Profit after tax for the year as per Statement of Profit and Loss (In Rs.)	7,28,90,317	12,61,45,874
Weighted average number of equity shares of Rs.10/-(Rs.10/-) each (fully paid up)	16,30,27,000	16,30,27,000
Basic and Diluted Earnings Per Equity Share- In Rs. (Face Value of Share- Rs.10 each)	<b>0.45</b>	<b>0.77</b>

**Note No. 2.29 EMPLOYEE BENEFITS**

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

**2.29.1 Defined Contribution Plans**

During the year the company has recognized Rs.15,70,778/- (Previous Year Rs.9,21,033/-) as Contribution to Provident Fund, Rs.7,32,816/- (Rs.Nil/-) as Contribution to National Pension Scheme and Rs.8,780/- (Rs. Nil/-) as Contribution to Employee State Insurance in the Statement of Profit and Loss on account of defined contribution plans.

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

(In Rupees)

(i)	Actuarial Assumptions	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Discount Rate	8.00% p.a.	8.00% p.a.
	Rate of return on plan assets	8.00% p.a.	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:	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Present value of obligation at the beginning of the year	26,82,144	23,57,549
	Current Service Cost	6,11,610	3,86,837
	Interest Cost	2,39,036	2,04,077
	Actuarial (gain)/loss	9,19,593	(78,620)
	Benefits Paid	(1,09,867)	(1,87,699)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	43,42,516	26,82,144

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Fair value of plan assets at the beginning of the year	29,90,269	20,44,503
	Expected return on plan assets	2,39,221	1,63,560
	Actuarial gain/(loss)	(3,09,925)	1,23,033
	Contributions	5,69,667	8,19,064
	Benefits paid	(1,09,867)	(1,59,891)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	33,79,365	29,90,269

(In Rupees)

(iv)	<b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Present value of obligation	43,42,516	26,82,144
	Fair value of plan assets	33,79,365	29,90,269
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	9,63,151	(3,08,125)

(In Rupees)

(v)	<b>Expenses recognised in the Statement of Profit and Loss:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Current Service Cost	6,11,610	3,86,837
	Interest Cost	2,39,036	2,04,077
	Expected return on plan assets	(2,39,221)	(1,63,560)
	Actuarial (gain) /loss recognised in the period	12,29,518	(2,01,653)
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expense recognised in the Statement of Profit and Loss	18,40,943	2,25,701

### Leave Plan (Unfunded)

(In Rupees)

(i)	<b>Actuarial Assumptions</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	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)	<b>Reconciliation of present value of obligation:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Present value of obligation at the beginning of the year	42,92,508	24,52,295
	Current Service Cost	20,00,310	13,16,083
	Interest Cost	1,14,373	2,48,827
	Actuarial (gain)/loss	8,35,832	6,88,205
	Benefits Paid	(19,08,193)	(4,12,902)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	53,34,830	42,92,508

(In Rupees)

(iii)	<b>Reconciliation of fair value of plan assets :</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	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)	<b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Present value of obligation	53,34,830	42,92,508
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	53,34,830	42,92,508

(In Rupees)

(v)	<b>Expenses recognised in the Statement of Profit and Loss:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Current Service Cost	20,00,310	13,16,083
	Interest Cost	1,14,373	2,48,827
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	8,35,832	6,88,205
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expense recognised in the Statement of Profit and Loss	29,50,515	22,53,115

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

## 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.	INKEL KSIDC Projects Ltd.	Subsidiary Company
ii.	INKEL KINFRA Infrastructure Projects Ltd.	Subsidiary Company
iii.	INKES Trade Centre Ltd	Subsidiary Company
iv.	INKEL- EKK Roads Pvt Ltd	Subsidiary Company (w.e.f 28-09-2016) Jointly controlled Entity (upto 27-09-2016)
v.	Thalikulam PURA Pvt Ltd	Subsidiary Company
vii.	Tirurangadi PURA Pvt Ltd	Subsidiary Company
viii.	MIV Logistics Pvt Ltd	Associate Company
viii.	Seguro - INKEL Consortium LLP	Jointly Controlled Entity
ix.	Key Managerial Personnel Mr. T Balakrishnan	Managing Director

### B. Description of Transactions

(In Rupees)

Nature of Transaction	Subsidiary/ Associate/ Jointly Controlled Entity	Key Managerial Personnel	Total
<b>Income</b>			
<b>1. Project Management Services</b>			
MIV Logistics Pvt Ltd	23,33,210	-	23,33,210
	(7,49,012)	-	(7,49,012)
INKEL KSIDC Projects Ltd.	1,54,08,352	-	1,54,08,352
	(25,69,423)	-	(25,69,423)
Seguro- INKEL Consortium LLP	35,97,687	-	35,97,687
	(1,07,05,014)	-	(1,07,05,014)
INKES Trade Centre Ltd	-	-	-
	(80,95,500)	-	(80,95,500)
INKEL EKK Roads Pvt Ltd	3,36,42,260	-	3,36,42,260
	-	-	-
<b>2. Guarantee Commission Received</b>			
Seguro-INKEL Consortium LLP	22,01,165	-	22,01,165
	(13,73,031)	-	(13,73,031)
INKEL EKK Roads Pvt Ltd	1,22,00,000	-	1,22,00,000
	-	-	-
<b>3 Scrap Sales</b>			
MIV Logistics Pvt Ltd	-	-	-
	(97,707)	-	(97,707)
<b>4 Interest income from Loans/Debentures</b>			
INKEL KSIDC Projects Ltd.	3,21,39,330	-	3,21,39,330
	(3,11,67,943)	-	(3,11,67,943)
INKEL KINFRA Infrastructure Projects Ltd.	-	-	-
	(10,87,747)	-	(10,87,747)
Seguro INKEL Consortium LLP	1,67,86,340	-	1,67,86,340
	(1,65,92,296)	-	(1,65,92,296)
<b>5 Facility Management Services</b>			
MIV Logistics Pvt Limited	10,11,167	-	10,11,167

<b><u>Expense</u></b>			
1. Remuneration to Managing Director	-	50,58,739	50,58,739
	-	(36,19,781)	(36,19,781)
2. Purchase of Assets			
INKEL KSIDC Projects Ltd.	93,70,791	-	93,70,791
	-	-	-
<b><u>Loans and Advances</u></b>			
1. INKEL KSIDC Projects Ltd.			
- Loan/Advances recovered	1,97,70,791	-	1,97,70,791
	(1,52,292)	-	(1,52,292)
2. INKES Trade Centre Ltd			
- Loan/Advances given	-	-	-
	(1,21,12,000)	-	(1,21,12,000)
3. Seguro-INKEL Consortium LLP			
- Loan/Advances given	3,75,00,000	-	3,75,00,000
	(6,64,25,790)	-	(6,64,25,790)
- Loan/Advances recovered	6,86,14,858	-	6,86,14,858
	(13,93,45,137)	-	(13,93,45,137)
<b><u>Share of Profit</u></b>			
1. Seguro-INKEL Consortium LLP	50,69,036	-	50,69,036
	(59,47,407)	-	(59,47,407)
<b><u>Investments made during the year</u></b>			
1. INKEL EKK Roads Pvt Ltd	8,15,70,000	-	8,15,70,000
	(30,000)	-	(30,000)
2. INKES Trade Centre Ltd	-	-	-
	(3,66,30,000)	-	(3,66,30,000)
<b><u>Guarantee given during the year</u></b>			
1. Seguro-INKEL Consortium LLP	33,50,00,000	-	33,50,00,000
	(24,00,00,000)	-	(24,00,00,000)
2. Inkel-EKK Roads Private Limited	1,22,00,00,000	-	1,22,00,00,000
	-	-	-
<b><u>Investments</u></b>			
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. INKES Trade Centre Ltd	3,70,00,000	-	3,70,00,000
	(3,70,00,000)	-	(3,70,00,000)
4. INKEL-EKK Roads Pvt Limited	8,16,00,000	-	8,16,00,000
	(30,000)	-	(30,000)
5. MIV Logistics Pvt Ltd (Including Preference Shares)	27,82,97,140	-	27,82,97,140
	(27,82,97,140)	-	(27,82,97,140)
6. Seguro INKEL Consortium LLP	1,04,91,773	-	1,04,91,773
(Including share of profit)	(93,87,675)	-	(93,87,675)
<b><u>Guarantee given</u></b>			
1. MIV Logistics Pvt Ltd	23,20,09,630	-	23,20,09,630
	(23,19,74,071)	-	(23,19,74,071)
2. Seguro-INKEL Consortium LLP	57,50,00,000	-	57,50,00,000
	(24,00,00,000)	-	(24,00,00,000)
3. Inkel-EKK Roads Private Limited	1,22,00,00,000	-	1,22,00,00,000
	-	-	-



<b>Receivables</b>			
1. MIV Logistics Pvt Ltd	90,66,462	-	90,66,462
	(58,35,872)	-	(58,35,872)
2. INKEL KSIDC Projects Ltd.	31,67,35,999	-	31,67,35,999
	(29,05,81,557)	-	(29,05,81,557)
3. INKEL KINFRA Infrastructure Projects Ltd.	2,01,87,290	-	2,01,87,290
	(2,08,27,258)	-	(2,08,27,258)
4. Seguro INKEL Consortium LLP	11,01,30,055	-	11,01,30,055
	(14,27,22,458)	-	(14,27,22,458)
5. INKES Trade Centre Ltd	7,59,798	-	7,59,798
	(84,59,798)	-	(84,59,798)
6. Inkel-EKK Roads Pvt Limited	2,58,90,420	-	2,58,90,420
	(1,63,497)	-	(1,63,497)

**2.30.1** Transactions in the nature of current account transactions have not been included in the above disclosure.

**2.30.2** Investments in subsidiary companies Thalikulam PURA Pvt Ltd and Tirurangadi PURA Pvt Ltd have been fully written off in the books of accounts during the year ended 31.03.2015.

