



INKEL Limited

A Public Private Partnership initiative

Annual Report

2018-2019

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INKEL LIMITED

CIN : U45209KL2007PLC020471

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

CHAIRMAN

Shri E P Jayarajan

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

Government of Kerala

DIRECTORS

Dr. K Ellangovan IAS

Principal Secretary (Industries)

Shri Varghese Kurian

Managing Director, ALNAMAL Group

Shri C V Rappai

Director & GM, Video Home

Shri Mohamed Althaf

Regional Director, Lulu Group

Shri M M Abdul Basheer

Managing Director, IGCL

Adv. Vidhya Sangeeth

Independent Director

MANAGING DIRECTOR

Dr. K A Retheesh

COMPANY SECRETARY

Ms. Anjana M A

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the members of the company will be held at 11 AM on Saturday the 28th December 2019 at Hotel Park Residency, Kakkanad, Cochin to transact following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the Financial Year ended 31st March 2019 together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on equity shares for the Financial Year ended March 31, 2019.
3. To appoint a Director in place of Mr. M M Abdul Basheer (DIN : 00120916) who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit approve with or without modification(s) the following as an Ordinary Resolution:

RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, R.G.N. Price & Co. Chartered Accountants, be and is hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this 12th Annual General Meeting till the conclusion of 13th Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED that Adv. Vidhya Sangeeth (DIN:08525336) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st August 2019 and who in terms of Section 161 of the Companies Act 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act 2013 proposing his candidature for the office of director be and is hereby appointed as a Director of the Company not liable to retire by rotation.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, of the Act, along with the rules framed

thereunder Adv. Vidhya Sangeeth be and is hereby appointed as an Independent Director of the company to hold office for a term upto two consecutive years, commencing from 28th December 2019 till the conclusion of the Annual General Meeting for the Financial Year ending 31st March 2021.

6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED that Dr. K A Retheesh (DIN : 01345383) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28.10.2019 and who in terms of Section 161 of the Companies Act 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act 2013 proposing his candidature for the office of director be and is hereby appointed as a Director of the Company not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Sections 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time or any other modification or statutory re-enactment thereof, and Article 99 (1) of the Articles of Association of the company Dr. K A Retheesh (DIN : 01345383) be and is hereby appointed as Managing Director of the company w.e.f 28th October 2019.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalize the terms of appointment of Dr. K A Retheesh as Managing Director.

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT in supersession of previous resolutions passed by the company in this regard, consent is hereby accorded to provide required Corporate Guarantee for a value of Rs. 25 crores to MIV Logistics Private Limited.

RESOLVED FURTHER THAT a Guarantee Fee of 1% on the outstanding amount to be charged at the end of every Financial Year.

RESOLVED FURTHER THAT Dr. K A Retheesh Managing Director be and is hereby authorized to execute Guarantee Agreement and such other documents as may be found necessary in this regard, on behalf of the Company.

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 73 and Section 76 and all other applicable provisions if any of the Companies Act, 2013 (“the Act”) read with the Companies (Acceptance of Deposits) Rules, 2014, as may be amended from time to time and other applicable provisions, if any, and subject to such rules as the Central Government may, in consultation with Reserve Bank of India prescribe and subject to such other conditions, approvals, permissions, as may be necessary, the consent of the members of the Company be and is hereby accorded to invite/ accept/ renew from time to time unsecured deposits from the Public and / or Members of the company within permissible limits as prescribed under Rule 3(4)(b) of the Companies (Acceptance of Deposits) Rules, 2014 and the overall borrowing limits of the Company, as approved by the Members, from time to time.

RESOLVED FURTHER THAT, Dr. K A Retheesh Managing Director be and is hereby authorized to issue an advertisement in Form DPT-1 as required under Rule 4(1) and 4(2), which has been approved by the Board of Directors of the Company at their meeting held on 15.11.2019 and to publish the same in an English newspaper (in English language) and in a vernacular newspaper (in vernacular language) having wide circulation in the state of Kerala wherein the Registered Office of the Company is situated.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable or such invitation/acceptance/ renewal of Deposits by the Company and to settle any questions, difficulties or doubts that may arise in this regard and to file all such necessary forms with the Registrar of Companies and to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient in accordance with the provisions of Section 73, Section 76 and all other applicable provisions if any of the Companies Act, 2013 (“the Act”) read with Companies (Acceptance of Deposits) Rules, 2014 as may be amended from time to time and other applicable provisions, if any.

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors of the Company to offer or invite subscriptions for unsecured redeemable non-convertible debentures (“NCDs”) having face value of INR 1,00,000/- (Rupees One Lakh Only) per debenture at par, in one or more series / tranches, of the aggregate nominal value up to Rs. 200,00,00,000

(Rupees Two Hundred Crores), on private placement, from such persons and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including, without limitation, as to when the said debentures are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.

15.11.2019
Cochin

By Order of the Board
Sd/-
Anjana M A
Company Secretary

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") may appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. Form of proxy is attached at the end of the Annual Report.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members are requested to hand over the enclosed attendance slip, duly signed in accordance with their specimen signature (s) registered with the Company for admission to the meeting hall where the annual general meeting is proposed to be held.
4. Dividend recommended by the Board of Directors, if approved by the members at the Annual General Meeting will be paid within the time limit specified in the Act to those members whose names appear on the Company's Register of Members as on 20.12.2019, being the Record Date fixed by the Board.
5. Members may note that dividends not encashed or claimed within seven years and 30 days from the date of declaration of the dividend, will, as per

Section 124 read with Section 125 of the Companies Act 2013, be transferred to the Investor Education and Protection Fund of Government of India. A few members have not encashed their dividend pertaining to the dividend declared for the financial year ended 31st March 2014, 31st March 2015, 31st March 2016 and 31st March 2017 and 31st March 2018. Details of the unclaimed/unpaid dividend are also uploaded on the company's website www.inkel.in. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the company.

6. **Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
7. As a measure of austerity, copies of the annual report will not be distributed at the annual general meeting. Members are therefore requested to bring their copies of the annual report to the Meeting.
8. The route map showing the directions to reach the venue of the 12th Annual General Meeting is annexed hereto.
9. All documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days between 10.00 am to 01.00 pm up to and inclusive of the date Annual General Meeting.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

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

Item Nos. 5

The Board of Directors appointed Adv. Vidhya Sangeeth as Additional Director of the company and also as Independent Director, not liable to retire by rotation for a term of 2 years from the date of this Annual General Meeting, subject to approval of the members. Pursuant to the provisions of Section 161 of the Act and as per the Articles of Association of the company Adv. Vidhya Sangeeth shall hold office upto the date of this Annual General Meeting and is eligible to be appointed as a Director. The company has received in writing notice proposing her candidature for the office of Director.

Further, the company has received declaration from Adv. Vidhya Sangeeth to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder.

Adv. Vidhya Sangeeth is a lawyer by profession, practising in Thrissur district court. A law graduate from Mangalore University, she was elected as a member of the Thrissur District Panchayat from Mulankunnathukavu Division in 2010. During 2010-15, she also served as the Chairperson of Public Works Standing

Committee of the District Panchayat. She takes keen interest in social issues and industrial relations.

Your Directors recommend the resolution to be passed as an Ordinary Resolution.

None of the Directors, Key Managerial Persons of the Company and / or their relatives is concerned or interested, in the said resolutions except Adv. Vidhya Sangeeth.

Item No.6

In pursuance of the Govt. Order, the Board of Directors has appointed Dr. K A Rethesh as Managing Director with effect from 28.10.2019. In accordance with provisions of Section 196 of the companies Act 2013 appointment of Managing Director requires approval of the members. Hence the proposal is submitted for approval of the members.

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

Item No.7

The Shareholders at its Meeting held on 24.09.2018 approved the proposal to extend Corporate Guarantee of Rs. 23 crore to MIV Logistics Private Limited.

MIV is witnessing reasonable growth in CFS operations for the last few months. Consequently movement of containers to and fro Port and CFS was increased. This necessitates submission of additional Bank Guarantee for Rs 1.60 crores towards granting permission from Customs Department for Transportation of Containers.

MIV has now submitted a working capital proposal for Rs 3 Crores including Rs 1 crore towards Fund Limit and Rs 2 crores towards Non Fund limit. The limit was approved with the condition of extending the Corporate Guarantee of INKEL.

It is proposed to substitute the Corporate Guarantee already extended with Rs. 25 crores.

The Board recommends the Resolution for approval by the Members of the Company.

Directors Dr. K A Rethesh and Mr. M M Abdul Basheer are nominee directors of INKEL on the board of MIV Logistics Private Limited. To that extent they are concerned or interested in the proposed resolution.

Item No. 8

The Board of Directors at their meeting held on 15.11.2019 approved and recommended the invitation and acceptance of Unsecured Fixed Deposits from the Members of the company and/or the Public pursuant to Sections 73 and 76 of

the Companies Act, 2013 (“Act”) and Companies (Acceptance of Deposits) Rules, 2014 (“Rules”) as one of the modes to meet the ongoing fund requirements of the Company.

In compliance with the provisions of Section 73 and 76 of the Act, read together with Rule 2(e) of the Companies (Acceptance of Deposits) Rules, 2014, approval of the Members by way of special resolution is being sought.

The members may kindly note that under the provisions of the Act, any Company inviting/ accepting/ renewing deposits is required to obtain credit rating from a recognized credit rating agency. The Company upon obtaining approval of the shareholders will proceed to comply with the requirements stipulated under Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, before inviting / accepting / renewing deposits.

The Board recommends the Resolution for approval by the Members of the Company.

None of the Directors, Key Managerial Persons of the Company and / or their relatives are concerned or interested, in the said resolution.

Item No. 9

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed, inter alia, under Section 42 of the Companies Act, 2013, deals with private placement of securities by a company. Section 42 of the Companies Act, 2013 read with the aforesaid Rule 14 requires that any offer or invitation for subscription to redeemable Non-Convertible Debentures (NCDs) and issuance on a private placement basis is to be approved by the members by way of a special resolution. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe to NCDs on private placement basis, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. In order to augment resources for the ongoing/ future projects, the Company may offer or invite subscription unsecured redeemable NCDs, in one or more series/ tranches on private placement.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 9 of the Notice.

None of the Directors/Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolution, except to the extent of the NCDs that may be subscribed to by them or their relatives or companies/firms in which they are interested.

REPORT TO THE SHAREHOLDERS

Dear Member,

The Directors present the Annual Report of INKEL Limited (the Company) along with the audited financial statements for the financial year ended 31st March 2019.

Financial Results

During the year under review, the company registered an all time turnover of Rs. 41.24 crore.

Dividend

Your Directors propose a dividend of 20 paise per equity share of Rs.10 each for the Financial Year ended March 31, 2019.

The Register of Members and Share Transfer Books will remain closed from 21.12.2019 to 28.12.2019 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended 31st March 2019.

Operations

The year witnessed substantial spurt in the Project Management Consultancy (PMC) business of the Company with orders from different departments of the Government of Kerala such as Health, Tourism, Finance and Education. The capital value of projects in hand, as at the end of March, stood at Rs.3474.22 crore as may be seen from the following statistics. Over the next 30 months, these projects are expected to generate a revenue of around Rs.80 Crores, after accounting for the receipts so far.

<u>Project Description</u>	<u>Project Cost (Rs. in crore)</u>
Healthcare Institutions	2587.57
Treasury Infrastructure – 55 locations	150
KINFRA Defence Park, Ottappalam	120
Alappuzha Mobility Hub	493.06
Muzris Heritage Projects – Phase 1 & 2	36.17
Alleppey Heritage – Tourism projects	60.06
CREST Institute, Kozhikode	16
KSIDC Life Science Park, Trivandrum	11.36
Total	3474.22

In renewable energy business, the year saw the company making a strategic shift from the solar street light business to setting up Solar power generation plants. Though, the solar division reported a decline in revenues, the company has been able to complete some quality projects, aggregating 2 MW of solar power generation capacity. This shift in business strategy has already started showing results.

New Business

During the current financial year, your Company has been appointed by Department of General Education, Govt of Kerala as the PMC for Infrastructure upgradation of 239 schools across the state. The schools are located in various districts, with the northern districts of Kannur, Kozhikode, Malappuram and Palakkad accounting for 130 schools. The estimated project cost is Rs 699 crores, with a potential fee income of Rs 24 cr. The entire project is planned to be completed within 18-24 months.

The company has bagged an EPC tender from KSEB for setting up 8 MW of ground mounted solar plant at three locations—Brahmapuram, Agali and Nenmara. The total estimated cost is Rs 45 crores, to be commissioned in the current financial year.

Business Parks -Angamali & Malappuram

Built-up space at Angamali Tower II is almost fully leased out. The Company is encouraging small and medium entrepreneurs to lease small parcels of land, which have received good response.

