



Annual Report 2017

KITCO Limited

Cochin - 682 028

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BOARD OF DIRECTORS

1. Shri. Rakesh Rewari
2. Shri. KallatVatsa Kumar
3. Shri. K.R. Jyothilal, IAS
4. Dr. M. Beena, IAS
5. Shri. P.M. Francis, IAS
6. Shri. Perumal G. Jayashankar
7. Shri. S. Parthasarathy (from 18.06.2016 upto 29.07.2017)
8. Shri. P.S. Rajan (from 25.02.2017)
9. Shri. Suryanarayanan K. (from 29.07.2017)
10. Shri. Cyriac Davies

Registered Office:

KITCO Ltd., Femith's, P.B. No. 4407, Puthiya Road, NH Bypass, Vennala,
Kochi-682028.

Ph: 0484 4129000/2805033 (MD) Fax: 0484 2805066
email: mail@kitco.in | website: www.kitco.in

Regional Office:

KITCO Ltd., 1st Main Road, MEPZ-SEZ, GST Road, Tambaram Sanatorium,
Chennai - 600045

Ph - 044 45118383 / 22620073
email: chennai@kitco.in | kitco_mepz@yahoo.com

Branch Offices:

KITCO Ltd., TC 4/1687, 42, Bel Haven Garden, Kowdiar P.O, **Trivandrum - 695003**

Ph/Fax: 0471 2728543/2724462
email: tvn@kitco.in; kitcoplacementpark@gmail.com

KITCO Ltd., FB-04B, NSIC STBP Extension, NSIC Bhawan,
Gate No : 02, Okhla Industrial Estate, **New Delhi-110020**

Ph: +91-8373999957, 9891016590
email: delhi@kitco.in

AUDITORS

M/s. Gopan & Syam
Chartered Accountants
37/3980, Opp. Renewal Centre
Azad Road, Kaloor,
Kochi-682 017

INTERNAL AUDITORS

M/s. TJ & Associates
Chartered Accountants
29/1132B, JK Villa, Major Road,
Vytilla, Kochi-682 019

BANKERS

1. IDBI Bank Ltd.
Kochi-682035
2. Union Bank of India
Kochi-682015
3. Indian Bank
Kochi-682016
4. Bank of India
Kochi-682016
5. State Bank of India
Kochi-682015
6. HDFC Bank Ltd.
Kochi-682016

LEGAL ADVISORS

M/s. Menon & Pai
Advocates
I.S. Press Road, Kochi

SENIOR EXECUTIVES

1. Jose Davis
2. G. Pramod
3. Benny Paul
4. Sasidharan K. Nair
5. Gils K. Jose
6. NishaThankachi M.S.
7. Sreelatha J. Nair
8. Suresh Jacob

Directors' Report

To the Members,

Your Directors have great pleasure in presenting the 45th Annual Report together with audited accounts of the Company for the year ended March 31, 2017 along with Audited Statement of Accounts, the Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

Your Company sustained its good performance during FY 2016-17. The gross income of the Company is ₹ 5035.96 lakhs and profit before tax is ₹ 1326.26 lakhs.

1. Financial Results

The financial highlights for the year under review are given below:

(₹ in lakhs)

Particulars	2016-17	2015-16
Gross earnings	5035.96	5025.68
Expenditure	3597.42	3601.67
Profit before depreciation and tax	1438.54	1424.01
Depreciation	112.28	113.93
Profit for the year before income tax	1326.26	1310.08
Provision for Income Tax	477.04	467.53
Deferred Tax	11.59	-7.47
Net profit after income tax & other taxes	837.63	850.02
Balance brought forward from previous year	3486.72	2856.93
Total Surplus	4324.35	3706.96
Transfer to general reserve	41.88	42.50
Balance available for dividend	4282.47	3664.45
Proposed dividend (including dividend tax)	177.73	177.73
Balance carried to Balance Sheet	4104.74	3486.72
EPS- Basic and Diluted	851	863

2. Dividend

We propose a dividend of 15% of paid up capital for the consideration of members. The dividend if approved and declared in the forthcoming Annual General meeting would result a total Dividend outflow of ₹ 1,47,67,500.00 and Dividend Distribution Tax of ₹ 30,06,316.00 aggregating a total outflow of ₹ 1,77,73,816.00 Company disbursed to shareholders the dividend declared and approved in last year.

3. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

As per provisions of Section 125 of the Companies Act, 2013, there was no unpaid or unclaimed Dividend pending for transfer to Investor Education and Protection Fund.

4. Performance Review 2016-17

The Company has recorded total revenue of ₹ 5035.96 lakhs as compared to ₹ 5025.68 lakhs in the previous year. Despite recessionary pressures and uncertain political and economic conditions in the country, the Company maintained a minimal growth during the year under review compared to that of the previous financial year. The Profit before Tax reported by the Company for the financial year 2016-17 is ₹ 1326.26 lakhs.

5. Operations during the Year

For the year 2016-17, Company completed 113 assignments of varied nature. (Previous Year: 88 assignments). During this year also the Company deliberately targeted higher value assignments. The number of assignments completed under major categories is as follows:

	2016-17	2015-16
Detailed Project Reports/Market/Other Surveys	24	12
Asset Valuation	0	3
Human Resources Development Programs	13	40
Energy Conservation Studies	3	4
Industrial Projects	12	5
Infrastructure Projects	22	4
Tourism Projects	39	20
Total	113	88

6. Highlights of Operations

During the year, the various divisions of your Company continued their efforts towards providing optimized and value added services for all ongoing projects consistent with the client requirements and objectives of the Company. Your Company focused on quality of deliverables and timely completion of assignments.

Government of Kerala has launched the Nava Kerala Mission under which 4 major initiatives are being taken up: Agriculture; Housing; Health; and Education. The initiative for Education is titled "Protection of Public Education Mission" (PPE Mission") with the main objective of upgrading 1000 Government schools to international standards.

As a recognition to the continuous support to the developmental activities of Government of Kerala, Department of General Education has engaged KITCO as the consultant for the mission to carry out the detailed review of the master plans and prepare the Detailed Project Report. In Phase 01, out of 1000 schools, 141 schools (with project outlay of ₹ 5 Cr each) and 240 schools (with project outlay of ₹ 3 Cr each) are being taken up in this financial year for developing master plan. The total outlay of the project is around ₹ 1500 crores.

The achievements of various divisions for the year under review are enumerated below:

a. Engineering Division

i. Infrastructure and Urban Planning

- During the year under review Infrastructure and Urban Planning group successfully completed the construction of three ROBs, two for Roads and Bridges Development Corporation of Kerala Ltd. (RBDCK) and one for Cochin International Airport (CIAL). The Flyover at Palarivattom was inaugurated and opened to traffic in the year 2016-17.
- The Big Apple Residential Project, an apartment complex for 208 units, abandoned by the builder and on the request of Kerala High Court, the balance construction activities has been taken up by your Company. The project was successfully completed by your Company under the monitoring of Hon'ble High Court of Kerala.
- The following were the new consultancy assignments bagged by this group during the year under review:
 - Feasibility study and preparation of detailed project report for 4 laning of Tamilnadu/Karnataka border to Hoskote of NH-207 from km 16.80 to km 58.30 in the state of Karnataka for a length of 41.50 km for NHAI.
 - Preparation of feasibility report cum detailed project report (DPR) for capacity augmentation for NH corridor of new NH between NH 183 and NH 85 (old NH 49) for MORTH, Government of India.
 - Preparation of feasibility report cum detailed project report (DPR) for NH corridor of new NH from Alappuzha (NH 47) - Changanassery - Vazhoor - 14th mile (NH 220 for MORTH, Government of India.
 - Preparation of Master Plan for Cochin University of Science and Technology, Ernakulam
 - Preparation of Detailed Project Report for 12 ROBs in Kerala State for Roads and Bridges Development Corporation of Kerala Ltd.
 - Preparation of Detailed Project Report for Drainage System, Urban Transport, Green Space & Parks for Kollam Corporation
 - Preparation of Detailed Project Report for Urban Transport for Palakkad Municipality
 - The Infrastructure and Urban Planning Group has been empanelled with:
 - Raipur Development Authority
 - Export Import Bank of India
 - NABARD Consultancy Services
 - Tamil Nadu Urban Infrastructure Financial Services Limited.

ii. Aviation and Mobility Hubs

- The Aviation and Mobility Hubs group of the Company has successfully completed construction of New International Terminal (Terminal 3) for M/s. Cochin International Airport Ltd. (CIAL) during the year under review. The construction of Kannur International Airport is now coming to a completion stage.
- As a part of the continued focus in the airport sector, your Company has been empanelled with Airport Economic Regulatory Authority of India, New Delhi for normative approach to building blocks in economic regulation of Major Airports-Capital Cost.

- The following were the new consultancy assignments bagged by your Company during the year under review:
 - Preparation of TEFR & DPR for Development of Faizabad Airport for Airports Authority of India
 - Preparation of Techno Economic Feasibility Report (TEFR) and Detailed Project Report for Development of Meerut Airport, Uttar Pradesh for Civil Operations for Airports Authority of India.
 - Developing Residential Township for CISF for M/s. Cochin International Airport Ltd. (CIAL) and M/s. Kannur International Airport Ltd. (KIAL)
 - Re-engineering works of CIAL- Old International Terminal Building for M/s. Cochin International Airport Ltd. (CIAL).
- Your Company was also awarded with the Specific Consultancy Services for the Operationalization of Kannur International Airport, which includes branding and commercial development of cityside, 5 star hotels, establishment of township, developing of airport village, in-flight catering services, Ministry of Civil Aviation and Airlines, multi-speciality hospital etc.

iii. **Tourism, Leisure and Sports**

- Your Company continued to offer consultancy services in the Tourism sector for Government of Kerala and completed and handed over nearly forty projects during the year under review.
- The Tourism, Leisure and Sports Group of the Company has been successful in being empanelling with:
 - India Tourism Development Corporation Limited Andhra Pradesh Tourism Development Corporation Limited, Hyderabad.
 - Maharashtra Tourism Development Corporation

iv. **Ports and Logistics**

- Your Company has been associated with FCG-ANZEDEC, a New Zealand based organization as a partner for project management consultancy services for sustainable coastal protection and management investment program in Karnataka state under the auspices of Asian Development Bank.
- The other consultancy services undertaken by the group are:
 - Preparation of Detailed Project Report (DPR) for Indian Maritime University Jaigarh campus, Maharashtra.
 - Development of Multi-Purpose Jetty at Chotti Chowpatty, Mumbai for Mumbai Port Trust.
 - Preparation of EPC tender documents for Water taxi project in Yamuna River in Delhi, upstream of Wazirabab for IWAI.
 - Detailed Project Report for Upgrading Infrastructure at Ernakulam Wharf for Cruise Berthing facilities for Cochin Port Trust.
 - Preliminary Engineering Feasibility study for the Development of Dry Dock/ Ship Repair facility at Hooghly Dock and Port Engineers Limited for Cochin Shipyard Ltd.
 - Proof Scrutiny of DPR for Development of Deep Water Jetty at Korlai, Raigad, Maharashtra for Maharashtra Maritime Board.