### Note - 2.31

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 2.32 Interest in joint ventures

#### 2.32.1. Seguro INKEL Consortium LLP

The Company has a 45% (45%) ownership interest and 50% (45%) share of profit 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 31.03.2017	For the year ended 31.03.2016
A.Total Revenue	31,91,03,998	46,06,81,479
B.Total Expenses(including tax expense)	30,89,65,925	44,74,65,018
C. Net Profit/(Loss) from the Joint Venture	1,01,38,073	1,32,16,461
D. Share of Income/(Loss) of the Company in the above	50,69,036	59,47,407

**Details of other items related to the interest in the JCE are as under:** **(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
Assets of the Company related to interest in the JCE		
-Loans and advances granted to the JCE	11,01,30,055	14,27,22,458

The other venturer in the JCE is Seguro Foundations and Structurals Private Limited , which has the remaining 50% (55%) ownership interest in the JCE.

### 2.32.2 INKEL-EKK Roads Private Limited

During the current year, consequent to acquisition of additional shares, INKEL-EKK Roads Private Limited is a subsidiary of the company . Accordingly, the disclosures under Accounting Standard(AS)- 27 on Financial Reporting of Interests in Joint Ventures are not applicable at this stage. The disclosures for the previous year are as follows:

**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)**

Particulars	For the year ended 31.03.2017 (See Note 2.32.2 )	For the year ended 31.03.2016
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 31.03.2017	As at 31.03.2016
Ownership interest in the Joint Venture	-	30%
Name of the Other Venturer in the JCE	-	EKK Infrastructural Private Limited
Assets of the Company related to interest in the JCE -Advances granted to the JCE	-	1,63,497

### Note - 2.33 Contingent Liabilities not provided for :

**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
a) Corporate guarantee issued in favour of - - MIV Logistics Private Limited - Seguro-INKEL Consortium LLP	23,20,09,630 57,50,00,000	23,19,74,071 24,00,00,000
b) Bank guarantee issued in favour of - - Inkel-EKK Roads Private Limited	1,22,00,00,000	-
c) Claims towards Building Tax	1,13,50,872	30,16,979

### Note - 2.34 Capital Commitments

**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	65,10,446	3,27,92,689

**Note - 2.35 Dividend Remittances in foreign currency**
**(In Rupees)**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Year to which dividend relates	Financial year 2015-2016	Financial year 2014-2015
Amount remitted during the year	88,00,000	66,00,000
Number of non resident shareholders	4	4
Number of shares on which dividend was due	2,20,00,000	22,000

**Note - 2.36**

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

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 :** 23.06.2017


## INDEPENDENT AUDITORS' REPORT

To The Members of Inkel Limited,  
Kochi

### 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, INKEL-EKK Roads Private 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 entity (Seguro-INKEL Consortium LLP), comprising of the Consolidated Balance Sheet as at 31st March, 2017, 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 entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group including its associate company and jointly controlled entity 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 entity 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 sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the separate financial statements and on the other financial information of the subsidiary companies, associate company and jointly controlled entity, 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 entity as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to Note No 2.14.1 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 this matter.

## Other Matters

a) We did not audit the financial statements/financial information of the four subsidiary companies and one jointly controlled entity whose financial statements /financial information reflect total assets of Rs 1,42,63,32,412/- and net assets of Rs 35,59,99,335/- as at March 31,2017, total revenues of Rs 34,85,73,531/- and net cash inflow amounting to Rs 50,41,135/- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs Nil for the year ended 31st March, 2017 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) 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.

c) 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. In view of the provisions of Accounting Standard -21 on Consolidated Financial Statements, these entities have been excluded for the purpose of consolidation, the effect of which is not material.

Our opinion above 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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary companies, associate company and jointly controlled entity, as noted in the 'other matter' paragraph, 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, 2017 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, 2017 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, 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 and based on the consideration of the report of the other auditors on standalone financial statements as also the other financial information of the subsidiary companies, associate company and jointly controlled entity, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate company and jointly controlled entity – Refer Note No 2.35.I.(b), to the consolidated financial statements.

ii. The Group, its associate company and jointly controlled entity 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.

iv. The Group and its jointly controlled entity has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 of the group and its jointly controlled entity as applicable. Based on audit procedures performed and the representations provided to us by the management and the reports of the other auditors, we report that the disclosures are in accordance with the relevant books of accounts maintained by the respective companies for the purpose of preparation of the consolidated financial statements and as produced to us and to the other auditors by the Management of the Holding Company and of the respective companies – Refer Note No 2.19.5 to the consolidated financial statements.

Place: Kochi-19

Date: 23.06.2017



## **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 FOUR SUBSIDIARY COMPANIES AND ASSOCIATE COMPANY INCORPORATED IN INDIA FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

### **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 four subsidiary companies – Inkel-KSIDC Projects Limited, Inkel-KINFRA Infrastructure Projects Limited, INKEL-EKK Roads Private Limited and INKESTrade Centre Limited (the Holding company and its subsidiary companies together referred to as “the Group”) and its associate company (MIV Logistics Private Limited), which are companies incorporated in India, as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Group and its associate company, as of that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies and its associate 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 and its associate 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 and its associate 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, 2017, 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**

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 four 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.

Place: Kochi-19  
Date: 23.06.2017



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017

Particulars	Note No.	As at 31.03.2017 (In Rupees)	As at 31.03.2016 (In Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share capital	2.1	1,63,02,70,000	1,63,02,70,000
(b) Reserves and surplus	2.2	4,54,40,534	5,73,81,276
(c) Minority Interest	2.3	12,39,17,005	5,50,22,839
<b>(2) Non - Current Liabilities</b>			
(a) Long -term borrowings	2.4	32,91,48,942	3,00,00,000
(b) Deferred tax liabilities (Net)	2.5	5,07,78,895	4,82,22,264
(c) Other long -term liabilities	2.6	3,92,38,403	2,33,34,231
(d) Long - term provisions	2.7	38,07,383	24,53,432
<b>(3) Current Liabilities</b>			
(a) Short term borrowings	2.8	5,63,27,823	9,38,83,170
(b) Trade payables	2.9		
i. Total outstanding dues of micro enterprises and small enterprises; and		-	3,13,999
ii. Total outstanding dues other than micro enterprises and small enterprises		6,67,70,969	2,24,96,849
(c) Other current liabilities	2.10	22,53,63,662	12,67,31,747
(d) Short term provisions	2.11	2,49,76,844	12,36,23,473
<b>TOTAL</b>		<b>2,59,60,40,460</b>	<b>2,21,37,33,280</b>
<b>II. ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Fixed assets			
(i) Tangible assets (Property, Plant and Equipment)	2.12	1,09,75,77,006	1,14,04,85,086
(ii) Intangible assets	2.12	2,26,547	3,59,618
(iii) Capital work - in - progress	2.13	40,23,81,077	3,09,53,001
(b) Goodwill on Consolidation	2.37	3,34,381	-
(c) Non - current investments	2.14	16,05,00,000	16,05,00,000
(d) Long -term loans and advances	2.15	12,41,85,380	13,43,90,865
(e) Other non-current assets	2.16	4,58,77,862	3,90,34,480
<b>(2) Current Assets</b>			
(a) Inventories	2.17	-	-
(b) Trade receivables	2.18	21,67,08,771	38,14,23,732
(c) Cash and cash equivalents	2.19	36,68,16,040	20,43,30,147
(d) Short - term loans and advances	2.20	15,68,07,085	10,28,86,791
(e) Other current assets	2.21	2,46,26,311	1,93,69,560
<b>TOTAL</b>		<b>2,59,60,40,460</b>	<b>2,21,37,33,280</b>

Significant accounting policies and consolidated notes to accounts

1&amp;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 : 23.06.2017

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

Particulars	Note No.	For the year ended 31.03.2017 (In Rupees)	For the year ended 31.03.2016 (In Rupees)
<b>I. Revenue</b>			
Revenue from Operations	2.22	40,77,33,895	52,51,12,576
Other Income	2.23	3,80,90,616	6,00,26,022
<b>II. Total Revenue</b>		<b>44,58,24,511</b>	<b>58,51,38,598</b>
<b>III. Expense:</b>			
Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.24	6,39,53,246	12,25,47,226
Purchase of Stock in Trade	2.25	6,06,88,285	-
Operating Expense	2.26	12,36,07,416	17,13,31,027
Employee benefit expense	2.27	4,74,64,447	3,04,87,611
Finance costs	2.28	2,57,39,041	1,05,80,313
Depreciation and amortisation expense	2.12	4,64,71,390	3,81,42,679
Other expense	2.29	7,20,19,714	5,00,02,926
<b>IV. Total Expense</b>		<b>43,99,43,539</b>	<b>42,30,91,782</b>
<b>V. Profit/(Loss) Before Tax (II - IV)</b>		<b>58,80,972</b>	<b>16,20,46,816</b>
<b>VI. Tax Expense:</b>			
(1) Current tax		3,73,20,842	4,40,08,196
Less: MAT credit entitlement		1,28,24,458	-
Net current tax		2,44,96,384	4,40,08,196
(2) Tax - prior years		2,74,415	50,501
(3) Deferred tax		25,56,749	2,26,64,368
<b>VII. Profit/(Loss) for the year before Minority Interest, Share in Net Profit/ (Loss) of Associate</b>		<b>(2,14,46,576)</b>	<b>9,53,23,751</b>
<b>VIII. Share of Profit/ (Loss) of Associate Company</b>		-	(6,38,48,322)
<b>IX. Profit/ (Loss) for the year</b>		<b>(2,14,46,576)</b>	<b>3,14,75,429</b>
<b>X. Profit/ (Loss) attributable to</b>			
Owners of the Company		(1,18,60,399)	4,22,14,402
Minority Interest		(95,86,177)	(1,07,38,973)
		<b>(2,14,46,576)</b>	<b>3,14,75,429</b>
<b>XI. Earning per Equity Share:</b>	2.30		
Face value of share Rs 10/- (Rs 10/-)			
(1) Basic		(0.07)	0.26
(2) Diluted		(0.07)	0.26

