

**M/S KERALA IRRIGATION INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED**

CIN : U45203KL2000SGC014127

**TRIVANDRUM**

**BALANCE SHEET AS AT 31 ST MARCH 2016**


PARTICULARS	NOTE NO.	As at 31 March, 2016 (Rs.Ps.)	As at 31 March, 2015 (Rs.Ps.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
a. Share Capital	1	10,00,00,000.00	10,00,00,000.00
b. Reserves and Surplus	2	(65,60,800.79)	4,96,480.00
<b>2. Share application money pending allotment</b>		-	-
<b>3. Non-Current Liabilities</b>			
a. Long Term Borrowings		-	-
b. Deferred Tax Liabilities (Net)	3	11,62,010.00	10,89,690.00
c. Other Long Term Liabilities	4	-	-
d. Long Term Provisions		-	-
<b>4. Current Liabilities</b>			
a. Short Term Borrowings		-	-
b. Trade Payables	5	2,41,54,867.00	56,28,977.00
c. Other Current Liabilities	6	16,27,94,625.00	14,53,80,341.00
d. Short Term Provisions	7	7,91,284.00	7,91,284.00
<b>Total</b>		<b>28,23,41,985.21</b>	<b>25,33,86,772.00</b>
<b>II.ASSETS</b>			
<b>1. Non-current assets</b>			
a. Fixed Assets	8	8,37,80,312.54	8,49,27,440.00
b. Non-Current Investments		-	-
c. Long Term Loans & Advances	9	11,76,750.00	11,45,500.00
d. Other Non-Current Assets		-	-
e. Deferred Tax Assets (Net)	3	-	-
<b>2. Current Assets</b>			
a. Current Investments		-	-
b. Inventories	10	45,97,959.00	96,52,903.00
c. Trade Receivables	11	4,06,514.00	5,27,473.00
d. Cash and Cash Equivalents	12	12,34,99,032.67	15,24,65,795.00
e. Short Term Loans & Advances	13	36,95,646.00	88,308.00
f. Other Current Assets	14	6,51,85,771.00	45,79,353.00
<b>Total</b>		<b>28,23,41,985.21</b>	<b>25,33,86,772.00</b>
See Significant Accounting Policies & Accompanying Notes to the Financial Statements	1 to 24		

The notes referred to above form an integral part of the Financial Statements.

For and on behalf of the board

As per our report of even date attached

  
Kunjukutty Krishnankutty  
Chairman  
DIN:08342199

  
Prasanth Nambron  
Managing Director  
DIN: 05218116

  
Chitra V S  
Company Secretary  
& CFO  
M NO : 20901

For DILEEP & Co.  
Chartered Accountants

  
CA. DILEEP S FCA  
M.NO : 217182  
FRN : 0112825

Date :  
Place : Trivandrum



**M/S KERALA IRRIGATION INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED**

CIN : U45203KL2000SGC014127

**TRIVANDRUM**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**


<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>For the year ended 31 March, 2016 (Rs.Ps.)</b>	<b>For the year ended 31 March, 2015 (Rs.Ps.)</b>
<b>I. Revenue from operations</b>	15	3,46,55,209.00	1,16,74,862.00
<b>II. Other Income</b>	16	51,37,349.00	50,04,907.00
<b>III. Total Revenue</b>		<b>3,97,92,558.00</b>	<b>1,66,79,769.00</b>
<b>IV. Expenses:</b>			
Direct Expenses	17	1,26,06,925.00	66,19,150.00
Cost of materials consumed	18	1,07,92,323.00	6,71,474.00
Changes in Inventory		(1,30,300.00)	-
Employee benefit expenses	19	30,92,692.00	20,54,543.00
Depreciation and amortization expense	20	1,58,24,551.46	22,62,555.00
Other expenses	21	50,62,825.33	15,02,583.00
<b>        Total Expenses</b>		<b>4,72,49,016.79</b>	<b>1,31,10,305.00</b>
<b>V. Profit before exceptional and extraordinary items and Tax</b>		(74,56,458.79)	35,69,464.00
<b>VI. Exceptional Items</b>			-
<b>VII. Profit before extra ordinary items and tax</b>		(74,56,458.79)	35,69,464.00
<b>VIII. Extraordinary Items</b>		4,71,498.00	
<b>IX. Profit before tax</b>		(69,84,960.79)	35,69,464.00
<b>X. Tax Expenses</b>			
1. Current tax			7,91,284.00
2. Deferred tax		72,320.00	13,81,966.00
<b>XI. Profit(Loss) for the period from continuing Operations</b>		(70,57,280.79)	13,96,214.00
<b>XII. Profit/(Loss) from discontinuing operations</b>		-	-
<b>XIII. Profit/(Loss) for the period</b>		<b>(70,57,280.79)</b>	<b>13,96,214.00</b>
<b>XIV. Earning per equity share (Basic &amp; Diluted)</b>	22	(0.71)	0.14
See Significant Accounting Policies & Accompanying Notes to the Financial Statements	1 to 24		

The notes referred to above form an integral part of the Financial Statements

For and on behalf of the board

As per our report of even date attached

  
Kunjukutty Krishnankutty  
Chairman  
DIN : 08342199

  
Prasanth Nambron  
Managing Director  
DIN: 05218116

  
Chitra V S  
Company Secretary  
& CFO  
M NO : 20901

For **DILEEP & Co.**  
Chartered Accountants  
  
**CA. DILEEP S FCA**  
M.NO. : 217182  
FRN : 011282S

Date :  
Place : Trivandrum





**M/S KERALA IRRIGATION INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED**

CIN : U45203KL2000SGC014127

**TRIVANDRUM**

**Cash Flow Statement for the year ended 31.03.2016**

Particulars	2015-16		2014-15	
	Amount (Rs.)		Amount (Rs.)	Amount (Rs.)
<b>A: Cash Flow from Operating Activities</b>				
Net Profit before tax and extra ordinary items as per Profit & Loss Statement	(74,56,458.79)	(74,56,458.79)	35,69,464.00	35,69,464.00
Adjustment:				
Add: Depreciation and Amortisation expenses	1,58,24,551.46	1,58,24,551.46	22,62,555.00	22,62,555.00
Less: Interest Income	32,93,589.00		41,12,118.00	
Prior Period Income	-	32,93,589.00	-	41,12,118.00
Add: Extra ordinary Items	4,71,498.00	4,71,498.00	-	-
Operating Profit before Working Capital changes		55,46,001.67		17,19,901.00
<b>Change in working Capital</b>				
(Increase)/decrease in loans and advances	(36,07,338.00)		(49,910.00)	
(Increase)/decrease in other current assets	(6,06,06,418.00)		78,62,121.00	
(Increase)/decrease in trade receivables	1,20,959.00		(4,87,473.00)	
(Increase)/decrease in inventories	50,54,944.00		(96,52,903.00)	
Increase/(decrease) in provisions	72,320.00		18,45,107.00	
Increase/(decrease) in trade payables	1,85,25,890.00		17,01,385.00	
Increase/(decrease) in other liabilities	1,74,14,284.00	(2,30,25,359.00)	8,62,48,893.00	8,74,67,220.00
<b>Cash generated from operations</b>		(1,74,79,357.33)		8,91,87,121.00
Net income taxes (paid)/refund (incl def tax)	72,320.00		21,73,250.00	
Net cash-flow from operating activities		72,320.00		21,73,250.00
<b>Cash utilised for Operations</b>		72,320.00		21,73,250.00
<b>Net Cash Flow from Operating Activities A</b>		(1,75,51,677.33)		8,70,13,871.00
<b>B: Cash Flow from Investing Activities</b>				
Purchase of Investments		-		-
Interest received		32,93,589.00		41,12,118.00
Increase in Fixed Deposits		4,03,32,680.00		(4,62,65,653.00)
Long term loans & advances		(31,250.00)		(11,27,000.00)
Net Purchase of fixed assets		(1,46,77,424.00)		(3,44,28,315.00)
Other Long Term Liabilities				
<b>Net Cash Flow used in Investing Activities B</b>		2,89,17,595.00		(7,77,08,850.00)
<b>C: Cash Flow from Financing Activities</b>				
Net Increase (Decrease) in Other Long Term Liabilities		-		(4,02,50,000.00)
<b>Net Cash Flow from Financing Activities C</b>		-		(4,02,50,000.00)
<b>Net (Decrease) / Increase in Cash &amp; Cash Equivalents</b>		1,13,65,917.67		(3,09,44,979.00)
Opening balance of Cash & Cash Equivalents		15,24,65,795.00		13,71,45,121.00
Closing balance of Cash & Cash Equivalents		12,34,99,032.67		15,24,65,795.00

