

Notes to the Financial Statements (Contd.)

Particulars	Note No	Figures as at the end of current reporting period ₹	Figures as at the end of previous reporting period ₹
Long Term Loans and Advances	11		
(i) Secured, Considered good:			
(a) Capital Advances;		0	0
(b) Security Deposits;		0	0
(c) Loans and advances to related Parties;		0	0
(d) Other loans and advances-Staff advance		1,670,891	2,029,133
(ii) Unsecured, considered good:			
(a) Capital Advances		234,922,339	191,177,782
(b) Security Deposits		19,374,477	19,374,477
(c) Loans and advances to related Parties;		0	0
(d) Other loans and advances;		42,553,886	42,553,886
(iii) Doubtful:			
(a) Capital Advances;		0	0
(b) Security Deposits;		0	0
(c) Loans and advances to related Parties;			
Term loans-Secured		4,982,656	4,982,656
Less: Considered doubtful and Provided for Net		-4,982,656	(4,982,656)
Other Advances		659,010	659,010
Less: Provision for Bad & Doubtful advance Net		(659,010)	(659,010)
(d) Other loans and advances;			
Term loans-Secured		1,426,739,453	1,550,877,502
Less: Considered doubtful and Provided for Net		(1,426,739,453)	(1,325,281,578)
Other Advances		94,075,574	96,692,526
Less: Provision for Bad & Doubtful advance Net		(94,073,542)	(96,986,511)
		2,032	(293,985)
Bridge Loans-Secured		43,720,177	44,795,177
Less: Considered doubtful and Provided for Net		(43,720,177)	(44,695,177)
		0	100,000
Corporate loans-Secured		421,115,836	423,677,191
Less: Considered doubtful and Provided for Net		(421,115,836)	(415,348,780)
		(0)	8,328,411
TOTAL		298,523,626	488,865,628

Notes to the Financial Statements (Contd.)

Particulars	Note No	Figures as at the end of current reporting period ₹	Figures as at the end of previous reporting period ₹
Non Current Assets	12		
Other Non Current Assets			
Fixed Deposit		315,121,738	195,000,000
TOTAL		315,121,738	195,000,000
Trade and Other Receivables	13		
Unsecured considered good			
Rent Receivables-Khanija Bhavan-within six months		12,291,319	3,013,766
-Exceeding six months		274,605	280,235
Less: Considered doubtful and provided for		219,710	219,710
Net		54,895	60,525
Rent Receivables - ITBT Park -within six months		3,241,010	9,687,794
-Exceeding six months		1,877,866	335
Maintenance Charges Recoverable-within six months		88,591,409	16,879,782
-Exceeding six months		53	58,453,309
Less: Considered doubtful and provided for		5,475	5,475
		(5,422)	58,447,834
Net		0	0
Others-within six months			
-Exceeding six months		7,103,376	4,774,450
Less: Considered doubtful and provided for		1,414,219	7,266
Net		5,689,157	4,767,184
Unsecured considered doubtful			
Sundry Debtors		7,968,373	7,968,373
Less: Provision for bad & doubtful debts		(7,968,373)	(7,968,373)
Net		0	0
Bill Discounted & Purchased		50,027,114	50,027,114
Less: Provision for bad & doubtful debts		(50,027,114)	(50,027,114)
Net		0	0
TOTAL		111,740,234	92,857,220
Current Assets			
Cash and Cash Equivalents	14		
Cash on Hand		634	17,784
Cash at Bank - Current Accounts		62,729,080	29,782,257
Fixed Deposits with Banks			
- with maturity of less than 3 months		470,105,419	237,874,042
- with maturity of after 3 months but before 12 months		1,279,506,804	1,101,636,443
TOTAL		1,812,341,937	1,369,310,526

Notes to the Financial Statements (Contd.)

Particulars	Note No	Figures as at the end of current reporting period ₹	Figures as at the end of previous reporting period ₹
Other Current Assets	15		
Advance Income Tax		707,427,027	617,947,930
Deposit Sales Tax		4,709,938	4,709,938
Loans to Staff		109,659	73,832
Others		10,160,798	10,330,233
Capital Assistance - COS		60,640,175	60,640,175
Total		783,047,597	693,702,108
Income from Operations	16		
Dividend from Investments		91,765,539	47,418,403
Interest received on Long Term Loans		87,135,320	30,054,932
Interest received on Short Term Loans		0	43,087,025
TOTAL		178,900,859	120,560,360
Income from others	17		
Rent Receipts		300,350,448	278,324,862
BIAL Lease Rent Received		133,274,025	129,379,772
Less: Lease Rent Payable to GoK		133,274,025	129,379,772
Net		0	0
Miscellaneous Income		72,987,107	29,099,166
Interest received on Fixed Deposits		117,036,310	120,342,024
Provision for bad & doubtful debts written back		0	28,453,987
Profit on Sale of Assets		20,974	129,999
Total		490,394,839	456,350,037
Employee Benefit Expense	18		
Salaries & Allowances		53,670,505	57,143,563
-Gartuity Paid		1,097,732	1,617,787
-Contribution to Providend Fund		46,17,559	4,635,759
Staff Welfare Expenses		13,157,858	17,863,291
TOTAL		72,543,654	81,260,400
FINANCIAL COSTS	19		
Interest on HUDCO Loan		0	1,683,647
Less: Amount received from Govt. of Karnataka		0	(1,683,647)
		0	0
Other Borrowing Costs		15,192	20,038
TOTAL		15,192	20,038

Particulars	Note No	Figures as at the end of current reporting period ₹	Figures as at the end of previous reporting period ₹
Other Expenses	20		
Travelling Expenses			
-Chairman (Includes Foreign tour expenses of Rs Nil (previous year ₹.2,50,523)		328,078	587,973
-Managing Director (includes Foreign Tour Expenses of ₹ 2,50,127 (previous year Rs. Nil))		59,444	354,869
-Staff		625,912	893,353
Auditors Remuneration paid as			
- Audit Fees		201,250	289,280
- Tax Audit Fees		50,000	57,250
- Certification		11,500	11,450
- Company Law matters		0	0
- Management Services		0	0
- Reimbursement of expenses		0	0
Rent		4,023	4,023
Rates & Taxes		16,461,895	14,545,792
Insurance on Assets		281,329	379,809
Interest paid on Others		3,652,542	101,779
Legal & Professional Charges		2,519,566	1,230,184
Communication Expenses		784,510	811,129
Printing & Stationery		742,984	716,103
Subscription to periodicals and journals		143,084	173,737
Vehicle Running & Maintenance		1,784,047	1,980,921
Seminar & Training Expenses		130,685	88,922
Maintenance Expenses - Office		1,465,501	1,054,169
Advertisement & Publicity		1,244,535	368,931
License & Fees		62,034	45,049
Elec & Water Chgs.-Office		3,163,213	2,663,601
Internal/Concurrent Audit Fees		190,572	188,512
Office Maintenance		1,735,086	1,266,305
Security Service Charges		915,165	563,680
Conveyance Expenses		79,399	84,250
Club Fees		89,454	89,933
Entertainment Expenses		337,332	228,661
Business Promotion Expenses		0	105,000
Corporate Social Responsibility		9,869,504	9,849,220
Donation to Cm's Relief fund		10,000,000	0
General Expenses		706,917	921,846
Reimbursement to KSFC		1,499,673	0
Bad & Doubtful Investment written off		0	4,450,000
Provision for Taxation for Earlier Year		0	4,071,938
Provision for Bad & Doubtful Debts		107,958,169	0
TOTAL		167,097,403	48,177,669

Notes to Standalone Financial Statements

Note: 21

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES:

1. ACCOUNTING CONVENTION:

Financial Statements are prepared in accordance with the generally accepted Accounting Principles issued by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 2013.