During the year under review, 5.91 acres have been allotted to entrepreneurs at Malappuram who are in the process of setting up new ventures in the allotted land. 99% of the land that are suitable for industrial usage have been leased out to more than 51 units.

Road Project

The successful commissioning of 58 km State Highway project for RICK Ltd under Hybrid Annuity (in Kottayam and Thiruvananthapuram districts) have given your company, the confidence to explore opportunities for taking up large projects.

During the year, the Company concluded an agreement with M/s KMC Constructions Ltd, Hyderabad for investment in Calicut Expressway Private Ltd (CEPL), a special purpose vehicle established to undertake the six-laning of 28 km Kozhikode bye-pass under NHA's Hybrid Annuity Model. As per the

agreement, the Company's 100% subsidiary IIDPL would hold 49% of the shares of CEPL which is developing the project, subject to approval by the National Highway Authority of India (NHAI). The balance shares of this SPV will come under the control of INKEL, after the mandatory lock-in period of 4 years, comprising 2 years for construction and 2 years for operations .

The project cost of Rs 1669 crore is to be met through a mix of NHAI Grant, Debt and Equity. The investment with profits will be returned to the Company in the form of half yearly annuity for the operations period of 15 years.

Subsidiary Company - Seguro Foundations & Structures Ltd

This subsidiary where your company holds 65% of the shares was being managed by a Managing Director, who was part of the minority shareholder group and also promoter. However, the subsidiary company suffered major losses during the year, which prompted INKEL management to have a closer examination of the functioning of the company.

Faced with mounting losses and upon noticing instances of indiscretion, the Board of INKEL Limited, decided to suspend the Managing Director of subsidiary company and entrusted the Managing Director of INKEL Ltd with additional charge of the subsidiary, effective 26 February 2019.

The operational affairs of subsidiary are now being managed by INKEL executives. In addition to the ongoing projects, the Company has bagged four new projects aggregating to Rs.194 Crores in the last six months. Three of these are KIIFB funded bridge projects, the largest being a 1.1 km long bridge at Perumbalam-Panavalli in Alappuzha costing Rs 89 cr. Once completed, this would be the longest bridge in Kerala with a water span of 1.1 kilometre.

The companies is hopeful of achieving a turnaround in the fortunes of the subsidiary and ensure that the investments stay protected.

Annual Return

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

Directors Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Reporting of fraud by Auditors

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143 (12) of the Companies Act 2013, any instances of fraud committed against the company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

Audit Report and Auditors

Statutory Auditors

M/s. Varma & Varma Chartered Accountants were appointed as the Statutory Auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the year 2019.

The Auditors Report for 2018-19 is enclosed with the financial statements in this report.

With regard to Auditors' observation we may report that a committee comprising of a director of INKEL, a financial expert and a legal expert has been entrusted to examine the issues relating to Seguro and based on their report the company may initiate further action as may be deemed appropriate.

Secretarial Auditors

As required under Section 204 of the Companies Act 2013 and rules thereunder, the Board has appointed Mr. T R Sreeram, Practicing Company Secretary, as secretarial auditor for FY 2018-19.

Loans/Guarantees/Investments

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

Fixed Deposits

The company has accepted deposits during the year under review and complied with all rules and regulations in this regard.

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

Particulars of contracts or arrangements made with related parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arms' length basis.

Material change and commitments affecting financial position

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

Subsidiaries & Associates

The company has invested in various subsidiaries, joint ventures/associate companies viz. Inkel-EKK Roads Private Limited (IEKK), MIV Logistics Private Limited (MIV), Inkel-Seguro Consortium LLP (ISCL) and Seguro Foundations and Structures Private Limited (SFPL) through its wholly owned subsidiary Inkel Infrastructure Development Projects Limited (IIDPL), and also in Inkel-KSIDC Projects Limited (INKID), Inkel – KINFRA Infrastructure Projects Limited (INKIF), INKES Trade Centre Limited (INKES). These companies were formed to handle various infrastructure projects such as SME Parks, Office Buildings, Container Freight Station (CFS), Construction of Bridges, Roads etc. Apart from the above, company has acquired 24.44% stake in Calicut

Expressway Private Limited (CEPL) for the purpose of design, implementation and operation & maintenance of 28.40 Kms Kozhikode Bypass Project under annuity concession from NHAI. Of these subsidiaries, INKEL – KINFRA Infrastructure Projects Limited (INKIF) is under the process of striking off, since the object for which it was incorporated was not accomplished.

Further a statement containing the salient features of the financial statements of our subsidiaries in the prescribed format AOC -1 is appended as Annexure – 1 to this Report.

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

Corporate Governance

Corporate Governance Report for the FY 2018-19 forms part of this report.

Number of meetings of the Board

The Board met 5 times during the financial year, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act 2013. Specific details of the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

Directors and Key Managerial Personnel

Appointments

In pursuance of the Govt. of Kerala Order, Dr. K A Retheesh took over charge as Managing Director on 28th October 2019.

Dr. Sharmila Mary Joseph IAS was appointed as a Director on 25.02.2019 in the place of Dr. M Beena IAS, who was subsequently resigned from the Board.

Retirement

Mr. M M Abdul Basheer is liable to retire at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and the Articles of Association of the Company.

The term of Mr. P Nandakumaran and Smt. Pamela Anna Mathew as Independent Directors ended on 27th March 2019.

Key Managerial Personnel

In accordance with the provisions of Section 203 of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Dr. K A Retheesh, Managing Director; Ms. Anjana M.A, Company Secretary and Shri George Raphael, General Manager (Finance & Accounts) are the key managerial personnel of your Company.

Committees of the Board

As on 31st March 2019, the Board has 4 committees: the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer Committee. All the committees are duly constituted.

Fixed Deposits

The company has accepted deposits during the year under review and complied with all rules and regulations in this regard.

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

Internal financial control and its adequacy

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

Significant and Material Orders

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

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgment

The Directors thank the Company's employees, customers, vendors, investors, financial institutions and partners for their continuous support.

The Directors also thank the Government of Kerala and Government of India and the concerned government departments and agencies for their cooperation. The Directors appreciate and value the contribution made by every member of the INKEL family.

On behalf of the Board of Directors

Kochi
15.11.2019

Dr.K A Retheesh
Managing Director

M M Abdul Basheer
Director

**Statement containing salient features of the financial statement
of subsidiaries / associate companies/joint ventures**

FORM NO. AOC – 1

Part ‘A’ : Subsidiaries

Rs lakhs

Sl No.	Name of subsidiary	Financial period ended	Share capital	Reserves & Surplus	Total assets	Total liabilities	investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of holding
1	INKEL-EKK Roads Pvt Ltd	31.03.2019	2800	1308.16	15149	11041.65	-	2956.06	416.77	3.23	413.53	280.00	72
2	INKEL-KSIDC	31.03.2019	2476.14	(1063.42)	4638.29	3225.58	-	752.52	26.15	24.97	1.18	-	74
3	Inkes Trade Centre Ltd	31.03.2019	500	(66.03)	722.75	288.79	-	-	(8.91)	-	(8.91)	-	74
4	INKEL KINFRA	31.03.2019											74
UNDER PROCESS OF STRIKING OFF													
5	Seguro Foundations	31.03.2019	954.19	(974.02)	5489.56	5509.38	-	3906.52	(2049)	(14.03)	(2035.07)	-	65
6	INKEL Infrastructure Development Projects Limited	31.03.2019	1.00	(7.12)	2562.71	2568.83	-	0.16	(7.12)	-	(7.12)	-	100

Name of subsidiary which have been liquidated or sold during the year :NIL

Part “B” : Associates & Joint Ventures

		Amount in lacs.	
Name of Associate / joint Venture	MIV Logistics Private Limited	Seguro-INKEL Consortium LLP	
Latest audited Balance Sheet Date	31.03.2019	31.03.2019	
Shares of Associate/joint venture held by the company on the year end : No:		-	
Amount of Investment:	11829714	-	
Extend of holding	118297140 39.43%	450000 45%	
Description of how there is significant influence	Controls more than 20% of total share capital	Controls more than 20% of total share capital	
Reason why associate/joint venture is not consolidated	NA	NA	
Net worth attributable to shareholding as per latest audited Balance Sheet	2009.87	52.25	
Profit/Loss for the year			
i. considered in consolidation before tax			
ii. not considered in consolidation	127.67	15.78	

Notes:

Name of associate which is yet to commence operation : NIL

Name of associate which have been liquidated or sold during the year :NIL

ANNUAL REPORT ON CSR ACTIVITIES

(Pursuant to Section 135 of the Companies Act 2013)

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

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

- Shri Varghese Kurian
- Shri M M Abdul Basheer

The financial details as sought by the Companies Act 2013 for FY 2018-19 are as follows: Rs. in lacs

Particulars	Amount
Average net profit of the company for last three years	1366.41
Prescribed CSR expenditure (2% of the average net profit as computed above)	27.33

Details of CSR spent during the financial year:

Heavy rain and unprecedented flood in the State last year have claimed damage to properties and infrastructure. The company has contributed an amount of Rs. 1.50 Crore to Chief Minister's Distress Relief Fund towards Flood relief operations.

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

NIL

Responsibility statement of the CSR Committee:

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

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Corporate Governance

The Company's philosophy of Corporate Governance is oriented towards achieving efficient conduct of its business , meeting its obligations to stakeholders with transparency, accountability and integrity as the pillars.

2. Board of Directors

Composition and size of the Board as on **31.03.2019**

The details of the directors as at March 31, 2019 is given below:

Name of Director	Type of Directorship
Shri E P Jayarajan	Chairman , GoK nominee
Dr. Mohammed Sagheer	Managing Director, GoK nominee
Dr. K Ellangovan IAS	Non Executive Director, GoK Nominee
Dr.Sharmila Mary Joseph IAS	Non Executive Director, GoK Nominee
Shri C.K.Menon	Non Executive Director
Shri Varghese Kurian	Non Executive Director
Shri C.V.Rappai	Non Executive Director
Shri Mohamed Althaf	Non Executive Director
Shri M M Abdul Basheer	Non Executive Director

i. Board, General Meetings & Attendance

The details of attendance of the directors at the Board (as on 31.03.2019) and Annual General Meeting are given below:

Name of Director	No. of Meetings held during the period the Director was on the Board	No. of Meetings attended	Presence at the last AGM
Shri E P Jayarajan	3	2	YES
Dr. Mohammed Sagheer	5	5	YES
Dr. K Ellangovan IAS	5	3	-
Dr.Sharmila Mary Joseph IAS	1	1	-
Shri C.K.Menon	5	1	-
Shri Varghese Kurian	5	3	-
Shri C.V.Rappai	5	4	-
Shri Mohamed Althaf	5	1	-
Shri M M Abdul Basheer	5	5	YES

3. Internal Audit And Compliance

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

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

ANNEXURE-II

Conservation of energy

The operations of the Company involve low energy consumption. Adequate measures have however been taken to conserve energy. The Company has set up business units for Solar Energy and is contributing to the renewable energy generation efforts of the Government.

Technology absorption, adaptation and innovation

The Company uses the latest technologies for improving the productivity of its human resources and quality of its services.