For and on behalf of the board

As per our report of even date attached

  
Kunjukutty Krishnankutty  
Chairman  
DIN :08342199

  
Prasanth Nambron  
Managing Director  
DIN: 05218116

  
Chitra V S  
Company Secretary  
& CFO  
M NO : 20901

**For DILEEP & Co  
Chartered Accountants**

  
**CA. DILEEP S FCA**  
M.NO. : 217192  
FRN : 011282S

Date :  
Place : Trivandrum



**M/S KERALA IRRIGATION INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED**  
**TRIVANDRUM**

**Notes on Accounts for the year ended 31st March, 2016.**

**1. Share Capital**

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of Rs.10/- each as follows:

Particulars	As at March 31st, 2016		As at March 31, 2015	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
<b>Authorised</b> Equity Shares of Rs.10/- each	1,00,00,000	10,00,00,000.00	1,00,00,000.00	10,00,00,000.00
<b>Issued</b> Equity Shares of Rs.10/- each	1,00,00,000	10,00,00,000.00	1,00,00,000.00	10,00,00,000.00
<b>Subscribed &amp; fully Paid up</b> Equity Shares of Rs.10/- each	1,00,00,000	10,00,00,000.00	1,00,00,000.00	10,00,00,000.00

**1.1 Reconciliation of Number of Shares**

Particulars	As at March 31st, 2016		As at March 31, 2015	
	Number	Amount (In Rs.)	Number	Amount (In Rs.)
<b>Equity Shares</b> Shares outstanding at the beginning of the year	1,00,00,000	10,00,00,000.00	1,00,00,000.00	10,00,00,000.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement	-	-	-	-
Shares outstanding at the end of the year	1,00,00,000	10,00,00,000.00	1,00,00,000	10,00,00,000.00

**1.2 Rights, preferences and restrictions attached to shares**

**Equity Shares**

The Company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**1.3 Details of shareholders having more than 5% shareholding. #**

Particulars	As at March 31st, 2016		As at March 31, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares</b> Hon'ble Governor of Kerala	99,99,993.00	99.9999%	99,99,993.00	99.9999%

# Share holding details taken as per records maintained by the company.



## 2. Reserves & Surplus

Particulars	As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps.)
<b>Surplus in Profit and loss account</b>		
Opening balance	4,96,480.00	(8,99,734.00)
(+) Net Profit/(Net Loss) For the current year	(70,57,280.79)	13,96,214.00
Closing Balance	(65,60,800.79)	4,96,480.00
<b>Total</b>	<b>(65,60,800.79)</b>	<b>4,96,480.00</b>

## 3. Deferred Taxes

Particulars	As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps.)
<b>a. Deferred Tax Liability</b>		
Timing Difference on Account of Depreciation as per books and Income Tax:		
WDV of Fixed Assets as per Companies Act	8,37,80,312.54	8,49,24,660.00
WDV of Fixed Assets as per Income Tax Act,1961	7,96,38,094.00	8,06,34,818.00
Difference	41,42,218.54	42,89,842.00
Income Tax @30.9%	12,79,946.00	13,25,561.00
	<b>12,79,946.00</b>	<b>13,25,561.00</b>
<b>b. Deferred Tax Asset</b>		
Timing Difference on Account of project Development expenses and project overhead expenses as per books and Income Tax:		
Balance of Project development and Project overhead Expenses o/s as per companies Act,1956		
Balance of Project development and Project overhead Expenses o/s as per IT Act,1961	3,81,669.00	7,63,338.00
Difference	3,81,669.00	7,63,338.00
Income Tax @30.9%	1,17,936.00	2,35,871.00
	<b>1,17,936.00</b>	<b>2,35,871.00</b>
<b>Net Deferred Tax Liability</b>	<b>11,62,010.00</b>	<b>10,89,690.00</b>

## 4. Other Long Term Liabilities

Particulars	As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps.)
<b>Trade Payables</b>		
a. Trade Payables(including acceptances)/Due to MSME	-	-
b. Others	-	-
Tribal Project - Advance (The Scheduled Tribes Development Dept.)	-	-
Urban Environment Improvement Fund - Advance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>





### 5. Trade Payables

Particulars		As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps.)
Sundry Creditors for services rendered	1	2,41,54,867.00	56,28,977.00
<b>Total</b>		<b>2,41,54,867.00</b>	<b>56,28,977.00</b>

### 6. Other Current Liabilities

Particulars		As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps.)
Projects	2	12,14,48,384.00	11,67,57,127.00
<b><u>DPR- Balance fund</u></b>			
Agriculture Extension		19,084.00	19,084.00
Agri Innovation		1,63,070.00	7,69,936.00
Agro Documentary Fund		6,66,838.00	
Hi-Tech Agriculture		2,26,513.00	2,32,293.00
Ponds -Palakkad		82,979.00	3,92,108.00
Retention Money		1,81,52,371.00	85,59,398.00
Retention - Watech (KVAT Bond)		18,22,300.00	18,22,300.00
Security Deposits Received	3	1,05,33,051.00	99,47,000.00
Earnest Money Deposit		39,44,131.00	17,50,000.00
Advance received from debtors		82,971.00	
<b><u>Statutory Liabilities</u></b>			
TDS	4	2,09,376.00	6,16,648.00
EPF		8,08,388.00	3,02,742.00
ESI		12,202.00	-
Worker's Welfare Fund		18,03,666.00	32,618.00
Income tax Payable for the AY 2014-15		-	31,563.00
Service Tax		13,97,767.00	10,42,038.00
VAT		8,39,975.00	27,01,640.00
			-
<b><u>Expenses Payable</u></b>			
Auditors Remuneration		3,10,761.00	1,70,761.00
Professional Charges		7,500.00	7,500.00
Rent		-	-
Printing Charges		-	30,000.00
Water Bottling Plant Expenses		2,41,890.00	1,85,008.00
UEIP Expenses		-	-
Wayanad Package - Rent		-	-
Water Charges		-	353.00
Telephone Charges		21,408.00	10,224.00
<b>Total</b>		<b>16,27,94,625.00</b>	<b>14,53,80,341.00</b>

### 7. Short-term Provisions

Particulars		As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps.)
Others:			
Provision for Income Tax		7,91,284.00	7,91,284.00
<b>Total</b>		<b>7,91,284.00</b>	<b>7,91,284.00</b>



**KERALA IRRIGATION INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED**  
**INCOME TAX ASSESSMENT YEAR 2016 - 17**  
**ACCOUNTING YEAR 01-04-2015 TO 31-03-2016**  
**DETAILS OF DEPRECIATION ON FIXED ASSETS AS ON 31.3.2015 UNDER COMPANIES ACT 2013**