2. FIXED ASSETS

All fixed assets are capitalized at cost inclusive of expenses incurred till the asset is put to use and disclosed at cost less accumulated depreciation.

Borrowing costs that are directly attributable to acquisition/construction of a qualifying asset are capitalized after deducting any income temporarily earned on the funds specifically borrowed for acquisition /construction of the specified asset till such time the asset is ready for use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

3. DEPRECIATION

Depreciation on Fixed Assets has been provided pro-rata on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The Fixed assets fully depreciated are retained by maintaining nominal value of ₹ 1 as residual value. Depreciation on building constructed on Leasehold land is provided over remaining period of the lease commencing from the date it was put to use. Assets costing ₹5000 and less are depreciated in full in the year of its acquisition

4. IMPAIRMENT OF ASSETS:

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment on the carrying amount of the Corporation's Fixed Assets. If any indication exists, the assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying cost of an asset exceeds its recoverable value.

5. INVESTMENTS

a) Investments made in Non-convertible debentures (NCDs) are treated as loan/s and provisions made accordingly.

b) All investments are classified as long-term investments and are stated at cost.

c) For the purpose of provisioning:

i) In respect of investments in equity shares, where current quotations are available valuation is done as per the market value based on the market price of the script at the yearend as available from the trades / quotes on the stock exchange.

ii) In respect of equity shares where current quotations are not available from the stock exchange or where the shares are not quoted on the stock exchange, these shares are valued at breakup value as per the latest available balance sheet.

iii) In respect of equity investments where the latest balance sheet is not available, these shares are valued at Rupee one per company.

iv) In respect of equity investments in the projects where the investment is a part of the project finance, the same is valued at cost.

d) In respect of following, full provisioning is made:

i. If the company is under liquidation.

ii. If the assets of the assisted companies are held under receivership or taken over by the Corporation and

iii. Where the unit is not in operation.

e) The accounting of Profit / loss on sale / redemption of individual securities is based on weighted average cost.

6. STAFF RETIREMENT BENEFITS:

a) Gratuity:

The Corporation has constituted a Gratuity Trust which has taken a policy under the Life Insurance Corporation of India's Group Gratuity (cash accumulation) cum Life Assurance Scheme and the contribution to the said scheme is funded year to year. The difference between present value of liability for past service computed based on actuarial valuation, and the amount lying in the cash accumulation running account, not funded as at the end of the year is provided for in the books.

b) Leave Encashment:

The liability arising out of encashment of un-availed earned leave and half pay leave is provided based on actuarial valuation.

7. **PROJECT DEVELOPMENT EXPENSES**

Expenditure incurred towards projects, which are in the initial stages of development or abandoned is charged off to the profit and loss account as expenses in the year in which it is identified / decided.

However, where projects are identifiable, all expenses including capital expenditure incurred on such projects, interest accrued on funding such project expenditure and service charges agreed upon on annual incremental expenditure are charged to respective project accounts.

8. **PROVISION FOR DEBTS AND WRITE OFF OF BAD DEBTS:**

In respect of standard and Non-performing assets, provision is made as per guidelines of RBI. Debts considered fully irrecoverable are written off. Sums recovered against debts written off and cases where provisions are no longer considered necessary in the context of the present status of the borrower are written back.

9. **REVENUE RECOGNITION:**

- a) Interest and other dues are accounted on accrual basis except in respect of Non-performing Assets (NPA), income against which is recognized on cash basis.
- b) In case of One Time Settlement and appropriations of sale proceeds of assets taken over u/s.29 of the State Financial Corporation's (SFCs) Act, the allocation of recoveries is first adjusted towards other debits, thereafter towards principal and balance towards interest.
- c) In case of payments received for release of collateral security, the allocation of recoveries is first adjusted towards other debits, thereafter towards principal and balance towards interest.
- d) Appraisal and Scrutiny fee are accounted as an income on receipt basis, any excess amount collected and refunded is accounted as and when paid.
- e) Dividends from companies are accounted on receipt basis.
- f) No contingent rents have been recognized in the statement of Profit and loss.

10. **SEGMENT REPORTING POLICIES:**

The Corporation has identified that its business segments are primary segments. The Corporation's businesses are organized and managed according to the nature of activity, with each segment representing a strategic business unit, offering different products/services. The Corporation at present primarily operates in India and therefore, the analysis of geographical segments is not applicable to the Corporation.

11. **OPERATING LEASE:**

Assets given under operating Lease are reflected at cost less accumulated depreciation in the Balance Sheet under the head Fixed Assets. Lease rentals received from time to time on operating lease as per the terms of Lease deed are recognized in the year of receipt in the statement of Profit and Loss.

12. **PROVISIONS:**

Provision is recognized when an enterprise has a present obligation as a result of present or past event and is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to effect the current management estimates.

13. **CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to accounts.

Contingent Assets are not recognized and disclosed in the financial statements. Contingent Assets are assessed continually and if it has become virtually certain that the inflow of economic benefits would arise, the asset and the related income are recognized in the period in which the change occurs.

14. **GOVERNMENT SUPPORT:**

The Corporation recognizes Government Support only when there is reasonable assurance that the conditions attached to them shall be complied with and support received.

Government Support related to revenue are recognized on a systematic basis in the profit and loss statement over the period necessary to match

them with the related cost which they are intended to compensate.

15. **EARNINGS PER SHARE:**

The Corporation reports basic and diluted earnings per equity share in accordance with AS-20, 'Earnings per Share'. Basic Earnings per Share is computed by dividing Net Profit after Tax by the Weighted Average Number of Equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

16. **OTHERS:**

Expenditure for which payment has been made or a liability incurred, the benefit of which is expected to cover a subsequent period/s is treated as deferred revenue expenditure and amortized over the period/s during which the benefit is estimated to arise.