Foreign Exchange Earnings & Outgo

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

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U45209KL2007PLC020471
2.	Registration Date	09.03.2007
3.	Name of the Company	INKEL Limited
4.	Category/Sub-category of the Company	Closely held public Company limited by shares
5.	Address of the Registered office & contact details	Door No. 7/473 ZA-5&6, 2nd Floor, Ajiyal Complex, Kakkanad, Cochin - 682030 Ph: 0484 – 6491138 Email id: deptcs@inkelkerala.com
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management Services Private Limited No 30 Ramana Residency, 4th Cross Sampige Road Malleswaram, Bengaluru - 560 003 Contact Person: S Giridhar, Senior Manager Tel: (080) 23460815 Email : giri@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name & address of the company	CIN	% of shares held	Holding/subsidiary/Associate
1	INKEL-KSIDC Projects Limited	U74900KL2010PLC025553	74	Subsidiary
2	INKEL-KINFRA Infrastructure Projects Limited (under process of striking off)	U74900KL2010PLC025556	74	Subsidiary
3	MIV Logistics Private Limited	U63012KL2011PTC028839	39.43	Associate
4	Thalikulam PURA Private Limited (under dormant status)	U45100KL2012PTC030590	98.86	Subsidiary
5	Tirurangadi PURA Private Limited (under dormant status)	U45100KL2012PTC030589	98.84	Subsidiary
6	INKES Trade Centre Limited	U45400KL2014PLC037668	74	Subsidiary
7	Seguro – INKEL Consortium LLP	AAD-1041	45	Associate
8	INKEL-EKK Roads Private Limited	U45203KL2016PTC039948	72	Subsidiary
9	Seguro Foundations & Structure Pvt Ltd	U45200KL2007PTC021501	65	Subsidiary
10	INKEL Infrastructure Development Projects Limited	U45209KL2018PLC055306	100	Subsidiary

IV. SHARE HOLDING PATTERN

Name of shareholders	No. of shares held	Percentage
Govt. of Kerala	4,05,00,000	22.78
Govt. Companies	1,20,00,000	6.74
Directors / Relatives of Directors	7,70,74,042	43.35
Foreign Holdings	2,31,33,953	13.01

Banks & Corporate Holdings	90,85,544	5.11
Others	1,60,20,795	9.01
TOTAL	17,78,14,334	100.00

Change in Promoters' Shareholding (please specify, if there is no change)

NIL

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	-	3,00,00,000	18,54,92,000	21,54,92,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD (as on 31.03.2019)
		Dr. Mohammed Sagheer
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38,57,506
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	36,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others, please specify	-
	Total	38,93,506

B. Remuneration to other directors (as on 31.03.2019)

Sl no	Particulars of Remuneration	Name of Directors										Total Amount			
		Mr. E P Jayarajan	Dr. Ellangovan	Dr. Sharmila Mary Joseph	Mr. Varghese Kurian	Mr. C.K Menon	Mr. C.V. Rappai	Mr. Mohamed Althaf	Mr. M M Abdul Basheer	Mr. P Nandakumar	Ms. Pamela Anna Mathew				
1	Independent Directors														
	Fee for attending board/committee meetings	-	-	-	-	-	-	-	-	-	-	-	1,70,000	40,000	2,10,000
	Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-	-	-	-	-	1,70,000	40,000	2,10,000
2	Other Non-Executive Directors														
	Fee for attending board /committee meetings	-	75,000	-	75,000	25,000	1,45,000	-	170,000	-	-	-	-	-	4,90,000
	Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (2)	75,000	75,000	-	75,000	25,000	1,45,000	-	170,000	-	-	-	-	-	4,90,000
	Total (B)=(1+2)	75,000	75,000	-	75,000	25,000	1,45,000	-	170,000	-	-	-	1,70,000	40,000	7,00,000

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

Amount (Rs)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,24,176	24,76,334	4800510
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	36,000	36,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	23,24,176	25,12,334	48,36,510

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

SECRETARIAL AUDITREPORT

For the Financial Year ended 31st March, 2019

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

Form MR-3

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Inkel Limited** (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the verification of company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the company has followed the Board processes and has the required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Inkel Limited** for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made there under; *(The clause is not applicable as the company is an Unlisted Public Company).*
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (The company has appointed a Registrar and Transfer Agent (RTA) to comply with the provisions of the Act);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings *(The clause is not applicable during the Audit period)*

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):***(The company being an Unlisted Public Company, Clause (v) and its sub clauses (a) to (h) are not applicable)***
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations,2011;
 - (b) The Securities and Exchange Board of India(Prohibition of Insider Trading)Regulations,1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009;and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have also examined compliances with respect to:

- (i) The Secretarial Standards, SS-1 and SS-2 issued by the Institute of Company Secretaries of India and as notified by the Ministry of Corporate Affairs, and report that the Company has complied with the said standards.
- (ii) The Listing Agreements entered into by the company with Bombay Stock (s) Exchange Limited, National Stock Exchange of India Limited and London Stock Exchange.***(The Clause is not applicable as the company is an Unlisted Public Company)***

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

1. The two Independent Directors on the Board of the company retired with effect from 26/03/2019. Consequently, the company does not have Independent Directors on its Board for the period 27/03/2019 to 31/03/2019 and therefore, is in contravention of Section 149(6) of the Companies Act 2013 for the aforementioned period.

2. The provisions of the Act regarding Corporate Social Responsibility (CSR) is applicable to the company. As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, the company should have spent 2% of the average net profit of the last three financial years on CSR activities. Though the company has spent monies on social activities (Kerala flood rehabilitation), they are not covered under the activities permitted under the Act.

The company has obtained a legal opinion on this matter and as per the legal opinion so furnished, the provisions of Section 135 of the Act has to be interpreted liberally, so as to capture the essence of the Section. In light of the said legal opinion, it can be construed that, the company has complied with the CSR provisions.

I, further report that based on the guidelines issued by the Institute of Company Secretaries of India, on the applicability of industry specific laws as applicable to the company, and as per the information received from the Management and records maintained, the company has in my opinion, generally complied with the provisions of the following industry specific laws to the extent applicable to it:

- (a) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (b) Employees State Insurance Act, 1948;
- (c) The Maternity Benefit Act, 1961;
- (d) The Payment of Gratuity Act, 1972;
- (e) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (f) The Minimum Wages Act, 1948;
- (g) The Payment of Bonus Act, 1965 and
- (h) Kerala Industrial Establishments (National and Festival Holidays) Act, 1958.

I further report that:

The Board of Directors of the company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Woman Directors. The change in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act. The two Independent Directors on the Board of the company retired with effect from 26/03/2019.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- (i) On 24/09/2018, a special resolution was passed in the Annual General Meeting of the company to grant inter-corporate loan to an Associate Company (MIV Logistics Private Limited), subject to a one time limit of Rupees one crore for a tenure of two years and at an interest of 12% p.a.
- (ii) On 24/09/2018, a special resolution was passed in the Annual General Meeting of the company to grant inter-corporate loan to a Subsidiary Company (INKEL KSIDC Projects Limited), subject to a one-time limit of Rupees one crore for a tenure of two years and at an interest of 12% p.a.
- (iii) On 24/09/2018, a special resolution was passed in the Annual General Meeting of the company to grant inter-corporate loan to a Subsidiary Company (INKEL EKK Roads Projects Limited), subject to a one-time limit of Rupees eight crore, repayable on receipt of annuity, at an interest of 12% p.a.
- (iv) On 24/09/2018, a special resolution was passed in the Annual General Meeting of the company to grant inter-corporate loan to a Subsidiary Company (INKES Trade Centre Limited), subject to a one-time limit of Rupees three crores for a tenure of two years and at an interest of 12% p.a.
- (v) On 24/09/2018, a special resolution was passed in the Annual General Meeting of the company to provide requisite corporate guarantee in favour of The Federal Bank Limited for and on behalf of Seguro Foundations & Structures Private Limited, a subsidiary company for availing working capital limit of Rupees ninety crores sanctioned by the bank. A guarantee fee @ 1% on the outstanding amount is to be charged at the end of the financial year.
- (vi) On 24/09/2018, a special resolution was passed in the Annual General Meeting of the company to provide required corporate guarantee for a value of Rupees

twenty-three crores to MIV Logistics Private Limited, a subsidiary company. A guarantee fee @ 1% on the outstanding amount is to be charged at the end of the financial year.

- (vii) On 24/09/2018, a special resolution was passed in the Annual General Meeting of the company, pursuant to the provisions of Section 179(3) (d) of the Companies Act, 2013 to avail working capital loan upto Rupees twenty five crores from a Scheduled bank by mortgaging required extent of land at Palakkad.
- (viii) On 17/01/2019, a special resolution was passed in the Extra Ordinary General Meeting of the company for increasing the borrowing limit, whereby the company can borrow from time to time any sums of money not exceeding Rs. 1,000 crores (including money already borrowed by the company).
- (ix) On 17/01/2019, a special resolution was passed in the Extra Ordinary General Meeting of the company to grant loan, give guarantee or provide security in respect of any loan taken by Inkel Infrastructure Development Projects Limited and/or Calicut Expressways Private Limited and/or any future subsidiaries/associate company likely to be incorporated for execution of the project “six-laning of Kozhikode Bye-Pass” upto an amount of Rs. 1,000 crores in aggregate, from time to time.

Signature:

Place: Ernakulam

Date:05/07/2019

Name of the Company Secretary: T R Sreeram

FCS No. : 4926

C.P. No : 3351

ANNEXURE - A

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices that were followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of any of the financial records and books of accounts of the company.
4. Whereever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. I have based my opinion on the basis of information/records produced by the company during the course of the audit and the reporting is limited to that extent.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Place: Ernakulam

Date:05/07/2019

Name of the Company Secretary: T R Sreeram

FCS No. : 4926

C.P. No : 3351

INDEPENDENT AUDITOR'S REPORT

To the Members of Inkel Limited,

Kochi

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of INKEL Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2019 and its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

As stated in Note No 2.33.1 to the standalone financial statements, certain instances of non-adherence with proper corporate governance systems, as also incompleteness / deficiencies in the financial information furnished by the subsidiary company, namely, Seguro Foundations and Structures Private Limited (SFS) have been noticed, which are prima facie considered material; and having regard to a forensic study conducted at the instance of INKEL by a firm of financial consultants for the period from 01 January 2017 to 31 January 2019, which has brought out various lapses/irregularities in the functioning of SFS, the Board of INKEL has initiated action including constituting a committee comprising of a director of INKEL, a financial expert and a legal expert to examine the issues raised in detail and give its findings on the extent/impact on the working/state of affairs of the company. Further, as per the findings of this committee, the audited financial statements of SFS

for the financial year ended 31st March 2018 and the unaudited financial statements for the year ended 31st March 2019 are to be examined by an independent firm of Chartered Accountants, based on which, INKEL will take necessary measures, including for recovery of losses, if any, as stated therein. Pending resolution of the matters as above, the financial statements of the said subsidiary company for the financial year ended 31st March 2019 have not been approved by the Board of Directors of the said company and are subject to audit by that company's auditors. The impact of further adjustments, if any, that may be necessary in these financial statements of the subsidiary company, as well as those relating to earlier year(s), consequent to the independent review/examination as stated above cannot be ascertained at this stage. Further, as per the unaudited financial statements of the said subsidiary company for the financial year ended 31st March 2019, the net loss disclosed has increased substantially over that of the previous year significantly and the net worth of the said subsidiary company has turned negative as on such date, which has resulted in the book value of investments in the said subsidiary included as assets in the Balance Sheet of INKEL amounting to Rs 13,81,50,206/- becoming fully diminished. Further, based on a valuation done by the management of INKEL having regard to estimated realisable value of assets in the subsidiary company, there is a reduction in the carrying value of such investments to the extent of Rs 8,51,83,424/-. INKEL has also obtained a valuation of the net worth of the subsidiary company from an independent firm of Chartered Accountants having regard to the increase in value of contracts actually received by SFS subsequent to Balance Sheet and expectations of improved operations over the future five years as approved by the Board of INKEL as per which the management of INKEL is of the opinion that there is no permanent diminution in value of investments in the subsidiary company to be recognized at this stage.

In view of the significant uncertainties relating to the subsidiary company as stated above and in the absence of adequate information regarding the same, we are unable to comment on the decline, other than temporary, in value of investments in the subsidiary company, Seguro Foundations and Structures Private Limited, if any, required to be provided for in the accounts of the company as per AS-13 (Accounting for Investments) at this stage.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's

Responsibilities section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

We draw attention to Note 2.33.2 of the standalone financial statements, as per which, based on valuation of the assets of the subsidiary companies INKEL-KSIDC Projects Limited and INKES Trade Centre Limited, as well as of the associate company MIV Logistics Private Limited (which includes investments in equity shares of its associate company Seabird Seaplane Private Limited which has not commenced any commercial operations and loans and advances extended to the said company as stated therein) carried out by independent chartered engineers and plans for improved future operations of such companies, the management is of the opinion that there is no permanent diminution in value of investments in the said subsidiary/associate companies to be recognised at this stage as per AS-13 (Accounting for Investments).

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financials Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to the Director's Report in the Annual Report of the Company for the financial year 2018-19, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be

materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the

financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, except as stated in the Basis for Qualified Opinion paragraph above;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except as stated in the Basis for Qualified Opinion paragraph above;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (g) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.35 to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Kochi-19

Date:

**“ANNEXURE A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING
“REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF
OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF INKEL LIMITED FOR THE
YEAR ENDED 31st MARCH 2019**

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) We are informed that fixed assets have been physically verified by the management at reasonable intervals and that no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us, the records of the Company examined by us and the confirmation received from a financial lender in respect of title deeds deposited with them, the title deeds of the immovable property of the company are held in the name of the Company.
2. According to the information and explanations given to us and the records of the Company examined by us, the inventory has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
3. The Company has granted unsecured loans to three companies and one limited liability partnership covered in the register maintained under Section 189 of the Act. In relation to such loans:
 - (a) In our opinion, the terms and conditions on which the loans have been granted to the companies and limited liability partnership covered in the register maintained under Section 189 of the Act were not prima facie prejudicial to the interest of the Company.
 - (b) As per the information and explanations given to us and the records of the Company examined by us, the terms do not stipulate any repayment schedule and the principal and interest are repayable on demand and hence we do not offer any comments regarding regularity of repayments.
 - (c) As per the information and explanations given to us and the records of the Company examined by us and read with our comments in (b) above, there are no overdue amounts in respect of such loans.
4. According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the provisions

of Sections 185 and 186 of the Act in respect of the loans granted, investments made, guarantees given and security provided by the Company, to the extent applicable to the Company.