PARTICULARS	GROSS CARRYING AMOUNT			DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT		
	As at 1 April 2015	Additions / Adjustments during the Year	Deductions / Adjustments during the Year	As at 31 March 2016	Accumulated Depreciation / Amortisation as at 1 April 2015	Depreciation / Amortisation for the year	As at 31 March 2016	As at 31 March 2015	As at 31 March 2015
<b>FIXED ASSETS</b>									
<b>Intangible Assets</b>									
Assets - Software									
Computer & Accessories	5,96,526.00	1,87,484.00		7,84,010.00	1,62,489.36	2,02,033.91	9,86,043.91	6,58,009.36	2,31,077.55
Office Equipments	77,320.00	3,546.00		80,866.00	7,294.22	27,199.77	88,160.22	15,032.29	35,906.01
Leasehold Improvements	32,400.00			32,400.00	11,644.09	7,675.30	44,044.09	15,341.00	26,659.00
Furniture & Fittings	5,79,000.00	1,01,700.00		6,80,700.00	1,49,453.00	1,11,807.55	7,92,507.55	2,50,125.55	1,60,150.00
IT Equip.	13,85,000.00			13,85,000.00	1,94,835.00	1,26,855.00	15,80,835.00	4,08,177.00	6,64,222.00
Survey Equipments	45,140.00			45,140.00	16,518.00	77,426.00	1,27,558.00	8,56,96.00	6,77,206.00
<b>Overhaul &amp; Repairing Costs, Subsidies</b>									
Transformer	20,61,900.00			20,61,900.00	1,08,218.00	1,47,781.00	21,70,118.00	10,91,041.00	21,81,622.00
Electricity & Water Buildings	1,92,64,100.00			1,92,64,100.00	1,30,013.00	12,12,858.00	2,04,76,958.00	1,72,68,663.00	3,90,38,721.00
Plant & Machinery	2,26,27,500.00			2,26,27,500.00	9,05,945.00	58,40,812.00	3,34,73,312.00	4,21,02,889.00	5,56,27,803.00
Furniture & Fixtures	11,82,671.00			11,82,671.00	11,758.00	9,42,536.00	12,94,207.00	25,117.00	12,49,090.00
Electrical Installation & Equipments	5,53,000.00			5,53,000.00	89,423.00	6,25,000.00	6,14,423.00	71,848.00	31,65,575.00
Fire Protection System	10,51,500.00			10,51,500.00	16,383.00	2,56,047.00	13,07,547.00	27,982.00	1,38,823.00
Surveillance Systems & Equipments	1,27,000.00			1,27,000.00	1,136.00	87,718.00	88,854.00	2,17,966.00	1,98,823.00
Electric Fanlight & Electric Machine	1,48,700.00			1,48,700.00	4,062.00	3,85,158.00	4,00,020.00	7,20,765.00	15,78,817.00
Tools	8,35,100.00			8,35,100.00	21,261.00	2,70,538.00	3,01,799.00	7,21,866.00	7,19,688.00
Software and Computing System	1,90,290.00			1,90,290.00	8,766.00	82,275.00	2,09,055.00	1,007,867.00	2,80,258.00
Computer & Accessories	2,36,800.00			2,36,800.00	11,761.00	42,912.00	2,50,552.00	8,175.00	2,42,377.00
Vehicle Water plant	10,34,071.00			10,34,071.00	2,12,578.00	2,12,578.00	12,46,649.00	6,11,474.00	7,071,773.00
Handheld mobile computer	8,927.00			8,927.00		4,053.00	12,980.00	4,939.23	7,040.77
Landline, Mobile phone	6,303.00			6,303.00		7,264.00	13,567.00	4,939.23	7,040.77
Motorcycle (Bike)	9,131.00			9,131.00		1,827.00	10,958.00	2,799.47	2,799.47
TV, Home theatre	21,621.00			21,621.00		7,427.00	29,048.00	39,708.47	39,708.47
Refrigerator, Microwave oven etc.	17,511.00			17,511.00		4,420.00	21,931.00	1,823.06	1,823.06
Mobile starter the motor pump	15,525.00			15,525.00		638.00	16,163.00	1,823.06	1,823.06
TV, Landline	4,880.00			4,880.00		380.00	5,260.00	6,050.93	6,050.93
Vehicle, Car	14,580.00			14,580.00		166.00	14,746.00	15,105.24	15,105.24
Building, External facilities	89,21,434.00			89,21,434.00	4,76,973.00		93,98,407.00	85,45,407.00	
Furniture & Fittings	1,21,705.00			1,21,705.00	7,723.00		1,29,428.00	1,07,453.00	
Tools & Equipments, Plant	86,790.00			86,790.00	96,527.72		1,83,317.72	72,862.28	
Land Development	4,29,432.00			4,29,432.00			4,29,432.00		
<b>Intangible Assets</b>									
Assets - Software									
Software	1,17,294.00	1,800.00		1,19,094.00	1,76,070.00	1,17,496.35	2,36,590.35	1,57,688.65	1,11,176.00
Assets - Water Rights Plant, Subsidies									
Application Software	16,40,600.00			16,40,600.00	15,790.00	6,29,033.00	22,19,633.00	6,50,094.00	11,75,000.00
<b>CAPITAL WORK IN PROGRESS</b>									
Water Right Plant under construction									
Buildings	2,780.00			2,780.00			2,780.00	2,780.00	2,780.00
Water Right Plant under construction									
Buildings		36,85,300.00		36,85,300.00			36,85,300.00		
<b>GRAND TOTAL</b>	<b>8,76,18,326.00</b>	<b>1,41,77,434.00</b>		<b>10,17,95,760.00</b>	<b>25,90,856.00</b>	<b>1,56,24,552.46</b>	<b>1,85,15,407.46</b>	<b>6,11,80,312.54</b>	<b>8,46,27,448.00</b>



M/S KERALA IRRIGATION INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED  
TRIVANDRUM

Notes on Accounts for the year ended 31st March, 2016.

9. Long-term Loans & Advances

Particulars		As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps)
<u>Unsecured, considered good</u> Deposits	5	11,76,750.00	11,45,500.00
<b>Total</b>		<b>11,76,750.00</b>	<b>11,45,500.00</b>

10. Inventories

Particulars		As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps)
<b>Factory: Closing Stock</b>			
<u>Raw Materials</u>			
Pet Preforms		26,74,769.00	44,00,287.00
Wrapping Materials		14,70,327.00	39,02,636.00
Label		1,28,544.00	7,01,400.00
Bottle Caps		1,57,896.00	5,90,362.00
Additive & Cleaning Solution		14,473.00	42,680.00
Ink & Adhesive		21,650.00	15,538.00
		<b>44,67,659.00</b>	<b>96,52,903.00</b>
<u>Finished Goods</u>		1,30,300.00	-
<b>Total</b>		<b>45,97,959.00</b>	<b>96,52,903.00</b>

11. Trade Receivables

Particulars		As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps)
<u>Unsecured, considered good</u>			
Trade receivables outstanding for a period less than six months from the date they are due for payment	6	3,96,514.00	5,07,473.00
Trade receivables outstanding for a period more than six months from the date they are due for payment		10,000.00	20,000.00
<b>Total</b>		<b>4,06,514.00</b>	<b>5,27,473.00</b>





## 12. Cash & Bank Balances

Particulars		As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps.)
<u>Cash &amp; Cash Equivalents</u>			
Balances with banks			
In Current Accounts	7	7,02,65,113.67	5,88,48,323.00
In Deposit Accounts - Fixed Deposits	8	5,31,10,270.00	9,34,42,950.00
Cash in hand		1,23,649.00	1,74,522.00
<b>Total</b>		<b>12,34,99,032.67</b>	<b>15,24,65,795.00</b>

## 13. Short-term Loans & Advances

Particulars		As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps.)
<u>Unsecured, considered good</u>			
Loans and advances to Related Parties		-	-
Others	9	36,95,646.00	88,308.00
<b>Total</b>		<b>36,95,646.00</b>	<b>88,308.00</b>

## 14. Other Current Assets

Particulars		As at March 31st, 2016 (Rs.Ps.)	As at March 31st, 2015 (Rs.Ps.)
Projects funds receivable	10	6,32,59,726.00	27,76,674.00
Project Implementation Expenses - KIIDC	11	8,93,979.00	12,35,992.00
UEIP inauguration Expenses Refundable		-	-
Prepaid Expenses		49,626.00	17,632.00
Sales Tax - Input Tax Credit		1,37,904.00	1,37,904.00
TDS 2015-16		4,33,385.00	-
TDS - FY 2014-15		4,11,151.00	4,11,151.00
		-	-
<b>Total</b>		<b>6,51,85,771.00</b>	<b>45,79,353.00</b>



M/S KERALA IRRIGATION INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED  
TRIVANDRUM

Notes on Accounts for the year ended 31st March, 2016.

**15. Revenue from Operations**

Particulars		For the year ended March 31, 2016 (Rs.Ps.)	For the year ended March 31, 2015 (Rs.Ps.)
Income from Services - Project Management & Administration		2,21,73,852.00	1,15,31,073.00
Sales - Hilly Aqua		1,23,77,053.00	-
Income From DPR Preparations	12	1,04,304.00	1,43,789.00
<b>Total</b>		<b>3,46,55,209.00</b>	<b>1,16,74,862.00</b>

**16. Other Income**

Particulars		For the year ended March 31, 2016 (Rs.Ps.)	For the year ended March 31, 2015 (Rs.Ps.)
Interest on FD		32,93,589.00	41,11,410.00
Tender Fee		5,99,292.00	8,31,936.00
Prior Period Income	13	-	52,853.00
Freight Received		4,24,793.00	-
Interest on Electricity Deposit		67,528.00	-
Scrap Sales		65,711.00	-
Fine for Delay in Executing Agreement		15,000.00	-
Processing Fee		32,000.00	-
Unloading Charges Received		7,700.00	-
Miscellaneous income		6,31,736.00	8,000.00
Interest on Income Tax Refund		-	708.00
<b>Total</b>		<b>51,37,349.00</b>	<b>50,04,907.00</b>

**17. Direct Expenses**

Particulars		For the year ended March 31, 2016 (Rs.Ps.)	For the year ended March 31, 2015 (Rs.Ps.)
Project Expenses	14	69,31,171.00	61,88,706.00
DPR preparation expenses	15	-	-
Water Bottling Plant - Malankara Expenses	16	56,75,754.00	4,30,444.00
<b>Total</b>		<b>1,26,06,925.00</b>	<b>66,19,150.00</b>

**18. Cost of materials consumed - Water Bottling Plant**

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
Opening stock of Raw Material		96,52,903.00	
Purchase of Raw material	17	56,07,079.00	1,03,24,377.00
Less : Closing Stock of Raw Materials		44,67,659.00	96,52,903.00
<b>Total</b>		<b>1,07,92,323.00</b>	<b>6,71,474.00</b>



#### 19. Employee Benefits

Particulars	For the year ended March 31, 2016 (Rs.Ps.)	For the year ended March 31, 2015 (Rs.Ps.)
Salaries and Incentives	14,40,010.00	7,43,952.00
Director's Remuneration	11,59,868.00	10,07,849.00
EPF/ESI Employer's Contribution	4,92,814.00	3,02,742.00
<b>Total</b>	<b>30,92,692.00</b>	<b>20,54,543.00</b>