Note: 22

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS:

1. **Related Party Disclosures (to the extent applicable and under Accounting Standards 18)**

(A) (i) **Associated Enterprises: As on 31st March 2017**

Sl. No.	Name of the Company	% of share holding
a	Karnataka Asset Management Company Private Limited	33.33 (33.33)
b	Karnataka Trustee Company Private Limited	50.00 (50.00)
c	Karnataka Antibiotics and Pharmaceuticals Limited	40.83 (40.83)
d	Bhadravathi Balaji Oil Palms limited	49.00 (49.00)
e	Siddhartha Metal Coating Ltd	21.87 (21.87)

Note: Figures shown in brackets pertain to previous year

(ii) **Subsidiaries : As on 31st March 2017**

Sl. No.	Name of the Company	% of share
a	Mysore Sales International Limited (MSIL)	100 (100)
b	Marketing Communication & Adversting Limited	100 (100)
c	The Mysore Chrome Tanning Company Limited	100(100)
d	Food Karnataka Limited	60 (60)
e	Tadadi Port Limited	100 (100)

Note : 1. Figures shown in brackets pertain to previous year

2. Share holding represents aggregate of holding of the company and its subsidiaries

(iii) **Joint Venture Company : As On 31st March 2017**

Sl. No.	Name of the Company	% of share holding
a	KSIIDC-IL&FS Infrastructure Development Company Ltd.	50.00 (50.00)

Note: Figures shown in brackets pertain to previous year

(iv) **Joint Venture Projects As On 31st March 2017**

ITBT Park set up at Rajajinagar Industrial Estate as Joint Venture between KSIIDC and KSSIDC.

(B) **Other Related Parties With Whom The Company Had Transactions:**

a) **Key Management Personnel:**

Smt. P. Hemalatha, IAS	Managing Director
Shri. N.R.N. Simha Officer	ED I/c & Chief Financial
Shri. Prahalada Rao	Company Secretary

b) **Directors**

Shri C.M. Dhananjaya	Chairman
Shri D.V. Prasad, IAS	Director
Smt. P. Hemalatha, IAS	Director
Shri.Azgar Pasha	Director
Shri. K. Gnanesha Babu	Director
Shri. Mahmmadshafi Abbasahab Benni	Director
Shri Nandraj S. Nimbalkardesai	Director
Shri. N. Srinivasa Reddy	Director

c) **Employees' Benefit Plan where there is significant influence:**

KSIIDC Employees' Provident Fund Trust

C) Disclosure of the Transactions between the Company and Related Parties and the Status of outstanding balances of loans and investments as on 31st March 2017.

(Amount in ₹)

Sl.No	Particulars	31.3.2017	31.3.2016
1	Remuneration to Chairman		
	Shri C.V.Rajappa, Chairman		
	i) Salaries and Allowances	3,10,323	7,89,000
	ii) Reimbursement of Medical Expenses & Others	0	32,287
2	Remuneration to Managing Director		
	Shri Naveen Raj Singh, IAS		
	i) Salaries and Allowances	5,98,899	18,75,373
	ii) Reimbursement of Medical Expenses	10,455	87,913
	iii) Leave salary & pension Contribution	1,98,396	1,92,213
	iv) Home Travel Concession	0	71,634
3	Sitting Fees to the Directors:		
	Sitting fee to Directors paid during the year.	20,113	17,103
4	Remuneration to C.F.O.	13,04,538	13,00,763
5	Remuneration and Professional Charges paid to Company Secretary	12,17,500	12,17,500
6	Contribution to Employees' Benefit Plans	46,17,559	46,35,759
7	Associate Enterprises, Subsidiaries and Joint Venture Companies		
	I. Transactions made during the year with		
	i) Associate Enterprises		
	(a) Karnataka Antibiotics & Pharmaceuticals Ltd		
	- Dividend Received	82,62,300	77,11,154
	(b) Karnataka Asset Management Co.Pvt. Ltd		
	-Dividend Received	3,30,000	3,30,000
	(c) Karnataka Asset Trustee Co. Ltd.		
	-Dividend Received	12,500	12,500
	ii) Subsidiaries/Fellow subsidiaries:		
	a) Mysore Sales International Limited		
	-Rent received	3,42,204	3,16,164
	-Dividend Received	2,01,76,600	2,01,76,600
	a) Marketing Communication & Advertising Limited		
	-Printing, advertisement & other charges paid	13,94,698	33,80,666
8	II. Investments in shares (at cost) balances as on 31.3.2017		
	i) Associate Enterprises		
	(a) Karnataka Asset Management Co. Pvt Ltd	16,50,000	16,50,000
	(b) Karnataka Trustee Company Private Ltd.	50,000	50,000
	(c) Karnataka Antibiotics & Pharmaceuticals Limited	5,51,81,750	5,51,81,750
	(d) Bhadravathi Balaji Oil Palms limited	1,95,99,960	1,95,99,960

	-in share application money	40	40
	(e) Sidharatha Metal Coating Ltd	22,00,000	22,00,000
	ii) Subsidiaries:		
	a) Mysore Sales International Limited	19,93,66,000	19,93,66,000
	b) Tadadi Port Limited	5,00,000	5,00,000
	c) Food Karnataka Limited	1,00,000	1,00,000
	iii) Joint Venture Company:		
	(a) KSIIDC-ILFS Infrastructure Development Co. Ltd.	2,50,000	2,50,000
9	III. Loans & advances balance as on 31.3.2017		
	a) Bhadravathi Balaji Oil Palms Ltd		
	-Loans & advances	57,18,141	56,41,666
	b) KSIIDC-IL&FS Infrastructure Development Co Ltd.		
	-Project Development Fund Contribution	75,40,000	75,40,000
10	IV. Trade Payable balances as on 31.3.2017		
	a) Marketing Communication & Advertising Limited	1,01,598	12,01,571
11	V. Trade Receivables Balances as on 31.3.2017		
	a) KSIIDC-IL&FS Infrastructure Development Co. Ltd	14,46,459	14,46,459

2. Disclosure pursuant to AS-17 on Segment Information for the year ended 31st March 2017 is as under :

SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

SL. NO.	PARTICULARS	FINANCING & INVESTMENT	OTHERS	TOTAL
1	Revenue	36,81,45,321 (31,03,71,799)	30,11,50,377 (26,65,38,598)	66,92,95,698 (57,69,10,397)
2	Segment Results	14,27,17,267 (84,97,757)	24,68,01,471 (21,32,85,187)	38,95,18,738 (22,17,82,944)
3	Profit/ (Loss) Before Tax	14,27,17,267 (84,97,757)	24,68,01,471 (21,32,85,187)	38,95,18,738 (22,17,82,944)
4	Less: Income Tax	8,65,80,000 (2,90,00,000)	0 (0)	8,65,80,000 (2,90,00,000)
	Profit after Tax	5,61,37,267 (-205,02,243)	24,68,01,471 (21,32,85,187)	30,29,38,738 (19,27,82,944)
Other Information:				
1	Segment Assets	6,31,08,09,837 (661,34,95,539)	59,70,40,547 (56,38,57,073)	6,90,78,50,384 (717,73,52,612)
2	Segment Liabilities	1,75,37,60,151 (162,61,39,773)	21,67,64,688 (21,01,58,247)	1,97,05,24,839 (183,62,98,020)
3	Capital Expenditure	3,96,913 (30,70,942)	43,93,269 (16,84,085)	47,90,182 (47,55,027)
4	Depreciation	11,52,584 (18,02,437)	3,84,90,918 (3,89,82,264)	3,96,43,502 (4,07,84,701)

Note: Figures shown in brackets pertain to previous year

3. Additional Information required vide Industrial Development Bank of India's Circular Ref: HO: IFD: NO.460/(SIDC's PRO.) dated 4th September 2001.