- The Group was successful in being empanelled with various organizations as follows:
 - NABARD Consultancy Services
 - Gujarat Maritime Board

v. Environmental Services

- Your Company is a Category A accredited EIA Consultant by QCI- NABET for 5 sectors (Airports, Port & Harbours, Highways, Railways & Mass Transportation Facilities, Common Municipal Solid Waste Management Facility and Building & Large Construction Projects).
- The Group has also been entrusted with the following assignments in the Environmental sector during the year:
 - Consultancy Study for IWAI Terminal and pipelines at KMML for Inland Waterways Authority of India
 - Consultancy services for Design, Estimation and Preparation of Report for the Treatment of ACTP-APTP tank farm effluent for Kochi Refinery
 - Environmental Impact Assessment (EIA) for:
 - Proposed Health City Project of AI Neyadi Trust, Thiruvananthapuram for AI Neyadi Trust (Education).
 - Proposed Petroleum, Oil and Lubricant (POL) terminal at Payyannur.
 - Proposed Expansion of Ernakulum Medical College and establishment of Cancer Hospital Ernakulum.
 - proposed Electronic manufacturing Cluster and international Exhibition cum Convention Center for KINFRA at Kakkanad.
 - Environmental Monitoring for IISER, Thiruvananthapuram.
 - Study on Conservation/development of Paddy/Wetland Areas in Kochi City Region (KCR) for Ernakulam District Town Planning Department.
 - The Group was successful in being empanelled with various organizations as follows:
 - State Highway Department, Government of Rajasthan for Rajasthan State Highway Development Programme (RSHDP),
 - Uttar Pradesh Rajkiya Nirman Nigam Limited
 - NABARD Consultancy Services
- In Water and Waste Water, your Company has successfully completed the preparation of Evaluation Report and Detailed Project Report for Distribution System of the Multi GP Water Supply Scheme to Nedumbassery and Adjoining Grama Panchayats in Ernakulam District (World Bank aided project for Kerala Rural Water Supply Agency (KRWSA) which led to subsequent assigning of similar work viz., Technical Performance and Service Delivery assessment of 10 Multi GP Water Supply Schemes in the State of Kerala.
- The Group was also successful in getting the following Consultancy assignments:
 - Water Supply system at IGC, Kannur for M/s. Kerala State Industrial Development Corporation

- Report on Augmentation of CETP, Nellad, Kinfra for M/s. Kinfra Small Industries Park (KSIP) and Industrial water supply system & effluent treatment facility at Rubber Park, Kochi.
- The Group was empanelled with various organizations as follows:
 - Drinking Water & Sanitation Department, Jharkhand.
 - EXIM Bank

vi. Process Engineering

- The Process Engineering Group has successfully completed the consultancy services for the following projects during the year under review:
 - Setting up of manufacturing facility at MIDC Chakan Industrial Area Phase-2, Pune for M/s. O/E/N India Limited.
 - Setting up of 360 TPD Cattle Feed Plant at Thiruvangoor, Kozhikode and Thodupuzha, Idukki for M/s. Kerala Feeds Ltd.
- Your Company was awarded with the following consultancy works during the year under review:
 - Detailed Project Report for setting up of an Automated Bitumen Storage Facility at Kochi, Bharat Petroleum Corporation Ltd. (BPCL-KR).
 - Route Consultancy Study for Over Dimension Cargo (ODC) Movement for PDPP-MSBP Projects at Kochi, Bharat Petroleum Corporation Ltd. (BPCL-KR).
 - Setting up of PVC Tufted Unit for Foam Mattings (India) Ltd, at Alappuzha.
- Your Company was also successful in the bagging the following consultancy assignments from M/s. Hindustan Petroleum Corporation Ltd.
 - Detailed Project Report and Project Management for Revamping & Refurbishment of Tank Farm, at Butcher Island, Mumbai.
 - Detailed Feasibility Report for Black Oil Terminal Vishakapatnam.
 - Detailed Project Report and Project Management for 1200/2400 LPM Capacity Augmentation at:
 - Coimbatore IRD and Madurai New Inland Rail Depot (IRD) (South Zone)
 - Jammu and Sangrur (North Zone)
 - Haldia and Balasore (North-East Zone)
 - Rajamundry, Ramagundam, Mangalore(South-Central Zone)

vii. Health Infrastructure

- Your Company is providing the total consultancy services for setting up of three Medical Colleges viz. at Manjeri, Idukki and Kasargode for Health & Family Welfare Department, Government of Kerala for a total outlay of Rs.1000crores.
- The Group was successful in being empanelled with Military Engineering Services, New Delhi.

b. Human Resources Development Division

- The HR services division of the Company continued to support the Human Resources Development endeavors of the State and Central Government by providing Entrepreneur Development Training, Skill Development Training etc. sponsored by the Department of Science and Technology, Entrepreneurship Development Institute of India (EDII), Local bodies and various District Kudumbashree Mission in Kerala
- Manpower Recruitment Services has been a major activity of the HR services division in the previous year, which processed 38,856 applications for the recruitment of 328 personnel for various public Sector undertakings like Cochin Shipyard Limited (CSL), Kerala State Coir Corporation Ltd. (KSCCL), MILMA (Ernakulam & Kozhikode), Kannur International Airport Ltd. (KIAL), Kerala State Backward Classes Development Corporation Ltd. (BSBCDC) and Vizhinjam International Seaport Ltd. (VISL).

c. Technical Services

- The Company continued to extend Operations and Maintenance (O&M) services to the Madras Export Processing Zone. The Company continues to offer valuation services for industrial restructuring of various organizations like Roads and Bridges Development Corporation of Kerala Ltd. (RBDCK), Goshree Islands Development Authority etc.
- The Group offered consultancy services for the Canal-Top Solar PV Project for M/s. CIAL Infrastructure Limited.
- The Group was also successful in being empanelled with various organizations as follows:
 - Industrial Finance Corporation of India Ltd., New Delhi.
 - Housing & Urban Development Corporation Limited (Hudco)

d. Management and Financial Consultancy Division

- The Company has provided the following Project Consultancy Services during the year under review:-
 - Advisory services for disinvestment of stake for M/s. Moksha Food & Beverage Pvt.Ltd
 - Project Report for kids toys project in Kerala for M/s. Color Balloon
 - Detailed Project Report for Rubek Balloons for M/s. Rubek Balloons Pvt Ltd.
 - Feasibility report super luxury resort for M/s. River shore resorts Pvt Ltd
 - Advisory services for Land Sale (LIS regd.) for M/s.LIS
 - Consultancy services for Sports Complex Project at Thrissur for M/s.United Sports Academy
 - Feasibility Report for setting up of 3MW Solar Power Project for M/s.Regal Realtors and Projects Pvt. Ltd.
 - Corporate Plan for Fomil for M/s.Foam Mattings (India) Ltd
 - Business valuation for M/s.Central Travancore Hospital
 - The Group was successful in being empanelled with various organizations as follows:
 - Universal Service Obligation Fund, Ministry of Telecommunication, New Delhi
 - Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL), Chennai

e. "My enterprise"

- Your Company has selected a new startup Active Logica Life Science Innovations Private Limited to its incubation programme. The selection was made out of the Business Leadership Programme conducted by the company for the startups. 'Active Logica Life Science Innovations Private Limited' is developing an IT enabled fitness and healthcare solution.
- Valmeeki Books Pvt. Ltd was selected for the NUMA acceleration programme at Bangalore and is now in the process of raising next round of funding. Tripp Deals Online Services Pvt. Ltd has also managed to secure angel funding support and was recently selected for the NUMA acceleration programme at Bangalore.
- Your Company conducted the "Creativity and Innovation Lab" programme successfully this year also at Vidyodaya School (Kochi). This unique programme at school level aimed at nurturing the creative thinking among students at their young age is receiving good appreciation from parents and teachers.
- Also, your Company conducted few interactions with MSME units as part of launch of its MSME-Nurture service. Through this initiative, your company intends to handhold 10 units in the beginning to enhance the overall performance.
- Company also extended consultancy services to SIDBI for conducting 02 Stand Up India Clinics. Stand Up India Clinic is a workshop organized to handhold the borrowers keen to avail the funding assistance under Stand Up India scheme.

7. Leading Initiatives for Sustaining Growth

Company had carried out a massive exercise of meeting 100 prospective clients companies in 100 days as part of business development. The same was completed with a positive note with enquiries from many of the visited companies. This year, the same will be followed up aggressively and concentrated efforts are planned for realizing businesses out of them.

As part of the Pan India expansion strategy, company has decided to maximize the empanelment with various state/central government departments, PSUs, financial institutions etc.

Company, even with a difficult market condition continued its efforts on training and development of teams. Company has initiated a programmes for nurturing Young Leaders for shouldering more responsibilities.

Company is also planning to open two new regional offices at Nagpur and Hyderabad to capitalize the existing and emerging opportunities in that region. Also, decided to put enhanced efforts in getting assignments from abroad.

8. Outlook for the Current Year

Your company is confident and decided to achieve an excellent results in the 45th anniversary year. The year started with Government of Kerala appointing the Company as its consultant for the Mission for Rejuvenation of Public Schools in the State, one of its flagship Programmes.

Company is upbeat with its assignments from major Public sector Oil & Gas companies and has decided to enhance its efforts to bag more projects from this sector. The empanelment with AERA is expected to attract few assignments from the Aviation Sector. Geographical expansion is the strategy planned for the year and to implement the same in an effective manner, offices at New Delhi and new proposed offices at Nagpur will be manned with right talents. Industrial parks is another emerging area identified by the company to focus and suitable strategy will be developed to achieve projects from this segment.

The startup development activities under "myenterprise" will be enhanced and the Company will apply for empanelment with Startup India as its recognized TBI. In SME/MSME Sector, company is planning to extend bouquet of services including engineering, management and financial services.

9. Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and up to the date of this report.

10. Manpower & Human Resource Development

The staff strength of KITCO at the end of the year under review was 234 including qualified professionals in different engineering discipline, finance and Management Reinforcing the need for building up core competence and professionalism, consultants are being deputed to various training programmers. The employees are suitably trained to utilize the emerging opportunities.