Significant accounting policies and consolidated notes to accounts  
The accompanying notes are an integral part of the financial statements

1 & 2

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 : 23.06.2017

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(In Rupees)

	Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit Before Taxation and exceptional items</b>	58,80,972	16,20,46,816
	<b>Adjustments for :</b>		
	Depreciation and Amortisation	4,64,71,390	3,81,42,679
	(Profit)/Loss on sale of Assets(Net)	(1,43,715)	1,11,006
	Interest Income	(2,33,91,896)	(5,34,03,080)
	Interest paid	2,57,39,041	1,05,80,313
	Conversion of fixed assets to current assets	6,39,53,246	12,25,47,226
	<b>Operating profit before Working Capital Changes</b>	<b>11,85,09,038</b>	<b>28,00,24,960</b>
	Changes in Working Capital		
	Adjustments for ( Increase )\Decrease in Operating Assets		
	Trade Receivables	16,47,14,961	(17,74,43,186)
	Short term loans and advances	(5,39,20,294)	1,79,39,237
	Other Current Assets	(1,20,72,356)	(8,03,199)
	Long term Loans and Advances	(61,45,432)	1,19,58,773
	Other Non Current Assets	(39,38,994)	5,43,24,393
		<b>8,86,37,885</b>	<b>(9,40,23,982)</b>
	Adjustments for increase ( Decrease ) in Operating Liabilities		
	Trade Payables	4,39,60,121	1,12,56,623
	Other Current Liabilities	4,45,15,878	(2,82,54,628)
	Short term Provisions	(14,55,771)	25,77,472
	Long term Provisions	13,53,951	12,88,813
	Long Term Liabilities	1,35,72,080	1,76,07,991
		<b>10,19,46,259</b>	<b>44,76,271</b>
	<b>Cash generated from Operations</b>	<b>30,90,93,182</b>	<b>19,04,77,249</b>
	Taxes Paid	(3,63,56,141)	(4,13,29,075)
	<b>Net Cash Used in Operating activities ( A )</b>	<b>27,27,37,041</b>	<b>14,91,48,174</b>

<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets including Capital WIP	(38,01,08,699)	(30,80,45,713)
	Proceeds from sale of Fixed assets	2,88,557	1,00,000
	(Investments)/Sale of Equity shares/Preference Shares	-	(16,00,00,000)
	Interest received on deposits	3,11,75,646	4,70,42,240
	Goodwill on Consolidation	(3,34,381)	-
	<b>Net Cash Used in Investing activities ( B )</b>	<b>(34,89,78,877)</b>	<b>(42,09,03,473)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Dividend paid	(6,49,65,400)	(4,88,13,600)
	Dividend distribution tax paid	(1,32,75,385)	(99,56,538)
	Interest paid	(2,30,25,081)	(1,05,80,313)
	Adjustments towards minority interest	7,84,00,000	1,28,70,000
	Proceeds from Borrowings	26,15,93,595	12,38,83,170
	<b>Net Cash Generated By Financing Activities ( C )</b>	<b>23,87,27,729</b>	<b>6,74,02,719</b>
	<b>Net increase in Cash and Cash equivalents(A+B+C)</b>	<b>16,24,85,893</b>	<b>(20,43,52,580)</b>
	Cash and Cash equivalents at the beginning of the year	<b>20,43,30,147</b>	<b>40,86,82,727</b>
	<b>Closing Cash And Cash Equivalents</b>	<b>36,68,16,040</b>	<b>20,43,30,147</b>

Cash and cash equivalents at the end of the year includes Rs.7,84,33,734/- (Rs.5,34,61,396/-) held under lien, Rs.5,70,406 /- (Rs.3,25,006/-) deposited in unpaid dividend account which is earmarked for payment of dividend and Rs.1,00,99,500/- (Rs.NIL/-) deposited in Deposit Repayment Reserve which is earmarked for repayment of public deposits.

In case of the subsidiary company INKEL-EKK Roads Private Limited, balance with banks in deposit accounts include Rs. 65,00,000/- held under lien.

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 : 23.06.2017



# **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31.03.2017**

## **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:

i. The financial statements / financial information of the subsidiary companies, jointly controlled entity and associate company used in the consolidation are drawn upto the same reporting date as that of the Company, i.e., 31 March, 2017.

ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expense, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered, as per AS 21 'Consolidated Financial Statements'.

iii. The consolidated financial statements include the share of profit / loss of an associate entity which has been accounted for using 'equity method' as per AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements'. Accordingly, the share of profit / loss of the associate entity (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.

iv. Share of profit / loss, assets and liabilities in the jointly controlled entity, which is not subsidiary, has been consolidated on a proportionate basis by considering the book values of like items of assets, liabilities, income and expense to the extent of the Group's equity interest in such entity as per AS 27 'Financial Reporting of Interests in Joint Ventures'. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.

v. The difference between the cost of investment in the subsidiary company and the net assets at the time of acquisition of shares in the subsidiary company is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.

vi. 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.

vii. 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, 2017	31 March, 2016
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 [Share of Profit or Loss : 50% w.e.f 01.04.2016 and 45% till 31.03.2016]	45%	45%
INKEL- EKK Roads Private Limited	Subsidiary Company [from 28.09.2016] Jointly Controlled Entity [till 27.09.2016]	51%	30%
MIV Logistics Private Limited	Associate Company	39.43%	39.43%

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

ii. During the financial year 2014-15, the company had 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. In view of the provisions of Accounting Standard -21 on Consolidated Financial Statements, these entities have been excluded for the purpose of consolidation, the effect of which is not material.

iii. During current year, INKEL- EKK Roads Private Limited has become subsidiary company (previous year Jointly Controlled Entity) of the Group on account of direct holding of 51% (previous year 30%) by the holding company with effect from 28.09.2016. The financial statements/ financial information of the company was drawn upto 27.09.2016 so as to ascertain Goodwill or Capital Reserve as at the date of acquisition. The aforesaid financial statements/ financial information as drawn upto 27.09.2016 are unaudited and are as certified by the Management of the company. The company did not have any significant assets or liabilities

upto such date of acquisition and the impact of the net assets and results of the company in the Consolidated Financial Statement upto such date 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, 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 31.03.2017 and 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 revenue and expense during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known /materialized.

### **e. Tangible Assets( Property, Plant and Equipment)**

#### **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.

Property, Plant and Equipments are stated at cost less accumulated depreciation and impairment in value if any. Cost includes purchase price (inclusive of non-refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (Major components).

The cost of assets not ready for use at the balance sheet date are disclosed under Capital Work in Progress.

#### **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

### **f. Intangible Assets**

#### **In case of the company:**

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

### **g. 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 expense are shown under capital work in progress.

### **h. Depreciation/Amortization**

#### **In case of the company:**

Depreciation on property, plant and equipment is provided on Written Down Value Method on the basis of the useful lives in the manner prescribed as per Schedule II of The Companies Act, 2013 based on a review by the management at the year end.

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. The difference in useful life in the case of buildings is due to the fact that the appurtenant land is acquired on Lease basis for 30 Years and hence remaining useful life for buildings is also reckoned on that basis.

#### **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 subsidiary INKEL-EKK Roads Private Limited:**

Depreciation on Property, Plant and Equipment will be 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.

The Capital-work-in-progress relating to the Project under implementation, will be capitalised on the date of commissioning and depreciated over the operation and maintenance period till the date of hand over to the Project Awardee.

#### **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 have 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

### **i. Government Grants/Subsidies**

#### **In case of the company and subsidiary INKEL-EKK Roads Private Limited:**

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.

**j. Investments**

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

**k. 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.

Income from services rendered are recognized based on the stage of completion of the respective contracts/arrangements having regard to the specific milestones wherever specified therein.

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

**In case of the subsidiary INKEL-EKK Roads Private Limited:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue recognised is net of taxes.

**Revenue from Construction Contracts:**

Revenue from construction contracts is recognised on the percentage of completion method as mentioned in Accounting Standard [AS 7(Revised)] "Construction Contracts" notified under section 133 of the Companies Act, 2013, read with Rule 2014. The percentage of completion is determined by the proportion that contract costs incurred for work performed up to the balance sheet date bear to the estimated total contract costs over the concession

period. However, profit is not recognised unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revision to estimates is included in the income statement of the year in which revisions are made. Revenue recognised is net of taxes.

**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 the terms of the contractual agreement. During the year the company commenced direct operations of the container freight station business by discontinuing the revenue sharing arrangements and the revenue under various operations are recognized as below:

**Container Freight Station Income**

Income from container handling are recognized when related services are rendered

**Warehousing Income**

Income from Warehousing are recognized when related services are performed

**Income from ground Rent**

Income from ground rent is recognized for a period the container is lying in the container freight station and / or bonded ware house. However in the case of long standing containers the income is accounted on accrual basis up to 60 days.

**Income from transportation services**

Income from transportation services are recognized as and when the services are performed as per the contractual terms

**Income from Empty Yard**

Income from Empty container handling on revenue sharing basis in accordance with the terms of the contractual agreement

**Reimbursement of Expense**

Reimbursement of cost is netted off with the relevant expense, since the same are incurred on behalf of customers.

## Other Income

Interest income from Bank deposits 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.

## **I. Employee Benefits**

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

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

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

#### **Short Term Employee Benefits**

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

#### **Defined Contribution Plans**

The companies have defined contribution plans for employees comprising of Provident Fund, Employee's State Insurance and National Pension Scheme. 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.

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

#### **Compensated absences**

The Employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method as at the balance sheet date.

#### **Termination Benefits**

### **In case of the company and subsidiary INKEL-EKK Roads Private Limited:**

Termination benefits are recognized in the Statement of Profit and Loss for the period in which the same accrue.

## **m. 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



certainly 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. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

#### **n. 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.

#### **o. 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.

#### **p. 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.

#### **q. Preliminary Expenses**

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

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

##### **In case of the company and subsidiary INKEL-EKK Roads Private Limited:**

As per Accounting Standard - 26 'Intangible Assets' issued by the Institute of Chartered Accountants of India, the preliminary expenses have been entirely written off in the first year.