A. Capital (in %age)

Particulars	2016-17	2015-16
CRAR	60.71	92.09
Core CRAR	60.32	91.40
Supplementary CRAR	0.39	0.69

a) Subordinated debt raised and outstanding as Tier II capital - ₹ 3,64,67,555 (Previous year ₹ 3,64,67,555)

b) Risk Weighted Assets:

(Amount in ₹)

Particulars	2016-17	2015-16
i) On Balance Sheet items	9,22,72,34,984	521,70,65,022
ii) Off Balance Sheet items	12,97,68,200	9,40,27,106

c) Share Holding pattern:

Sl No.	Category	Total shares	% of Holding
1.	Governor of Karnataka	66,71,46,530 (61,84,56,530)	100 100
2.	Nominees of the Government of Karnataka	160 (160)	0 0
	TOTAL	61,71,46,690 (61,84,56,690)	100 (100)

Note: There has been no change in the shareholding pattern compared to the previous year.

B. Asset Quality And Credit Concentration:

	2016-17	2015-16
a) Percentage of net NPAs to net loans and advances	4.22	18.91

b) Amount and Percentage of net NPAs under the prescribed Asset Classification categories:

(Amount in ₹)

Particulars	2016-17		2015-16	
	Amount	%age	Amount	%age
Sub-standard Assets	0.00	0.00	0.00	0.00
Doubtful Assets	450,03,072	4.22	24,93,10,141	18.91
Total	450,03,072	4.22	24,93,10,141	18.91

(Amount in ₹)

Particulars	2016-17	2015-16
(i) Gross Non-Performing Assets		
(a) Related Parties	2,52,41,666	2,52,41,666
(b) Other than related parties	221,72,87,613	231,51,78,970
(ii) Net Non-performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	450,03,072	24,93,10,141
(iii) Assets acquired in satisfaction of debt	-	-

The Reserve Bank of India vide its letter No.RBI/2011-12/19/DNBS.PD/CC.No.225/03.02.001/2011-12 dated 01-07-2011 has issued revised guidelines for Deposit and Non-Deposit taking NBFC's on prudential norms and directions for income recognition and asset classification. Accordingly, outstanding loans are reviewed and classified under four categories namely:

- Standard Assets
- Sub-standard Assets
- Doubtful Assets and
- Loss Assets

Provision for Non performing loans has been made on the basis of asset classification and provisioning requirements.

- Amount of provisions made/(written back) during the year towards standard assets, NPAs, investments (other than those in the nature of an advance)

(Amount in ₹)

Particulars	2016-17	2015-16
Standard Assets	0	0
NPA's	(10,36,32,978)	(2,28,86,186)
Investments (other than those in the nature of advance)	(27,82,732)	(55,67,801)
Total	(10,64,15,710)	(2,84,53,987)

- Movement in net NPAs :

(Amount in ₹)

PARTICULARS	2016-17	2015-16
Opening Balance at beginning of the year	24,93,10,141	22,86,71,842
Add: Additions during the year	(20,58,02,069)	(22,00,39,785)
Less: Deletions during the year	(14,95,000)	(24,06,78,084)
Closing Balance at the end of the year	4,50,03,072	24,93,10,141

- Borrower group wise classification of assets financed as on 31st March 2017

(Amount in ₹)

Sl. No.	Category	Amount		
		Secured	Unsecured	Total
1.	Related Parties			
(a)	Subsidiaries	0	0	0
(b)	Companies in the same group	0	0	0
(c)	Other related parties	0	0	0
2.	Other than related Parties	0 (0)	27,04,53,571 (23,16,44,571)	27,04,53,571 (23,16,44,571)
	Total	0 (0)	27,04,53,571 (23,16,44,571)	27,04,53,571 (23,16,44,571)

- Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) ₹ Nil (Previous year ₹ Nil)

- Credit exposure as a percentage to capital funds and as percentage to total assets in respect of:

Particulars	% to Capital Funds		% to Total Assets	
	2016-17	2015-16	2016-17	2015-16
i) Largest single borrower	1.06	0.97	1.07	0.97
ii) The largest Borrower Group	0.91	1.13	0.92	1.14
iii) 10 largest single borrower	3.52	6.53	3.55	6.55
iv) 10 largest borrower group	5.83	3.21	5.89	3.23

C) LIQUIDITY

(Amount in ₹)

Items	Less than or equal to 1 year	More than 1 year up to 3 years	More than 3 years up to 5 years	More than 5 years	TOTAL
Rupee assets	3,25,92,14,939	6,04,789	5,32,907	4,35,51,44,487	7,61,54,97,122
Foreign Currency Assets	NIL	NIL	NIL	NIL	NIL
Total Assets	3,25,92,14,939	6,04,789	5,32,907	4,35,51,44,487	7,61,54,97,122
Rupee liabilities	184,67,37,384	0	0	7,81,68,92,423	9,66,36,29,807
Foreign Currency Liabilities	NIL	NIL	NIL	NIL	NIL
Total liabilities	1,84,67,37,384	0	0	7,81,68,92,423	9,66,36,29,807
TOTAL (NET)	1,41,24,77,555	6,04,789	5,32,907	-3,46,17,47,936	-2,04,81,32,685

D) Operating Results :

Particulars	2016-17	2015-16
i) Interest income as a %age to average working funds	1.19	0.99
ii) Non-interest income as a %age to average working funds	7.92	10.31
iii) Operating profit as a %age to average working funds	5.30	6.09
iv) Return on average assets	4.12	2.60
v) Net Profit per employee (₹ in lakhs)	43.90	26.05

E) Restructured Accounts : (Amount in ₹)

Particulars	2016-17	2015-16
a) Total amount of loan assets	2,04,92,86,162	217,96,77,519
b) Sub-standard assets subjected to Restructuring	0	0

4. The State Government vide Government Order No. CI 184 MGS 90 (Part), Bangalore dated 06.05-1995 has transferred 3.02 acres of Land at Race Course Road, Bangalore on lease in favor of the Corporation for a consideration of ₹1000/- per acre as lease rent per annum over a period of 30 years commencing from 10.01.1997 for construction of Office Complex ("Khanija Bhavan"). In terms of the lease agreement 8000 square meters of built-up area has been handed over to the Government free of cost in lieu of land provided by the Government. The total expenditure incurred on construction has been disclosed under Note-9 (Fixed Assets) of the financial statements to be written off in terms of accounting policy No.3.