5. According to the information and explanations given to us, the records of the Company examined by us and the confirmation received from the Registrar for the deposit scheme engaged by the company, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder in accepting deposits from the public during the year.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7. (a) As per the information and explanations given to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Cess and other statutory dues as applicable to the Company to the appropriate authorities during the year.
There are no arrears of undisputed statutory dues outstanding at the last day of the financial year for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the Company has no dues of Income Tax, Service Tax, Goods and Service Tax, or Value Added Tax that have not been deposited on account of any dispute.
8. According to the information and explanations given to us, the records of the Company examined by us and read with Note 2.4.1 regarding the view of the management that there is no default in repayment of the loan instalment due on 31st March 2019 to Kerala Industrial Infrastructure Development Corporation (KINFRA), for the reasons stated therein, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
9. According to the information and explanations given to us and the records of the Company examined by us, no money has been raised by way of initial

public offer or further public offer (including debt instruments) and the term loan availed by the Company have been applied for the purpose for which the loan was obtained.

10. As described in the Basis for Qualified Opinion paragraph, certain instances of non-adherence with proper corporate governance systems, as also incompleteness/deficiencies in the financial information furnished by the subsidiary company Seguro Foundations and Structures Private Limited (SFS) have been noticed, which are prima facie considered material and are being independently examined as stated therein. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
11. According to the information and explanations given to us and based on the examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in Note 2.32 to the standalone financial statements as required by the applicable accounting standards.
14. During the year the company has issued shares to existing shareholders as rights issue and has also issued renounced share offers (including to non-shareholders) as per the scheme, which in our opinion are not covered by the reporting requirements of this clause. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-

cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.

16. According to the information and explanations given to us and the records of the Company examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

Place: Kochi-19

Date:

“ANNEXURE B” REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INKEL LIMITED FOR THE YEAR ENDED 31st MARCH 2019

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 control systems with reference to standalone financial statements reporting of INKEL Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to standalone financial statements 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 system with reference to financial statements 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 with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A company's internal financial controls system with reference to financial statements 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 controls system with reference to financial statements 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 with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements 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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kochi-19

Date:

INKEL LIMITED
BALANCE SHEET AS AT 31st MARCH 2019

Particulars	Note No.	As at 31.03.2019 (In Rupees)	As at 31.03.2018 (In Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	1,77,81,43,340	1,63,02,70,000
(b) Reserves and Surplus	2.2	42,39,26,145	37,24,81,724
(2) Share Application Money Pending Allotment			
	2.3	-	23,72,325
(3) Non - Current Liabilities			
(a) Long - Term Borrowings	2.4	11,46,24,000	9,38,43,000
(b) Deferred Tax Liabilities (Net)	2.5	2,99,45,955	3,48,14,032
(c) Other Long Term Liabilities	2.6	48,57,742	96,51,182
(d) Long - Term Provisions	2.7	1,23,00,099	57,42,296
(4) Current Liabilities			
(a) Short Term Borrowings	2.8	70,25,000	-
(b) Trade Payables :-	2.9		
i. Total outstanding dues of micro enterprises and small enterprises; and		-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		6,25,58,045	11,63,75,327
(c) Other Current Liabilities	2.10	37,48,68,785	26,30,95,383
(d) Short - Term Provisions	2.11	3,02,91,061	4,96,49,189
TOTAL		2,83,85,40,172	2,57,82,94,458
II. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	2.12	59,58,73,870	62,03,53,557
(ii) Intangible Assets	2.12	1,24,723	1,77,267
(iii) Intangible assets under development	2.13	-	6,59,375
(b) Non - Current Investments	2.14	84,14,64,999	85,05,75,103
(c) Long - Term Loans and Advances	2.15	9,73,94,426	12,64,16,357
(d) Other Non - Current Assets	2.16	23,92,87,274	1,33,53,705
(2) Current Assets			
(a) Inventories	2.17	24,77,654	-
(b) Trade Receivables	2.18	16,72,22,084	16,72,56,295
(c) Cash and Cash Equivalents	2.19	50,38,37,179	37,71,80,485
(d) Short - Term Loans and Advances	2.20	29,38,54,263	37,95,18,626
(e) Other Current Assets	2.21	9,70,03,700	4,28,03,688
TOTAL		2,83,85,40,172	2,57,82,94,458

Significant Accounting Policies and Notes to Accounts

1 & 2

The Accompanying Notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K.A Rethesh
Managing Director
DIN: 01345383

M.M. Abdul Basheer
Director
DIN:00120916

For Varma & Varma
Chartered Accountants
Firm No.004532S

Anjana M.A
Company Secretary

George Raphael V.P
Chief Financial Officer

Vijay Narayan Govind
(Partner)
Membership No. 203094

Place : Kochi
Date : 15.11.2019

INKEL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

Particulars	Note No.	For the year ended 31.03.2019 (In Rupees)	For the year ended 31.03.2018 (In Rupees)
Revenue			
I. Revenue from Operations	2.22	32,05,59,913	46,24,18,795
II. Other Income	2.23	9,18,47,273	6,54,72,243
III. Total Revenue (I+II)		41,24,07,186	52,78,91,038
IV. Expenses			
i) Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.24	78,97,745	3,64,31,906
ii) Purchases of Stock-in-Trade	2.25	9,05,93,492	17,66,49,295
iii) Changes in inventories of Stock-in-Trade	2.26	(24,77,654)	-
iv) Employee Benefits Expense	2.27	9,52,82,059	6,14,60,506
v) Finance Costs	2.28	2,57,08,940	1,09,94,300
vi) Depreciation and Amortisation Expense	2.12	1,94,37,305	2,25,85,318
vii) Other Expenses	2.29	10,25,88,468	10,43,82,387
Total Expenses		33,90,30,355	41,25,03,712
V. Profit Before Tax (III - IV)		7,33,76,831	11,53,87,326
VI. Tax Expense			
(1) Current Tax		2,75,73,921	4,78,72,744
(2) Deferred tax		(48,68,077)	(2,52,78,314)
(3) Taxes relating to prior years		43,75,048	-
VII. Profit for the year (V - VI)		4,62,95,939	9,27,92,896
VIII. Earnings per Equity Share:	2.30		
Face value of share ₹ 10/- (₹ 10/-)			
(1) Basic		0.27	0.57
(2) Diluted		0.26	0.57

Significant Accounting Policies and Notes to Accounts

1 & 2

The Accompanying Notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

Dr. K.A Rethesh
Managing Director
DIN: 01345383

Anjana M.A
Company Secretary

Place : Kochi
Date : 15.11.2019

M.M. Abdul Basheer
Director
DIN:00120916

George Raphael V.P
Chief Financial Officer

As per our separate report of even date attached

For Varma & Varma
Chartered Accountants
Firm No.004532S

Vijay Narayan Govind
(Partner)
Membership No. 203094

INKEL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

(In Rupees)

	Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Tax	7,33,76,831	11,53,87,326
	Adjustments for :		
	Depreciation and Amortisation expense	1,94,37,305	2,25,85,318
	Provision for Doubtful Debts	-	1,37,84,249
	Provision for Doubtful Advances	-	92,53,126
	Intangible asset written off	6,59,375	-
	Provision for Doubtful debts written back	(79,27,755)	-
	Creditors written back	(30,100)	-
	Investments written off	-	7,40,000
	Loss/(Profit) on sale of Assets(Net)	-	1,487
	Interest Income	(6,76,27,473)	(6,16,33,499)
	Finance costs	2,57,08,940	1,09,94,300
	Share of Profit from Seguro-INKEL Consortium LLP	(7,89,896)	(13,01,864)
	Conversion of fixed assets to current assets	78,97,745	3,64,31,906
	Operating profit before Working Capital Changes	5,07,04,972	14,62,42,349
	Changes in Working Capital		
	Adjustments for Increase/Decrease in Operating Assets		
	Trade Receivables	57,57,361	(92,94,296)
	Short term loans and advances	3,02,25,533	(4,75,20,248)
	Other Non-Current Assets	(22,59,33,569)	1,23,96,637
	Inventories	(24,77,654)	-
	Long term Loans and Advances	(17,750)	(4,96,486)
	Other Current Assets	(4,85,71,572)	(2,97,34,456)
		(24,10,17,651)	(7,46,48,849)
	Adjustments for Increase/ Decrease in Operating Liabilities		
	Trade Payables	(5,37,87,182)	7,74,94,004
	Other Current Liabilities	2,64,61,809	19,94,25,385
	Short term Provisions	9,40,695	(10,70,147)
	Long term Provisions	65,57,803	22,90,907
	Other Long Term Liabilities	(8,79,120)	(6,74,370)
		(2,07,05,996)	27,74,65,779
	Cash generated from Operations	(21,10,18,674)	34,90,59,279
	Taxes Paid	(2,90,27,834)	(5,09,97,764)
	Net Cash Generated from Operating activities - (A)	(24,00,46,508)	29,80,61,515
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets including Capital WIP/Capital Advances	(32,35,362)	(1,77,26,580)
	Loans and Advances (given)/repaid	6,14,19,053	2,18,81,979
	Interest received on loans/deposits	6,42,03,638	6,52,08,634
	Proceeds from sale of Fixed assets	-	16,037
	(Investments)/Sale of equity shares/preference shares	(1,00,000)	(25,81,50,206)
	Drawings from Seguro-INKEL Consortium LLP	1,00,00,000	-
	Net Cash Used in Investing activities - (B)	13,22,87,329	(18,87,70,136)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from /(Repayment of) Short term borrowings	70,25,000	(1,03,50,000)
	Share Application Money Received	-	23,72,325
	Share capital amount received	14,62,91,790	-
	Securities Premium amount received	7,31,45,895	-
	Proceeds from Long term borrowings	9,63,04,000	-
	Finance costs paid	(1,96,27,874)	(64,76,265)
	Dividend paid	(5,69,94,200)	(4,89,85,206)
	Dividend Distribution tax paid	(1,17,28,738)	(99,56,540)
	Net Cash Generated from/ (Used in) Financing Activities - (C)	23,44,15,873	(7,33,95,686)

Net increase in Cash and Cash equivalents (A+B+C)	12,66,56,694	3,58,95,693
Cash and Cash equivalents at the beginning of the year	37,71,80,485	34,12,84,792
Cash And Cash Equivalents at the end of the year (See note 2.19)	50,38,37,179	37,71,80,485

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K.A Rethesh
Managing Director
DIN: 01345383

M.M. Abdul Basheer
Director
DIN:00120916

For Varma & Varma
Chartered Accountants
Firm No.004532S

Anjana M.A
Company Secretary

George Raphael V.P
Chief Financial Officer

Vijay Narayan Govind
(Partner)
Membership No. 203094

Place : Kochi
Date : 15.11.2019

INKEL LIMITED

NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2019

NOTE - 2.1 SHARE CAPITAL

(In Rupees)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Equity Share Capital				
Equity Shares of ₹ 10/- (₹ 10/-) each	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10/- (₹ 10/-) each	17,78,14,334	1,77,81,43,340	16,30,27,000	1,63,02,70,000
	17,78,14,334	1,77,81,43,340	16,30,27,000	1,63,02,70,000

2.1.1 Terms/ Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares with a face value of ₹ 10/- (₹ 10/-) each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed/ declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

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

(In Rupees)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
As at the beginning of the financial year	16,30,27,000	1,63,02,70,000	16,30,27,000	1,63,02,70,000
Shares issued during the financial year	1,47,87,334	14,78,73,340	-	-
As at the end of the financial year	17,78,14,334	1,77,81,43,340	16,30,27,000	1,63,02,70,000
Particulars of Shareholders holding more than 5% share in the Company				
Govt. of Kerala - 22.78 % (Previous year 24.84 %)	4,05,00,000	40,50,00,000	4,05,00,000	40,50,00,000
Bismi Holdings Limited - 6.19 % (Previous year 6.75%)	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Shri.Yusuffali M A - 17.02 % (Previous year 15.13 %)	3,02,60,018	30,26,00,180	2,46,66,000	24,66,60,000
Shri.Varghese Kurian - 7.59 % (Previous year 6.75 %)	1,34,94,697	13,49,46,970	1,10,00,000	11,00,00,000
Dr.Mohamed Ali - 5.91 % (Previous year 6.44 %)	1,05,00,000	10,50,00,000	1,05,00,000	10,50,00,000

NOTE - 2.2 RESERVES AND SURPLUS**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Securities Premium		
Opening Balance	-	-
Add: Additions during the year	7,39,36,670	-
Closing balance	7,39,36,670	-
(b) Surplus in statement of profit and loss		
Opening balance	37,24,81,724	33,85,53,468
Add: Profit for the year	4,62,95,939	9,27,92,896
Amount available for appropriation	41,87,77,663	43,13,46,364
Less: Appropriations		
Proposed Dividend		
Final Dividend for 2017-18 paid to equity shareholders @ ₹ 0.35/- per share (Previous year: ₹ 0.30/- per share)	5,70,59,450	4,89,08,100
Dividend Distribution Tax	1,17,28,738	99,56,540
Total Appropriations	6,87,88,188	5,88,64,640
Closing Balance	34,99,89,475	37,24,81,724
Total	42,89,26,145	37,24,81,724

2.2.1 The Board of Directors of the company has proposed final dividend of ₹ 0.20/- (₹ 0.35/-) per share, which is subject to approval by the share holders at the ensuing Annual General Meeting. In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016) proposed dividend for the year and Corporate Dividend Tax thereon has not been recognised as a distribution of profit in the current year's accounts.