#### 20. Depreciation & Amortization Expenses

Particulars	For the year ended March 31, 2016 (Rs.Ps.)	For the year ended March 31, 2015 (Rs.Ps.)
Depreciation on Fixed Assets - Office	7,65,213.53	7,80,197.00
Depreciation on Factory Assets	1,50,59,337.92	14,82,358.00
Prior period Depreciation	-	-
<b>Total</b>	<b>1,58,24,551.46</b>	<b>22,62,555.00</b>

#### 21. Other Expenses

Particulars		For the year ended March 31, 2016 (Rs.Ps.)	For the year ended March 31, 2015 (Rs.Ps.)
Water Bottling Plant - Malankara Expenses	16	37,62,205.00	4,53,224.00
Auditor's Remuneration	18	1,40,000.00	1,00,000.00
Advertisement Expenses		12,784.00	26,000.00
Bank Charges		6,371.33	5,916.00
Electricity Charges		32,188.00	26,901.00
FD premature closure charges		-	3,078.00
Office Expenses		76,213.00	59,020.00
Books & Periodicals		2,961.00	4,876.00
Postage & Courier		10,676.00	5,431.00
Printing & Stationery		60,819.00	65,974.00
Professional Charges		3,04,264.00	55,149.00
Profession Tax		6,400.00	-
Rent		1,20,000.00	1,20,000.00
Repairs and Maintenance - Machinery		42,939.00	35,641.00
Repairs and Maintenance - Building		1,13,342.00	31,453.00
Training Expenses		-	1,40,450.00
Telephone Charges		1,72,313.00	1,01,081.00
Water Charges		5,963.00	3,997.00
Other Operating Expenses	19	1,93,387.00	2,64,392.00
<b>Total</b>		<b>50,62,825.33</b>	<b>15,02,583.00</b>





22. Earning Per Equity Share (Basic & Diluted)

Particulars	For the year ended March 31, 2016 (Rs.Ps.)	For the year ended March 31, 2015 (Rs.Ps.)
A. Profit Attributable to Equity shareholders (Rs.Ps.)	(70,57,280.79)	13,96,214.00
B. Weighted Average Number of Equity Shares O/s at the end of Financial year		
a. Number of Shares O/s at the Beginning of the Year	10000000	10000000
b. Weighted No. of Shares O/s in case of fresh issue		
i. Fresh Issue During the Year	-	-
ii. Date of Fresh Issue and allotment	-	-
iii. Period outstanding up to 31st March 2014 (Days)	-	0
c. Weighted Average number of shares O/s for the period	10000000	10000000
Earning Per Share (Basic & Diluted)	(0.71)	0.14



**M/S KERALA IRRIGATION INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED  
TRIVANDRUM**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS FOR THE YEAR ENDED 31.03.2016**

**23 SIGNIFICANT ACCOUNTING POLICIES:-**

**(a) Basis of Preparation of Financial Statements:**

The Financial Statements have been prepared under the historical cost convention on a going concern basis, in accordance with the applicable Accounting Standards and the generally accepted accounting principles and the provisions of the Companies Act, 2013. The company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis. The revenues recognised are reversed if subsequent events lead to such eventuality. The financial statements has been prepared in accordance with the Schedule III.

**(b) Fixed Assets and Depreciation:**

(1) Fixed Assets have been stated at actual cost of acquisition less accumulated depreciation and impairment losses if any. Actual cost is inclusive of freight, installation cost, taxes, direct expenses, other incidental expenses and expenses incurred to bring the fixed assets to its present location.

(2) Tangible assets are depreciated on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. Where ever the management believes that the useful life varies to the nature of Asset / Usage, appropriate rates as disclosed in the policies have been followed.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.

The useful life of assets are taken as follows.

Computer and Accessories	-	3 Years
Office Equipments	-	5 Years
Electrical Equipments	-	10 Years
Furniture & Fixtures	-	10 Years
GPS Equipments	-	15 Years
Transformer	-	40 Years
Factory & Admin. Buildings	-	30 Years
Plant & Machinery	-	15 Years
Electrical installation & Equipments	-	10 Years
Fire Protection System	-	10 Years
Surveillance System & Equipments	-	10 Years
Electric Forklift & Electric Stacker	-	7 Years
Pallets	-	7 Years
Borewell and Pumping System	-	5 Years

(3) Asset under Construction - The overhead expenses incurred on construction of fixed assets are capitalised proportionately on completion of the fixed asset and the expenses related to incomplete assets are classified as Capital Work In Progress till allocation.

**(c) Valuation of intangibles:**

The company recognises Intangible Asset at actual cost of development incurred by the company including allocable direct expenses if any and are depreciated using Written Down Value method as per the estimated useful life.

The useful life of assets are taken as follows.

Software - Office Use	-	5 Years
Software - Water Bottling Plant	-	6 Years



(d) **Impairment of Assets**

The carrying amount of Fixed Assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where the carrying values exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

(e) **Valuation of Inventories**

- 1 Inventories are carried at lower of cost and net realisable value
- 2 Cost of inventories comprise of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(f) **Revenue Recognition:**

- 1 Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- 2 All the Income with reference to the projects awarded to/undertaken by the company is recognized by reference to the stage of completion based on the arrangements/Agreements. All the Expenditure items having material bearing on the financial statements are recognized on accrual basis.

The project implementation fee has been derived on the following basis:

i) for partially completed works, where a specific clause exist in the agreement regarding the consultation fee, income is computed on percentage completion method based on the work completed and certified by Management as at the year end (ie, proportionate amount of estimate or agreed amount whichever is lower).

ii) for completed works where a specific clause does not exist in agreement, income is computed based on the actual executed value based on rate specified in Government order G.O (P) No 408/2007/Fin dated 07-09-2007 or G.O (P) No 311/14/Fin dated 3/07/2014.

iii) for completed works where a specific clause exist in agreement, income is computed based on the terms of agreement

iv) where percentage of completion is less than 10%, no income has been recognised.

- 3 The company recognises the DPR preparation fees based on the percentage specified in the agreement. Where no percentage is specified, the fees is calculated based on Government order No G.O (P) No 311/14/Fin dated 3/07/2014.

- 4 Interest is recognized on a time proportion/accrual basis at the applicable interest rates. Also the interest accrued and TDS deducted thereon are considered.

(g) **Employee Benefits**

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

(h) **Provisions and Contingencies:**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when 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.





(i) **Taxation**

Tax Expense (tax saving) is the aggregate of the current year tax and deferred tax charged (credited) to the profit & loss account for the year.

a. Current Tax

The provision for taxation is based on assessable profits of the company as determined under the Income Tax Act, 1961

b. Deferred Tax

(i) Deferred tax is recognised on all timing differences between accounting income and taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

(ii) The deferred tax assets are recognised and carried forward to the extent that there is a reasonable / virtual certainty as the case may be that sufficient taxable income will be available against which such deferred tax assets can be realised.

(j) **Misc. Expenditure**

Preliminary & Pre-operative expenses are fully written off during the year in which the benefit of operation arises.

(k) **Earning per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.



24. OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

1. Related Party Transactions

Particulars	Name of the Person	Nature of Relation	Amount (In Rs)
Remuneration	P Anil Kumar	Managing Director	11,59,868
Advance	P Anil Kumar	Managing Director	34,388

2. Contingent Liability & Commitments (to the extent not provided for):

A bond of Rs.18,22,300/-was issued on 27/03/2014 to the KVAT authorities under Rule 6 for releasing the RO plant supplied by M/s Watech R O System (I) Private limited for the Water bottling plant. The matter is yet to be settled with the VAT Authorities. An equivalent amount is retained from M/s Watech RO System (I) Private Limited which will be released after the matter is settled. Retained Amount is separately disclosed in the financial statements.

3. The company has opted for settlement of service tax dues for the years up to 2015-16 under Sabka Vishwas Scheme after the introduction of GST. Based on the reduced service tax liability, the company has disclosed Rs.4,71,498/-as extraordinary income.

4. Foreign Currency Transactions- Nil

5. The company was entrusted with the task of preparing various DPRs (Detailed Project Reports) by the State Planning Board, Government of Kerala. The balance fund outstanding after charging DPR preparation fee (Consulting fee) is shown under the head "Other Current Liabilities". Income as per the respective Government order was recognized in books as follows:

Sl	DPR Name	Fund received up to 2014-15	Expenses including consultancy up to 2014-15	Fund Balance as on 1-4-2015	Received 2015-16	Expenses 2015-16	Income booked 2015-16
1	Agriculture Extension	5,35,000	5,15,916	19,084	-	-	-
2	Agriculture Innovations	20,00,000	12,30,064	7,69,936	-	5,61,913	44,953
3	AgroDocumentary Fund	-	-	-	13,20,000	6,17,162	36,000
4	Hi-Tech Agriculture	4,30,000	1,97,707	2,32,293	-	5,327	453
5	Ponds - Palakkad	16,00,000	12,07,892	3,92,108	-	2,86,231	22,898
	Total	45,65,000	31,51,579	14,13,421	13,20,000	14,70,633	1,04,304

For "Ponds-Palakkad" no consultancy charges were specified in the order, but the company has recognized income at 8% of expenses incurred.