5.

a) The Corporation has entered into a Joint venture agreement with Karnataka State Small Industries and Development Corporation Limited (KSSIDC)

for development of a Software Technology Park on 1.6 acres of Land belonging to KSSIDC, at Rajajinagar Industrial Area, Bangalore, on 8.3.2001. As per the agreement, KSSIDC has transferred 1.60 acres of land at Industrial Estate Rajajinagar, Bangalore, on lease over a period of 30 years in favor of Corporation at an annual lease rent of ₹1000/-. The lease period commenced from the date of handing over of possession of the property i.e. 26.11.2001.

b) As per the terms of the Lease agreement dated 8.3.2001, the Corporation has constructed a Software Technology Park with a built up area of about 22,273 Sq. metres. As per the Joint Venture agreement dated 8.3.2001, the revenue share is in the ratio of 70:30 between KSIIDC and KSSIDC respectively. The total expenditure incurred on construction has been disclosed under Note-9 (Fixed Assets) of the financial statements to be written off in terms of accounting policy No.3.

8. The Corporation has acquired premises at Gulbarga and Mangalore for office purpose and at Nandini lay-out, Bangalore for residential staff quarters. The cost of acquisition was capitalized (as buildings) and depreciated accordingly. In view of non-ascertainability of undivided portion of the land cost, is not disclosed in the books.

9. In the course of recovery of loan dues, the Corporation acquired lease hold rights of commercial shops at Mysore during the year under report. The same has been shown under Note-9 (fixed assets) to the financial statements. The cost of acquisition was capitalized as Commercial

shops and no depreciation has been provided in view of non availability of possession.

10. The Depreciation of DG sets installed at the lease hold buildings has been charged off over the remaining life of lease period.

11. Disclosures regarding the operating lease entered into by the Corporation, as required by AS-19 for Lease, are disclosed as below:

i. The Corporation through KIADB has acquired 4429 acres and 07 guntas of land (including balance land of 11 acres and 23 guntas acquired for resettlement & rehabilitation) for Kempegowda International Airport Project (KIAP) at Devanahalli at a cost of ₹273,03,02,891. As per engineering measurements the actual extent of land was 4429 acres and 07 guntas. However, the Corporation held possession certificate to the extent of 4390 acres and 33 1/2 guntas. The Corporation has leased out 4008 acres and 31 guntas of land situated at Devanahalli to M/s. Bangalore International Airport Limited (BIAL), a JV Company, established for the purpose of construction of the state of the art Greenfield Airport at Bangalore for a period of 30 years commencing from 24.05.2008 (Airport Opening Date), renewable for another period of 30 years. Out of the balance land of 420 acres and 16 guntas of land (including land of 11 acres and 23 guntas), National Highway Authorities of India have acquired land to an extent of 21.5 guntas during FY 2014-15. The balance land of 419 acres and 35 guntas is retained with the Corporation to be utilized for Airport related activities. The cost of land leased out to BIAL and the land retained with the Corporation is separately disclosed in Note-9 (Fixed Assets) of financial statements.

ii. The future minimum lease payments receivable under non-cancelable operating lease in aggregate as on 31st March 2017 in respect of leased land computed as per the Accounting Standard 19 on leases issued by the Institute of Chartered Accountants of India are as under:

Particulars	Future Minimum Lease Payments Receivable as on 31-03-2017 (Amount in ₹)
Within in One year	13,72,59,000
Later than one year and not later than Five years	75,05,88,473
Later than Five years	3,08,53,35,367

iii. All direct costs relevant to the acquisition of the land have been capitalized in the year in which the same has been incurred.

iv. Government Vide its G.O. No.CI 145 CMI 2012 dated 30.3.2013 accorded approval to the Corporation to treat the rentals received from Bangalore International Airport Limited (BIAL) as its income up to FY 2011-12 and to treat the lease rentals received by the Corporation on behalf of the Government as belonging to Government from FY 2012-13 onwards. Accordingly, lease rent of ₹13,32,74,025 (previous year ₹12,93,79,772) received from BIAL during FY 2016-17 has been shown as under current liabilities Note no.7.

v. Trumpet Interchange along with access road to the Kempegowda International Airport was initially envisaged to be constructed through NHAI under BOT/PPP structure. For this purpose, GoK was required to provide the land including shifting of utilities on the land at its cost. However, since selection of PPP developer by NHAI encountered delays and airport opening date was fast approaching, BIAL was requested to undertake construction of Trumpet Interchange at its cost. To facilitate this, GoK had agreed to provide the required land with permission / right to construct and maintain the Trumpet Interchange at its cost.

On the directions of the Government, the land to an extent of 44 acres and 27 guntas required for above construction was acquired by KIADB and handed over to the Corporation for in-turn handing over to BIAL. The funds to an extent of ₹21,31,00,000 were released to the Corporation by the Government for payment to KIADB towards land compensation and shifting of utilities. The Corporation has so far released ₹14,43,20,286 to

KIADB as advance towards payment of land compensation and to BWSSB for shifting the water pipelines. The balance amount of ₹6,87,79,714 has been retained with the Corporation for further payment to KIADB subject to confirmation / reconciliation of the land cost incurred by KIADB. Further, out of the total extent of land handed over to BIAL, after construction of the trumpet interchange, BIAL has returned the un-utilised portion of 3 acres and 20 guntas of land to the Corporation. The lands acquired for Trumpet Interchange are yet to be transferred to the Corporation in any form. Under the circumstances, the cost of land acquired for Trumpet Interchange has not been accounted in the books of the Corporation.

Meanwhile, National Highways Authority of India (NHAI) has acquired 98938.72 square feet of land at Trumpet Interchange for widening the National Highway during the year 2013-14.

12. No provision of interest has been made in the books on unsecured loans from Government of Karnataka, of ₹3,64,67,555 (Previous year ₹3,64,67,555) in the absence of terms and conditions stipulated at the time of release of the loan by the government.
13. The Corporation has initiated the process of identifying enterprises which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 and not received any intimation from goods and service providers. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2016 has not been made in the financial statements. Further in the view of the above, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier / service provider under the Act.