NOTE - 2.3 SHARE APPLICATION MONEY PENDING ALLOTMENT**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
Share Capital Advance - Pending Allotment	-	15,81,550
Share Premium Advance - Pending Allotment	-	7,90,775
	-	23,72,325

NOTE - 2.4 LONG-TERM BORROWINGS**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Term Loans from Other parties		
Unsecured (See Note 2.4.1)	1,00,00,000	2,00,00,000
(b) Deposits		
Unsecured (See Note 2.4.2)	10,46,24,000	7,38,43,000
	11,46,24,000	9,38,43,000

2.4.1 The interest free loan was sanctioned under the Assistance to States for developing Export Infrastructure and other Allied Activities (ASIDE) Scheme implemented by Kerala Industrial Infrastructure Development Corporation (KINFRA) as the Nodal Agency for Government of Kerala. The loan is repayable in three annual instalments of ₹ 1,00,00,000 each starting from the fourth year of disbursement, to be paid before 31st March 2019, 31st March 2020 & 31st March 2021 respectively.

Vide letter dated 28th March 2019, the company has requested KINFRA to set-off the first instalment of the above loan amounting to Rs 1,00,00,000 against the amounts agreed to be reimbursed by KINFRA towards expenditure incurred in earlier years for the joint venture company Inkel-Kinfra Infrastructures Private Limited. However, pending final confirmation from KINFRA, the company has not set-off the dues and receivable in the books of account and has presented the loan instalment as "Current maturities of Long Term Debt" in Note 2.10 and the amount receivable from KINFRA amounting to Rs 1,25,36,000 as "Claims receivable" in Note No 2.21 in the Balance Sheet. Based on the above, the management is of the view that the first instalment of the above loan falling due before 31st March 2019 has been fully repaid to KINFRA without any default.

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

Terms of repayment	Cumulative basis		Non-Cumulative basis	
	Rate	Amount	Rate	Amount
Within 1 year - Scheme 1	12.01%	3,51,89,000	11.50%	3,86,54,000
Within 1 year - Scheme 3	10.38%	41,85,000	10.00%	28,40,000
Within 2 years - Scheme 3	10.92%	51,50,000	10.00%	40,09,000
Within 3 years - Scheme 2	10.84%	3,20,93,000	9.50%	3,33,81,000
Within 3 years - Scheme 3	11.49%	1,65,90,000	10.00%	1,34,01,000
Total		9,32,07,000		9,22,85,000

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

NOTE - 2.5 DEFERRED TAX LIABILITIES (NET)**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
A. Deferred Tax Liability		
On excess of net book value over Income tax written down value of Property, Plant & Equipment	3,92,75,897	4,37,11,973
B. Deferred Tax Assets		
On Provisions/other disallowances	93,29,942	88,97,941
Net Deferred Tax Liability	2,99,45,955	3,48,14,032

NOTE - 2.6 OTHER LONG TERM LIABILITIES**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposits	25,43,040	34,22,160
Interest accrued but not due on borrowings	23,14,702	62,29,022
	48,57,742	96,51,182

NOTE - 2.7 LONG-TERM PROVISIONS**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits (See Note-2.31)		
- Provision for Gratuity	35,41,717	5,89,344
- Provision for Leave Encashment	87,58,382	51,52,952
	1,23,00,099	57,42,296

NOTE - 2.8 SHORT TERM BORROWINGS**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
Deposits		
Unsecured (See Note 2.4.2)	70,25,000	-
	70,25,000	-

NOTE - 2.9 TRADE PAYABLES**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
Trade Payables (See Note 2.9.1)		
i. Total outstanding dues of micro enterprises and small enterprises; and	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	6,25,58,045	11,63,75,327
	6,25,58,045	11,63,75,327

2.9.1 The company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006 and the same is in progress. Based on available information, there are no balance outstanding as payable to such suppliers as at the year end. In the opinion of the management there are no amounts paid/payable towards interest under the said statute.

NOTE - 2.10 OTHER CURRENT LIABILITIES**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
Current maturities of Long Term Debt		
- Term Loan (See note 2.4.1)	2,00,00,000	1,00,00,000
- Public Deposit	7,38,43,000	83,20,000
Accounts payable - Capital	-	2,72,043
Interest accrued but not due on borrowings	1,09,98,359	10,02,973
Unpaid dividend	5,58,550	4,93,300
Other payables		
Advances from Customers		
- for Deposit Work	8,84,35,535	20,28,09,056
- Others	10,11,07,411	1,10,40,284
Retention Money payable	4,18,12,531	1,73,00,821
Statutory Dues	2,95,53,521	97,93,906
Security Deposit / Earnest Money Deposit	85,59,878	20,63,000
	37,48,68,785	26,90,95,983

NOTE - 2.11 SHORT-TERM PROVISIONS**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits		
-Provision for Gratuity (See Note 2.31)	14,55,815	9,79,094
-Provision for Leave Encashment (See Note.2.31)	12,61,325	7,97,351
Provision for Income tax	2,75,73,921	4,78,72,744
	3,02,91,061	4,96,49,189

NOTE - 2.13 INTANGIBLE ASSETS UNDER DEVELOPMENT**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
Computer Software	-	6,59,375
	-	6,59,375

NOTE - 2.14 NON-CURRENT INVESTMENTS**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
a) Investments in Equity Instruments (Un-quoted, Trade, at cost)		
i) In Subsidiary Companies		
- INKEL- KSIDC Projects Limited 1,83,23,412 (1,83,23,412) Equity Shares of ₹ 10/- each, fully paid up	18,32,34,120	18,32,34,120
- INKES Trade Centre Limited 37,00,000 (37,00,000) Equity Shares of ₹ 10/- each, fully paid up	3,70,00,000	3,70,00,000
- INKEL-EKK Roads Private Limited 2,01,60,000 (2,01,60,000)Equity Shares of ₹ 10/- each, fully paid up	20,16,00,000	20,16,00,000
- Seguro Foundations and Structures Private Limited 62,02,248 (62,02,248) Equity Shares of ₹ 10/- each, fully paid up	13,81,50,206	13,81,50,206
- Inkel Infrastructure Development Projects Limited 10,000 (Nil) Equity Shares of ₹ 10/- each, fully paid up	1,00,000	-
ii) In Associate Companies		
- MIV Logistics Private Limited 1,18,29,714(1,18,29,714) Equity Shares of ₹ 10/- each, fully paid up	11,82,97,140	11,82,97,140
iii) In Others		
- K V Apartments Private Limited 5,000 (5,000) Equity Shares of ₹ 100/- each, fully paid up	5,00,000	5,00,000
b) Investment in Limited Liability Partnership (LLP) (Un-quoted, Trade, at cost)		
i) In Subsidiary Entity		
- Seguro - INKEL Consortium LLP Investment towards 45% of the capital	4,50,000	4,50,000
Add: Opening balance of Share of Profit from LLP	1,13,43,637	1,00,41,773
Less: Received during the year	(1,00,00,000)	-
Add: Share of Profit from LLP	7,89,896	13,01,864
	25,83,533	1,17,93,637
c) Investment in Preference Instruments (Un-quoted, Trade, at cost)		
i) In Associate Companies		
- MIV Logistics Private Limited 1,60,00,000 (1,60,00,000) optionally convertible preference shares of ₹ 10/- each, fully paid up	16,00,00,000	16,00,00,000
Total investments (a) + (b) + (c)	84,14,64,999	85,05,75,103
Aggregate amount of unquoted investments	84,14,64,999	85,05,75,103

2.14.1**Details of Investment in Seguro- INKEL Consortium LLP**

Particulars	Capital in LLP (In Rupees)	Share of Profit	Share of Capital in LLP
INKEL Limited	4,50,000	50%	45%
Seguro Foundations and Structures Private Limited	5,50,000	50%	55%
Total	10,00,000	100%	100%

Total capital of the LLP is ₹ 10,00,000/- (₹ 10,00,000/-)

NOTE - 2.15 LONG-TERM LOANS AND ADVANCES**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered good)		
Security Deposits	20,57,576	20,39,826
Advance to Related Parties		
- Seguro - INKEL Consortium LLP - Subsidiary Entity	4,70,00,000	5,29,80,223
Capital Advances	1,60,500	-
Income Tax (Net)	4,81,76,350	7,13,96,308
	9,73,94,426	12,64,16,357

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

Particulars	As at 31.03.2019	As at 31.03.2018
Unbilled Revenue		
- Lease Premium Installment	63,92,289	1,33,53,705
Balance with Banks		
- In Fixed Deposit Accounts	23,28,94,985	-
	23,92,87,274	1,33,53,705

2.16.1 Balance with banks in Deposit Accounts include ₹ 7,10,000 (₹ Nil) held with a maturity period of more than 12 months.

2.16.2 Balance with banks in Deposit Account includes ₹ 23,28,94,985 (₹ Nil) held under lien including ₹ 21,75,00,000 (₹ Nil) being cash margin towards Bank Guarantee of ₹ 85,50,00,000 (₹ Nil) provided in favour of National Highway Authority of India on behalf of Calicut Expressway Private Limited.

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

Particulars	As at 31.03.2019	As at 31.03.2018
Land and Building held on long term finance lease		
Opening Balance	-	-
Add: Additions during the year	1,85,02,936	3,64,31,906
Less: Disposed during the year	1,85,02,936	3,64,31,906
Closing Balance	-	-
Stock-in-trade:		
Solar Panel/Inverter	24,77,654	-
	24,77,654	-

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

Particulars	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered Doubtful)		
- Outstanding for a period exceeding six months from the date they were due for payment	58,56,494	87,19,666
Less: Provision for Doubtful Debts	(58,56,494)	(87,19,666)
	-	-
- Others	-	28,59,978
Less: Provision for Doubtful Debts	-	(28,59,978)
	-	-
(Unsecured, Considered good)		
- Outstanding for a period exceeding six months from the date they were due for payment	3,98,55,409	2,59,03,840
- Others (See Note 2.18.1)	12,73,66,675	14,13,52,455
	16,72,22,084	16,72,56,295

2.18.1 Trade Receivables include debts due from:

(In Rupees)

Particulars	Description	As at 31.03.2019	As at 31.03.2018
MIV Logistics Private Limited	Private limited company in which a director of INKEL Limited is a director	2,31,308	1,91,01,160
Kerala Industrial Infrastructure Development Corporation (KINFRA)	Government of Kerala owned Statutory Body in which a director of INKEL Limited is a director	8,96,576	37,69,808
Kerala State Industrial Development Corporation (KSIDC)	Government of Kerala owned private limited company in which a director of INKEL Limited is a director	21,26,128	2,29,897
Kerala Academy for Skills Excellence (KASE)	Government of Kerala owned private limited company in which a director of INKEL Limited is a director	-	5,55,027
Inkel-EKK Roads Private Limited	Private limited company in which a director of INKEL Limited is a director	1,20,09,772	2,20,25,599

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

Particulars	As at 31.03.2019	As at 31.03.2018
Cash on Hand	4,503	3,159
Balance with Banks		
-In Current Accounts	68,19,206	9,07,700
-In Fixed Deposit Accounts	49,70,13,470	37,62,69,626
	50,88,37,179	37,71,80,485

2.19.1 Earmarked Balances:

Balance with banks in current accounts include earmarked balances for unpaid dividend ₹ 5,90,430/- (₹ 5,25,190/-).

Balance with banks in current accounts include earmarked balances of ₹ 35,366/- (₹ 54,244/-) held for specific projects.

2.19.2 Balance with banks in Deposit Accounts include ₹ 63,247/- (₹ 3,17,853/-) held with a maturity period of more than 12 months and

₹ 2,08,35,690/- (₹ 1,19,61,046/-) held against public deposits in pursuance of the requirements of applicable Rules.