11. Personnel

There were no employees drawing remuneration in excess of the limits specified under Rule 5(2) of Companies (Appointment and Remuneration) Rules, 2014.

12. Conservation of Energy, Technology Absorption and Foreign Exchange Inflow and Outflow.

The provisions of Section 134(3) (m) of the Companies Act, 2013 do not apply to your Company. There was no Foreign Exchange inflow or outflow during the year under review.

13. Statement Concerning Development and Implementation of Risk Management Policy of the Company

The company has adequate system of business risk evaluation and management to ensure stable and sustainable business growth and to promote pro-active approach in evaluating and resolving the risk associated with the business. At present, the company has not identified any element of risk which may threaten the existence of the company.

14. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

15. Particulars of Contracts or Arrangements made with Related Parties

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

16. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder.

During the Financial Year 2016-17, the Company has not received any complaints of sexual harassment.

17. Auditor's and Auditors report

There is no qualifications, reservations or adverse remarks made by the either by the Statutory Auditors in their report to the shareholders and no comments are made in the Supplementary Audit report by The Comptroller and Auditor General of India.

18. Number of Board Meetings:

The Board met four times during the year. The gap between two board meetings was within the period mentioned in the Companies Act 2013.

The Board of Directors met on 18.06.2016, 29.09.2016, 31.10.2016 and 25.02.2017 during the reporting period.

19. Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Form MGT -9 as Annexure 1 to this Report.

20. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:-

- a) that, in the preparation of annual accounts for the year ended 31st March 2017, applicable accounting standards have been followed along with proper explanation relating to material departures, wherever necessary.
- b) that the Company has 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 the end of the financial year and of the profit of the Company for the year ended 31st March, 2017.
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts on a going concern basis.
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company.

22. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

23. Board of Directors

The company has nine directors. The company is not obligated to constitute Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013. But to maintain good corporate governance practices, the company has constituted a committee of board of directors to advise the board on appointment and remuneration of regular employees, review / advise on employee related policies including appointment and remuneration of contract employees.

The committee of the board also advises the Board on recommendation of matters relating to Appointment and fixing of remuneration of Managing Director and advising the board on sitting fees payable to directors from time to time.

The tenure of Shri. Rakesh Rewari as Non-Executive Chairman of the Company was extended till August 06, 2018, per communication from SIDBI, vide their letter No. 3948/AIC (TCO) dated August 2, 2016. Board, vide its meeting held on 29.09.2016, appointed Shri. Rakesh Rewari as non-executive chairman for a period of two years. Your Directors recommend his appointment.

The tenure of Shri. Cyriac Davies as Managing Director of the company was extended for a further period of 2 (two) years upto March 31, 2019 on the existing terms and conditions in the Board meeting held on 20.06.2017. Your Directors recommend his re-appointment.

Shri. R Nellaiappan, Director ceased to be Director during the period under review. Your Directors place on record the valuable services and expert advice rendered by Shri. R Nellaiappan during his tenure as Director.

Shri. P.S. Rajan, is appointed as a Director during the year under review. Necessary resolutions proposing his re-appointments are being placed at this Annual General Meeting. Your Directors recommend his appointment.

Smt. S Sheela, Director ceased to be Director during the period under review. Your Directors place on record the valuable services and expert advice rendered by Smt. S Sheela during her tenure as Director.

Shri. S Parthasarathy (DIN 06949403) was appointed as a Director in place of Smt. S Sheela during the year under review.

Shri. Suryanarayanan K (DIN 07893128) was again appointed in place of Shri. Parthasarathy. Necessary resolutions proposing his re-appointments are being placed at this Annual General Meeting. Your Directors recommend his appointment.

24. Shares

The Company has not bought back any of its securities during the year under review.

The Company has not issued any bonus shares, Sweat Equity Shares, Stock option scheme to the employees during the year under review.

We are pleased to inform you that our esteemed members can now avail the depository services with any of the Depository Participants registered with CDSL.

25. Disclosure of Composition of Audit Committee

Though the provisions of Section 177 and the rules made there under are not applicable to your company, your Board has constituted an Audit Committee with the following Directors as members:

1. Shri. Kallat Vatsa Kumar, Director
2. Shri. Perumal G Jayashankar, Director
3. Shri. S. Parthasarathy, Director
4. Shri. P S Rajan, Director

Three meetings of the Audit committee was held during the period under report.

26. CSR Committee

The Board of Directors in accordance with Companies Act 2013 constituted a Sub Committee of Board of Directors called as CSR Committee following Directors as members:

1. Mr. Kallat Vatsa Kumar, Director
2. Mr. Perumal G Jayashankar, Director
3. Mr. Cyriac Davies, Managing Director
4. Shri. S. Parthasarathy, Director

The CSR committee meetings were held on 22.02.2017.

List of CSR activities under taken during the year under review:

The activities during the year relates to empowerment of tribal women in Kuttumpuzha grama panchayath, Kerala by providing training on reed crafting and apiculture.

The Company spend Rs. 23.77lakhs on CSR activities. The milestones set for the FY 2016- 17 for the two skills were as follows:

Skill 1: Reed Crafting:

1. Improvement in quality of products
2. Participation in fairs and sale of products

Skill 2: Api-Culture:

1. Purchase and training on mending of colonies/ boxes
2. Training on upkeep, and Production/ Sale of honey.

The details of amount required to be spend and the amount utilized are given below.

	31 March 2017	31 March 2016
Annual CSR allocation	25,33,952	24,32,698
Amount Spent during the year:-		
a) By Construction / Acquisition of any asset		
b) By other than above	23,77,222	10,34,216

As per Companies Act, an amount of Rs. 25.33 lakhs was budgeted for CSR activities for the year under review. Out of this, an amount Rs. 23.77 lakhs has been spent, with a balance of Rs. 1.57 Lakhs. This difference in the CSR expenses is a result of close monitoring of all activities pertaining to the same, after laying out a detailed month-wise activity chart. Milestones that had been set for the year under review have been successfully achieved.

27. Acknowledgements

The Directors profusely thank all clients, vendors, bankers and shareholders for their confidence and trust reposed in the Company. The Company looks forward to their continued co-operation, support and encouragement in the years to come.

The Board of Directors place on record its appreciation to all employees for their dedicated service and contribution towards the Company's achievements.

For and on behalf of the Board of Directors,

KITCO Ltd.

Date : September 5, 2017

Shri. Rakesh Rewari
Chairman

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

Annexure-1

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U74140KL1972GOI002425
2	Registration Date	06/03/1972
3	Name of the Company	KITCO Limited
4	Category/Sub-Category of the company	Public Limited Company
5	Address of the Registered Office & Contact Details	Femith's, P.B. No. 4407, Puthiya Road, NH Bypass Vennala, Kochi-682 028. Ph: 0484-4129000
6	Whether listed company	No
7	Name, Address & Contact details of the Registrar & Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10% or more of the total turnover of the company shall be stated)			
S.No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Engineering Consultancy Services	71100	78%
2			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section
1	NIL				
2	NIL				
3	NIL				

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (As on 31 March 2016)				No. of Shares held at the end of the year (As on 31 March 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF			-	0.00%			-	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)		-	-	0.00%		-	-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%

Category of Shareholders	No. of shares held at the beginning of the year (As on 31 March 2016)				No. of Shares held at the end of the year (As on 31 March 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI		35,150	35,150	35.70%		35,150	35,150	35.70%	0.00%
f) Company			-	0.00%		-	-	0.00%	0.00%
Sub Total (A) (1)	-	35,150	35,150	35.70%	-	35,150	35,150	35.70%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	35,150	35,150	35.70%	-	35,150	35,150	35.70%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI		60,350	60,350	61.30%		60,350	60,350	61.30%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)		2,950	2,950	3.00%		2,950	2,950	3.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FII's			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others -State Financial Corporation			-	0.00%		-	-	0.00%	0.00%
Sub-total (B)(1):-	-	63,300	63,300	64.30%	-	63,300	63,300	64.30%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%		-	-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	63,300	63,300	64.30%	-	63,300	63,300	64.30%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	98,450	98,450	100.00%	-	98,450	98,450	100.00%	0.00%

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	Industrial Finance Corporation of India Ltd	19,950	20.26%		19,950	20.26%		0.00%
2	Kerala State Industrial Development Corporation Ltd	3,950	4.01%		3,950	4.01%		0.00%
3	Indian Overseas Bank	2,250	2.29%		2,250	2.29%		0.00%
4	Indian Bank	2,250	2.29%		2,250	2.29%		0.00%
5	Canara Bank	2,250	2.29%		2,250	2.29%		0.00%
6	Syndicate Bank	2,250	2.29%		2,250	2.29%		0.00%
7	Union Bank of India	2,250	2.29%		2,250	2.29%		0.00%

(iii) Change in Promoter's shareholding (please specify, if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	All the beginning of the year				0.00%		0.00%
	Changes during the year			No Change	0.00%	No Change	0.00%
					0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year				0.00%		0.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Small Industries Development Bank of India						
	At the beginning of the year			49000	49.77%	49000	49.77%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			49000	49.77%	49000	49.77%
2	Industrial Credit & Investment Corporation						
	At the beginning of the year			5700	5.79%	5700	5.79%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			5700	5.79%	5700	5.79%
3	Secretary to Government of Kerala						
	At the beginning of the year			2950	3.00%	2950	3.00%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			2950	3.00%	2950	3.00%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4	State Bank of Travancore						
	At the beginning of the year			2500	2.54%	2500	2.54%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			2500	2.54%	2500	2.54%
5	State Bank of India						
	At the beginning of the year			1700	1.73%	1700	1.73%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			1700	1.73%	1700	1.73%
6	Kerala Financial Corporation						
	At the beginning of the year			1450	1.47%	1450	1.47%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			1450	1.47%	1450	1.47%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year			Nil	0.00%	Nil	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name						
	At the beginning of the year			Nil	0.00%	Nil	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

NIL

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Addition				-
* Reduction				-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
	Name	Cyriac Davies		(Rs.)
	Designation	MD		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	7,593,228.00		7,593,228.00 - -
2	Stock Option			-
3	Sweat Equity			-
4	Commission - as % of profit - others, specify			- - -
5	Others, please specify			-
	Total (A)	7,593,228.00	-	7,593,228.00
	Ceiling as per the Act			

B. Remuneration to other Directors

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
		Chairman	Kallat Vatsa Kumar	Perumal Jayashankar	(Rs.)
1	Other Non-Executive Directors	Rakesh Rewari (SIDBI)	SIDBI	IFCI	
	Fee for attending board committee meetings	32,200.00		59,800.00	92,000.00
	Commission				
	Others	294,410.00	-	5,310.00	299,720.00
	Total (1)	326,610.00	-	65,110.00	391,720.00
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission				
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	326,610.00	-	65,110.00	391,720.00

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
3	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)				-
	Total (B) = (1+2)				-
	Total Managerial Remuneration				7,984,948.00
	Overall Ceiling as per the Act				-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs.)
	Designation	CEO	CFO	CS	
1	Gross salary (a) Salary as per provisions contained in Sec 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961				- - -
2	Stock Option				-
3	Sweat Equity				-
4	Commission - as % of profit - others, specify				- -
5	Others, please specify				-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Independent Auditor's Report

The Members of KITCO Ltd, Kochi

Report on the Financial Statements

We have audited the accompanying financial statements of **KITCO LIMITED ("the Company")** which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit & 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 there under.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure-A**' a statement on the matters specified in paragraph 3 and 4 of the Order.
2. We give in the '**Annexure-B**' a supplementary report on the matters in accordance with the directions given by the C & AG as per the provisions of the section 143 (5) of the Companies Act 2013, the action taken thereon and its impact on the accounts and financial statements of the company to the extent applicable.
3. 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 and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - 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 and with the returns received from the branches not visited by us.
 - d) In our opinion, the aforesaid 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 Sec. 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-C**".
 - 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
4. Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, which is in accordance with the books of accounts maintained by the Company.