#### **r. 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.

#### **s. 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.



## NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2017

### NOTE - 2.1 SHARE CAPITAL

(In Rupees)

Particulars	As at 31-03-2017		As at 31-03-2016	
	Number of Shares	Amount	Number of Shares	Amount
<b>SHARE CAPITAL</b>				
<b>Authorised Equity Share Capital</b>				
Equity Shares of Rs 10/-(Rs. 10/-) each	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
	<b>20,00,00,000</b>	<b>2,00,00,00,000</b>	<b>20,00,00,000</b>	<b>2,00,00,00,000</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs 10/-(Rs. 10/-) each	16,30,27,000	1,63,02,70,000	16,30,27,000	1,63,02,70,000
	<b>16,30,27,000</b>	<b>1,63,02,70,000</b>	<b>16,30,27,000</b>	<b>1,63,02,70,000</b>

### 2.1.1 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/-) each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed/ declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

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

(In Rupees)

Particulars	Number of Shares	Amount as at 31.03.2017	Number of Shares	Amount as at 31.03.2016
<b>Equity Shares</b>				
As at the beginning of the financial year	16,30,27,000	1,63,02,70,000	16,30,27,000	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	16,30,27,000	1,63,02,70,000
<b>Particulars of Shareholders holding more than 5% share in the Company</b>				
Govt. of Kerala - 24.84 % (Previous year 24.84 %)	4,05,00,000	40,50,00,000	4,05,00,000	40,50,00,000
Bismi Holdings Ltd - 6.75 % (Previous year 6.75 %)	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Shri. Yusuffali M A - 15.13 % (Previous year 15.13 %)	2,46,66,000	24,66,60,000	2,46,66,000	24,66,60,000
Shri. Varghese Kurian - 6.75 % (Previous year 6.75 %)	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Dr.Mohamed Ali - 6.44 % (Previous year 6.44 %)	1,05,00,000	10,50,00,000	1,05,00,000	10,50,00,000



**NOTE - 2.2 RESERVES & SURPLUS**

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
Surplus		
Opening Balance	6,10,26,741	9,72,98,524
Net Profit/(Loss) after tax as per Statement of Profit and Loss	(1,18,60,399)	4,22,14,402
Closing Balance	<b>4,91,66,342</b>	<b>13,95,12,926</b>
Amount Available for Appropriation		
Less: Appropriations		
Proposed Dividend ( Refer Note 2.2.1)	-	6,52,10,800
Tax on Proposed Dividend	-	1,32,75,385
<b>Total Appropriations</b>	-	<b>7,84,86,185</b>
Closing Balance	<b>4,91,66,342</b>	<b>6,10,26,741</b>
Less: Minority Interest adjusted (as per Contra)	37,25,808	36,45,465
	<b>4,54,40,534</b>	<b>5,73,81,276</b>

**2.2.1** The Board of Directors of the Company has proposed final dividend of Rs. 0.30/- (Rs. 0.40/-) per share, which is subject to approval by the share holders at the ensuing Annual General Meeting. In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016) proposed dividend for the year and Corporate Dividend Tax thereon has not been recognised as a distribution of profit in the current year's accounts.

**NOTE - 2.3 MINORITY INTEREST**

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
Share Capital	15,60,39,554	7,76,39,554
Add: Share of accumulated reserves	(2,62,62,180)	(1,55,23,207)
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss	(95,86,177)	(1,07,38,973)
Add: Adjusted against majority interest (as per Contra)	37,25,808	36,45,465
<b>Closing Balance</b>	<b>12,39,17,005</b>	<b>5,50,22,839</b>

**NOTE - 2.4 LONG TERM BORROWINGS**

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
From Banks		
Term loan from State Bank of Travancore(Lead Bank) (See Note 2.4.1)	21,69,85,942	-
From Other Parties		
(a) Loans from Other parties		
Unsecured (See Note 2.4.2)	3,00,00,000	3,00,00,000
(b) Deposits		
Unsecured (See Note 2.4.3)	8,21,63,000	-
	<b>32,91,48,942</b>	<b>3,00,00,000</b>

**2.4.1** In case of the subsidiary company INKEL-EKK Roads Private Limited, State Bank of Travancore and Corporation Bank have sanctioned a Term Loan of Rs.72,00,00,000/-(Including Non Fund limit of Rs.10,00,00,000/-) and Rs.50,00,00,000/-respectively to the company, by creating an equitable mortgage on the land and on all movable assets excluding current assets of the Borrower, both present and future. Outstanding Balance in Term loan as on 31.03.2017 was Rs.21,69,85,942/-. Equity shares for Rs. 42,00,000/- held by Inkel Ltd and Rs. 39,60,000/- held by EKK Infrastructures Pvt Ltd respectively have been pledged with State Bank of Travancore (Lead Bank) and Corporation Bank as per the terms and conditions of the Facility Agreement dated 25.08.2016.

**2.4.2** In case of the company, 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.

**2.4.3** Deposits accepted by the company from various parties and interest thereon are repayable over the agreed terms. The details are as follows: **(In Rupees)**

Terms of repayment	Cumulative basis		Non-Cumulative basis	
	Rate	Amount	Rate	Amount
Within 1 year	10.92%	71,21,000	10.50%	32,29,000
Within 2 years	11.46%	57,20,000	11.00%	26,00,000
Within 3 years	12.01%	3,51,89,000	11.50%	3,86,54,000
<b>Total</b>		<b>4,80,30,000</b>		<b>4,44,83,000</b>

Interest is payable on a quarterly / maturity basis in accordance with the terms agreed with the depositors.

## **NOTE - 2.5 DEFERRED TAX LIABILITIES (NET)**

**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
<b>A. Deferred Tax Liability</b>		
Opening Balance		
On excess of net book value over Income tax writtendown value of fixed assets	6,28,66,589	5,61,64,244
<b>B. Deferred Tax Assets</b>		
On Provisions/other disallowances	1,20,87,694	79,41,980
<b>Net deferred Tax Liability</b>	<b>5,07,78,895</b>	<b>4,82,22,264</b>

## **NOTE - 2.6 OTHER LONG TERM LIABILITIES**

**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
Security Deposits	48,17,409	69,53,240
Interest accrued but not due on borrowings	23,32,092	-
Employee Gratuity Fund	3,998	-
Lease Premium received in advance (INKEL Green)	1,14,71,739	1,50,74,696
Recovery against Future Expenditure	33,79,044	-
Retention & Earnest Money Deposit	1,72,34,121	13,06,295
	<b>3,92,38,403</b>	<b>2,33,34,231</b>

**NOTE - 2.7 LONG TERM PROVISIONS**

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
<b>Provision for Employee Benefits</b>		
- Provision for Leave Encashment (See Note 2.31)	38,07,383	24,53,432
	<b>38,07,383</b>	<b>24,53,432</b>

**NOTE - 2.8 SHORT TERM BORROWINGS**

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
From Banks		
Federal Bank Limited (See Note 2.8.1)	4,59,77,823	9,38,83,170
Deposits		
Unsecured (See Note 2.4.3)	1,03,50,000	-
	<b>5,63,27,823</b>	<b>9,38,83,170</b>

**2.8.1** In case of the jointly controlled entity - M/s Seguro-INKEL Consortium LLP, cash credit loan availed from Federal Bank, sanctioned on 23.04.2015 with a limit of Rs. 50 Crore against the security of Hypothecation of Bill Receivables with 35% Margin, Fixed Deposit for Rs.3 crore & Collateral Security (Mortgaged Piravom Land) of INKEL Limited.

**NOTE - 2.9 TRADE PAYABLES**

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
Trade Payables ( See Note 2.9.1)		
i. Total outstanding dues of micro enterprises & small enterprises; and	-	3,13,999
ii. Total outstanding dues other than micro enterprises & small enterprises	6,67,70,969	2,24,96,849
	<b>6,67,70,969</b>	<b>2,28,10,848</b>

**2.9.1** 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. Nil/- (Rs. 3,13,999/-) has been included under Trade Payables. In the opinion of the management, there are no overdue to the above parties and the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material. Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

(In Rupees)

Particulars	As at 31.03.2017	As at 31.03.2016
a. Principal Amount remaining unpaid but not due as at the year end	-	3,13,999
b. Interest due thereon and remaining unpaid 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, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**2.9.2** In case of the jointly controlled entity- Seguro-Inkel Consortium LLP, creditors/trade Payable includes Subcontract amount payable to M/s. Seguro Foundations & Structures Pvt. Ltd. amounting to Rs.2,99,50,056/- (P.Y. Rs. 2,66,99,496/-), PMC Charges, Interest on Intercompany Advance and Guarantee Commission payable to M/s. INKEL amounting to Rs. 18,54,992/- (P.Y. Rs. 1,77,27,239/-), Statutory Audit Fee amounting to Rs.36,000/- (P.Y. Rs. 36,000/-), and amount due to Roads & Bridges Development Corporation Kerala Ltd. to Rs. 3,06,45,345/- (P.Y. Rs. Nil)

## NOTE - 2.10 OTHER CURRENT LIABILITIES

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
Accounts Payable- Capital	12,12,10,642	6,77,21,873
Lease hold Premium received in advance	2,66,62,550	3,33,56,248
Interest accrued but not due on borrowings	3,81,868	-
Unpaid Dividend	5,70,406	3,25,006
Other Payables		
Advance From Customers/Clients	3,43,58,231	7,85,130
Retention Money payable	61,88,819	1,36,85,396
Statutory Dues	3,54,51,735	1,02,60,013
Security Deposit / Earnest Money Deposit	5,39,411	4,76,871
EKK Infrastructure Ltd - towards expense	-	1,21,210
	<b>22,53,63,662</b>	<b>12,67,31,747</b>