14. Earnings per share (EPS)

Basic	31-3-2017	31-3-2016
Weighted average number of shares outstanding during the year	66,71,46,690	56,08,52,355
Net Profit after tax attributable to equity shareholders (₹)	30,29,01,238	19,27,82,944
Nominal value per equity share (₹)	10	10
Basic earnings per share (₹)	0.454	0.344
Diluted		
Weighted average number of shares outstanding during the year	66,71,46,690	60,95,42,355
Net Profit after tax attributable to equity shareholders (₹)	30,29,01,238	19,27,82,944
Nominal value per equity share (₹)	10	10
Basic earnings per share (₹)	0.454	0.316

15. Contingent Liabilities:

- Claims against the Corporation not acknowledged as debts ₹ 54,58,343 (Previous year ₹ 70,58,343)
- Guarantees/counter guarantees issued – ₹ 2,12,55,321/- (Previous year ₹ 2,12,55,321).
- Other money for which the Company is contingently liable ₹ 97,19,046/- (Previous year ₹ 21,54,854).
- ESI has demanded interest and damages of ₹ 41,25,629/- (previous year ₹ 37,07,024/-) which has been contested and the ESI Court has granted stay.
- Income tax demands pending against the Corporation amounting to ₹ 21,89,78,060/- (Previous year ₹ 15,38,78,669/-) on account of reopening of Income tax assessments/others are being contested by filing necessary appeals and no provision has been made for the same. Details are as under. However, the demands are adjusted by the department against refunds due to the Corporation.

Asst. Year	Demand	Appeal before
1995-96	1,21,73,313 (1,21,73,313)	CIT(A)
1996-97	1,75,84,615 (1,75,84,615)	CIT(A)
1997-98	3,46,36,475 (3,46,36,475)	CIT(A)
1998-99	58,52,406 (58,52,406)	ITAT

2008-09	1,57,50,920 (2,13,35,849)	High Court of Karnataka
2009-10	2,03,24,866 (1,73,96,540)	High Court of Karnataka
2010-11	1.11.48.250 (1,00,48,250)	High Court of Karnataka
2011-12	2,81,53,061 (281,53,061)	ITAT
2012-13	86,37,858 (69,31,534)	CIT (A)
2013-14	-2,33,474 (-2,33,474)	CIT (A)
2014-15	6,49,49,770	CIT (A)
Total	21,89,78,060 (15,38,78,669)	

vi) Sales Tax demand of ₹ 64,15,004 (Previous year ₹ 64,15,004) pertaining to earlier years was paid under protest. An appeal was also preferred before Karnataka Appellate Tribunal. The Tribunal has passed order for fresh disposal of the case by remanding the case to the Assessing Authority. The said Authority has since passed an order dated 06.07.2015 reassessing the tax liability of ₹ 47,09,938 and issued a demand notice and the balance amount of ₹ 17,05,066/- refunded. The Corporation has contested the assessment order and filed Appeals.

16. Loans & Advances to Staff include ₹ Nil (Previous year ₹ Nil) due from an Officer of the Company. Maximum amount outstanding at any time during the year was ₹ 25,000 (previous year ₹ 20,000)

17. As per Accounting Standard 15 "Employees Benefits", the disclosures of employee benefits as defined in the accounting Standard is given below:

Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(Amount in ₹)

Particulars	2016-17	2015-16
Employer's contribution to Provident Fund	46,17,559	46,35,759

The Corporation's Provident fund is exempted under Section 17 of Employees' Provident Fund Act, 1952. The Employer shall make good the deficiency, if any, in the interest rates declared by the trust, if varying with the statutory rate.

Defined Benefit Plan:

The Employees gratuity fund scheme managed by a Trust is a defined benefit plan. The Gratuity Trust has taken a policy under the Life Insurance Corporation of India's Group Gratuity (cash accumulation) cum Life Assurance Scheme. The contribution to the said Scheme is funded year to year. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit of entitlement and measures each unit separately to build up the final obligation. The obligation for the leave encashment is recognized in the same manner as of gratuity.

A. Gratuity (Funded)	31.03.2017	31.03.2016
1. Assumption	₹	₹
Discount Rate	8%	8%
Salary Escalation	7%	7%

2. Table showing changes in present value of obligations as on 31/03/2017

a. Present valuation of obligations as at beginning	3,73,59,146	3,77,53,731
b. Interest cost	29,88,732	30,20,298
c. Current Service Cost	5,93,417	6,96,110
d. Benefits Paid	-41,90,162	-45,64,649
e. Actuarial (gain/loss) on obligation	-26,452	4,53,656
f. Present value of obligations as at end of year	3,67,24,681	3,73,59,146

3. Table showing changes in the fair value of plan assets as on 31/03/2017

a. Fair value of assets at beginning of the year	3,68,82,346	3,67,64,536
b. Expected return on plan assets	29,07,636	29,97,154
c. Contributions	10,70,217	16,85,305
d. Benefits paid	-41,90,162	-45,64,649
e. Actuarial gain (loss) on plan assets	NIL	NIL
f. Fair value of plan assets at the end of the year	3,66,70,037	3,68,82,346

4. Table showing fair value of plan assets

a. Fair value of plan assets at beginning of year	3,68,82,346	3,67,64,536
b. Actual return on plan assets	29,07,636	29,97,154
c. Contributions	10,70,217	16,86,305
d. Benefits Paid	-41,90,162	-45,64,649
e. Fair value of plan assets at the end of year	3,66,70,037	3,68,82,346
f. Funded status	-54,644	-4,76,800
g. Excess of actual over estimated return on plan assets		
h. (Actual rate of return = Estimated rate of return as ARD falls on 31st March)		

5. Actuarial Gain/Loss recognized as on 31/03/2016

a. Actuarial gain/loss on obligations	26,452	-4,53,656
b. Actuarial (gain)/loss for the year – plan assets	NIL	NIL
c. Total gain for the year	-26,452	4,53,656
d. Actuarial gain recognized for the year	-26,452	4,53,656

6. The amounts to be recognized in the balance sheet and statements of profit and loss

a. Present value of obligations as at the end of year	3,67,24,681	3,73,59,146
b. Fair value of plan assets as at the end of the year	3,66,70,037	3,68,82,346
c. Funded status	-54,644	-4,76,800
d. Net assets / (liability) recognized in balance sheet	-54,644	-4,76,800

7. Expenses recognized in statement of profit and loss

a. Current Service Cost	5,93,417	6,96,110
b. Interest Cost	29,88,732	30,20,298
c. Expected return on plan assets	-29,07,636	-29,97,154
d. Net Actuarial (gain)/loss recognized in the year	-26,452	4,53,656
e. Expenses recognized in statement of Profit & Loss	6,48,061	11,72,910

B. LEAVE LIABILITY (Unfunded)**ASSUMPTIONS**

1. Retirement Age	60	60
2. Mortality	2006-08	2006-08
3. Rate of Interest	7.95% p.a.	7.95% p.a.
4. Salary Increase	6.00% p.a.	6.00% p.a.
5. Attrition rate	5.00% p.a.	5.00% p.a.
6. No. of employees	69	74
7. Benefits payable	As per Company rules	As per Company rules

Disclosure as per AS 15 -

Revised – Defined Benefits plans

Present value of the defined benefit obligation :