2.19.3 Balance with banks in Deposit Account includes ₹ 3,22,54,022/- (₹ 13,85,41,572/-) held under lien.**2.19.4** Balance with banks in Deposit Account includes ₹ 12,40,23,758/- (₹ 18,20,88,703/-) earmarked for specific projects.**NOTE - 2.20 SHORT-TERM LOANS AND ADVANCES****(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
(Unsecured, Considered good)		
-Loans/Advances to related parties:		
IN KEL- KSIDC Projects Ltd- Subsidiary Company	1,49,73,887	32,52,20,310
IN KEL Infrastructure Development Projects Limited- Subsidiary Company	25,65,03,185	-
Seguro - IN KEL Consortium LLP- Subsidiary Entity	25,87,437	42,83,029
-Others:		
Advances recoverable in cash or in kind or for value to be received	12,63,918	13,43,854
Security Deposits/Earnest Money Deposits	64,03,356	20,78,669
Balances with Government Authorities	3,52,428	3,44,564
Advance to Suppliers/Contractors	1,16,15,302	4,57,57,963
Advance to employees	1,54,750	4,90,237
	29,38,54,263	37,95,18,626
(Unsecured, Considered doubtful)		
Advances recoverable in cash or in kind or for value to be received	92,53,126	92,53,126
Less: Provision for doubtful loans/advances	(92,53,126)	(92,53,126)
	-	-
	29,38,54,263	37,95,18,626

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

Particulars	As at 31.03.2019	As at 31.03.2018
Interest accrued on Fixed Deposits	58,63,468	26,34,877
Unbilled Revenue		
-Project Management Consultancy Income	6,10,90,173	-
-Lease Premium Installment	1,72,15,855	2,97,34,456
Less: Provision for Doubtful Debts	-	(22,04,605)
	1,72,15,855	2,75,29,851
Interest accrued on Lease Premium Installment	2,98,204	1,02,960
Claims Receivable (See Note 2.4.1)	1,25,36,000	1,25,36,000
	9,70,03,700	4,28,03,688

INKEL LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2019

NOTE - 2.12

PROPERTY, PLANT & EQUIPMENT

A. TANGIBLE ASSETS

SL. NO.	Particulars	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK AS ON 31.03.2019	NET BLOCK AS ON 31.03.2018
		Opening Balance	Additions/ Adjustments during the year	Deletions/ Adjustments during the year	Closing Balance	Opening Balance	Depreciation/ Amortisation for the year	Deleted during the year	Closing Balance		
1	Freehold Land	34,39,75,816 (33,77,30,042)	- (62,45,774)	- -	34,39,75,816 (34,39,75,816)	- -	- -	- -	34,39,75,816 (34,39,75,816)	34,39,75,816 (33,77,30,042)	
2	Leasehold Land - See Note 2.12.1	9,91,33,773 (11,25,32,211)	18,80,044 -	60,85,960 (1,33,98,438)	9,49,27,857 (9,91,33,773)	10,84,158 (12,25,017)	4,91,343 (9,97,046)	82,46,712 (76,53,897)	8,66,81,145 (9,14,79,876)	9,14,79,876 (10,51,06,285)	
3	Building - See Note 2.12.1	18,07,09,784 (20,02,50,880)	80,97,316 (40,69,822)	1,34,96,097 (2,36,10,918)	17,53,11,003 (18,07,09,784)	91,66,963 (1,02,47,105)	15,33,670 (15,49,736)	3,64,34,653 (2,88,01,360)	13,88,76,350 (15,19,08,424)	15,19,08,424 (18,01,46,889)	
4	Plant & Machinery	3,72,28,982 (3,78,92,540)	10,79,207 (17,25,853)	13,30,319 (23,89,411)	3,69,77,870 (3,72,28,982)	46,07,476 (56,48,481)	3,84,427 (4,20,079)	2,10,00,914 (1,67,77,865)	1,59,76,956 (2,04,51,117)	2,04,51,117 (2,63,43,077)	
5	Furniture and Fittings	1,92,42,456 (1,84,79,568)	3,22,951 (7,62,888)	- -	1,95,65,407 (1,32,42,456)	15,81,206 (20,75,739)	- -	1,51,98,182 (1,36,16,976)	43,67,225 (56,25,480)	56,25,480 (69,38,331)	
6	Office Equipments	36,55,736 (34,61,481)	92,779 (2,20,765)	- (26,520)	37,48,505 (36,55,726)	2,65,558 (3,32,317)	- (25,638)	32,91,603 (30,26,045)	4,56,902 (6,29,681)	6,29,681 (8,02,115)	
7	Computer	86,08,132 (73,38,910)	18,87,673 (13,08,722)	- (39,500)	1,04,95,805 (86,08,132)	13,79,950 (11,87,689)	- (33,157)	83,71,685 (69,91,735)	21,24,120 (16,16,397)	16,16,397 (15,01,707)	
8	Motor Car	32,09,154 (32,09,154)	48,040 -	- -	32,57,194 (32,09,154)	5,56,001 (7,99,919)	- -	19,97,641 (14,41,640)	12,59,553 (17,67,514)	17,67,514 (25,67,433)	
9	Electrical Fittings	65,64,506 (61,04,111)	- (4,80,395)	- -	65,64,506 (65,64,506)	7,43,449 (9,32,532)	- -	44,08,703 (36,65,254)	21,55,803 (28,99,252)	28,99,252 (33,71,389)	
	Total (A)	70,23,28,329 (72,69,98,897)	1,34,08,010 (1,47,94,219)	2,09,12,376 (3,94,64,787)	69,48,29,963 (70,23,28,329)	1,93,84,761 (2,25,08,799)	24,09,440 (30,25,656)	9,89,50,093 (8,19,74,772)	59,58,79,870 (62,03,63,557)	62,03,63,557 (66,45,07,268)	
	B. INTANGIBLE ASSETS										
1	Computer Software	12,05,670 (1,78,432)	- (27,238)	- -	12,05,670 (12,05,670)	52,544 (76,519)	- -	10,80,947 (10,28,403)	1,24,723 (1,77,267)	1,77,267 (2,26,548)	
	Total (B)	12,05,670 (1,78,432)	- (27,238)	- -	12,05,670 (12,05,670)	52,544 (76,519)	- -	10,80,947 (10,28,403)	1,24,723 (1,77,267)	1,77,267 (2,26,548)	
	Grand Total (A) + (B)	70,35,33,999 (72,81,77,329)	1,34,08,010 (1,48,21,457)	2,09,12,376 (3,94,64,787)	69,60,29,633 (70,35,35,999)	1,94,37,305 (2,25,85,316)	24,09,440 (30,25,656)	10,00,31,040 (8,30,03,175)	59,59,99,593 (62,05,30,824)	62,05,30,824 (66,47,33,816)	

2.12.1 Deletions/ Adjustments includes cost of land/ building re-classified as current asset based on management decision to dispose the same as per long term lease agreement.

INKEL LIMITED

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

NOTE - 2.22 REVENUE FROM OPERATIONS

(In Rupees)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Sale of Services		
Income from disposal of land and building (On long term finance lease)	2,08,23,000	7,78,94,200
Income from operating lease	91,59,030	72,09,898
Income from Common Area Maintenance services	76,75,913	67,95,981
Income from Project Management Consultancy services (See Note 2.22.1)	13,84,27,591	14,67,95,892
Share of course fee received	1,06,71,243	1,16,90,202
Lighting system commissioning services	1,09,23,598	41,94,275
Facility Management Service	17,00,622	72,66,198
Operation & Maintenance Income	1,08,00,000	-
Sale of Products		
Sale of lighting/security system	10,93,56,154	19,73,16,360
Income from agriculture	10,22,762	32,55,789
	32,05,59,913	46,24,18,795

2.22.1 Details of Project Management Consultancy services (PMC):

- a. Revenue recognised from PMC contracts :13,84,27,591/- (₹ 14,67,95,892/-)
b. Details of cost incurred for PMC contracts : ₹ 7,97,14,846/- (₹ 5,48,72,708/-)
c. Amount of advances received: ₹ 8,92,72,819/- (₹ 26,18,002/-)
d. Amount of retentions: ₹ 3,13,190/- (₹ 5,82,537/-)

NOTE - 2.23 OTHER INCOME

(In Rupees)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest income	6,76,27,473	6,16,33,499
Guarantee fee income	1,40,27,259	16,61,649
Share of profit from LLP	7,89,896	13,01,864
Provision for Doubtful debts written back	79,27,755	-
Miscellaneous income	14,74,890	8,75,231
	9,18,47,273	6,54,72,243

NOTE - 2.24 COST OF LAND ACQUIRED/BUILDING/AMENITIES CONSTRUCTED AND DISPOSED

(On long term finance lease agreements)

(In Rupees)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Cost of Land	37,14,573	1,24,01,056
Cost of Building/Amenities	41,83,172	2,40,30,850
	78,97,745	3,64,31,906

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

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Solar light	8,88,83,705	17,52,81,463
High mast light	17,09,787	13,67,832
	9,05,93,492	17,66,49,295

NOTE - 2.26 CHANGES IN INVENTORIES OF STOCK-IN-TRADE**(In Rupees)**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Opening Stock-in-Trade	-	-
Closing Stock-in-Trade	24,77,654	-
	(24,77,654)	-

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

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries & Wages	8,74,23,752	5,68,64,755
Contribution to Provident and Other funds	52,49,875	30,53,899
Staff Welfare Expenses	26,08,432	15,41,852
	9,52,82,059	6,14,60,506

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

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest on public deposits	1,51,20,457	1,04,54,882
Other Borrowing costs - Expenses for procurement and administration of Public Deposits	1,05,88,483	5,39,418
	2,57,08,940	1,09,94,300

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

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Expenditure on corporate social responsibility activity (See Note 2.29.1)	1,50,18,716	1,01,50,000
Lighting system commissioning expenses	1,57,52,015	33,32,637
Operation & Maintenance Expense	54,08,348	-
Agricultural expense	20,37,877	62,62,578
Power & Fuel	38,98,508	37,75,461
Rent	43,36,652	33,24,160
Repairs & maintenance		
- Building	10,62,343	27,60,624
- Plant	20,16,122	1,25,053
- Others	22,95,438	37,24,486
Insurance	3,25,187	2,79,494
Payments to the Auditor		
- as auditor	6,00,000	5,00,000
- for taxation matters	2,68,000	1,70,000
- for other services	51,000	35,500
- for reimbursement of expenses	22,981	17,151
Bank charges	1,41,393	1,03,906
Meeting expense	7,96,197	9,14,843
Sitting fee to directors	7,25,000	8,20,591
Consideration for manpower services	57,17,675	1,01,28,433
Advertisement & publicity	40,47,224	29,81,929
Printing and stationery	12,71,220	7,30,788
Professional charges & legal fee	2,02,64,088	1,90,17,895
Rates & Taxes	38,55,466	18,40,190
Water charges	4,58,393	7,27,610
Travelling & Conveyance	82,42,167	65,48,501
Postages, telephone and internet charges	8,84,911	10,39,370
General Expense	21,00,919	7,73,536
Miscellaneous expenses	3,31,253	5,20,276
Investment written off	-	7,40,000
Provision for doubtful advances	-	92,53,126
Provision for doubtful debts	-	1,37,84,249
Intangible asset written off	6,59,375	-
	10,25,88,468	10,43,82,387

2.29.1 Note on Expenditure on corporate social responsibility activities**(In Rupees)**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
i) Gross amount required to be spent during the year	27,32,823	30,19,352
ii) Amount spent during the year		
- Construction/acquisition of any asset	-	-
- on purposes other than above	1,50,18,716	1,01,50,000

NOTE - 2.30 EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Basic:		
Profit after tax for the year as per Statement of Profit and Loss (In ₹)	4,62,95,939	9,27,92,896
Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each (fully paid up)	17,38,21,778	16,30,27,000
Basic Earnings per Share (In ₹)	0.27	0.57
Diluted:		
Profit after tax for the year as per Statement of Profit and Loss (In ₹)	4,62,95,939	9,27,92,896
Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each (fully paid up)	17,55,81,928	16,30,28,878
Diluted Earnings per Share (In ₹)	0.26	0.57

NOTE -2.32

Disclosure of transactions with Related Parties as required by Accounting Standard – 18 on Related Party Disclosures

A. Related parties and nature of relationship

i. INKEL KSIDC Projects Limited	Subsidiary Company
ii. INKEL KINFRA Infrastructure Projects Limited	Subsidiary Company
iii. INKES Trade Centre Limited	Subsidiary Company
iv. INKEL- EKK Roads Private Limited	Subsidiary Company (w.e.f 28-09-2016) □ Jointly Controlled Entity (upto 27-09-2016)
v. Seguro Foundations and Structures Private Limited	Subsidiary Company (w.e.f 01-12-2017) Associate Company (w.e.f. 8-11-2017) (upto 30-11-2017)
vi. MIV Logistics Private Limited	Associate Company
vii. Seguro - INKEL Consortium LLP	Subsidiary Entity (w.e.f 01-12-2017)
viii. Inkel Infrastructure Development Projects Limited (IIDPL)	Jointly Controlled Entity (upto 30-11-2017) Subsidiary Company (w.e.f 27-10-2018)
ix. Key Managerial Personnel Dr. Mohammed Sagheer	Managing Director (w.e.f. 17-08-2017) (upto 28-10-2019)
x. Calicut Expressway Private Limited	Enterprise in which the company has significant influence indirectly through an intermediary (IIDPL)
xi. KMC-INKEL (JV)	Jointly Controlled Operations (w.e.f. 12-12-2018)
xii. Thalikulam PURA Private Limited	Subsidiary Company
xiii. Tirurangadi PURA Private Limited	Subsidiary Company