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S

Sd/-

K.K. Syam

(Partner)

(M.No. 21365)

Place : Ernakulam
Date : August 11, 2017

“Annexure-A” to the Independent Auditors’ Report

The “Annexure -A” referred to in our Independent Auditors’ Report to the members of KITCO Ltd. (‘The Company’) for the year ended 31st. March 2017, We report that:

1. a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. The Company is not holding any immovable properties in the name of the Company.
2. The company is a service company, primarily rendering consultancy services. Accordingly, it does not hold any physical inventories. Thus, clause 3 (ii) of the Order is not applicable to the Company and hence not commented upon.
3. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company, and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company, and hence not commented upon.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. According to the information and explanations given to us and on the basis of our examination of the records, 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, value added tax (VAT), cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st. March 2017 for a period of more than six months from the date on when they became payable.

However, according to information and explanations given to us, the following dues of income tax and service tax have not been deposited by the company on account of disputes:

Name of the statute	Nature of dues	Amount in dispute (₹)	Period to which the amount relates	Forum where the dispute is pending
Finance Act 1994	Service tax on Franchise Service	2,04,419	2006-2007	Appellate Tribunal, South Zone Branch, Bengaluru
Finance Act 1994	Service tax on Works Contract	2,39,44,042	2010-2011	Appellate Tribunal, South Zone Branch Bengaluru

Name of the statute	Nature of dues	Amount in dispute (₹)	Period to which the amount relates	Forum where the dispute is pending
Finance Act 1994	Service tax on Interest Income earned from funds for deposit works	36,26,775	2006-2007 & 2007-2008	Appellate Tribunal, South Zone Branch Bengaluru
Finance Act 1994	Service tax on Interest Income earned from funds for deposit works	45,21,010	2008-2009	Appellate Tribunal, South Zone Branch Bengaluru
Finance Act 1994	Service tax on Works Contract	10,01,07,499	2011-2012, 2012-2013 & 2013-2014	Appellate Tribunal, South Zone Branch Bengaluru

There is an aggregate demand of ₹ 11,62,423/- towards income tax for the financial years 2004-05, 2008-09, 2010-11, 2013-14 and 2014-2015 as per the records of CPC, Bengaluru. We are informed that the refund claimed by the Company is ₹ 53,01,274/- as per the return submitted by the Company as on 31st March 2017. Out of which ₹ 23,24,550/- was subsequently received. Further it is informed that the difference is due to the mismatch of TDS in Form 26AS in certain cases. It is pointed out that the Company is continuing efforts to get rectified the errors and to get refund.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instrument and term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the 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 Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.

Place : Ernakulam
Date : August 11, 2017

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S
Sd/-
K.K. Syam
(Partner)
(M.No. 21365)

“Annexure-B” to the Independent Auditors’ Report

Supplementary Report u/s. 143 (5) of the Companies Act, 2013 in "Annexure -B" referred to in our Independent Auditors' Report to the members of KITCO Ltd. ('The Company') for the year ended 31st March 2017

Sl.No.	Subject	Remarks
01	Disinvestment, including mode and present stage of process	Not applicable
02	Waiver/write off of debts/loans/interest etc.	Separate statement attached
03	Records for inventory laying with third parties and assets received as gifts from Government or other authorities	Not applicable
04	Pending legal/arbitration cases, reasons for pendency and existence/effectiveness of a monitoring mechanism	A claim payable ₹ 73,23,967 to a contractor on behalf of Cochin Special Economic Zone. An arbitration was initiated against Cochin Special Economic Zone for this amount.
05	Agricultural and allied sector matters	NIL
06	Matters related to health	NIL
07	Matters related to Infrastructure sector	NIL
08	Service sector	
(a)	Whether the Company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price?	Yes, generally absorbs as far as possible, but differs case to case
(b)	Whether the Company recovers Commission for work executed on behalf of Government/ other organizations that is properly recorded in the books of accounts? Whether the Company has an efficient system for billing and collection of revenue.	Yes
(c)	Whether the Company regularly monitors timely receipt of subsidy from Government and it is properly recording them in its books?	Not applicable
(d)	Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?	Yes
(e)	Whether the Company has entered in to Memorandum of Undertaking with its Administrative Ministry, if so, whether the impact thereof has been properly dealt with in the financial statements.	No
09	Trading	Not applicable
10	Miscellaneous sector	Not applicable
11	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format, which of the area such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and the company has evolved proper security policy for data/software/ hardware?	Computerised all such areas and data properly secured.

**Statement showing details of Waiver/write off of debts/loans/interest etc. attached to
“Annexure-B”**

Sl.No.	Name of Party	Age Wise	Amount	Reason
1.	Cochin Port Trust	365	1,20,225	Fee due on preparation of techno commercial feasibility report and tender document of dredged material washing. The client decided to short close the project without going for tendering, hence the corresponding fee not paid by the client
2.	Cochin Port Trust	785	1,47,473	Cochin port Trust had entrusted KITCO for valuation of their land at different villages in Ernakulum district. As per the work order, Company had submitted valuation reports based on Market Analysis. After submission of our report, Tariff Authority of Major Ports (TAMP) suggested to change the scope of work. Hence the bill is non recoverable.
3.	Airport Authority of India	11	66,656	Amount relates to difference in service tax rate of the claim for construction of new international arrival block for Calicut Airport. As the fee quoted is lumpsum, client refused to pay the additional service tax amount.
4.	Munnar Forest Development Agency	507	1,53,559	Fee for preparation of estimate report for integrated development of Edamalakudy Road Project at Munnar. Payment not released as the estimate report approval is still pending from the client.
5.	Kerala State Road Transport Corporation	733	1,01,468	Project Management Consultancy for bus terminal cum shopping complex at Thodupuzha. Fee claimed based on contractor's bill value. Subsequent disallowance in the bill value resulted in the reduction of consultancy fee also.
6.	KINFRA Integrated Textile Park	1100	64,484	Fee due on submission of estimate for compound wall around SDF building at KINFRA IITP at Kanjikode. Work not taken up by the client and hence remains unpaid
7.	KINFRA	1098	40,456	Balance 10% of fee for construction and commissioning of sewage treatment plant for Institute of National Fashion Technology Campus inspite of several follow up the payment is not released.
8.	SC Development Department	385	6,18,389	Fee for design project management consultancy for conversion of existing women's hostel at Nandavanam, Trivandrum for Directorate of Schedule Caste Development Department. Fee for the project was reduced from 7% to 5% and hence the difference not admitted by the client.

“Annexure-C” to the Independent Auditors’ Report

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) in “Annexure -C” referred to in our Independent Auditors’ Report to the members of KITCO Ltd. (‘The Company’) for the year ended 31st March 2017.

We have audited the internal financial controls over financial reporting of KITCO Limited (“the Company”) as of 31st March, 2017 in conjunction with our audit of the 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 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 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 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 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 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 authorizations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 controls 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 31st March 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 : Ernakulam
Date : August 11, 2017

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S
Sd/-
K.K. Syam
(Partner)
(M.No. 21365)

KITCO LIMITED

Registered Office: Femith's PB No. 4407, Puthiya Road, NH Bypass, Vennala, Kochi-682 028

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	Figures as at March 31, 2017		Figures as at March 31, 2016	
		(₹)	(₹)	(₹)	(₹)
I EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	3	9,84,50,000		9,84,50,000	
(b) Reserves & Surplus	4	44,71,35,547	54,55,85,547	38,11,46,363	47,95,96,363
2 Current Liabilities					
(a) Trade Payables	5	3,96,95,457		5,12,79,449	
(b) Other Current Liabilities	6	67,69,80,419		48,47,65,222	
(c) Short Term Provisions	7	6,54,77,990	78,21,53,866	6,45,26,500	60,05,71,171
Total			1,32,77,39,413		1,08,01,67,534
II ASSETS					
1 Non- Current Assets					
(a) Fixed assets	8				
(i) Tangible assets		1,39,49,478		1,97,44,105	
(ii) Intangible assets		20,23,958		27,43,626	
(b) Non-current investments	9	10,75,80,965		2,35,14,301	
(c) Deferred tax asset (net)	10	14,37,208		25,96,529	
(d) Long-term loans and advances	11	76,27,807		77,98,886	
(e) Other Non-current assets	12	2,72,92,299	15,99,11,715	2,99,32,621	8,63,30,068
2 Current assets					
(a) Unbilled Revenue	13	4,23,02,568		3,37,68,551	
(b) Trade receivables	14	33,95,88,670		27,99,83,029	
(c) Cash and cash equivalents	15	55,32,04,207		55,90,77,067	
(d) Short-term loans and advances	16	221,227,351		10,51,59,519	
(e) Other current assets	17	1,15,04,902	1,16,78,27,698	1,58,49,300	99,38,37,466
Total			1,32,77,39,413		1,08,01,67,534
Notes forming part of the Financial Statements	1-28				

For and on behalf of the Board

Sd/-

Cyriac Davies
(Managing Director)

Sd/-

Kallat Vatsa Kumar
(Director)

Sd/-

Jose Davis
(Jt. General Manager-Finance)