Total expenses of Rs 14,70,633 for the year 2015-16, includes Rs.1,67,162/- denoting service tax paid on the entire Fund received during the year.

The company has charged the entire expenses incurred on account of DPR preparation and the consultancy charges due thereon; against the fund received and only the net balance is shown in the balance sheet under current liabilities.

6. The details of works/assignments entrusted to the company during the financial year are provided in annexure No: I

**Construction work of permanent weir across Kadalundy river at Kallakkayam in Parappur Grama Panchayath and ManikkothKadavu in Urakam GramaPanchayath**

7. The construction work of permanent weir across Kadalundy river at Kallakkayam in Parappur GramaPanchayath and ManikkothKadavu in Urakam GramaPanchayath which were initially done by Kerala Water Authority. This was as later assigned to KIIDC by Revenue Department- River Management Fund for an amount of Rs.336 lakhs and Rs.362.25 lakhs respectively.

The company has e-tendered and assigned the work for Kallakkayam to Green Worth Infrastructure (P) Ltd on 20.05.2014 for an amount of Rs.3,65,89,000. During the year 2015-16, based on the certified work completion percentage of 86%, an amount of Rs.13,17,207/- was recognized as income. Even though no specific directions regarding the consultancy charges is specified in the order, the company based on the Govt. Order No. 408/2007/Fin. dated 7th September 2007, has booked a total amount of Rs.18,87,996/- (including Rs.5,70,789 for the year 2014-15) as income

**Construction of Roads for primitive Tribes in Wayanad District**

8. Based on the Government order issued by the Scheduled Tribes Department vide Order no: "B2-397/13 (2) dated 17-10-2013", Administrative Sanction for an amount of Rs. 4.06 crores, for implementation of the scheme of taking up construction of roads for primitive tribes was awarded to KIIDC. The works in Akkolikkunnu, Mannundi, Peedikakunnu colonies of Mananthavady Sector and Beppanamala colony of Kalpatta sector in Wayanad district was completed for an amount of Rs. 1,62,22,511. Total amount expended including consultation charges booked amounts to Rs.1,73,58,087. Out of the total amount of Rs.200 lakhs set apart for these works, Rs.21,31,404 was transferred to vellamunda project and the balance amount of Rs. 5,10,509/- was returned to Tribal Department.





9. Works relating to Vellamunda project was completed during the year with a total expenditure of Rs.1,59,51,686. Consultancy charges has been realized @ of 7% and an amount of Rs.2,34,657 was booked during the current year after adjusting income already booked.

**Implementation of the Scheme of Sustainable Management of Water resources for Water security in Vattavada Panchayath, Idukki District.**

10. Administrative sanction was accorded by Government vide order dated 15.02.2014 for an amount of Rs.8.15 Crores- for implementation of the Scheme "Sustainable Management of Water resources for Water security in Vattavada Panchayath, Idukki District" How ever no fund was allotted . As the company incurred significant expenditure in connection with Demonstration, Survey and other expenses, Government vide order dated 01.11.2014 accorded authorization for additional expenditure of Rs. 50,00,000. Against this, company has received an amount of Rs.38,47,000 from the water resources department during the year  
income of Rs.10,11,647/-was recognized during the year based on the percentage of project completion at the rate of 5% and charged against the amount received as above. The expenses incurred by the company amounting to Rs 20,21,416/- during the previous years is charged against this project fund received. The net fund balance as on 31.03.2015 - Rs.8,13,937/- is shown under the head Current Liabilities.

**Alappuzha Master Plan**

11. As per G.O(Rt)No.5749/2013/TSM dated 12-07-2013 of Tourism Department. Government has accorded administrative sanction for the development of back water circuits in Alappuzha backwater region as a mega circuit in Kerala. The above work comprises of ten different components and the company has entered into separate agreements with the tourism department for each component.  
During the year an amount of Rs.8,09,176/- was received from contractor M/s.Sukrathakiran who is undertaking sediments removal work at the site of Boar terminal Kayamkulam in Alappuzha district. Out of this amount Rs.1,77,440/- is being paid to the mining and geology department as royalty for 2218 m3 dredged sand and balance amount of Rs.6,31,736/- is shown under miscellaneous income.

**UEIP Project**

12. As part of UEIP Project, Environment Department had accorded sanction for an amount of Rs 730 lakhs inclusive of consultancy charges @5%.Under Urban Environment Improvement Project



(UEIP), contribution is collected from the beneficiaries @ 30% for the components -Urban Agriculture, Waste to energy and Fisheries. A consultancy charge @ 5% is calculated against the proportionate expenses incurred from Government Grant only. The details of Funds received during the year, Expenses Incurred and Beneficiary Contribution are as under:

Sl.No.	Component	Total fund received	Total expenses incurred(Including Consultancy Charges)	Beneficiary contribution
1	Eco-restoration of Ponds	1,12,14,000	2,56,96,356	-
2	Urban Agriculture	65,47,000	1,80,89,667	43,77,280
3	Waste to Energy	77,63,000	1,58,48,595	60,48,910
4	Fisheries	12,84,000	29,59,520	5,43,570
5	Rain water component	-	25,00,000	-
6	Urban-Poultry	-	-	3,39,430

#### Water Bottling Plant.

During the year company has capitalized an amount of Rs.93,50,056/- for Development of External facilities at Water Bottling Plant- Malankara vide agreement No.17/KI IDC/2013-14. Out of the above, Company has transferred the land development expenses of Rs.4,28,622/- under separate head, and the balance amount is capitalized as " Building – External facility" .

#### Other Matters

13. Company has paid an input KVAT of Rs. 1,37,904 (during the year 2014-15) on purchase of raw materials for the operation of Water Bottling Plant. This amount remains unutilized as at the end of the financial year and is classified under current assets. However, the application for refund is still pending to be filed.
14. Company is generally following E-tender policy and the tender fee will be realized and accounted on tender opening only. Tenders invited during the current financial year and opened in the next year are not taken as income for the FY 2015-16. Tender fee relating to cancelled tenders are retained by the company and will not be adjusted subsequently. Hence it is treated as income of the company.



15. The following EMDs /Security deposits received by the company against tenders/contracts are outstanding as on 31.03.2016.

Name of the Project	Contractor	Amount (In Rs. Ps.)
<b>EMDs</b>		
Water Bottling Plant	M/s Wa Tech Ro Systems (I) Pvt Ltd	3,00,000.00
	M/s Plenco Closures	2,91,600.00
	M/s Jain Irrigation	25,000.00
Karappuzha	R V Joseph	52,500.00
	Saji Mathew	93,400.00
Wayanad Package	EPC Industries	1,12,500.00
Kappil Project	Sibi K Jose	5,50,000.00
Alappuzha Master Plan	M.Kabeer	50,000.00
Vattakayal Project	Cochin Scaffoldings	6,52,049.00
Oommanchandi colony	V.J.Raju	50,000.00
NadukaniThumbichi	Sibi.K.Jose	50,000.00
Thervayal pond	Austin Kadamala	16,360.00
Development works to KallumattomKunnu Colonies	Austin Kadamala	50,000.00
Pulpally comprehensive work	Saji Mathew	28,035.00
Development works to pancharakolly colony	Saji Mathew	2,23,279.00
Development of Pandanadu	T.I Thomaskutty	44,765.00
Supply of pump, UEIP Project, Thiruvananthapuram Corporation	Pee Yas Associates	38,000.00
Development of Karapuzha Dam Site	R.V Joseph	8,430.00
Mullankolly and Pulpally panchayath- electrification of pump house	Sabi Engineering Company	20,023.00
Pandanadu as tourist destinataion- Electrification	Sabi Engineering Company	23,410.00
Pulpally Comprehensive works- Repairs to buildings	Shaijal T.M	50,000.00
Pilgrims circuits at Pallikkunnu church, chundal church and cheeyambam church	R.V Joseph	50,000.00
Construction of pump houses, sinking well & foundation tank at Mullankolly panchayath	Shaijal T.M	50,000.00
Wrapping material for drinking water bottling plant at malankara	Rajalekshmi Packaging pvt ltd	50,000.00
Pulpally Comprehensive works	Saji Mathew	1,00,000.00
Vattakayal west - Floating Marina	Ocean Blue Boating pvt ltd	50,000.00