Change in benefit obligations

Obligations at period beginning-Current	22,09,348	31,60,766
Obligations at period beginning-Non-Current	1,41,53,687	1,26,73,121
Service Cost	38,43,901	38,30,890
Interest on Defined benefit obligation	10,77,699	10,35,047
Benefits settled	-56,14,125	-56,28,862
Actuarial (gain) / loss	20,05,454	12,92,074
Obligations at period end	1,76,75,964	1,63,63,036
Current Liability (Within 12 months)	27,57,784	22,09,348
Non Current Liability	1,49,18,181	1,41,53,687

Change in plan assets

Plans assets at period beginning, at fair value	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	NIL	NIL
Contributions	56,14,125	56,28,862
Benefits Settled	-56,14,125	-56,28,862
Funded status	NIL	NIL

Fair value of plan assets at the end of the year

Closing Present Value of Benefit Obligation	1,76,75,964	1,63,63,036
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Closing Funded Status

Liability recognized in the Balance Sheet	-1,76,75,964	-1,63,63,036
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Details of Leave encashment cost

Service Cost	38,43,901	38,30,890
Interest Cost	10,77,699	10,35,047
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	20,05,454	-12,92,034

Net Leave Encashment Cost Assumptions		
Interest Rate	6.67 p.a.	9.12% p.a.
Discount Factor	9.12% p.a.	7.80% p.a.
Estimated rate of return on plan assets		
Salary Increase	6.00% p.a.	6.00% p.a.
Attrition rate	5.00% p.a.	5.00% p.a.
Retirement age	60	60

Actuarial gain/loss is recognized immediately. The estimate of salary increase has been taken into account inflation, promotions etc.

18. The Corporation had sought exemption from Employee State Insurance Corporation from coverage under ESI Act. The Government of Karnataka vide notification No.

LD 224 LSI 2014 dated 24.05.2014 granted exemption to KSIIDC upto December 2013. As gross emoluments of all the employees are above the limit fixed under ESI Act, none of the employees are covered within the purview of ESI. In view of non availability of exemption for further period, no provision was made in the books as none of the employees are covered under the purview of ESI. The ESI has demanded ₹18,06,002/- towards interest and ₹19,01,022/- towards damages from the Corporation for the period 1985-86 to December 2010 which has been contested in ESI court and sought refund of ₹19,65,665/- paid towards ESI during FY 2012-13 by the Corporation under protest. Consequent upon the ESI court order, the ESI officials have conducted audit for re-verification of the books during the year under report and after re-verification the additional ESI payable was ₹4,18,605/-. The Corporation has contested the matter and the ESI Court has granted stay of recovery of the above dues. Hence, the Corporation has not provided for these dues in view of the stay of recovery of these dues. However, the same has been disclosed under contingent liabilities.

19. Income Tax:

- i) As per Accounting Standards-22, the effect of deferred tax is as under:

Deferred tax Asset:

(Amount in ₹)

PARTICULARS	2016-17	2015-16
On Fiscal allowances on Fixed Assets	58,17,924	71,82,882
On Unabsorbed Losses	2,91,01,556	4,82,59,457
On timing Differences of Tax deductions	77,28,28,825	74,04,33,549
Deferred Tax Asset	80,77,48,305	79,58,75,888

NOTE: As a measure of prudence, deferred tax asset has not been recognized in the books of the company. The Corporation in the present situation does not foresee future taxable income within a reasonable period to wipe out the carried forward losses.

20. Financial Reporting of Interest in Joint ventures: (as per AS 27 issued by the Institute of Chartered Accountants of India)

A joint venture relates to an enterprise in which the company has significant influence, but not control over the financial and operating policies.

I) Investments in Joint ventures as on 31st March, 2017 (unlisted capital contributions, at cost).

(Amount in ₹)

Name of the joint Venture	% of Ownership	Balance sheet Value 2016-17	Balance sheet Value 2015-16
1.KSIIDC Infrastructure Development Company Limited -ILFS	50.00	2,50,000	2,50,000

I) The Corporation has contributed a sum of ₹ 75,40,000 (previous year ₹ 75,40,000) to the project development fund of KSIIDC-ILFS Infrastructure Development Company Limited, being 50% share in the JV development fund. Other than above, the Corporation's interest in Income, Expenditure and liability in the JV is nil.

II) The disclosure relating to Joint venture Project Viz: KSIIDC/KSSIDC-IT/BT Park is as follows:

- The Share of the Corporation from the Net Income arising out of the revenue generated from the construction of Software Technology Park at Rajajinagar is 70%.
- The investment of the Corporation towards construction of Software Technology Park Building, at Rajajinagar (a Joint venture project with KSSIDC) Bangalore as at 31st March 2017 is ₹45,60,03,819 (previous year ₹45,60,03,819).
- The aggregate amount of assets, liabilities, income and expenses related to the Corporation's interests in the JV as at 31st March 2017 is as follows:

(Amount in ₹)

Particulars	2016-17	2015-16
Assets	29,36,48,921	31,40,03,136
Liabilities	7,23,67,690	7,06,76,335
Income	6,89,63,490	6,49,61,176
Expenses	37,99,943	23,27,082

Note: As far as the share of the Corporation (aggregate share of Asset & Liability and income & expenditure in all other Joint Ventures,) other than II & III stated above, the value is Nil as on 31st March, 2017

21. The confirmation of balances has not been obtained in respect of industrial concerns taken over under Sec.29 of SFCs Act and Non Performing Assets (NPA) accounts.

22. Documentation/hypothecation formalities are pending in respect of some of the Staff Advances.

23. Other Current Liabilities-Note-7 of Financial Statements include ₹97,19,878 (Previous year ₹1,04,83,879) being the amount recovered on sale of assets taken over under Sec.29 of SFCs Act pending final decision on apportionment of share with other financial institutions.

24. Expenditure in Foreign Currency: ₹ Nil (Previous year ₹ 2,02,474)

25. Expenditure incurred on employees who were in receipt of remuneration for the year which in aggregate was not less than ₹ 60,00,000 per annum (Previous Year ₹ 60,00,000) or remuneration for a part of the year at a rate not less than ₹ 5,00,000 per mensum (Previous year ₹ 5,00,000 per mensum) is nil.

26. A sum of Nil (previous year ₹25,50,000) incurred for payment of Ex- gratia under Voluntary Retirement Scheme (VRS) during the year 2015-16 has been charged off as an expense as per the Accounting Standard(AS-15) Accounting for Employee Retirement Benefits.

27. Other income includes service charges accounted on project development amounting to ₹ Nil (Previous year ₹ 1,04,729).

28. The amount disbursed by way of seed capital assistance to the companies and the assistance received and payable to IDBI is shown separately in the books, no provision considered necessarily as the KSIIDC is acting as an agent of IDBI and ultimate investment risk lies with IDBI.