As per our report of even date attached

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S

Sd/-

K.K. Syam
(Partner)
(M.No. 21365)
August 11, 2017

Kochi-682 028
July 29, 2017

KITCO LIMITED

Registered Office: Femith's PB No. 4407, Puthiya Road, NH Bypass, Vennala, Kochi-682 028

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	Figures for the year ended March 31, 2017	Figures for the year ended March 31, 2016
		(₹)	(₹)
I. Revenue from Operations	18	45,92,44,364	46,24,08,137
II. Other income	19	4,43,51,827	4,01,60,167
III. Total Revenue		50,35,96,191	50,25,68,304
IV. Expenses:			
(a) Employee benefits expense	20	24,33,38,154	23,71,96,064
(b) Operation & Other expenses	21	11,64,01,624	12,29,68,899
(c) Finance Cost	22	2,462	2,017
(d) Depreciation and other amortization expense	9	1,12,27,456	1,13,92,624
Total expenses		37,09,69,696	37,15,59,604
V. Profit before tax		13,26,26,495	13,10,08,700
VI Tax expense:			
(a) Current tax		4,77,04,174	4,67,52,684
(b) Deferred tax		11,59,321	(7,46,958)
		4,88,63,495	4,60,05,726
Profit for the year from continuing operations		8,37,63,000	8,50,02,974
VII. Earnings per equity share :- Basic, diluted & adjusted (Face value - ₹ 1000/-)		851	863

For and on behalf of the Board

Sd/-

Cyriac Davies

(Managing Director)

Sd/-

Kallat Vatsa Kumar

(Director)

Sd/-

Jose Davis

(Jt. General Manager-Finance)

As per our report of even date attached

For M/s. GOPAN & SYAM

CHARTERED ACCOUNTANTS

FIRM REGN. NO. 000977S

Sd/-

K.K. Syam

(Partner)

(M.No. 21365)

August 11, 2017

Kochi-682 028

July 29, 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

- 1.1. KITCO Limited (formerly Kerala Industrial and Technical Consultancy Organization Ltd.), established in 1972, is one of the premier Engineering, Management & Project consultancy firm in India. Some of the other fields where KITCO is a prominent player are Energy Studies, Skill Certification and Placement Services. The Company is also a dedicated provider of professional technical consultancy services to Small and Medium Enterprise (SME) sector. At present KITCO is having 10 divisions viz., Infrastructure, Tourism, Aviation, Urban Planning, Process Engineering, Human Resource Development, Management and Financial Consultancy, Technical Services, Seaports and Environmental Engineering. KITCO is the first consultancy organization in the state having EIA accreditation. The strength of KITCO is a core team of well qualified and experienced professionals in various branches of engineering and in management, media, marketing, economics, finance etc numbering more than 270.
- 1.2. Small Industries Development Bank of India (SIDBI) is the major shareholder and owns 49.77% of company's equity share capital. The company's registered office is at Kochi and has branches at Trivandrum, Chennai, Nagpur and Delhi.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation of financial statements

These financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3. Revenue recognition

Revenue is primarily derived from consultancy services provided to clients either on a 'estimated project cost/executed works' basis, or on a 'fixed-price' or on a 'fixed-time frame' basis.

Revenue on 'estimated project cost/executed works' basis contracts for services which are directly related to construction of assets, are recognized on the basis of performance of the related services. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues estimated under percentage of completion method in accordance with Accounting Standard - 7. Revenue from 'fixed-price' and 'fixed-timeframe' contracts is recognized based upon the percentage of completion method in accordance with Accounting Standard - 9. When there is uncertainty as to measurement or ultimate collectability of consideration, revenue recognition is postponed until such uncertainty is resolved.

Cost and earnings in excess of billings are classified as unbilled revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

The Company presents revenues net of value-added taxes/service tax in its statement of profit and loss.

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment. Interest is recognized using the time-proportion method, based on rates implicit in the transaction. Dividend income is recognized when the Company's right to receive dividend is established.

2.4. Provisions and Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.5. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

2.6. Fixed assets, capital work-in-progress and intangible assets

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are amortised.

2.7. Depreciation and amortization

Depreciation on fixed assets is provided on the written down value method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for ₹ 5,000/- or less) and cost of library books and other reference materials are fully depreciated during the year of acquisition.

The Management estimates the useful lives for the fixed assets as follows:

Category of assets	Useful life (Yrs)
Furniture and Fixtures	10
Office Equipments	5
Electrical Fittings	10
Vehicle	8
Computer & Data Processing units- End User devices - Desktops & Laptops	3
Computer & Data Processing units- Servers & Networks	6
Energy Audit Equipments	5

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Intangible assets are amortized over a period of three years commencing from the date the asset is available to the Company for its use.

2.8. Impairment

At each Balance Sheet date, an assessment is done to determine whether there exists any indication of impairment of an asset, the asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount less its residual value, if any over its remaining useful life.

2.9. Retirement benefits to employees**2.9.a. As Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity payable to eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The Company fully contributes all ascertained liabilities to the KITCO Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trust and the Gratuity Trust has covered the liability to employees under the approved Group Gratuity cum Life Assurance Scheme of Life Insurance Corporation of India. Contribution paid under the scheme is charged to revenue. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date based on the valuation made by LIC. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

2.9.b. As Provident fund and Pension fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the KITCO Employees' Provident Fund Trust. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

2.9.c. Compensated absence

The employees of the Company are entitled to encashment of un-availed earned leave which are accumulating subject to limits. The liability for encashment of earned leave has been covered under group leave encashment scheme of LIC of India and the contribution paid under the scheme is charged to revenue. The expected cost of accumulated encashment entitlement of un-availed earned leave is determined by actuarial valuation carried out by LIC based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

2.9.d. Post Employment Medical Benefits

Retired Employees (including his/her spouse) are also covered under Group Medical Insurance Schemes. The premium paid is charged to the Profit and Loss Account during the year of payment.

2.9.e. Productivity Linked Incentive Scheme

The payment of productivity linked incentive to employees on the rolls of the company on the date of declaration by the Board to motivate them to increase operational efficiency as per the prescribed norms is considered as remuneration to employees.

2.10. Foreign currency transactions

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of profit and loss.

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

2.11. Income taxes

Income taxes are accrued in the same period that the related revenue and expenses arise. Current Tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favourable judicial pronouncements /Legal opinion.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations.

2.12. Earnings per share

During the year the company has not issued any equity shares, and accordingly, the basic earnings per share and diluted earnings per share are same. Earnings per share are calculated in accordance with AS 20 by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2.13. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

2.14. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.15. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16. Leases

Operating leases on rentals of buildings are recognised as an expense on time basis in the statement of profit and loss over the lease term.

2.17. Prior period adjustments

All prior period adjustments, which are significant considering the nature of the business of the Company, including those ascertained and determined during the year are accounted for and shown separately.

2.18. Corporate Social Responsibility (CSR)

As per section 135 of the companies Act, 2013, detailed CSR Policy was framed by the Company with approvals of the CSR Committee and the Board. All projects/ Programs/ activities will be in the areas of

1. Education, Skill development initiatives, Women empowerment programs to make them employable.
2. Ensuring environmental sustainability.
3. Protection of national heritage, art and culture.
4. Rural development projects.
5. Contribution or funds provided to technology incubators located within academic institutions which are approved by the central Government.

The utilization of CSR funds is done by the company as per the recommendation of the CSR committee.

3. SHARE CAPITAL

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
(i) Authorised: 100000 equity shares of ₹ 1,000.00 each	10,00,00,000	10,00,00,000
(ii) Issued: 98481 equity shares of ₹ 1,000.00 each	9,84,81,000	9,84,81,000
(iii) Subscribed and called up: 98450 equity shares of ₹ 1,000.00 each subscribed and fully paid up	9,84,50,000	9,84,50,000

3.01 Reconciliation of Number of Shares

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Equity Shares				
Opening Balance	98,450	9,84,50,000	98,450	9,84,50,000
Closing Balance	98,450	9,84,50,000	98,450	9,84,50,000

3.02 The details of Shareholders holding more than 5% of the aggregate shares in the company:

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% held	No. of Shares	% held
Equity Shares				
(i) Small Industries Development Bank of India	49,000	49.77	49,000	49.77
(ii) Industrial Finance Corporation of India Ltd.	19,950	20.26	19,950	20.26
(iii) Industrial Credit & Investment Corporation of India Bank Ltd. (ICICI Bank Ltd.)	5,700	5.79	5,700	5.79

3.03 The company has only one class of shares referred to as Equity shares having a par value of ₹ 1,000.00 each and each holder of equity shares is entitled to one vote per share.

3.04 Aggregate number of bonus shares issued, during the period of five years immediately preceding 31.03.2017:-
96,481 equity shares of ₹ 1,000.00 each, fully paid up have been allotted as bonus shares by capitalisation of general reserve.

4 RESERVES AND SURPLUS

Reserves and Surplus consist of the following reserves:

	(₹)		(₹)	
	As at		As at	
	March 31, 2017		March 31, 2016	
(a) General Reserve				
(i) Opening Balance	3,24,73,839		2,82,23,690	
(ii) Add: Transferred from Statement of Profit and Loss	<u>41,88,150</u>	3,66,61,989	<u>42,50,149</u>	3,24,73,839
(b) Surplus in Statement of Profit and Loss				
(i) Opening Balance	34,86,72,524		28,56,93,515	
(ii) Add: Profit for the year	<u>8,37,63,000</u>	43,24,35,524	<u>8,50,02,974</u>	37,06,96,489
Less: Appropriations				
(a) Transferred to General Reserve	41,88,150		42,50,149	
(b) Proposed Dividend on Equity Shares	1,47,67,500		1,47,67,500	
(c) Tax on dividend	30,06,316	2,19,61,966	30,06,316	2,20,23,965
TOTAL		44,71,35,547		38,11,46,363

4.01 Dividend of ₹ 150.00 per equity share.

4.02 The company declares and pays dividends in Indian Rupees .The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

5 TRADE PAYABLES

Trade Payables consists of the following

	(₹)		(₹)	
	As at		As at	
	March 31, 2017		March 31, 2016	
(a) Micro, Small and Medium Enterprises	0		0	
(b) Others	3,96,95,457		5,12,79,449	
TOTAL		3,96,95,457		5,12,79,449

- 5.01** The company has not received any intimation from suppliers on their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence no disclosures have been made in this regard.