Hotel Management studies Pala	SITCO Associates	5,00,000.00
Management of water resources for water security in vattarada panchayath	EPC Industries Ltd	50,000.00
Pulpally Comprehensive works- Balance work	R.V Joseph	1,00,000.00
Development works to kazhambu colony	Shaijal T.M	50,000.00
Development works to mundakkalpaniya colony	Saji Mathew	1,00,000.00
Electrification in mineral water bottling plant at Malankara	Sabi Engineering Company	11,920.00
Development works to avuvayal and kavadam colonies	Shaijal T.M	50,000.00
	Bharath Technical	2,860.00
	Perumalil Granites	50,000.00
<b>TOTAL</b>		<b>39,44,131.00</b>
<b>Security Deposit</b>		
<b><u>As Amount Received by KIIDC</u></b>		
Wayanad Package	EPC Industries	2,00,000.00
Alappuzha Master Plan	M/s.Sukrithakiransoftware technologies Pvt Ltd	48,72,000.00
Wayanad Package	Central Engineering Company	2,00,000.00
Karapuzha Phase II	Sri.R.V.Joseph	2,00,000.00
Night Halting Centre Vatakayal- Land Scaping	Sri.Babu Thomas	19,051.00
Karapuzha dam -formation of pathways	Sri.K.S.Mohanan	12,000.00
Micro Irrigation UEIP- Thiruvananthapuram Corporation	Central Engineering Company	25,000.00
Micro irrigation works at Channothkolly	M/s.Tanclean	50,000.00
Micro irrigation Vattavada Idukki	EPC Industries	1,00,000.00
Video Production of Heritage Technology	GireeshPeruvana	30,000.00
Water security in vattavada panchayat in Idukki	M/s.Tanclean	50,000.00
Hamlet NadukaniThumbichi	Sibi K Jose	2,00,000.00



Planning,desin& supply of wrinser-for the HillyAqua plant at Thodupuzha in Idukki	M/s Sigma Packaging Solutions	50,000.00
Planning,design and supply of packaging machine	M/s Maks Automation Pvt Ltd	50,000.00
<b>TOTAL</b>		<b>60,58,051.00</b>

**Security deposit received from Hilly Aqua Distributors**

SI no.	Name of Distributor	Distribution Area	Amount (In Rs. Ps.)
1	Thodupuzha Taluk Co-operative Society	Idukki District	5,00,000.00
2	Dominic John	Ernakulam District	10,00,000.00
3	Aravindakshan	Kozhikode, Wayanad, Kannur, Kasaragod Districts	5,00,000.00
4	Joseph George	Kottarakkara, Punalur	2,00,000.00
5	Shine V John	Alappuzha District	2,00,000.00
6	Mathew Joseph	Thrissur, Palakkad, Malappuram Districts	5,00,000.00
7	Cochin Scaffolding	Pathanamthitta District	4,00,000.00
8	Nawab Khan S	Trivandrum, Neyyattinkara Taluk	2,00,000.00
9	Mystical Rose Agencies	Kottayam District	7,50,000.00
10	Chandrababu	Chirayinkeezhu & Varkala Taluk	2,00,000.00
<b>TOTAL</b>			<b>44,50,000.00</b>

**Security deposit received from Employees - Hilly Aqua**

SI no.	Name of Employee	Designation	Amount (In Rs. Ps.)
1	Santo George	Store Keeper	25,000.00
<b>TOTAL</b>			<b>25,000.00</b>

The Security deposits are generally made by marking lien/pledge in favour of KIIDC on the fixed deposits in the name of the respective parties. The security deposit (Rs. 1,15,000/-, dated 20-03-2014 of in IDBI Bank, Bartoli, Gujarat) given by M/s WaTech RO Systems (I) Pvt Ltd in relation to micro irrigation Project under UEIP was wrongly taken by the contractor in the name of Manager. However, the company has not received any interest on the fixed deposit.

16. The company awarded a turnkey contract of Rs.4,99,85,000/- to M/s Watech RO system (I) Private Limited for Installation & commissioning of Packaged drinking water plant. No security deposit (@10%) was collected from the party at the time of awarding contract. Hence the company has



retained the EMD of Rs.3,00,000/-, and an amount of Rs. 19,14,921 is kept as retention money against the first bill paid to the party. An amount of Rs 11,66,460 against bills submitted by party remains unpaid. The total bills submitted by the party against the awarded contract is Rs 4,27,57,150 only. Balance in accounts Rs.13,01,460/- is inclusive of Rs.1,50,000/- payable against pump purchased for UEIP project and after adjustment of Rs.15,000/- being share of advertisement charges receivable.

Also, an additional amount of Rs. 18,22,300 was retained against bills in view of the security bond issued by the company to VAT department for releasing plant supplied by M/s Watech RO system (I) Private Limited.

17. Company deducts retention money at the rate prescribed as per the order 'G.O. (Ms) No. 60/12/PWD' dated 20.09.2012 on each bill submitted by the project contractors (except for supply of materials/assets). This will be released after completion of the work. The retention money outstanding as on 31.03.2016 is Rs.1,81,52,371/- against the bills submitted by contractors.

Name of the Project	Contractor	Amount (In Rs. Ps.)
Karappuzha	Baburaj M Uravu	32,423.00
Karappuzha- Phase II	K.S. Mohanan	2,24,449.00
Water Bottling Plant	M/s Watech	19,14,921.00
AMP -Vattakkayal	M/s EKK & Co	25,84,908.00
AMP -Vattakkayal	Cochin Scaffoldings	19,02,386.00
Kappil Beach Project	Sibi. K. Jose	11,98,057.00
AmiP- Thazhappu	Royees John	10,19,249.00
AMP-Kayamkulam	M/s EKK & Co	33,66,219.00
AMP-Kayamkulam	kabeer	4,16,117.00
Karappuzha	R.V.Joseph	76,340.00
AMP-Arookutty	M/s Mitra Builders	6,69,398.00
Hamlet - Karimkutty Cluster	P.A.Moidutty	5,80,197.00
Hamlet-NadukaniThumbichi	Sibi.K.Jose	8,34,898.00
Kanjipadam	M/s.MaryMatha Constructions	15,94,563.00
MannannurCheckdam- Bharathapuzha	A.R.Infratech	8,48,697.00
Wayanad Package	Shajalal	1,62,596.00
Pandanadu Project	Thomaskutty	15,142.00
ATSP- Pulpally	ShajilalT.N	7,11,811.00
<b>TOTAL</b>		<b>1,81,52,371.00</b>

18. In case of the following projects, either the works were not commenced during the FY 2015-16 or the projects have not reached any significant stage as on 31.03.2016 (as per the physical progress evaluated and certified by the management). Hence the expenses incurred by the company in





connection with implementation of these projects are not charged to Profit and Loss account, and are classified as 'Project Implementation Expenses – KIIDC' under the general head "Other-current Assets".

Particulars	As on 2014-15	Expenses during the year	As on 31.03.2016
Alappuzha Concept Plan	8,228/-	-	8,228/-
Bharathapuzha Project	7,154/-	-	7,154/-
Bhoothathaankettu Project	12,826/-	-	12,826/-
Chamravattom Project	15,625/-	-	15,625/-
District Early Intervention Centre	24,611/-	-	24,611/-
Ezhuthonipadam Expenses		14,484/-	14,484/-
Govindamoola Expenses		13,349/-	13,349/-
Kanthallur Project	1,19,671/-	45,236/-	1,64,907/-
Koodalmanikyam Project	3,360/-	-	3,360/-
KoromeJumaMusjith		7,088/-	7,088/-
Kumarakom Project	9,021/-	-	9,021/-
Malankara Tourism Project	67,500/-	-	67,500/-
Moozhikkal project	464/-	-	464/-
Pala Project Expenses		85,350/-	85,350/-
Pilgrim CircuteKolathuvayal		13,419/-	13,419/-
Sea Port-Airport Connectivity	1,79,037/-	-	1,79,037/-
Solar Project	93,324/-	1,66,105/-	2,59,429/-
Thrissilery		8,127/-	8,127/-
<b>TOTAL</b>	<b>5,40,821/-</b>	<b>3,53,158/-</b>	<b>8,93,979/-</b>

19. There are no permanent Employees/Employees eligible for gratuity as on 31.03.2016, and hence no provision for gratuity is provided in the accounts. At present the company does not have a policy for other long-term benefits to employees.
20. In the opinion of Board of Directors, the current assets have a value on realization in the ordinary course of business, not less than the amount, at which they are stated in the Balance Sheet as at 31.03.2016.
21. As per the information available with the Company, the amounts outstanding to Small and Micro Enterprises as on 31.03.2016 as trade payables are as follows:

M/s Watech R O System (I) Private limited – Rs. 13,01,460



22. In the opinion of management, there is no impairment in the value of fixed assets of the company in accordance with Accounting Standard - 28, 'Impairment of Assets'.
23. The company has commenced the operation at Water bottling plant at in February 2015 and has generated revenue and within the threshold of segment reporting as mandated in AS 17 – Segment reporting. But for the current year the manufacturing segment has crossed the threshold of 10% of the total revenue and generated an income of Rs.1,23,77,053/- for the year 2015-16 out of the total revenue of Rs.4,04,64,293/- and hence details as given under

Particulars	Project Management and Administration	Manufacturing	Others
Segment Revenue	2,22,78,156	1,23,77,053	51,37,349
Segment Expenses	1,20,89,697	3,51,59,320	-
Segment Results	1,018,8453	(2,27,82,267)	51,37,349
Segment Depreciation	7,65,213	1,50,59,338	-
Total carrying amount of Assets	13,28,92,513	9,50,46,044	5,39,99,806
Totally carrying amount of Liabilities	17,95,49,427	84,35,690	11,27,045

24. Rs.34,388/- is due from the directors as of the year end, being the excess salary for February and March 2016 as per the GO.(P)No.02/2017/Fin dt 04-1-2017.
25. No purchase of fixed assets is charged against project income/expenses.
26. Previous year's figures have been regrouped / re-classified wherever found necessary to comply with the Statutory / Other requirements and to make them comparable with the current year financials.