## NOTE - 2.11 SHORT TERM PROVISIONS

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
Provision for employee benefits		
- Provision for Leave Encashment (See Note 2.31)	18,83,441	20,38,319
- Provision for Gratuity (See Note 2.31)	9,63,151	-
Proposed Dividend	-	6,52,10,800
Tax on Proposed Dividend	-	1,32,75,385
Provision for Income Tax	2,21,30,252	4,08,34,925
Provision for Capital Expenditure for Long Term Finance Lease (See Note 2.11.1)	-	22,64,044
	<b>2,49,76,844</b>	<b>12,36,23,473</b>

### 2.11.1 Details of Provisions

In case of the company

(In Rupees)

Nature of Provision	Balance as at 01.04.2016	Additional Provision during the year	Amounts used/ changed during the year	Unused amounts reversed	Balance as at 31.03.17
Provision for Capital Expenditure for Long Term Finance Lease	22,64,044	-	22,64,044	-	-

## NOTE - 2.12

(In Rupees)

### A. TANGIBLE ASSETS - (Property, Plant & Equipment)

SL. NO.	Particulars	Opening Balance	Additions during the year	GROSS BLOCK Deletions/ Adjustments during the year	Closing Balance	DEPRECIATION Depreciation for the year	Deleted during the year	Closing Balance	NET BLOCK AS ON 31.03.2017	NET BLOCK AS ON 31.03.2016
1	Freehold Land	30,79,11,893 (18,17,45,828)	2,98,18,149 (12,61,66,065)	-	33,77,30,042 (30,79,11,893)	-	-	-	33,77,30,042 (30,79,11,893)	30,79,11,893 (18,17,45,828)
2	Leasehold Land - See Note 2.11.1	57,01,24,282	-	1,57,03,047	55,44,21,235	65,15,655	11,29,952	3,86,16,458	51,58,04,777	53,68,93,528
3	Building- See Note 2.11.1 and Note 2.11.2	(54,82,00,131) 30,09,02,641	(5,95,95,800) 1,21,04,588	(3,76,71,649) 4,72,44,108	(57,01,24,282) 26,57,63,120	(68,13,363) 2,80,93,367	(21,41,111) 22,58,492	(3,32,30,754) 6,32,48,321	(53,68,93,528) 20,25,14,799	(51,96,41,629) 26,34,89,195
4	Plant & Machinery - See Note 2.11.2 and 2.11.3	(18,58,34,306) 2,21,37,892	(21,04,07,506) 2,06,96,475	(9,53,39,171) 49,41,827	(30,09,02,641) 3,78,92,541	(2,31,74,209) 52,09,577	(1,24,26,823) 5,47,291	(3,74,13,446) 1,15,49,463	(26,34,89,195) 2,63,43,077	(15,91,68,246) 1,52,50,715
5	Furniture and Fittings	1,82,46,767 (87,41,775)	2,49,900 (1,52,38,791)	- (18,42,674)	1,84,96,667 (2,21,37,892)	28,04,642 (33,82,776)	-	1,15,55,000 (68,87,177)	69,41,667 (1,52,50,715)	94,96,409 (53,58,999)
6	Office Equipments	33,46,692 (1,24,13,646)	1,26,189 (58,56,221)	11,400 (23,100)	34,61,481 (1,82,46,767)	5,62,752 (63,85,491)	10,830 (19,483)	26,59,367 (87,50,358)	(94,96,409) (94,96,409)	12,39,248 (60,28,155)
7	Computer	62,35,255 (31,00,294)	11,03,655 (8,99,075)	- (6,52,677)	73,38,910 (33,46,692)	13,21,418 (22,05,241)	-	58,37,203 (45,15,785)	15,01,707 (17,19,470)	17,19,470 (13,48,206)
8	Motor Car	8,83,724 (45,88,315)	32,09,154 (16,55,690)	8,83,724 (8,750)	32,09,154 (62,35,255)	6,73,617 (32,40,109)	7,39,452 (8,313)	6,41,720 (45,15,785)	25,67,434 (17,19,470)	1,76,168 (13,48,206)
9	Electrical Fittings	58,83,890 (28,47,812)	2,20,221 (39,66,963)	- (9,30,885)	61,04,111 (58,83,890)	11,57,292 (19,98,227)	-	27,32,722 (15,75,430)	33,71,389 (43,08,460)	43,08,460 (8,49,585)
<b>Total (A)</b>		<b>1,23,56,73,036</b>	<b>6,75,28,331</b>	<b>6,87,84,106</b>	<b>1,23,44,17,261</b>	<b>4,63,38,319</b>	<b>46,86,016</b>	<b>13,68,40,254</b>	<b>1,09,75,77,006</b>	<b>1,14,04,85,086</b>
<b>Previous Year</b>		<b>(94,83,55,831)</b>	<b>(42,37,86,111)</b>	<b>(13,64,68,906)</b>	<b>(1,23,56,73,036)</b>	<b>(3,81,09,016)</b>	<b>(1,59,74,718)</b>	<b>(9,51,87,950)</b>	<b>(1,14,04,85,086)</b>	<b>(87,53,02,179)</b>

### B. INTANGIBLE ASSETS

1	Computer Software	11,78,432 (8,78,432)	- (3,00,000)	-	11,78,432 (8,78,432)	1,33,071 (33,663)	-	9,51,885 (8,18,814)	2,26,547 (3,59,618)	3,59,618 (93,281)
<b>Total (B)</b>		<b>11,78,432</b>	<b>(3,00,000)</b>	<b>-</b>	<b>11,78,432</b>	<b>1,33,071</b>	<b>-</b>	<b>9,51,885</b>	<b>2,26,547</b>	<b>3,59,618</b>
<b>Previous Year</b>		<b>(8,78,432)</b>	<b>(3,00,000)</b>	<b>-</b>	<b>(11,78,432)</b>	<b>(33,663)</b>	<b>-</b>	<b>(8,18,814)</b>	<b>(3,59,618)</b>	<b>(93,281)</b>
<b>Grand Total (A) + (B)</b>		<b>1,23,68,51,468</b>	<b>6,75,28,331</b>	<b>6,87,84,106</b>	<b>1,23,55,95,693</b>	<b>4,64,71,390</b>	<b>46,86,016</b>	<b>13,77,92,138</b>	<b>1,09,78,03,554</b>	<b>1,14,08,44,704</b>
<b>Previous Year</b>		<b>(94,92,34,263)</b>	<b>(42,40,86,111)</b>	<b>(13,64,68,906)</b>	<b>(1,23,68,51,468)</b>	<b>(3,81,42,679)</b>	<b>(1,59,74,718)</b>	<b>(9,60,06,764)</b>	<b>(1,14,08,44,704)</b>	<b>(87,53,95,460)</b>

**2.12.1** 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.

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

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

**NOTE - 2.13 CAPITAL WORK IN PROGRESS**

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
Building under construction - Materials in hand	75,000	67,308
Projects under implementation (See Note 2.13.1 & 2.13.2)	40,23,06,077	3,08,85,693
	<b>40,23,81,077</b>	<b>3,09,53,001</b>

**2.13.1** In case of the subsidiary company- INKEL-KSIDC Projects Limited, projects under implementation includes Tower 3 & 4 Rs 56,45,626/-, Building Centre Rs.6,19,903/-, Executive Accomodation Rs. 3,78,365/- & Power Supply Rs.1,99,58,234/-.

**2.13.2** In case of the subsidiary company- INKEL-EKK Roads Private Limited, under Implementation includes EPC Contract Expense for Rs.33,64,22,588/-, Interest on Term Loan Rs.19,60,151/-, Insurance Charges Rs.1,59,357/-, PMC Rs.50,46,338/- and Salaries and Allowances Rs.1,15,402/-.

**NOTE - 2.14 NON CURRENT INVESTMENTS**

(In Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
<b>a) Investments in Equity Instruments</b>		
<b>(Un-quoted, Trade, at cost)</b>		
<b>i) In Associate companies</b>		
<b>-MIV Logistics Pvt Ltd</b>		
1,18,29,714 (1,18,29,714) Equity Shares of Rs.10/-each, Fully Paid up		
<b>Opening Balance</b>	-	6,41,43,657
Less: Unrealised Profit on Project & Facility Management Consultancy Income	-	(2,95,335)
Less: Share of Profit/ (Loss) of Associate (See Note No. 2.14.2)	-	(6,38,48,322)
<b>Closing Balance</b>	-	-
<b>ii) In Others</b>		
<b>- KV Apartments Pvt Ltd</b>		
50,000 (50,000) Equity Shares of Rs.10/- each, fully paid up	5,00,000	5,00,000
<b>b) Investments in Preference Instruments</b>		
<b>(Un-quoted, Trade, at cost)</b>		
<b>i) In Associate companies</b>		
<b>- MIV Logistics Pvt Ltd</b>		
1,60,00,000 (1,60,00,000) Optionally Convertible Preference Shares of Rs.10/- each, fully paid up	16,00,00,000	16,00,00,000
<b>Total investments (a) + (b)</b>	<b>16,05,00,000</b>	<b>16,05,00,000</b>
<b>Aggregate amount of unquoted investments</b>	<b>16,05,00,000</b>	<b>16,05,00,000</b>

**2.14.1** 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.

**2.14.2** The Company's accumulated share of losses in the consolidated financial statements of the associate company M/s MIV Logistics Pvt Ltd amounting to Rs 1,22,19,676/- (Rs 6,15,125/-) as at year-end 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 - 2.15 LONG TERM LOANS AND ADVANCES**
**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
Capital Advances	5,68,447	59,27,500
Security Deposits	15,43,340	15,82,490
Mobilisation Advance - EKK Infrastructure Pvt Ltd	3,37,57,400	-
Advance to Related Parties		
- Seguro - INKEL Consortium LLP	2,92,57,909	5,68,30,727
Income Tax (Net)	5,90,58,284	7,00,50,148
	<b>12,41,85,380</b>	<b>13,43,90,865</b>

**NOTE - 2.16 OTHER NON CURRENT ASSETS**
**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
Balance with banks in Fixed Deposit accounts (See Note 2.16.1)	11,00,500	-
<b>Trade Receivables</b> (Unsecured Considered good )		
-Outstanding for a period exceeding six months from the date they were due for payment	-	-
-Others	2,46,49,842	2,05,73,000
Earnest Money Deposits	2,25,000	2,25,000
Security Deposits	66,96,000	66,96,000
Advance Income Tax and TDS	33,66,993	4,62,605
Fixed Deposit with Banks (See Note 2.16.2)	96,92,365	1,09,33,875
Other Non Current Assets	1,47,162	1,44,000
	<b>4,58,77,862</b>	<b>3,90,34,480</b>

**2.16.1** Rs.11,00,500/- (Rs.Nil) is held against public deposits in pursuance of the requirements of applicable Rules.

**2.16.2** In case of the jointly controlled entity SEGURO-INKEL Consortium LLP, balance with banks in deposit accounts include Rs. 2,33,68,589/- held under lien against bank guarantees. Out of this, Rs. 2,13,38,589/- is of maturity period more than 12 months.