6 OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
(a) Advance against fees	40,05,441	28,31,614
(b) Advance from clients against projects	46,72,04,962	31,01,55,592
(c) Security deposits	14,69,07,778	11,90,07,889
(d) Arbitration Award Claim Payable	0	6,51,416
(e) Other Payables	5,88,62,238	5,21,18,711
TOTAL	67,69,80,419	48,47,65,222

- 6.01** Advance from client against project shown above is after debiting an amount of ₹ 73,23,967.00 (previous year ₹ 0.00) being the amount relating to a claim with client which is disputed under arbitration.

7 SHORT TERM PROVISIONS

Short Term Provisions consist of the following

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
(a) Proposed Dividend (Net)	1,47,67,500	1,47,67,500
(b) Tax on Dividend	30,06,316	30,06,316
(c) Provision for taxation	4,77,04,174	4,67,52,684
TOTAL	6,54,77,990	6,45,26,500

8.0 FIXED ASSETS

Fixed Assets consist of the following:

(₹)

Description	Gross Block			Depreciation				Net Block	
	As at April 01, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	For the year	Deductions/ Adjustments	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets:									
Furniture & Fixtures	18,104,305 (16,957,651)	479,498 (1,209,962)	93,821 (63,309)	18,489,982 (18,104,305)	2,716,303 (2,592,949)	90,202 (51,080)	12,704,779 (10,078,678)	5,785,203 (8,025,627)	8,025,627 (9,420,842)
Office Equipment	5,361,332 (5,184,244)	83,240 (300,963)	26,116 (123,875)	5,418,456 (5,361,332)	452,302 (533,086)	26,116 (90,629)	4,066,895 (3,640,709)	1,351,561 (1,720,623)	1,720,623 (1,985,992)
Electrical Fittings	10,506,650 (10,476,792)	52,350 (29,858)	-	10,559,000 (10,506,650)	1,200,402 (1,652,620)	-	7,299,400 (6,098,998)	3,259,600 (4,407,652)	4,407,652 (6,030,414)
Vehicles	3,726,319 (3,726,319)	0	1,055,957 0	2,670,362 (3,726,319)	216,546 (344,990)	980,445	2,250,351 (3,014,250)	420,011 (712,069)	712,069 (1,057,059)
Computer	23,720,231 (20,189,082)	1,732,262 (3,531,149)	1,072,240	24,380,253 (23,720,231)	3,472,915 (2,640,175)	1,067,862	21,270,807 (18,865,754)	3,109,446 (4,854,477)	4,854,477 (3,963,503)
Energy Audit Equipments	394,421 (394,421)	-	-	394,421 (394,421)	-	-	370,764 (370,764)	23,657 (23,657)	23,657 (23,657)
Library Books	296,209 (252,136)	441,016 (44,073)	-	737,225 (296,209)	441,016 (44,073)	-	737,225 (296,209)	- (0)	- (0)
Total (A)	62,109,467 (57,180,645)	2,788,366 (5,116,005)	2,248,134 885,057	62,649,699 (62,109,467)	8,499,484 (7,807,893)	2,164,625 (141,709)	48,700,221 (42,365,362)	13,949,478 (19,744,105)	19,744,105 (22,481,467)
Intangible Asset:									
Computer Software	16,022,761 (13,970,737)	2,008,304 (2,052,024)	-	18,031,065 (16,022,761)	2,727,972 (3,584,731)	-	16,007,107 (13,279,135)	2,023,958 (4,276,333)	4,276,333 (3,167,357)
Total (B)	16,022,761 (13,970,737)	2,008,304 (2,052,024)	-	18,031,065 (16,022,761)	2,727,972 (3,584,731)	-	16,007,107 (13,279,135)	2,023,958 (4,276,333)	4,276,333 (3,167,357)
Total (A+B)	78,132,228 (71,151,382)	4,796,670 (7,168,029)	2,248,134 885,057	80,680,764 (78,132,228)	11,227,456 (11,392,624)	2,164,625 (141,709)	64,707,328 (55,644,497)	15,973,436 (26,757,800)	26,757,800 (28,948,785)

The Figures in brackets are for the previous years

8.01 The existing useful life of the fixed assets are as below:

Category of assets	Useful life (Years)
Furniture and Fixtures	10
Office equipments	5
Electrical fittings	10
Vehicle	8
Computer & Data processing units - End user devices- Desktops and Laptops	3
Computer & Data processing units - Servers and Networks	6
Energy Audit equipments	5

8.02 Intangible Assets (Accounting Standard-26)

Computer software development expense incurred has been amortised over a period of three years. During this year

- (1) ₹ 13,74,392.00 being the third and final installment of the aggregate amount of ₹ 41,23,587.00
- (2) ₹ 6,84,145.00 being the second installment of the aggregate amount of ₹ 20,52,024.00 and
- (3) ₹ 6,69,435.00 being the first installment of the aggregate amount of ₹ 20,08,304.00 have been written off.

8.03 Impairment of Assets (Accounting Standard – 28)

The assets were reviewed by the management and it was found that during the year there was no need for providing for impairment of assets.

9 NON-CURRENT INVESTMENTS

Non Current Investments consist of the following

	(₹) As at March 31, 2017	(₹) As at March 31, 2016
Long Term Investments - At cost		
a) 2500 Fully paid up unquoted equity shares in Cochin International Airport Ltd of ₹ 10 each	25,000	25,000
b) Units in Mutual Funds:		
i. 171422.029 units of ICICI Prudential Savings fund - Growth @ ₹ 236.60 (NAV as on 31.03.2017 - ₹ 4,19,20,434.37)	4,05,58,730	45,01,827
ii. 1749621.708 units of Axis Income Saver - Quarterly Dividend Reinvestment Plan (NAV as on 31.03.2017 - ₹ 1,89,84,445.30)	1,93,97,754	1,89,87,474
iii. 4717291.742 units of SBI Savings Fund - Regular Plan - Daily Dividend Plan (NAV as on 31.03.2017 - ₹ 4,75,50,772.49)	4,75,99,481.00	1,89,87,474
TOTAL	10,75,80,965	2,35,14,301

10 DEFERRED TAX LIABILITY (NET)

Major Components of deferred tax balances consist of the following:

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
Deferred Tax Asset		
(a) Timing difference on account of depreciation	1,437,208	2,596,529
TOTAL	1,437,208	2,596,529

10.01 Accounting for Taxes on Income (Accounting Standard-22)

The break up of net deferred tax Assets as on March 31, 2017 as against March 31, 2016 is detailed below:

Particulars	(₹)	(₹)	(₹)
	Deferred Tax Asset as at March 31, 2017	Current Year	Deferred Tax Asset as at March 31, 2016
(a) Timing difference on account of Depreciation	2,596,529	(1,159,321)	1,437,208
Deferred Tax Asset/(Liability) (Net)	2,596,529	(1,159,321)	1,437,208

11 LONG TERM LOANS AND ADVANCES

(Unsecured and considered Good)

Long Term Loans and advances consist of the following

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
(a) Advance Income Tax (refunds receivable previous years - net)	46,45,129	39,83,190
(b) Other Loans and Advances	29,82,678	38,15,696
TOTAL	76,27,807	77,98,886

12 OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
(a) Balance with Banks Margin Money for Bank Guarantee	2,72,92,299	2,99,32,621
TOTAL	2,72,92,299	2,99,32,621

13 UNBILLED REVENUE

Unbilled revenue as at March 31, 2017 amounting to ₹ 4,23,02,568.00 (as on March 31, 2016 ₹ 3,37,68,551.00) comprises of the revenue recognised in relation to efforts incurred on contracts.

14 TRADE RECEIVABLES

(Unsecured and considered Good)

Trade Receivables consist of the following:

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
(a) Over six months	17,99,85,246	16,18,21,588
(b) Others	17,59,70,208	12,74,07,831
(c) Provision for doubtful debts	(1,63,66,784)	(92,46,390)
TOTAL	33,95,88,670	27,99,83,029

15 CASH AND CASH EQUIVALENTS & OTHER DEPOSITS

Cash and Cash equivalents consist of the following:

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
(a) Balance with Banks		
(i) in current accounts	24,20,79,385	5,12,28,989
(ii) in Fixed Deposit Account	31,10,89,004	50,78,39,513
(b) Cash on hand	35,818	8,565
TOTAL	55,32,04,207	55,90,77,067

15.01 Balances with banks in deposit accounts includes time deposits maturity period of more than 12 months ₹ 12,81,61,437.00 (previous year ₹ 35,80,93,653.00), maturity period of more than 3 months but less than 12 months ₹ 10,20,60,509.00 (previous year ₹ 29,72,58,955.00) which can be withdrawn by the company at any point without prior notice or penalty on the principal.

15.02 Balance with banks in deposit account to include ₹ 3,02,63,655.00 (previous year ₹ 3,29,25,883.00) which are held under lien, out of which ₹ 2,72,92,299.00 (previous year ₹ 2,99,32,621.00) is disclosed under Other Non current assets in Note No. 12.

16 SHORT TERM LOANS AND ADVANCES

(Unsecured and considered Good)

Short Term Loans and Advances consist of the following:

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
(a) Advance Income Tax	4,71,76,125	4,07,58,306
(b) Loans and Advances		
(i) Employees 1,55,000	1,87,731	
(ii) Others	40,10,518	40,28,923
(c) Deposits	4,01,30,179	3,10,30,277
(d) Others	12,97,55,529	2,91,54,282
TOTAL	22,12,27,351	10,51,59,519

16.01 Others include advance against projects paid on behalf of the clients, and prepaid expenses.

17 OTHER CURRENT ASSETS

Other current assets consist of the following

	(₹)	(₹)
	As at March 31, 2017	As at March 31, 2016
(a) Interest accrued on bank deposits	1,15,04,902	1,51,97,884
(b) Arbitration Award claim receivable	0	6,51,416
TOTAL	1,15,04,902	1,58,49,300

18 REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Management & Financial Consultancy Services	1,02,08,848	3,66,67,193
b) Human Resource Development Services	1,46,70,537	1,13,59,247
c) Engineering Consultancy Services	39,46,07,014	36,54,71,231
d) Technical Services	3,97,57,965	4,89,10,466
TOTAL	45,92,44,364	46,24,08,137

18.01 Foreign Exchange Earnings during the year

	In Foreign Currency	Equivalent INR (₹)	In Foreign Currency	Equivalent INR (₹)
	For the year ended March 31, 2017		For the year ended March 31, 2016	
1 Consultancy fee - US\$	5,298	3,55,600	0	0
2 Consultancy fee - Saudi Riyal	20,000	3,55,600	0	0
TOTAL		7,11,200		0