*Notes 1 to 24 forms an integral part of the Financial Statements.*

For and on behalf of the board

As per our report of even attached

Kunjukutty Krishnan kutty  
Chairman

DIN. 06342199

Prasanth Nambron  
Managing Director

DIN. 05218116

Chitra V S  
Company Secretary  
& CFO  
M NO. 20901

For DILEEP & Co.  
Chartered Accountants

CA. DILEEP. S FCA  
M.NO. : 217182  
FRN : 011282S



**INDEPENDENT AUDITORS REPORT**

**To,**

**The Members of,**

**M/s Kerala Irrigation Infrastructure Development Corporation Ltd**

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s Kerala Irrigation Infrastructure Development Corporation Limited, which comprises Balance Sheet as at 31<sup>st</sup> Mar 2016, the Statement of Profit and Loss account and cash flow statement for the year then ended, and a Summary of 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 provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making Judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and Completeness of the accounting records, relevant to the preparation and presentation of the financial Statements that give a true and fair view and are free from materials misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

We have taken into account the provision 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 procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 standalone financial statements.

#### **Basis for Qualified Opinion**

- 1. Kerala Agricultural University (KAU) has raised an invoice dt 14-9-2015 for Rs.44,00,000/- in accordance with the MOU entered between KIIDC and KAU. Against this company has paid and KAU has acknowledged payment of Rs.22,50,000/- and the balance payable is Rs.21,50,000/- . However, no provision has been made for this in the financial statements for the year. Hence the expenses payable under "Other current liabilities" has been under stated by Rs.21,50,000/- and Project balance has been overstated to that extent.*
- 2. The company has purchased an application software for automating production records and to enable data analysis at a cost of Rs.16,40,456/- (WDV Rs.9,56,084/-). As informed by the company this could not be effectively put to use owing to deficiency in record/ report generation. The company has not taken any effective step to rectify the same. We are unable to ascertain extent of impairment owing to lack of sufficient information.*
- 3. The company is accounting Consultancy fee based on certified percentage of completion. Company is generally eligible for a consultancy fee on the basis of executed value of contract or estimate amount as per agreement whichever is lower. However due to deficiency in record/ documents we are unable to ascertain whether this has been complied in all the cases.*



In case of the following projects where the consultancy fees have been recognised during the year, company has not paid/booked any expenses related to the contract/ Contractors in the books of account.

<b>Name of the Project</b>	<b>Current Year Executed Value</b>	<b>Consultancy fee booked for the year</b>
HADA Project	31,46,400	2,20,248
Mundakkal Paniya Colonies	14,99,857	1,04,990
Kazhambu Colony	6,33,186	44,323
Avuvayal Kavalam Colonies	10,50,114	73,508
Chamravattam Project	32,35,600	2,26,492
Kadalundi Kallakayam	2,19,53,450	13,17,207
Kappil Project	78,87,867	4,73,272
Vattavada Project Infrastructure development of ponds	26,30,180	1,31,509
Vattavada Project Micro Irrigation system	1,76,02,760	8,80,138
<b>Total</b>		<b>36,71,687</b>

4. As per the disclosure requirement as per Accounting standard 20 of ICAI adopted by MCA, the enterprise should disclose basic and diluted earnings per share computed on the basis of earnings excluding extraordinary items (net of tax expense) and a reconciliation of those amounts has to be shown separately. The company in the face of Profit and Loss Account has disclosed "Earning per equity share (Basic & Diluted)" (Point -XIV) as (-0.71). This is calculated taking into consideration the loss of Rs 70,57,280.79 including the effect of Extraordinary item of Rs 4,71,498.

The company during the year has an extra ordinary income of Rs 4,71,498 as a result of Settlement scheme by the Service tax department. As per AS 20, the Earnings per share excluding the effect of Extraordinary item is Rs -0.75. The company has not shown separately the effect of EPS excluding and including the Extraordinary items.

5. The company does not follow the procedure of issuing proper and serially numbered invoices and hence we are unable to ascertain whether any invoice or income has been omitted in the books of accounts.





6. *The company does not maintain serially numbered vouchers and hence we are unable to ascertain whether any vouchers are missing and any transactions are omitted to be recorded in the books of accounts.*
7. *Most of the Contract work bill/bill note prepared for ascertaining the value of work done, and to release payments to contractors are made without any date. Hence, we are unable to ascertain whether the payments due to contractors; and the percentage of completion for estimating the income due, have been accurately accounted/ provided.*

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

### **Emphasis of matter**

We draw attention to the following matters in the Notes to the financial statements:

1. Attention is invited to note no.23 Significant Accounting Policies regarding Valuation of Inventories, wherein it is stated that Inventories are stated at Cost or Net realisable value whichever is less. However, the company does not have costing system to ascertain the cost of production and hence the finished goods are valued at Net realisable value.
2. UEIP
  - a. Attention is invited to Note no.12 of "other notes" regarding UEIP project expenses and Beneficiary Contribution. However, one to one correlation of beneficiary contribution pertaining to orders received/ executed/ pending/ cancelled is not available and hence we are unable to ascertain whether any liability exists as on the 31.03.2016.
  - b. The inventory details relating to various UEIP projects could not be ascertained/ reconciled owing to lack of proper documents.
  - c. Reference is invited to expenses regarding Eco restoration of ponds where completion certificate in accordance with the agreement was not obtained from any of the concerned Residence Associations before releasing the final amount.





3. Reconciliation regarding VAT deducted/ collected and paid has not been provided and hence we are unable to ascertain the accuracy of the VAT/ VAT payable as per the financial statements.

Our opinion is not modified in respect of these matters.

#### Other Matters

- 1) The company "Chamravattom Regulator Authority of Kerala Limited" was formed on 03-08-2000 with the main object as "to construct a Regulator cum Bridge at Chamravattom across the river Bharathapuzha, its approach roads, Flood banks and all other related works pertaining to this project and to undertake and execute construction of irrigation and water supply projects of major, medium and small size, under any of its schemes such as BOO, BOT, BOOT, BOLT anywhere in India.

Later Necessary resolution in terms of Sec 21 of the companies Act 1956 was passed and the name was changed to "Kerala Irrigation Infrastructure development corporation Ltd" on 06-10-2003. However the object clause remains unchanged to suit the present activities of the company. Hence the company is undertaking activities, which are not in accordance with its main objectives.

- 2) The following agreements entered into by KIIDC , which were produced before us were draft agreements and were neither dated nor signed. For Wayanad Project, draft agreement was also not available

Sl No:	Project	Department
1)	Construction of Roads for primitive Tribes in Wayanad District	Scheduled Tribes Development Department
2)	Alappuzha Master Plan	
(i)	House boat terminal at Arrookutty	Department of Tourism
(ii)	House boat terminal at Thanneermukkam	Department of Tourism
(iii)	House Boat Terminal At Pallathuruthy	Department of Tourism
(iv)	House Boat Terminal At Nedumudy	Department of Tourism
(v)	House Boat Terminal At Kanjipadam	Department of Tourism
(vi)	House Boat Terminal At Thottapally	Department of Tourism
(vii)	House Boat Terminal At Kayamkulam	Department of Tourism
(viii)	Night Halt Terminal Vattakayal West	Department of Tourism
(ix)	Night Halt Terminal Karumaadi Vilakkumaram	Department of Tourism
(x)	Micro Destination Thazhappu	Department of Tourism



3)	Hamlet	
(i)	Kallumuttom and Thupparimoola	Scheduled Tribes Development Department
(ii)	Karimkuttiyathikunni, Nadukaanikolly, Alakkandy, Kavumootil, Palarkaapu, Palookkara colonies	Scheduled Tribes Development Department
(iii)	NadukaaniThumbichi colonies in IDUKKI district	Scheduled Tribes Development Department

- 3) The company has not formed Audit Committee and remuneration committee in accordance with Section 177 and 178 respectively of The Companies Act 2013.
- 4) The company has not appointed independent directors as per section 149 of The Companies Act 2013.
- 5) Attention is invited to note No 14 regarding an Input KVAT claim of Rs 1,37,904 which is shown under the head Other current Assets. The company has not filed the application for refund of Input KVAT claim till date and the receipt of the same is uncertain.
- 6) No separate register/Record is maintained for quotations invited/awarded for works/supplies. Hence, we are unable to completely ascertain the details of works/supplies, other than E-Tender.