B. Description of Transactions**(In Rupees)**

Nature of Transaction	Subsidiary/ Associate/ Jointly Controlled Entity	Key Managerial Personnel	Total
Income			
1. Project Management Services			
MIV Logistics Private Limited	-	-	-
	(55,32,222)	-	(55,32,222)
INKEL KSIDC Projects Limited	9,38,128	-	9,38,128
	(2,83,451)	-	(2,83,451)
Seguro- INKEL Consortium LLP	32,90,508	-	32,90,508
	(41,67,285)	-	(41,67,285)
INKEL EKK Roads Private Limited	1,45,30,740	-	1,45,30,740
	(8,89,28,604)	-	(8,89,28,604)
2. Guarantee Commission Received			
Seguro-INKEL Consortium LLP	10,89,784	-	10,89,784
	(16,61,649)	-	(16,61,649)
INKEL EKK Roads Private Limited	1,06,37,475	-	1,06,37,475
	-	-	-
MIV Logistics Private Limited	23,00,000	-	23,00,000
	-	-	-
3. Interest income from Loans/Debentures			
INKEL KSIDC Projects Limited	3,29,93,329	-	3,29,93,329
	(3,07,59,363)	-	(3,07,59,363)
Seguro-INKEL Consortium LLP	63,71,741	-	63,71,741
	(75,99,489)	-	(75,99,489)
INKEL EKK Roads Private Limited	1,64,876	-	1,64,876
	-	-	-
4. Facility Management Services			
INKEL KSIDC Projects Limited	11,79,230	-	11,79,230
	(12,52,247)	-	(12,52,247)
MIV Logistics Private Limited	-	-	-
	(51,74,650)	-	(51,74,650)
5. Expenses Recovered			
MIV Logistics Private Limited	27,70,919	-	27,70,919
	(7,23,557)	-	(7,23,557)
6. Operation & Maintenance Income			
INKEL EKK Roads Private Limited	1,08,00,000	-	1,08,00,000
	-	-	-

Expenses			
1. Remuneration to Managing Director			
Dr. Mohammed Sagheer	-	42,94,530	42,94,530
	-	(27,78,624)	(27,78,624)
Mr. T Balakrishnan	-	-	-
	-	(29,32,356)	(29,32,356)
2. Purchase of Assets			
MIV Logistics Private Limited	-	-	-
	(54,051)	-	(54,051)
3. Project Management Services			
INKES Trade Centre Limited	14,84,651	-	14,84,651
	-	-	-
Loans and Advances			
1. INKEL KSIDC Projects Limited			
- Loan/Advances given	16,00,000	-	16,00,000
	-	-	-
- Loan/Advances recovered	34,15,40,419	-	34,15,40,419
	-	-	-
2. Seguro-INKEL Consortium LLP			
- Loan/Advances given	16,50,000	-	16,50,000
	(12,26,919)	-	(12,26,919)
- Loan/Advances recovered	1,50,60,381	-	1,50,60,381
	(5,04,00,000)	-	(5,04,00,000)
3. INKES Trade Centre Limited			
- Advances given	1,70,000	-	1,70,000
	-	-	-
- Loan/Advances recovered	1,30,000	-	1,30,000
	-	-	-
4. INKEL KINFRA Infrastructure Projects Limited			
- Advances given	-	-	-
	(2,69,093)	-	(2,69,093)
- Loan/Advances transferred	-	-	-
	(2,04,56,383)	-	(2,04,56,383)
5. INKEL EKK Roads Private Limited			
- Loan/Advances given	4,80,00,000	-	4,80,00,000
	-	-	-
- Loan/Advances recovered	4,80,00,000	-	4,80,00,000
	-	-	-
6. Inkel Infrastructure Development Projects Limited			
- Loan/Advances given	22,00,00,000	-	22,00,00,000
	-	-	-
- Expenses Recoverable	3,09,34,903	-	3,09,34,903
	-	-	-
Share of Profit			
1. Seguro-INKEL Consortium LLP	7,89,896	-	7,89,896
	(13,01,864)	-	(13,01,864)
Investments made during the year			
1. Inkel Infrastructure Development Projects Limited	1,00,000	-	1,00,000
	-	-	-
2. Seguro Foundation & Structures Private Limited	-	-	-
	(13,81,50,206)	-	(13,81,50,206)
Investments written off during the year			
1. INKEL KINFRA Infrastructure Projects Limited	-	-	-
	(7,40,000)	-	(7,40,000)

<u>Investments</u>			
1. INKEL KINFRA Infrastructure Projects Limited	-	-	-
	-	-	-
2. INKEL KSIDC Projects Limited	18,32,34,120	-	18,32,34,120
	(18,32,34,120)	-	(18,32,34,120)
3. INKES Trade Centre Limited	3,70,00,000	-	3,70,00,000
	(3,70,00,000)	-	(3,70,00,000)
4. INKEL-EKK Roads Private Limited	20,16,00,000	-	20,16,00,000
	(20,16,00,000)	-	(20,16,00,000)
5. MIV Logistics Private Limited (Including Preference Shares)	27,82,97,140	-	27,82,97,140
	(27,82,97,140)	-	(27,82,97,140)
6. Seguro-INKEL Consortium LLP (Including share of profit)	25,83,533	-	25,83,533
	(1,17,93,637)	-	(1,17,93,637)
7. Seguro Foundations and Structures Private Limited	13,81,50,206	-	13,81,50,206
	(13,81,50,206)	-	(13,81,50,206)
8. Inkel Infrastructure Development Projects Limited	1,00,000	-	1,00,000
	-	-	-
<u>Guarantee given during the year</u>			
1. Calicut Expressway Private Limited	85,50,00,000	-	85,50,00,000
	-	-	-
<u>Guarantee given</u>			
1. MIV Logistics Private Limited	21,79,05,223	-	21,79,05,223
	(22,69,07,083)	-	(22,69,07,083)
2. Seguro-INKEL Consortium LLP	10,48,44,603	-	10,48,44,603
	(11,19,15,500)	-	(11,19,15,500)
3. INKEL-EKK Roads Private Limited	95,17,47,451	-	95,17,47,451
	(87,30,10,562)	-	(87,30,10,562)
4. Calicut Expressway Private Limited	85,50,00,000	-	85,50,00,000
	-	-	-
<u>Shares pledged during the year</u>			
1. INKEL-EKK Roads Private Limited	-	-	-
	(10,32,00,000)	-	(10,32,00,000)
<u>Shares pledged</u>			
1. INKEL-EKK Roads Private Limited	10,32,00,000	-	10,32,00,000
	(10,32,00,000)	-	(10,32,00,000)
<u>Receivables</u>			
1. MIV Logistics Private Limited	2,31,308	-	2,31,308
	(1,91,01,160)	-	(1,91,01,160)
2. INKEL KSIDC Projects Limited	1,51,37,268	-	1,51,37,268
	(33,42,15,809)	-	(33,42,15,809)
3. Seguro-INKEL Consortium LLP	5,18,83,937	-	5,18,83,937
	(5,84,91,376)	-	(5,84,91,376)
4. INKES Trade Centre Limited	11,99,798	-	11,99,798
	(11,59,798)	-	(11,59,798)
5. INKEL-EKK Roads Private Limited	1,20,09,772	-	1,20,09,772
	(2,20,25,599)	-	(2,20,25,599)
6. Inkel Infrastructure Development Projects Limited	25,65,03,185	-	25,65,03,185
	-	-	-

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

NOTE - 2.34

The company is engaged in providing infrastructure facilities and other services in connection with infrastructure projects. In the opinion of the management, this is the only primary reportable segment within the meaning of Accounting Standard-17 notified by the Companies (Accounting Standard) Rules 2006.

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

Particulars	As at 31.03.2019	As at 31.03.2018
a) Corporate guarantee issued in favour of -		
- MIV Logistics Private Limited	21,79,05,223	22,69,07,083
- Seguro-INKEL Consortium LLP	10,48,44,603	11,19,15,500
- INKEL-EKK Roads Private Limited	95,17,47,451	87,30,10,562
b) Performance Guarantee issued in favour of:		
- National Highway Authority of India (NHAI) on behalf of Calicut Expressway Private Limited- secured by cash margin of ₹ 21,75,00,000 and also by equitable Mortgage of 124.12 acres of land at Palakkad and unsold space/ receivables of INKEL Tower II at Angamaly.	85,50,00,000	-
c) Other Counter Guarantees issued in favour of Banks for the guarantees issued by the Banks	47,70,510	7,51,00,000
-KSEB	47,70,510	-
-National highway authority of India(NHAD)	-	4,64,00,000
-Kerala road fund board	-	2,87,00,000
d) Claims towards Building Tax	1,24,78,500	1,18,24,092
e) Letters of credit outstanding	-	3,25,31,900
f) GST on Interest on Lease Premium	20,86,892	-

NOTE - 2.36 Capital Commitments**(In Rupees)**

Particulars	As at 31.03.2019	As at 31.03.2018
	Nil	Nil
Estimated amount of contracts remaining to be executed on capital account and not provided for		

NOTE - 2.37 Remittances in foreign currency**2.37.1. Dividend****(In Rupees)**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Year to which dividend relates	Financial Year 2017-18	Financial Year 2016-17
Amount remitted during the year	77,00,000	66,00,000
Number of non resident shareholders	4	4
Number of shares on which dividend was due	2,20,00,000	2,20,00,000

2.37.2. Other Remittances**(In Rupees)**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Conference Registration Fee and Travelling expenses	-	1,86,155

NOTE - 2.38

The company is in the process of assessing the impact of the recently enacted The Taxation laws amendment ordinance 2019 dated 20/09/2019 applicable for the period after the balance sheet date, the effect of which if any Deferred Tax Asset and Deferred Tax Liability has not been ascertained at this stage.

NOTE - 2.39

Operating Lease: Company as Lessee

The Company has acquired assets under the operating lease agreements that are renewable on a periodic basis at the option of both the lessor and

lessee. Rental expenses are those expenses under those leases debited to statement of profit and loss was Rs.43,36,652/- (Rs 33,24,160/-).

The company has only entered into cancellable lease arrangements.

NOTE - 2.40

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

For and on behalf of the Board of Directors

As per our Separate Report of even date attached

Dr. K.A Rethesh
Managing Director
DIN: 01345383

M.M. Abdul Basheer
Director
DIN:00120916

For Varma & Varma
Chartered Accountants
Firm No.004532S

Anjana M.A
Company Secretary

George Raphael V.P
Chief Financial Officer

Vijay Narayan Govind
(Partner)
Membership No. 203094

Place : Kochi
Date : 15.11.2019

Note No. 2.31 EMPLOYEE BENEFITS

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

2.31.1 Defined Contribution Plans

During the year the company has recognised ₹ 36,54,282/- (₹ 21,45,206/-) as Contribution to Provident Fund, ₹ 9,57,027/- (₹ 6,55,789/-) as Contribution to National Pension Scheme and ₹ 3,54,467/- (₹ 83,152/-) as Contribution to Employee State Insurance in the Statement of Profit and Loss on account of defined contribution plans.