18.02 Accounting for Construction Contracts (Accounting Standard-7)

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
A) Details of Revenue from Ongoing contracts		
a. The amount of contract revenue recognized as revenue in the period	39,46,07,014	36,54,71,231
b. The method used to determine the contract revenue recognized in the period	Percentage of completion method	Percentage of completion method
c. The methods used to determine the stage of completion of contracts in progress	Cost of the work performed to total cost	Cost of the work performed to total cost
B) Details of the Contracts in progress at the reporting date		
a. The aggregate amount of costs incurred and recognized profits (less recognized losses) upto the reporting date	98,57,65,803	97,01,28,888
b. The Amount of Advances received	0	0
c. Amount of retention	80,83,266	1,33,49,595
C) Gross Amount due from / due to customers		
a. The Gross amount due from customers for contract work as an asset	24,68,56,246	22,34,01,880
b. The Gross amount due to customers for a contract work as a liability	0	0

19 OTHER INCOME

Other Income consist of the following:

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest on bank deposits	3,14,62,068	3,56,70,037
(b) Dividend on investments	70,28,621	74,978
(c) Profit on Sale of Investment	14,47,522	0
(c) Miscellaneous receipts	44,13,616	44,15,152
TOTAL	4,43,51,827	4,01,60,167

19.01 The effect of changes in Foreign Exchange Rates (Accounting Standard-11)

Miscellaneous receipt includes the profit/ (Loss) on account of exchange variation as given below

	(₹)	(₹)
	Profit/Loss For the year ended March 31, 2017	Profit/Loss For the year ended March 31, 2016
(a) In Saudi Riyal	(3,813)	0
TOTAL	(3,813)	0

20 EMPLOYEE BENEFITS EXPENSE

Employee Benefits Expenses consist of the following:

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Salaries, Wages and Incentives	21,37,06,455	19,99,84,841
(b) Contribution to Provident and Other Funds	1,88,56,855	2,70,31,298
(c) Staff Welfare Expense	1,07,74,844	1,01,79,925
TOTAL	24,33,38,154	23,71,96,064

20.01 Accounting for Retirement Benefits in the Financial Statements of Employers (Accounting Standard – 15). Contribution to Provident Fund and other funds ₹ 1,88,56,855 (Previous year ₹ 2,70,31,298) includes the following.

(a) Defined Contribution Plans

During the year the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plan

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
Employer's Contribution to Provident Fund	1,86,98,320	1,48,53,434

(b) Defined Benefit Plans - Funded Obligations

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
Group Leave encashment per the actuarial Valuation	(22,14,581)	1,14,42,459
Group Gratuity-cum-Life Assurance premium as per the actuarial Valuation	5,61,964	3,34,358
Risk Premium	47,317	4,01,047

The Acturian have been carried out the actuarial valuation on the basis of following assumptions/ estimates

Actuarial Assumptions	Financial Year			
	2016-17		2015-16	
	Leave Encashment Scheme	Group Gratuity Scheme	Leave Encashment Scheme	Group Gratuity Scheme
Discount Rate	8.00%	8.00%	7.85%	7.80%
Salary escalation rate	9.00%	9.00%	9.00%	9.00%
Expected rate of return on plan assets	8.00%	8.00%	8.00%	8.00%

Reconciliation of present value of obligation	Financial Year			
	2016-17		2015-16	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Present Value of obligation as at the beginning of the year	5,82,78,006	2,10,43,249	4,30,68,980	1,91,97,983
Interest cost	45,23,653	15,81,837	34,45,518	15,74,772
Current service cost	70,81,491	11,18,548	2,56,58,023	17,89,563
Benefits paid	(13,03,709)	(15,26,573)	0	(3,03,410)
Actuarial (gain)/loss on obligations	(77,07,929)	30,04,227	(1,38,94,515)	(12,15,659)
Present value of obligation as at the end of the year	6,08,71,512	2,52,21,288	5,82,78,006	2,10,43,249

Reconciliation of fair value of plan assets	Financial Year			
	2016-17		2015-16	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Fair Value of plan asset at the beginning of the year	4,89,98,701	2,39,70,817	4,52,18,001	2,24,05,909
Adjustment to Opening Balance (Charge to SBI Life Fund)	0	0	(3)	0
Expected return on Plan assets	38,67,748	18,56,602	36,17,440	18,59,690
Actuarial (gain)/loss	89,986	77,954	1,58,263	8,628
Contributions:	48,96,733	7,37,382	5,000	0
Benefits paid	(13,03,709)	(15,26,573)		(3,03,410)
Fair Value of plan assets at the end of the year	5,65,49,459	2,51,16,182	4,89,98,701	2,39,70,817

Description of Plan Assets	Financial Year			
	2016-17		2015-16	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Insurer Managed Funds				
LIC of India	5,38,64,987	2,41,74,053	4,89,93,704	2,28,56,262
SBI Life	26,84,472	9,42,129	4,997	11,14,555
Total	5,65,49,459	2,51,16,182	4,89,98,701	2,39,70,817

Expenses recognized in the statement of Profit and Loss	Financial Year			
	2016-17		2015-16	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Current service cost	70,81,491	11,18,458	2,56,58,023	17,89,563
Interest cost	45,23,653	15,81,837	34,45,518	15,74,772
Expected return on Plan assets	(38,67,748)	(18,56,602)	(36,17,440)	(18,59,690)
Net actuarial (gain)/loss recognized in the year	(77,97,915)	29,26,273	(1,40,52,778)	(12,24,287)
Expenses recognized in the statement of Profit & Loss A/c	(60,519)	37,69,966	1,14,33,323	2,80,358

Net (Asset)/Liability recognized in the Balance Sheet as at the year end	Financial Year			
	2016-17		2015-16	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Present value of obligations as at the end of year	6,08,71,512	2,52,21,198	5,82,78,006	2,10,43,429
Fair value of plan assets as at the end of the year	5,65,49,549	2,51,16,182	4,89,98,701	2,39,70,817
Funded status	43,22,053	1,05,016	92,79,305	(29,27,568)
Net (Asset)/Liability recognized in the Balance sheet	43,22,053	1,05,016	92,79,305	(29,27,568)

(c) Compensated absences (Non Vesting) - Unfunded Obligation

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
Sick Leave Compensation Liability as per Actual Valuation	17,63,835	14,97,090

Actuarial Assumptions	Financial Year	
	2016-17	2015-16
Discount Rate	8.00%	8.00%
Salary escalation rate	9.00%	9.00%
Expected rate of return on plan assets	0.00%	0.00%

Reconciliation of present value of obligation	Financial Year	
	2016-17 ₹	2015-16 ₹
Present Value of obligation as at the beginning of the year	14,97,090	0
Current service cost	3,63,521	1,71,491
Past Service Cost	0	13,25,599
Interest Cost	1,19,767	0
Actuarial Loss / (Gain) on Obligation	(2,16,543)	0
Present value of obligation as at the end of the year	17,63,835	14,97,090

Net (Asset)/Liability recognized in the Balance Sheet as at the year end	Financial Year	
	2016-17 ₹	2015-16 ₹
Present value of obligations as at the end of year	17,63,835	14,97,090
Net (Asset)/Liability recognized in the Balance sheet	17,63,835	14,97,090

Expenses recognized in the statement of Profit and Loss	Financial Year	
	2016-17 ₹	2015-16 ₹
Current service cost	3,63,521	1,71,491
Interest cost on obligation	1,19,767	0
Past Service Cost	0	13,25,599
Net actuarial (gain)/loss recognized in the year	(2,16,543)	0
Expenses recognized in the statement of Profit & Loss A/c	2,66,745	14,97,090

- (d) The company makes contribution towards provident fund which is administered by KITCO Ltd P.F Trust. The rules of the company's provident fund administered by a trust, requires that if the trust is unable to pay interest at the rate declared by the government under Para 60 of the Employees Provident Fund Scheme, 1972 for the reason that the return on investments is less or for any other reason, then the deficiency shall be made good by the company making interest shortfall a defined benefit plan. Accordingly, the company has obtained actuarial valuation for the year 2016-17, and based on the below provided assumption there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contribution only.

Assumptions:

Particulars	As at March 31, 2017
Expected Average Remaining service life time (EARSL)	25.15 Years
Interest rate for discount per Annum	7.17%
Estimated rate of return on plan assets - Per Annum	8.65%
Salary Increase	6.50%
Attrition rate	4.00%
Retirement age	60 Years

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

21 OPERATION & OTHER EXPENSES

Operation & Other Expenses consists of the following:

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Rent	1,22,91,149	1,00,32,577
(b) Electricity charges	23,25,752	23,29,462
(c) Repairs & maintenance to equipt & other assets	39,27,461	38,43,459
(d) Insurance	57,104	71,826
(e) Rates & Taxes	99,085	1,60,562
(f) Travelling expenses	2,00,40,524	1,79,80,607
(g) Telephones & other communication expenses	40,01,474	40,33,921
(h) Printing & stationary	32,71,060	34,74,143
(i) Advertisement & publicity expenses	20,86,991	21,13,676
(j) Training / development expenses	2,81,579	7,95,091
(k) External consultancy & professional services	2,57,52,071	3,24,83,259
(l) Direct Expenses on projects	2,59,03,316	1,40,48,091
(m) Miscellaneous expenses	47,31,488	39,14,310
(n) Legal expenses	3,01,845	2,06,811
(o) Auditors remuneration	2,02,125	2,03,245
(p) Discounts and Rebates	3,18,274	7,16,001
(q) Bad debts	13,12,710	2,55,27,642
(r) Provision for doubtful debts	71,20,394	0
(s) CSR Expenditure	23,77,222	10,34,216
TOTAL	11,64,01,624	12,29,68,899

21.01 Accounting Standard - 19 (Leases)

The Company has taken building premises on operating lease and the lease rent paid amounting to ₹ 1,22,91,149.00 (previous year - ₹ 1,00,32,577.00) has been debited to Profit and Loss Account.

21.02 Travelling expenses ₹ 2,12,91,731.00 (previous year ₹ 1,79,80,607.00) include ₹ 4,15,546.00 (previous year ₹ 3,03,592.00) paid to the Managing Director.

21.03 Miscellaneous expenses ₹ 47,32,795.00 (previous year ₹ 39,14,310) include Loss on Fixed Asset sold / written off during the year ₹ 0.00 (previous year ₹ 35,659.00) and ₹ 1,10,400.00 (previous year ₹ 96,090.00), ₹ 92,870.00 (previous year ₹ 1,76,740.00), ₹ 2,06,850.00 (previous Year ₹ 2,05,083.00), paid to Directors as sitting fee, travelling expenses and honararium to the Chairman and respectively.