### Report on Other Legal and Regulatory Requirements

1. 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 purpose of our audit.
  - b. Except for the effects of the matters described in the "Basis for qualified opinion" paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.





- d. Except for the effects of the matters described in the "Basis for qualified opinion" paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. In our opinion there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors as on 31st Mar 2016 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st Mar 2016 from being appointed as a directors in terms of section 164(2) of the Act.

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, 2016, in our opinion and to the best of our information and according to the explanations given to us:

- The Company has not provided details of all pending litigations and hence we are unable to ascertain whether pending litigations have any impact on financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended 31.3.2016.
2. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclose in the **Annexure A**, a statement on matters specified in paragraph 3 & 4 of the said order.
  3. Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act")- is enclosed an **Annexure B** to this report.
  4. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanation given to us in the **Annexure C** on the directions and sub- directions issued by the Comptroller and Auditor General of India.



For DILEEP & Co.  
Chartered Accountants  
  
CA. DILEEP. S FCA  
M.NO. : 217182  
FRN : 011282S

UDIN : 202017182 AAAABA5662.



**Annexure A referred to in clause 1 of paragraph 2 on Report on Other Legal and Regulatory Requirements of Our Report of even date to the members of M/s Kerala Irrigation Infrastructure Development Corporation Limited for the year ended 31<sup>st</sup> March 2016.**

**1. Fixed Assets**

- a. The company does not maintain proper records of Fixed Assets showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets have not been physically verified by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year.
- c. The factory building and other facilities for the water bottling plant of the company has been setup on the 1acre land at Malankara Dam site, for which permissive sanction was accorded by Government of Kerala water resources (MP Department) on 17-8-2013.

**2. Inventories**

The management has not carried out physical verification of inventory at reasonable intervals.

3. According to the information and explanations given to us and on the basis of our examination of the books of account, 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.
4. According to the information and explanations given to us and on the basis of our examination of the books of account, there are no loans, investments made, guarantees, and security granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
5. The Company has not accepted any deposits from the public.
6. To the best of our knowledge and belief, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, is not applicable to the company.



7. Undisputed Statutory dues

The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-Tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except the following which are due for more than six months as on 31.03.2016.

i. Service Tax (including reverse charge) payable as on 31.03.2016  
Rs.6,83,806/-

ii. TDS Payable-Rs.70,380/-

iv. VAT Payable-9,727/-

According to the information and explanations given to us and on the basis of our examination of the books of account, there are no dues on account of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

8. Based on our audit and on the basis of information and explanations given by the management, the Company has not raised any loans/ debentures.
9. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
10. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has complied with the stipulation under section 197 read with Schedule V to the of the Companies Act 2013 regarding Managerial Remuneration.
11. Based on our examination and as per the information furnished, the company has not defaulted in complying with sec 177 and 188 of the Companies Act regarding Related Party Transactions.
12. The Company has not entered into any non-cash transactions with directors as specified in section 192 of the Companies Act 2013.
13. Clauses 9, 12 and 14 of Companies (Auditor's Report) Order, 2016 are not applicable to the company.



For DILEEP & Co.  
Chartered Accountants

CA. DILEEP. S FCA  
M.NO. : 217182  
FRN : 011282S



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF M/S KERALA IRRIGATION  
INFRASTRUCTURE DEVELOPMENT CORPORATION LTD**

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

We have audited the internal financial controls over financial reporting of ('the Company') as of 31-Mar-2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



### Basis for Qualified Opinion

The standard operating procedures and internal controls procedures are not established in the area of Inventory Management, Maintenance of Documents and records, and deficient in the areas of Fixed Assets management, Revenue recognition as evidenced in the "Basis of qualified opinion" and "Emphasis of Matter" paragraphs in audit report and in the annexure A.

### Opinion

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



For DILEEP & Co.  
Chartered Accountants  
  
CA. DILEEP. S FCA  
M.NO.: 217182  
FRN : 011282S

**M/S Kerala Irrigation Infrastructure Development Corporation Ltd.**

**Directions under Section 143(5) of The Companies Act, 2013**

**Financial Year 2015-16**

**Annexure -C**

**(Referred to in paragraph 4 under the heading "Report on Other Legal & Regulatory Requirements" of our report of even date)**

Sl. No.	Directions/ Sub - Directions	Remarks
<b>A. Directions</b>		
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The factory building and other facilities for the water bottling plant of the company has been setup on the land, for which permissive sanction was accorded by Government of Kerala water resources (MP Department) on 17-8-2013.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc; if yes, the reasons thereof, and the amount involved.	According to information and explanations given to us, there are no cases of waiver/write off of debts/loans/interest etc.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	Not Applicable

<b>B. Sector Specific Sub - Directions</b>		
<b>Infrastructure</b>		
1	Whether the company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land is encroached, under litigation, not put to use or declared surplus?	Not Applicable





2	Whether the system in vogue for identification of projects to be taken up under Public private partnership is in line with the guideline/ policies of the Government?	Not Applicable
3	Whether system for monitoring the execution of works vis-a-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues / losses from contracts, etc have been properly accounted for in the books.	Eventhough the company has entered into agreements for execution of various contracts monitoring is not effective. Escalations/revenue variations are accounted.
4	Whether the funds received / receivable for specific schemes from Central/ State agencies were properly accounted for / utilized? List the cases of deviation	N.A
5	Whether the bank guarantees have been revalidated in time?	Yes
6	Comment on the confirmation of balances of trade Receivables, Trade payables, term Deposits, Bank Accounts and Cash obtained.	Confirmations received except for Trade receivables and payables.
7	The cost incurred on abandoned projects may be quantified and the amount actually written off shall be mentioned.	As per the information available, no projects were abandoned during the year

Manufacturing Sector		
1	Whether the company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?	As informed to us there is no pricing policy. Due to lack of adequate records we are unable to ascertain whether the cost of production absorbs all fixed and variable cost.
2	Whether the company has utilized the government assistance for Technology Upgradation / modernisation of its manufacturing process and timely submitted the utilization certificates?	No
3	Whether the company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence ?	Based on our verification the company has no fixed norms for evaluation of normal/ abnormal losses
4	What is the system of evaluation of by-products and finished products? List out the cases of deviation from its declared policy	Consumption and production records are not available. Hence we are unable to ascertain the



		deviation.
5	Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books?	Not Applicable
6	Whether the company has effective system for physical verification, valuation of stock, treatment of non moving items and accounting the effect of shortage / excess noticed during physical verification.	The company does not have an effective system for verification/ valuation of Inventory.
7	State the extent of utilization of plant and machinery during the year vis-a-vis installed capacity	The company is yet to utilize the full installed capacity of the machinery.
8	Report on the cases of discounts / commission in regard to debtors and creditors where the company has deviated from its laid down policy.	No such cases noticed.
<b>Services Sector</b>		
1	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?	The centage charges are received as a fixed percentage of value of projects executed as stipulated in the agreements/as per laid down policy of the Government.
2	Whether recovers commission on work executed on behalf of Government or other organizations that is properly recorded in the books of accounts? Whether the company has an efficient system for billing and collection of revenue?	Income is accounted in the books on percentage of completion method. The company neither raise any invoice nor maintain a register for the centage accounted. There are cases where the agreement/ arrangement does not provide for income to the company, but company has recognized income on generally applicable rates.
N	Whether the company regularly monitors timely receipt of subsidy from government and it is properly recording them in its books?	Not applicable
4	Whether interest earned on parking of funds received for specific projects from government was properly accounted for?	Yes
5	Whether the company entered into Memorandum of	





	Understanding with its administrative ministry, if so, whether the impact thereof have been properly dealt within the financial statements.	NA
--	---	----

C. Other		
1	Examine the system of effective utilization of Loans/Grant-in-Aid/Subsidy. List the cases of diversion of funds.	NA
2	Examine the cost benefit analysis of major capital expenditure/expansion including IRR & payback period.	No cost benefit analysis has been undertaken.
3	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 areas such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and whether the company has evolved proper security policy for data/software/hardware?	The accounts of the company are maintained in computerized format. The inventory records at water bottling plant are maintained manually. However they are incomplete / not adequate and require improvement.



For DILEEP & Co.  
Chartered Accountants

CA: DILEEP, S FCA  
M.NO.: 217182  
FRN : 011282S