29. The Corporation has been acting as Nodal agency of the Government of Karnataka for various infrastructure projects. In this regard, the Government has released funds in respect of such projects to meet expenditure as and when required. The Government vide its letter No. IDD 79 ITS 2015 dated 18.01.2016 has directed the Corporation to plough back the interest earned on project funds. Accordingly, an amount of ₹ 1,35,46,872 (₹4,08,03,561) interest earned on project funds during the year under report has been ploughed back to the respective project funds.

30. In pursuance of the Companies Act 2013, the Corporation has introduced a Corporate Social Responsibility (CSR) policy during the year under

report. The Corporation has earmarked a sum of ₹123,92,530 (previous year ₹98,49,220) towards CSR activity. The total fund earmarked towards CSR activities so far is ₹ 275,19,340. The Corporation has taken up the CSR activities in the field of Education, Social and Health sectors for an amount of ₹173,56,372. Out of which the Corporation has released ₹89,45,872 and the balance will be released subsequently depending upon the progress made. The Corporation is envisaged to spend the remaining earmarked amount of CSR funds during the current financial year in a meaningful manner along with current year's CSR amount.

31. The Corporation has claimed ₹959,50,634 from the Official Liquidator, Indore who is in charge of liquidation proceedings of M/s Bharath Commerce Industries Ltd. The Hon'ble High Court of Madhya Pradesh in its order dated 30.03.2011 permitted the Official Liquidator to release provisional interim dividend after obtaining undertaking that in case if at any time it is found that excess payment or wrong payment is made, the same will be returned to the Official Liquidator without any demur or objections and will be bound by the undertaking until final dissolution of the Company in liquidation. Accordingly, the Corporation after furnishing the above has received a total sum of ₹939,66,939 which after review has been appropriated to the loan dues of the Company during the year 2014-15.
32. The Corporation has taken up the development of sea Port at Tadadi on PPP basis. The project development expenses have to be met by the authority under IIPDF Scheme of DEA, Government of India (GoI) reimbursement to the extent of 75% will be provided by GoI on submission of proof of payments made to the consultants. Balance 25% is to be met by the State Government.

As per the guidelines of IIPDF, the project development expenses (PDE) along with success fees is expected to be recovered from the successful private sector partner on award of the project. The Sponsoring Authority will then have to reimburse the IIPDF (to DEA, GoI), the project development expenses along with a success fee of 40% of the funding. For the Tadadi Port Project, project development expenses initially were met by Government of Karnataka (GoK). Infrastructure Development Department, GoK applied for funding under IIPDF for the project which was approved by DEA, GoI. Expenditure details, documents required, etc., were submitted by KSIIDC to IDD, GoK for claiming reimbursement from DEA, GoI. IDD, GoK, submitted the reimbursement claims to DEA, GoI. Based on the claim of IDD-GoK, DEA, GoI has reimbursed 75% of allowable PDE directly to KSIIDC instead of GoK .

As could be noted, the amount belongs to GoK and accordingly KSIIDC transferred / remitted the amount of ₹2,95,35,000 to IDD, GoK, as per the directions of the GoK and interest on the above has also been ploughed back.

On successful bidding the project development expenses along with success fees has to be recovered from the successful bidder and necessary amounts to be refunded to GoI. Accordingly, the amounts received towards project development and amount spent on the project have been shown in the books separately under advance received project development and project development expenses accounts respectively in the books.

33. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December 2016

	SBNs	Other Denomination notes	Total
Closing Cash in hand as on 08.11.2016	11,000	6,601	17,601
(+) Permitted Receipts	0	73,558	73558
(-) Permitted Payments	0	68,782	68782
(-) Amount Deposited	11,000	0	11,000
Closing cash in hand as on 30.12.2016	0	11,377	11,377

34. Figures for the previous year have been regrouped / reclassified / recast wherever necessary so as to make them comparable with the current year figures.

Signatures to Notes 1 to 22

For and on behalf of the Board

Sd/-
(NANDARAJ S.NIMBALKAR DESAI)
Director
DIN: 07685814

Sd/-
(P.Hemalatha)
Managing Director
DIN. 06537451

Sd/-
(S.R. PRAHLADA RAO)
Company Secretary &
Legal Advisor

Sd/-
(N.R.N. SIMHA)
Executive Director I/c & CFO

Sd/-
(Y.SREEENIVASAPPA)
Dy.Genl.Manager (F&A)

As per our report of even date
For NSVM & Associates
Chartered Accountants
(Firm Regn. No. 010072S)

Sd/-
(CA D.N. Sreehari)
Partner
Member No. 027388

Place : Bangalore
Date : 19.07.2017

STANDALONE CASHFLOW STATEMENT FOR THE YEAR ENDING 31st MARCH 2017

(₹ in lakhs)

Particulars	31.03.2017	31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Taxes	389,518,738	221,782,944
Adjustments for:		
Depreciation	39,643,502	40,784,701
Profit on Sale of Assets	(20,974)	(129,999)
Loss on Sale of Assets	-	65,097
Investment/loan provision write back	2,782,732	(5,567,801)
Bad debts/investments written off	-	4,450,000
Profit on sale of shares	-	-
Interest	15,192	20,038
Interest on Fixed Deposit	(117,036,310)	(120,342,024)
Net Profit (Loss) before Working Capital Changes	314,902,880	141,062,956
Adjustments for Working Capital Changes		
Decrease/ Increase in long term Loans & Advances and Current Assets	(215,878,601)	97,615,442
Increase/ Decrease in Other Current Liabilities & long & short term provisions	47,227,324	(627,888,802)
Cash Flow from Operating Activities	146,251,602	(389,210,404)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets/Profit/Loss/Investments	13,541	130,000
Purchase of Fixed Assets	(4,790,182)	(4,755,027)
Sale/ redemption of investments	21,665,000	38,835,000
Purchase of Investments	(15,000,030)	-
Interest earned on Fixed Deposit	117,036,310	120,342,024
Cash Flow from Investing Activities	118,924,639	154,551,997
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Share Application Money/Share capital	-	1,140,958,260
Long Term Borrowings (net)	-	(988,159,110)
Interest paid	(15,192)	(20,038)
Cash Flow from Financing Activities	(15,192)	152,779,112
Total Cash Flow during the year	265,161,051	(81,879,295)
Opening Cash and Cash Equivalents	267,674,082	349,553,377
Closing Cash and Cash Equivalents	532,835,133	267,674,082

For and on behalf of the Board

Sd/-
(NANDARAJ S.NIMBALKAR DESAI)
Director
DIN: 07685814

Sd/-
(P.Hemalatha)
Managing Director
DIN. 06537451

As per our report of even date
For NSVM & Associates
Chartered Accountants
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Sd/-
(S.R. PRAHLADA RAO)
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Sd/-
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Partner
Member No. 027388

Place : Bangalore
Date : 19.07.2017