**NOTE - 2.17 INVENTORIES**
**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
Land and Building held on long term finance lease		
Opening Balance		-
Add: Additions during the year	6,39,53,246	12,25,47,226
Less: Disposed during the year	6,39,53,246	12,25,47,226
Closing Balance	-	-
	<b>-</b>	<b>-</b>



**NOTE - 2.18 TRADE RECEIVABLES**
**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
Trade Receivables (Unsecured Considered good )		
-Outstanding for a period exceeding six months from the date they were due for payment	1,54,08,168	59,25,622
-Others( See Note 2.18.1)	20,13,00,603	37,54,98,110
	<b>21,67,08,771</b>	<b>38,14,23,732</b>

**2.18.1 Trade Receivables include debts due from:**
**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
Trade Receivables (Unsecured Considered good )		
-Outstanding for a period exceeding six months from the date they were due for payment	1,54,08,168	59,25,622
-Others( See Note 2.18.1)	20,13,00,603	37,54,98,110
	<b>21,67,08,771</b>	<b>38,14,23,732</b>

**2.18.1 Trade Receivables include debts due from:**
**(In Rupees)**

Particulars	Description	As at 31-03-2017	As at 31-03-2016
MIV Logistics Private Limited	Private limited company in which a director of INKEL Limited is a director	90,66,462	58,35,872
Kerala Industrial Infrastructure Development Corporation (KINFRA)	Government of Kerala owned Statutory Body in which a director of INKEL Limited is a director	76,79,984	-
Kerala State Industrial Development Corporation (KSIDC)	Government of Kerala owned private limited company in which a director of INKEL Limited is a director	2,300	10,15,37,226
Kerala Academy for Skills Excellence (KASE)	Government of Kerala owned private limited company in which a director of INKEL Limited is a director	8,52,316	9,30,82,680

**2.18.2** In case of the Subsidiary Company - M/s INKEL - KSIDC Project Limited, trade receivables includes dues for lease premium including Duratech Rs. 1,77,500/-.

**2.18.3** In case of the jointly controlled entity - M/s Seguro-INKEL Consortium LLP , trade receivables represents amounts receivable from - Kerala State Construction Corporation amounting to Rs. 11,50,95,405/- (P.Y. Rs. 8,81,98,926/-), Kerala PWD amounting to Rs. 2,71,67,355/- (P.Y. Rs. 24,68,02,359/-) and from Roads and Bridges Development Corporation Kerala Ltd. amounting to Rs. 7,78,29,718/- (P.Y. Rs. Nil) towards the pending bills related to construction of Bridges.

**NOTE - 2.19 CASH AND CASH EQUIVALENTS**
**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
Cash on Hand	7,295	13,088
Balance with Banks		
In Current Accounts	2,32,34,105	7,13,424
In Fixed Deposit Accounts	34,35,74,640	20,36,03,635
	<b>36,68,16,040</b>	<b>20,43,30,147</b>

**2.19.1 Earmarked Balances:**

Balance with banks in Current Accounts include earmarked balances for unpaid dividend Rs. 5,70,406/- (Rs. 3,25,006/-).

**2.19.2** Balance with banks in Deposit Accounts include Rs. 2,54,606/- (Rs. 50,000/-) held with a maturity period of more than 12 months and Rs. 1,00,99,500/- (Rs. Nil) is held against public deposits in pursuance of the requirements of applicable Rules.

**2.19.3** Incase of the company , balance with banks in deposit accounts include Rs. 7,84,33,734/- (Rs. 5,34,61,396/-) held under lien.

**2.19.4** In case of the subsidiary company INKEL-EKK Roads Private Limited, balance with banks in deposit accounts include Rs. 65,00,000/- held under lien.

**2.19.5** The details of Specified Bank Notes(SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as provided in the table below:

**(In Rupees)**

Particulars	SBN	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	8,000	8,202	16,202
(+) Permitted Receipts	-	1,69,276	1,69,276
(-) Permitted Payments	-	1,53,472	1,53,472
(-) Amount deposited in Banks	8,000	3,900	11,900
Closing Cash in hand as on 30.12.2016	-	20,106	20,106

The above disclosures do not include direct remittances made by customers into the Bank Account of the Company Rs.2,33,947/- (SBN - Rs.1,89,000/- and other denomination notes Rs.44,947/-).

In case of the jointly controlled entity - Seguro INKEL Consortium LLP, the above figures are Nil, since there is no cash transaction during the year in the books of accounts of the LLP.

The above disclosure does not include SBN details relating to the Associate Company - MIV Logistics Private Limited.

In respect of the subsidiary companies INKEL-KINFRA Infrastructure Projects Limited , INKEL-EKK Roads Private Limited and INKES Trade Centre Limited, the respective companies did not have any holdings or dealings in Specified Bank Notes during the period from 08th November,2016 to 30th December,2016.

**NOTE - 2.20 SHORT TERM LOANS AND ADVANCES**
**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
Loans/advances to related parties		
Seguro - INKEL Consortium LLP	2,94,58,630	2,07,20,437
INKEL - EKK Roads Private Ltd	-	1,14,448
Others:		
Advances recoverable in cash or in kind or for value to be received	74,28,866	2,04,90,756
Earnest Money Deposits	3,70,000	12,75,000
Balances with Government Authorities	3,72,86,739	3,96,41,372
Advance to Suppliers/Contractors	27,77,478	25,85,320
Mobilisation and secured advance	7,54,75,888	1,42,11,459
Advance to employees	5,09,484	3,48,000
Others	35,00,000	35,00,000
	<b>15,68,07,085</b>	<b>10,28,86,791</b>

**NOTE - 2.21 OTHER CURRENT ASSETS**
**(In Rupees)**

Particulars	As at 31-03-2017	As at 31-03-2016
Interest Receivable	72,16,573	1,50,00,323
TDS & Advance tax (2016-17)	9,68,145	-
Others	1,64,41,593	43,69,237
	<b>2,46,26,311</b>	<b>1,93,69,560</b>

## NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

### NOTE - 2.22 REVENUE FROM OPERATIONS

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Sale of Services		
Income from disposal of land and building (On Long Term Finance Lease)	13,33,01,498	28,47,93,715
Construction Income	15,70,17,214	20,57,88,651
Share of Course Fee Received	1,15,76,199	1,13,00,301
Income from Operating Lease	91,15,468	1,01,47,680
Income from Project Management Services (Refer Note 2.23.1)	1,99,97,381	83,99,901
Common Amenity Charges	47,43,290	46,82,328
Lighting system commissioning services	30,93,346	-
Facility Management Service	35,90,462	-
Sale of Products		
Sale of lighting system	6,48,05,636	-
Income from Agriculture	4,93,401	-
	<b>40,77,33,895</b>	<b>52,51,12,576</b>

#### 2.22.1 Details of Project Management Consultancy services (PMC):

a. Revenue recognized from PMC contracts :Rs. 1,99,97,381/-

b. Details of cost incurred for PMC contracts : Rs.1,13,21,205/-

The above cost represents only direct costs incurred in relation/allocable to the PMC contracts. Details of indirect costs (if any), which are not separately ascertainable have not been included in the same.

c. Amount of advances received: Rs. Nil

d. Amount of retentions: Rs. Nil

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

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest Income	94,54,982	5,23,92,516
Guarantee Fee Received	11,00,583	7,55,167
Profit on Sale of Assets	1,44,285	68,861
Liquidity Damages	95,005	40,000
Interest on Lease Premium	96,88,222	31,14,816
Interest on Secured Advance	2,22,046	5,27,276
Interest on Mobilisation Advance	25,98,568	5,98,609
Interest on Fixed Deposit/Bank	1,39,36,914	10,10,564
Agricultural Income	-	2,78,697
Subsidy Receipt	42,275	-
Miscellaneous Income	8,07,736	12,39,516
	<b>3,80,90,616</b>	<b>6,00,26,022</b>

**NOTE - 2.24 COST OF LAND ACQUIRED / BUILDING / AMENITIES CONSTRUCTED AND DISPOSED  
(On long term finance lease agreements)**
**(In Rupees)**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
- Cost of Land	1,45,73,095	3,55,30,539
- Cost of Building/Amenities	4,93,80,151	8,70,16,687
	<b>6,39,53,246</b>	<b>12,25,47,226</b>

**NOTE - 2.25 PURCHASE OF STOCK IN TRADE**
**(In Rupees)**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Solar light	5,57,15,416	-
Highmast light	49,72,869	-
	<b>6,06,88,285</b>	-

**NOTE - 2.26 OPERATING EXPENSE**
**(In Rupees)**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Construction Expense - Sub Contract	12,33,82,164	17,11,27,350
Labour welfare cess	1,25,252	2,03,677
Security Recovery Charges	1,00,000	-
	<b>12,36,07,416</b>	<b>17,13,31,027</b>

**NOTE - 2.27 EMPLOYEE BENEFIT EXPENSE**
**(In Rupees)**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Salaries & Allowances	4,18,84,351	2,76,08,899
Contribution to Provident and Other Funds	29,87,604	14,86,254
Staff Welfare Expense	25,92,492	13,92,458
	<b>4,74,64,447</b>	<b>3,04,87,611</b>