21.04 Auditor's Remuneration:

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Statutory Audit Fees	1,50,000	1,50,000
(b) Tax Audit Fees	25,000	25,000
(c) Service tax	26,250	25,375
(d) Enhanced fees and service tax for previous year	875	2,870
TOTAL	2,02,125	2,03,245

21.05 Corporate Social Responsibility (CSR)

The activities during the year relates to empowerment of tribal women in Kuttumpuzha grama panchayath, Kerala by providing training on reed crafting and api culture. The details of amount required to be spend and the amount utilized are given below.

(a) Gross amount required to be spent by the company during the year:-

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
Annual CSR allocation	25,33,952	24,32,698
(b) Amount spent during the year:-		
By Construction/ Acquisition of any asset	0	0
By other than above	23,77,222	10,34,216

22 FINANCE COST

Finance Cost consists of the following:

	(₹)	(₹)
	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on bank overdraft	2,462	2,017
TOTAL	2,462	2,017

23 Outstandings balances in payables, receivables and loans and advances accounts are subject to confirmation.

24 Figures relating to previous year have been regrouped and reclassified where ever necessary to confirm to current year layout.

25 Accounting Standard-17 with respect to segment reporting does not apply to the company.

26 Related party disclosures (Accounting Standard 18)

Key Management Personnel:

Sri. Cyriac Davies, Managing Director

Transactions with related parties for the year ended March 31, 2017

Particulars		SIDBI (₹)	IFCI (₹)	Managing Director (₹)	Chairman (₹)
1	Fixed Deposit				
	Deposits as at the beginning of the year	21,19,061	0		
		(19,47,155)	(0)		
	Add: Deposits during the year	0	0		
		(0)	(0)		
	Add: Int. accrued on investments (net)	1,87,015	0		
		(1,71,906)	(0)		
	Less: Redemptions during the year	23,06,076	0		
		(0)	(0)		
	Deposits at the close of the year	0	0		
		(21,19,061)	(0)		
2	Sitting fee paid to the Directors	0	59,800	0	32,200
		(0)	(22,900)	(0)	(32,000)
3	Travelling Expenses	0	5,310	415,546	87,560
		(0)	(48,288)	(303,592)	(114,946)
5	Salaries and allowances	0	0	6,948,069	0
		(0)	(0)	(6,939,375)	(0)
6	Contribution to PF	0	0	581,245	0
		(0)	(0)	(601,251)	(0)
7	Other benefits	0	0	63,914	0
		(0)	(0)	(0)	(0)
8	Honararium	0	0	0	206,850
		(0)	(0)	(0)	(205,083)

- (a) The Figures in brackets are for the previous years.
- (b) Figures are inclusive of service tax wherever applicable.

Contributions made towards Group Gratuity cum Life Assurance Scheme, Group Leave Encashment Scheme of LIC of India and group Personal Accident Insurance Premium in respect of the Managing Director have not been shown since the payment was made in lumpsum for all employees.

27 Provisions, Contingent Liability and Contingent Asset (Accounting Standard – 29)

- a Bankers have issued Bank Guarantees aggregating to ₹ 2,72,92,299.00 in connection with execution of assignments undertaken by the company for which the company has issued counter guarantee for equivalent amounts and authorized the bankers to create lien on fixed deposits ₹ 2,72,92,299.00 with them.

- b Claims against company not acknowledged as debt

Income tax is deducted at source by the clients and other parties at the time of receipt of income or credit in respect of their books of accounts. Claims for refunds of the amounts in excess of the actual liability of the company while filing returns of income tax on the basis of tax deduction certificate received from them. As per the latest orders under sections 154/156 of the Income Tax Act, there is an aggregate demand of ₹ 11,62,423.00 in respect of the financial years 2004-05, 2008-09, 2010-11, 2013-14 & 2014-15 where as there is aggregate claims for refund of ₹ 53,01,274/- as per the return of income filed. Out of which ₹ 23,24,550/- was subsequently received. The difference is due to the mismatch of large number of entries relating to remittance of tax deductions and inaccuracies in the returns filed/certificates issued by the deductors and errors in data migration in the computerised records of Income tax department. Efforts are continuing for rectification of errors and getting refund of the excess tax credits.

- c Central Excise, Customs and Service Tax Department have raised following demands for payment of service tax, interest and penalty under the Finance Act, 1994, which are disputed by the Company in appeals.

Sl No	Name of the statute	Nature of dues	Amount in dispute	Period in which the amount relates	Forum where dispute is pending
1	Finance Act 1994	Service Tax on Franchise Service	2,04,419	2006-07	Appellate Tribunal, South zone branch, Bengaluru
2	Finance Act 1994	Service Tax on Works contract	2,39,44,042	2010-11	Appellate Tribunal, South zone branch, Bengaluru
3	Finance Act 1994	Service Tax on Interest income earned from funds for deposit works	36,26,775	2006-07 & 2007-08	Appellate Tribunal, South zone branch, Bengaluru
4	Finance Act 1994		45,21,010	2008-09	Appellate Tribunal, South zone branch, Bengaluru
5	Finance Act 1994	Service Tax on Works contract	10,01,07,499	2011-12, 2012-13, 2013-14	Appellate Tribunal, South zone branch, Bengaluru

- 28** Details of Specified Bank Notes (SBN) held and transacted during the period 8th Nov, 2016 to 30th Dec, 2016 (pursuant to MCA notification GSR 308 (E) dated March 30, 2017)

Details	(₹)	(₹)	(₹)
	SBN (Old)	Other Denomination notes	Total
Closing cash in hand as on 8th Nov, 2016	16,500	545	17,045
(+) Permitted receipts	0	96,300	96,300
(-) Permitted payments	0	93,399	93,399
(-) Amounts deposited in banks	16,500	0	16,500
Closing cash in hand as on 30th Dec, 2016	0	3,446	3,446

For and on behalf of the Board

Sd/-

Cyriac Davies

(Managing Director)

Sd/-

Kallat Vatsa Kumar

(Director)

Sd/-

Jose Davis

(Jt. General Manager-Finance)

As per our report of even date attached

For M/s. GOPAN & SYAM

CHARTERED ACCOUNTANTS

FIRM REGN. NO. 000977S

Sd/-

K.K. Syam

(Partner)

(M.No. 21365)

Kochi-682 028

July 29, 2017

KITCO LIMITED

Registered Office: Femith's PB No. 4407, Puthiya Road, NH Bypass, Vennala, Kochi-682 028

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	(₹)	(₹)	(₹)	(₹)
Cash Flows from operating activities				
Net profit before taxation and extraordinary items	13,26,26,495		13,10,08,700	
Adjustments for :				
Depreciation	1,12,27,456		1,13,92,624	
Loss on sale/written off - fixed asset				
Profit on sale of fixed asset	(58,394)		0	
Profit on sale of investments	(14,47,522)		0	
Loss on sale of fixed assets	0		35,659	
Interest and dividend income	(3,84,90,689)		(3,57,45,015)	
Operating profit before working capital changes	10,38,57,346		10,66,91,968	
Decrease in other current assets	43,44,398		39,96,999	
Increase in amount due from sundry debtors	(5,96,05,641)		(4,15,75,522)	
Increase in unbilled revenue	(85,34,017)		(1,58,66,044)	
increase in loans and advances	(11,18,02,756)		6,64,441	
Increase in current liabilities	18,61,53,982		(2,33,71,572)	
Decrease in provision for leave encashment	(71,11,270)		1,14,33,323	
Increase in provision for sick leave compensation	17,63,835		0	
Decrease in provision for gratuity fund	(1,75,342)		2,80,358	
Cash generated from operations	10,88,90,535		4,22,53,951	
Income tax paid for the year	(5,16,79,699)		(4,07,58,306)	
Net cash from operating activities		5,72,10,836		14,95,645
Cash flows from investing activities				
Interest and dividend income	3,84,90,689		3,57,45,015	
Purchase of fixed assets	(47,96,670)		(71,68,029)	
Decrease in Loans and Advances to third parties	8,33,018		(10,73,083)	
(Investment)/Redemption in other non current asset	26,40,322		(2,99,32,621)	
Investment in mutual funds (net)	(8,40,66,664)		(5,000)	
Refund of TDS for previous years	0		14,23,670	
Profit on sale of investments	14,47,522		0	
Sale of fixed assets	1,41,903		9,815	
Net cash from investing activities		(4,53,09,880)		(10,00,233)
Cash flows from financing activities				
Dividends and dividend tax paid	(1,77,73,816)		(1,77,20,131)	
Unclaimed dividend for the financial year 2012-13	0		0	
Net cash from financing activities		(1,77,73,816)		(1,77,20,131)
Net increase in cash and cash equivalents		(58,72,860)		(1,72,24,719)
Cash and cash equivalents at beginning of period		55,90,77,067		57,63,01,786
Cash and cash equivalents at end of period		55,32,04,207		55,90,77,067

1. Negative figures represents deductions or outflow and are indicated in brackets.

2. Cash and bank balances include cash balance plus deposits with banks.

For and on behalf of the Board

Sd/-

Cyriac Davies

(Managing Director)

Sd/-

Kallat Vatsa Kumar

(Director)

Sd/-

Jose Davis

(Jt. General Manager-Finance)

As per our report of even date attached

For M/s. GOPAN & SYAM

CHARTERED ACCOUNTANTS

FIRM REGN. NO. 000977S

Sd/-

K.K. Syam

(Partner)

(M.No. 21365)

August 11, 2017

Kochi-682 028

July 29, 2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KITCO LIMITED, KOCHI FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of **KITCO LTD., KOCHI** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 August 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **KITCO Limited, Kochi** for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(G. SUDHARMINI)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND
EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI

Place : Chennai
Date : 11th October, 2017



HEAD OFFICE: KITCO Ltd., Femith's, PB No. 4407 , Puthiya Road, NH Bypass, Vennala, Kochi-682 028, Kerala, India.
Tel: 91-484-4129000, 2805033 (MD) Fax: 91-484-2805066 E-mail: mail@kitco.in

Trivandrum: KITCO Ltd., TC 4/1687, 42, Bel Haven Garden, Kowdiar P.O., Trivandrum - 695 003.
Tel: 91-471-2728543 Fax: 91-471-2724462, E-mail: tvn@kitco.in

Chennai: KITCO Ltd., 1st Main Road, MEPZ-SEZ, GST Road, Tambaram Sanatorium, Chennai-600 045.
Tel: +91-044-45118383, E-mail: chennai@kitco.in

New Delhi: KITCO Ltd., FB-04B, NSIC STBP Extension, NSIC Bhawan, Gate No.:02, OKhla Industrial Estate, Delhi-110 020
Tel: +91-8373999957, 9891016590, Email: delhi@kitco.in