**NOTE - 2.28 FINANCE COSTS**
**(In Rupees)**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest Expense	1,39,83,354	1,05,80,313
Interest on Public Deposits	56,11,382	-
Other Borrowing costs -Expense for procurement & administration of public deposits	61,44,305	-
	<b>2,57,39,041</b>	<b>1,05,80,313</b>

**NOTE - 2.29 OTHER EXPENSE**
**(In Rupees)**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Expenditure on corporate social responsibility activity (See Note 2.30.1)	21,05,000	2,11,825
Project Management Services Expense	94,00,963	48,03,371
Hostel Running and Course expense	20,95,153	12,41,234
Lighting system commissioning expense	30,67,652	-
Facility Management Divisional Expense	34,69,981	-
Agricultural expense	68,95,955	17,49,046
Power & Fuel	24,44,248	36,95,561
Rent	26,51,668	34,63,360
Repairs & Maintenance	34,98,671	50,88,489
Insurance	1,60,557	1,15,388
Payment to Auditors	-	-
- Statutory Audit	5,90,000	3,53,000
- Taxation Service	1,00,000	87,500
- Other Services	28,650	59,000
- Reimbursement of expense	24,103	11,258
Bank charges & interest	16,62,289	5,12,037
Meeting expense	13,11,294	15,47,922

Sitting fee to Directors	19,85,641	7,85,905
Consideration for Manpower services	49,12,554	45,13,925
Advertisement & Publicity	51,22,248	83,96,504
Loss on Sale of assets	570	1,79,867
Membership/ Subscription to Professional bodies	1,09,359	1,68,494
Postages, Telephone and internet charges	12,48,106	9,86,710
Printing and Stationery	3,08,945	2,85,681
Professional Charges & Legal Fee	40,76,228	15,97,466
Rates & Taxes	62,71,168	36,28,672
Staff Recruitment Expense	2,85,963	6,94,772
Travelling & Conveyance	56,97,907	42,34,824
Expenditure on projects written off	-	4,11,669
Staff Recruitment expense	90,214	-
Guarantee Commission	1,65,088	89,590
Business Promotion Expense	6,63,108	1,54,498
Preincorporation Expense	-	2,00,259
Preliminary Expense	10,55,769	-
Miscellaneous Expense	5,20,663	7,35,099
	<b>7,20,19,714</b>	<b>5,00,02,926</b>

**NOTE - 2.29.1 Note on Expenditure on Corporate Social Responsibility activities**

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
i) Gross amount required to be spent during the year	23,87,842	17,63,000
ii) Amount spent during the year		
- Construction/acquisition of any asset	-	-
- on purposes other than above	21,05,000	2,11,825
	<b>21,05,000</b>	<b>2,11,825</b>

**NOTE - 2.30 EARNINGS PER SHARE**

(In Rupees)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Profit after tax for the year as per Statement of Profit and Loss (In Rs.)	(1,18,60,399)	4,22,14,402
Weighted average number of equity shares of Rs.10/-(Rs.10/-) each (fully paid up)	16,30,27,000	16,30,27,000
Basic and Diluted Earnings Per Equity Share- In Rs. (Face Value of Share- Rs.10 each)	<b>(0.07)</b>	<b>0.26</b>



## Note No. 2.31 EMPLOYEE BENEFITS

(Disclosure under Accounting Standard 15 – 'Employee Benefits')

### 2.31.1 Defined Contribution Plans

#### In case of the Holding Company – INKEL Limited

During the year the company has recognized Rs.15,70,778/- (Previous Year Rs.9,21,033/-) as Contribution to Provident Fund, Rs.7,32,816/- (Rs.Nil/-) as Contribution to National Pension Scheme and Rs.8,780/- (Rs. Nil/-) as Contribution to Employee State Insurance in the Statement of Profit and Loss on account of defined contribution plans.

#### In case of the Subsidiary Company – INKEL-KSIDC Projects Limited

During the year the company has recognized Rs. 3,11,504/- (Previous year Rs. 1,81,630/-) in the Statement of Profit and Loss on account of defined contribution plans.

### 2.31.2 Defined Benefit Plans

#### In case of the Holding Company – INKEL Limited

##### Gratuity (Funded)

(i)	Actuarial Assumptions	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Discount Rate	8.00% p.a.	8.00% p.a.
	Rate of return on plan assets	8.00% p.a.	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:	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Present value of obligation at the beginning of the year	26,82,144	23,57,549
	Current Service Cost	6,11,610	3,86,837
	Interest Cost	2,39,036	2,04,077
	Actuarial (gain)/loss	9,19,593	(78,620)
	Benefits Paid	(1,09,867)	(1,87,699)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	43,42,516	26,82,144

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 <sup>st</sup> March, 201 7	31 <sup>st</sup> March, 201 6
	Fair value of plan assets at the beginning of the year	29,90,269	20,44,503
	Expected return on plan assets	2,39,221	1,63,560
	Actuarial gain/(loss)	(3,09,925)	1,23,033
	Contributions	5,69,667	8,19,064
	Benefits paid	(1,09,867)	(1,59,891)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	33,79,365	29,90,269

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Present value of obligation	43,42,516	26,82,144
	Fair value of plan assets	33,79,365	29,90,269
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	9,63,151	(3,08,125)

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Current Service Cost	6,11,610	3,86,837
	Interest Cost	2,39,036	2,04,077
	Expected return on plan assets	(2,39,221)	(1,63,560)
	Actuarial (gain) /loss recognised in the period	12,29,518	(2,01,653)
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	18,40,943	2,25,701

**Leave Plan (Unfunded)**

(i)	Actuarial Assumptions	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	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)	<b>Reconciliation of present value of obligation:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Present value of obligation at the beginning of the year	42,92,508	24,52,295
	Current Service Cost	20,00,310	13,16,083
	Interest Cost	1,14,373	2,48,827
	Actuarial (gain)/loss	8,35,832	6,88,205
	Benefits Paid	(19,08,193)	(4,12,902)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	53,34,830	42,92,508

(In Rupees)

(iii)	<b>Reconciliation of fair value of plan assets :</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	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)	<b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Present value of obligation	5 3,34,830	42,92,508
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	53,34,830	42,92,508

(In Rupees)

(v)	<b>Expenses recognised in the Statement of Profit and Loss:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Current Service Cost	20,00,310	13,16,083
	Interest Cost	1,14,373	2,48,827
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	8,35,832	6,88,205
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	29,50,515	22,53,115

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

**In case of the Subsidiary Company – INKEL-KSIDC Projects Limited**  
**Gratuity (Funded)**

(i)	Actuarial Assumptions	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Discount Rate (per annum)	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:	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Present value of obligation at the beginning of the year	9,691	-
	Current Service Cost	12,610	7,859
	Interest Cost	1,280	314
	Actuarial (gain)/loss	(1,364)	6,023
	Benefits Paid	-	(3,685)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	22,217	9,691

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Fair value of plan assets at the beginning of the year	72,811	-
	Expected return on plan assets	5,824	-
	Actuarial gain/(loss)	11,880	-
	Contributions	1,33,810	76,496
	Benefits paid	-	(3,685)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	2,24,325	72,811

(In Rupees)

(iv)	<b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Present value of obligation	22,217	9,691
	Fund Status	2,02,108	63,120
	Fair value of plan assets	-	72,811
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(2,02,108)	(63,120)

(In Rupees)

(v)	<b>Expenses recognized in the Statement of Profit and Loss:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>
	Current Service Cost	12,610	7,859
	Interest Cost	1,280	314
	Expected return on plan assets	( 5,824)	-
	Actuarial (gain) /loss recognized in the period	(13,244)	6,203
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognized in the Statement of Profit and Loss	(51,778)	14,376

**Leave Plan (Unfunded)**

(i)	<b>Actuarial Assumptions</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March 2016</b>
	Discount Rate (per annum)	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	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)	<b>Reconciliation of present value of obligation:</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March 2016</b>
	Present value of obligation at the beginning of the year	1,99,243	-
	Current Service Cost	1,70,136	1,52,796
	Interest Cost	22,745	6,112
	Actuarial (gain)/loss	(17,234)	40,335
	Benefits Paid	(18,896)	-
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	3,55,994	1,99,243

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 <sup>st</sup> March, 2017	31 <sup>st</sup> 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:	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Present value of obligation	3,55,994	1,99,243
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognized as (asset)/liability in the Balance Sheet	(3,55,994)	1,99,243

(In Rupees)

(v)	Expenses recognized in the Statement of Profit and Loss:	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
	Current Service Cost	1,70,136	1,52,796
	Interest Cost	22,745	6,112
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognized in the period	(17,234)	40,335
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognized in the Statement of Profit and Loss	1,75,647	1,99,243

### In case of the Subsidiary Company – INKEL-EKK ROADS PRIVATE LIMITED

During the period, Company has made contributions to INKEL Employees Gratuity Fund Scheme constituted by the Holding Company for the benefit of employees of its Group Companies.

## Note -2.32

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.	MIV Logistics Private Limited	Associate Company
ii.	Seguro-INKEL Consortium LLP	Jointly Controlled Entity
iii.	Seguro Foundations and Structurals Private Limited	Enterprise having substantial interest in the Jointly Controlled Entity
iv.	KSIDC Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-KSIDC Projects Limited
v.	Kinfra Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-KINFRA Infrastructure Projects Limited
vi.	EKK Infrastructure Private Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-EKK Roads Private Limited
vii.	KSIE Limited	Enterprise having substantial interest in the Subsidiary Company - INKES Trade Centre Limited
viii.	Key Managerial Personnel Mr. T Balakrishnan	Managing Director of the company

### B. Description of Transactions

(In Rupees)

Nature of Transaction	Subsidiary/ Associate/ Jointly Controlled Entity	Key Managerial Personnel	Total
<b><u>Income</u></b>			
1. Project Management Services			
MIV Logistics Private Limited	23,33,210	-	23,33,210
	(7,49,012)	-	(7,49,012)
Seguro - INKEL Consortium LLP	35,97,687	-	35,97,687
	(1,07,05,014)	-	(1,07,05,014)
b. Gurantee Commission Received			
Seguro - INKEL Consortium LLP	22,01,165	-	22,01,165
	(13,73,031)	-	(13,73,031)
2. Interest income from Loans/Debentures			
Seguro-INKEL Consortium LLP	1,67,86,340	-	1,67,86,340
	(1,65,92,296)	-	(1,65,92,296)
3. Faciltiy Management Services			
MIV Logistics Pvt Limited	10,11,167	-	10,11,167
	(-)	(-)	(-)



<b><u>Expense</u></b>			
1. Remuneration to Managing Director	- (-)	50,58,739 (36,19,781)	50,58,739 (36,19,781)
2. Sub Contract Expenses			
Seguro-INKEL Consortium LLP	24,67,64,328 (38,02,83,000)	- -	24,67,64,328 (38,02,83,000)
3. EPC Contract Expenses			
EKK Infrastructure Private Limited	33,64,22,588 (-)	- (-)	33,64,22,588 (-)
4. Sitting Fees	- (-)	2,41,500 (-)	2,41,500 (-)
<b><u>Loans and Advances</u></b>			
1. Seguro-INKEL Consortium LLP			
- Loan/Advances given	3,75,00,000 (6,64,25,790)	- -	3,75,00,000 (6,64,25,790)
- Loan/Advances recovered	6,86,14,858 (13,93,45,137)	- -	6,86,14,858 (13,93,45,137)
2. KSIE Limited			
- Loan/Advances given	35,00,000 (35,00,000)	- -	35,00,000 (35,00,000)
<b><u>Investments</u></b>			
1. MIV Logistics Private Limited (being preference shares)	16,00,00,000 (16,00,00,000)	- -	16,00,00,000 (16,00,00,000)
<b><u>Guarantee given</u></b>			
1. MIV Logistics Private Limited	23,20,09,630 (23,19,74,071)	- -	23,20,09,630 (23,19,74,071)
2. Seguro-INKEL Consortium LLP	57,50,00,000 (24,00,00,000)	- -	57,50,00,000 (24,00,00,000)
<b><u>Receivables</u></b>			
1. MIV Logistics Private Limited	90,66,462 (58,35,872)	- -	90,66,462 (58,35,872)
2. Seguro-INKEL Consortium LLP	11,01,30,055 (14,27,22,458)	- -	11,01,30,055 (14,27,22,458)
3. KSIDC Limited	42,39,237 (42,39,237)	- -	42,39,237 (42,39,237)

4. KINFRA Ltd	1,44,000	-	1,44,000
	(1,44,000)	-	(1,44,000)
5. Seguro Foundations and Structures Private Limited (Mobilisation Advance)	2,61,64,331	-	2,61,64,331
	(2,81,56,624)	-	(2,81,56,624)
<b><u>Payables</u></b>			
1. Seguro Foundations and Structures Private Limited	2,99,50,056	-	2,99,50,056
	(2,66,99,496)	-	(2,66,99,496)
2. EKK Infrastructure Private Limited	9,02,59,868	-	9,02,59,868
	-	-	-
3. KSIE Limited (Payable against lease premium)	2,75,38,500	-	2,75,38,500
	-	-	-

**2.32.1.** Transactions in the nature of current account transactions have not been included in the above disclosure.

**2.32.2.** Transactions with the Jointly Controlled Entity and Associate Company are prior to elimination

### **Note - 2.33**

#### **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 including construction. 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 - 2.34.1**

#### **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.

### **Note - 2.34.2**

#### **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 - 2.34.3**

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

As per the supplementary LLP agreement dated 24-06-2016 entered between the partners, the Profit sharing ratio is changed with retrospective effect from 01-04-2016. The new Profit Sharing Ratio is Seguro Foundation & Structures Private Limited – 50% (55%) and INKEL Limited 50% (45%).

**Note - 2.35 Contingent Liabilities not provided for :**
**(In Rupees)**

Particulars	As at 31.03.2017	As at 31.03.2016
<b>I. In case of the Company</b>		
a) Corporate guarantee issued in favour of -		
- MIV Logistics Private Limited	23,20,09,630	23,19,74,071
- Seguro-INKEL Consortium LLP	57,50,00,000	24,00,00,000
b) Claims towards Building Tax	1,13,50,872	30,16,979
<b>II. In case of the subsidiary company INKEL-KSIDC Project Limited</b>		
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
<b>III. In case of the subsidiary company INKEL-EKK Roads Private Limited</b>		
a) Bank Guarantee issued by State Bank of Travancore valid from 25/07/2016 to 24/07/2018 in favour of Road Infrastructure Company Kerala Ltd	6,45,00,000	-
<b>IV. In case of the jointly controlled entity SEGURO-INKEL Consortium LLP</b>		
a) Guarantees	6,20,00,000	-

**Note No 2.36 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.**
**(In Rupees)**

Name of the entity	As at 31.03.2017		As at 31.03.2016	
	Net Assets, ie Total Assets - Total liabilities		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	81.31%	1,46,32,75,613	87.91%	1,53,19,63,548
Subsidiaries:				
INKEL-KSIDC Projects Limited	5.45%	9,80,35,613	7.04%	12,27,46,943
INKEL-KINFRA Infrastructure Projects Limited	-0.59%	(1,06,04,221)	-0.60%	(1,03,75,554)
INKES Trade Centre Ltd	1.87%	3,35,78,546	1.96%	3,40,98,923
INKEL-EKK Roads Private Limited	4.50%	8,09,33,211	-	-
Jointly Controlled Entity:				
SEGURO-INKEL Consortium LLP	0.58%	1,04,91,773	0.54%	93,87,675
INKEL-EKK Roads Private Limited	-	-	-0.01%	(1,70,259.00)
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)		(11,82,97,140)
	-	-	-	-
Minority Interest	6.89%	12,39,17,005	3.16%	5,50,22,839
<b>Total</b>	<b>100.00%</b>	<b>1,79,96,27,539</b>	<b>100.00%</b>	<b>1,74,26,74,115</b>

Name of the entity	For the year ended 31.03.2017 Share in Profit or (Loss)		For the year ended 31.03.2016 Share in Profit or (Loss)	
	As a % of consolidated Profit/(Loss)	Amount (In Rupees)	As a % of consolidated Profit/(Loss)	Amount (In Rupees)
Parent Company	-316.23%	6,78,21,281	400.78%	12,61,45,874
Subsidiaries:				
INKEL-KSIDC Projects Limited	177.31%	(3,80,27,263)	-47.25%	(1,48,70,895)
INKEL-KINFRA Infrastructure Projects Limited	1.07%	(2,28,667)	-14.60%	(45,95,245)
INKES Trade Centre Ltd	2.43%	(5,20,377)	-20.22%	(63,64,158)
INKEL-EKK Roads Private Limited	214.37%	(4,59,74,409)	-	-
Jointly Controlled Entity:				
SEGURO-INKEL Consortium LLP	-23.64%	50,69,037	18.90%	59,47,407
INKEL-EKK Roads Private Limited	-	-	-0.64%	(2,00,259)
Associate Company:				
MIV Logistics Private Limited	-	-	-202.85%	(6,38,48,322)
Minority Interest	44.70%	(95,86,177)	-34.12%	(1,07,38,973)
<b>Total</b>	<b>100.00%</b>	<b>(2,14,46,575)</b>	<b>100.00%</b>	<b>3,14,75,429</b>

## Note 2.37

**Computation of goodwill arising on consolidation of new Subsidiary Company: INKEL EKK Roads Private Limited**

(In Rupees)

Particulars	Amount (Rs)	As at 31st March 2017
Consideration Paid	-	8,16,00,000
Nominal value of share capital held by INKEL Limited in INKEL-EKK Roads Private Limited	8,16,00,000	-
Share of INKEL Limited in the accumulated losses as on the date of acquisition	(3,34,381)	-
<b>Goodwill on consolidation</b>		<b>3,34,381</b>

## Note - 2.38

(In Rupees)

Capital Commitments	As at 31.03.2017	As at 31.03.2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	65,10,446	3,27,92,689

**Note - 2.39 Dividend Remittances in foreign currency:-**
**(In Rupees)**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Year to which dividend relates	Financial year 2015-16	Financial year 2014-15
Amount remitted during the year	88,00,000	66,00,000
Number of non resident shareholders	4	4
Number of shares on which dividend was due	2,20,00,000	22,000

**Note - 2.40**

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.

**Note - 2.41**

In case of the subsidiary company INKEL EKK Roads Private Limited, this being the first set of financial statements of the Company, previous period's figures and comparative information are not available.

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 : 23.06.2017



# Route Map

## Venue of 10th Annual General Meeting

### Grand Hotel

Jose Junction, MG Road, Kochi-682011



### Distance From:

- |                                    |           |
|------------------------------------|-----------|
| 1. Ernakulam South Railway Station | - 0.8 Km  |
| 2. Ernakulam Town Railway Station  | - 3.4 Km  |
| 3. Ernakulam KSRTC Bus Stand       | - 1.3 Km  |
| 4. Cochin International Airport    | - 29.2 Km |



## 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 **TENTH ANNUAL GENERAL MEETING** of INKEL Limited to be held on Friday, the 25th August 2017 at 10.30 am at Grand Hotel, Jos Junction, 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, Ernakulum - 682030

Ph : 0484 6491138, Fax : 0484 2978102

Name of the member (s):

Registered address:

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 Friday, the 25th August 2017 at 10.30 am at Grand Hotel, Jos Junction, MG Road, Cochin and at any adjournment thereof in respect of such resolutions as indicated in the notice.

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

\_\_\_\_\_

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,  
Post Office Road, Kakkanad, Cochin- 682030, India. **Phone:** 0484 6491138  
**Email:** deptcs@inkelkerala.com **Website:** www.inkel.in