2.31.2 Defined Benefit Plans

Gratuity (Funded)

(i)	Actuarial Assumptions	31 st March 2019	31 st March 2018
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	7.50% p.a.	8.00% p.a.
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Assured Lives Mortality [1994-1996] Ultimate Table	Indian Lives Mortality [1994-1996] Ultimate Table

*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31 st March 2019	31 st March 2018
	Present value of obligation at the beginning of the year	44,42,671	43,42,516
	Current Service Cost	10,32,281	6,17,771
	Interest Cost	3,71,910	3,48,855

	Actuarial gain/(loss)	20,30,959	10,74,106
	Benefits Paid	(1,34,836)	(19,40,577)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	77,42,985	44,42,671

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31st March 2019	31st March 2018
	Fair value of plan assets at the beginning of the year	28,74,233	33,79,365
	Acquisition Adjustments	(68,963)	-
	Expected return on plan assets	2,15,567	2,70,349
	Actuarial gain/(loss)	(1,40,548)	85,876
	Contributions	-	10,79,220
	Benefits paid	(1,34,836)	(19,40,577)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	27,45,453	28,74,233

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March 2019	31st March 2018
	Present value of obligation	77,42,985	44,42,671
	Fair value of plan assets	27,45,453	28,74,233
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	49,97,532	15,68,438

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31 st March 2019	31 st March 2018
	Current Service Cost	10,32,281	6,17,771
	Interest Cost	3,71,910	3,48,855
	Expected return on plan assets	(2,15,567)	(2,70,349)
	Acquisition Adjustment of assets	68,963	-
	Actuarial (gain) /loss recognised in the period	21,71,507	9,88,230
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	34,29,094	16,84,507

Leave Plan (Unfunded)

(i)	Actuarial Assumptions	31 st March 2019	31 st March 2018
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	Not Applicable	Not Applicable
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Assured Lives Mortality [1994-1996] Ultimate Table	Indian Lives Mortality [1994-1996] Ultimate Table

*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31 st March 2019	31 st March 2018
	Present value of obligation at the beginning of the year	59,50,303	53,34,830
	Current Service Cost	43,10,163	16,21,126
	Interest Cost	6,07,903	4,60,904
	Actuarial (gain)/loss	8,11,480	4,93,805
	Benefits Paid	(16,60,142)	(19,60,362)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	1,00,19,707	59,50,303

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 st March 2019	31 st March 2018
	Fair value of plan assets at the beginning of the year	-	-
	Expected return on plan assets	-	-
	Actuarial gain/(loss)	-	-
	Contributions	-	-
	Benefits paid	-	-
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	-	-

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31 st March 2019	31 st March 2018
	Present value of obligation	1,00,19,707	59,50,303
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	1,00,19,707	59,50,303

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31 st March 2019	31 st March 2018
	Current Service Cost	43,10,163	16,21,126
	Interest Cost	6,07,903	4,60,904
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	8,11,480	4,93,805
	Past Service Cost	-	-
	Curtailement cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	57,29,546	25,75,835

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

Note 2.33

1. INKEL Ltd (INKEL) had acquired 65% of shares in the company Seguro Foundations and Structures Private Limited (SFS) on 1st December 2017 and SFS has been functioning as a subsidiary of INKEL since such date. During the financial year 2018-19 certain instances of non-adherence with proper corporate governance systems, as also incompleteness/deficiencies in the financial information furnished by the former management of SFS have been noticed, which are prima facie considered material. Having regard to a forensic study conducted at the instance of INKEL by a firm of financial consultants for the period from 01 January 2017 to 31 January 2019, which has brought out various lapses/irregularities in the functioning of SFS, the Board of INKEL has initiated action including constituting a committee comprising of a director of INKEL, a financial expert and a legal expert to examine the issues raised in detail and give its findings on the extent/impact on the working/state of affairs of the company. Further, as per the findings of this committee, the audited financial statements of SFS for the financial year ended 31st March 2018 and the unaudited financial statements for the year ended 31st March 2019 are to be examined by an independent firm of Chartered Accountants, based on which, INKEL will take necessary measures, including for recovery of losses, if any. Pending resolution of the matters stated above, the financial statements of SFS for the financial year ended 31st March 2019 have not been approved by the Board of Directors of the said company and are subject to audit by that company's auditors.

As per the unaudited financial statements of the said company, for the financial year ended 31st March 2019, the Net loss disclosed amounting to Rs 20,35,06,934/- is significantly higher than the Net loss for the preceding year ended 31st March 2018 which amounted to Rs 5,65,20,338/-. The increase in net loss as above, is prima-facie attributable to a material reduction of Rs 20,24,83,497/- in the amount of "Unbilled Revenue" recognised in the accounts of SFS as Current Assets as at 31st March 2019 as compared to that on 31st March, 2018 in the previous year. The effect/impact of various adjustments, if any, that may be necessary arising out of the findings of the Committee and the review by the independent firm of Chartered Accountants as stated above, in the accounts of the financial year ended 31st March 2019, as well as to those relating to the previous year ended 31st March 2018, which are being subject to independent review as stated above, are not ascertainable at this stage and hence have not been incorporated in the accounts of the said subsidiary company for the respective years, but, will be appropriately dealt with on receipt of the concerned reports.

Based on the unaudited financial statements as at 31st March 2019, the net worth of SFS has turned to be negative at Rs.19,83,105/- as against the positive net worth of Rs 20,15,23,829/- as per the audited financial statements as at 31st

March 2018 and the net asset value of the shares of SFS as per the unaudited books of the company as at 31st March 2019 is deficit (-) Rs 12,89,018/- (Previous year Rs 13,09,90,489/-) against the carrying cost of investment in shares of the company in the accounts of INKEL as on the said date amounting to Rs 13,81,50,206/-.

However, the value of the above investment based on the estimated realisable value of assets in SFS assessed by an independent chartered engineer engaged by INKEL amounted to Rs 5,29,66,782/- which is also lower than the carrying cost of investment as per books by Rs 8,51,83,424/- which, however, in the opinion of the management does not reflect the real value of those assets of SFS. INKEL has obtained another valuation by an independent firm of Chartered Accountants, as approved by the Board of INKEL, who has valued the net worth of the company based on the estimates of projected profits and cash flows determined having regard to the increase in value of contracts actually received by SFS and expectations of improved operations over the future five years, as per which the net worth has been valued at Rs.19,48,77,000/- as on 31st March, 2019. Accordingly, the management of INKEL is of the opinion that there is no permanent diminution in the value of investments in the subsidiary company, SFS as per AS-13 (Accounting for Investments) and hence no adjustments for reduction in value has been made in the accounts towards the same.

2. a) As per audited financial statements of the following subsidiary companies and an associate of INKEL, the net worth of these companies as at 31st March 2019 continues to be eroded, although not turned negative, which has resulted in value of the shares as per books of the respective companies having values lower than the cost of investments in equity shares are shown hereunder:

Name of company	Nature of relationship	Amount in Rs			
		Carrying cost of investment as per books of INKEL		Share of Net Asset Value as per books of the respective company	
		As at 31 st March 2019	As at 31 st March 2018	As at 31 st March 2019	As at 31 st March 2018
i) INKEL-KSIDC Projects Limited (INKID)	Subsidiary	18,32,34,120	18,32,34,120	10,48,90,675	10,41,74,731

ii) INKES Trade Centre Limited (INKES)	Subsidiary	3,70,00,000	3,70,00,000	3,21,13,417	3,27,72,869
iii) MIV Logistics Private Limited (MIV)	Associate	11,82,97,140	11,82,97,140	1,61,61,121	1,11,26,850

- b) Further, as per the financial statements of MIV ((a)(iii) referred to above) as at 31st March 2019, the said company is holding investments in equity shares amounting to Rs 2,69,13,510/- in its associate company viz. Seabird Seaplane Private Limited (Seabird) and has outstanding loans and advances given by MIV to the said company amounting to Rs 3,01,84,659/- (excluding interest not charged in accounts). Seabird has not commenced any commercial operations since its inception in 2012 and insolvency resolution process has been initiated against that company before National Company Law Tribunal (NCLT). Pending resolution of the said proceedings and in the absence of a proper valuation of the assets of Seabird, MIV has not recognised any loss in the carrying cost of investments or loans receivable in its books, which if fully adjusted/provided for, would have a further impact of the Net Worth of MIV becoming lower to the extent of Rs 5,70,98,169/-, with consequential reduction in the net asset value of shares of MIV.
- c) Based on the valuation of the assets (including lease hold land) of the above subsidiaries and associate companies carried out by independent chartered engineers engaged by the respective companies, and improved plans for future operations as approved by the Board of INKEL, the management is of the opinion that there is no permanent diminution in value of such investments to be adjusted/provided for at this stage in the accounts of Inkel at this stage as at 31st March 2019, as per AS-13 (Accounting for Investments).

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31stMARCH 2019

1. **Significant Accounting Policies**

a. **Basis of Accounting**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. **Use of Estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known /materialized.

c. **Tangible Assets (Property, Plant and Equipment)**

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

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

Land acquired on long term lease arrangements that are in the nature of financial leases are classified under Fixed Assets and amortised over the

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31stMARCH 2019

lease period. Buildings constructed on such land are capitalised and depreciated as per company's accounting policy. Such land and building are reclassified and treated as Current Assets (at Net Book Value) when the decision to dispose under long-term finance leases is conclusively taken by the management.

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

d. **Intangible Assets**

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

e. **Depreciation/ Amortisation**

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

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

f. **Government Grant/Subsidies**

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

Grants and Subsidies, specifically identifiable with capital assets other than depreciable assets, are credited to the carrying cost of the respective asset.

Grants/Subsidies in the nature of revenue are recognized as income over the period necessary to match them with the related costs which they are intended to compensate.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31stMARCH 2019

g. **Investments**

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

h. **Revenue Recognition**

Revenue arising on disposal of current assets under long-term lease arrangements that are in nature of financial leases is recognised in the year in which the lease agreements are entered into.

Proportionate income during the period of license agreement and income from other arrangements which are in the nature of operating leases, are recognized as income in the respective years.

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

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

i. **Inventories**

Inventories of Land and Building/amenities includes the cost of purchase, development costs, construction costs, overheads and is valued at lower of cost identified on specific identification method and net realisable value.

Inventories of Stock in trade is valued at Lower of Cost, identified on specific identification method or net realisable value.

j. **Employee Benefits**

i. **Short Term Employee Benefits**

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

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR
THE FINANCIAL YEAR ENDED 31stMARCH 2019**

ii. Defined Contribution Plans

The company has defined contribution plans for employees comprising of Provident Fund, Employee's State Insurance and National Pension Scheme. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

iii. Defined Benefit Plans: Gratuity (Funded) & Long-term employee benefits: Compensated absences (Unfunded).

a) Gratuity

The company makes contributions to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any, and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

b) Compensated absences

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

iv. Termination Benefits

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

k. **Income Tax**

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Deferred Tax assets/ liabilities representing timing differences between accounting income and taxable income are recognised

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31stMARCH 2019

to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

l. **Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities other than forward contracts, outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the said date. The exchange gain/loss arising during the year are adjusted to the Statement of Profit and Loss.

m. **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. Other borrowing costs are recognized as expenditure for the period in which they are incurred.

n. **Earnings per share**

Basic/ diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/ dilutive potential equity shares outstanding as at the end of the year as the case may be.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31stMARCH 2019

o. Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss if any is recognized in the Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

p. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation.

Contingent assets are neither recognized nor disclosed in the accounts.

INDEPENDENT AUDITOR'S REPORT

To the Members of Inkel Limited,
Kochi

Report on the Audit of the Consolidated Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated financial statements of INKEL Limited (hereinafter referred to as the “Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group) and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss, and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the “Consolidated Financial Statements”).

We do not express an opinion on the aforesaid consolidated financial statements of the group and its associates. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

As stated in Note No 2.38.1 to the consolidated financial statements, certain instances of non-adherence with proper corporate governance systems, as also incompleteness/deficiencies in the financial information furnished by the subsidiary company Seguro Foundations and Structures Private Limited (SFS) have been identified, which are prima facie considered material and are being independently examined as stated therein. Pending resolution of the matters, the financial statements of the subsidiary company for the financial year ended 31st March 2019 have not been approved by the Board of Directors of the said company and are subject to audit by that company's auditors.

Based on the unaudited financial statements of SFS, the consolidated financial statements of the Group and its associate reflects total assets of Rs. 54,89,55,826/- (11.38% of Group's total assets) and net assets of Rs. (-) 19,83,105/- (-0.09% of Group's net assets) as at March 31, 2019, total revenues including other income of Rs. 39,06,52,198/- (34.96% of Group's total revenues), net loss of Rs. 20,35,06,934/- (181.01 % of Group's total loss) and net cash inflows amounting to Rs. 53,14,918/- (3.48% of Group's cash inflows) for the year then ended in relation to the said subsidiary company. The impact of further adjustments, if any, that may be necessary in these financial statements, as well as those relating to earlier year(s), which are being subject to independent review cannot be ascertained at this stage.

We are unable to obtain sufficient appropriate audit evidence on which to base our opinion regarding the group's and its associate's share of total assets, net assets, total revenues, net loss and net cash inflows in respect of the subsidiary company, Seguro Foundations and Structures Private Limited for the year ended 31st March 2019; as well as regarding the impact of further changes, if any, that may be necessary based on the outcome of the independent reviews as stated above, the possible effects of which on the consolidated financial statements could be both material and pervasive and forms the basis for the Disclaimer of Opinion.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion paragraph of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Companies Act, 2013 that are relevant to our audit of the consolidated financial statements in India under the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies act, 2013.

Emphasis of Matter

We draw attention to Note No 2.38.2 to the Consolidated Financial Statements which states that based on valuation of the assets of the subsidiary companies INKEL-KSIDC Projects Limited and INKES Trade Centre Limited, as well as of the associate company MIV Logistics Private Limited (which includes

investments in equity shares in and loans and advances granted to an associate company of MIV Logistics Private Limited, viz. Seabird Seaplane Private Limited (Seabird) which has not commenced any commercial operations since its inception in 2012 and insolvency resolution process has been initiated before National Company Law Tribunal), carried out by independent chartered engineers as at 31st March 2019 engaged by the respective companies and plans for improved future operations as approved by the Board of INKEL Ltd., the management is of the opinion that although there is some erosion in the net worth of these companies as per financial statements, there is no impairment in the carrying value of the Group's share of total assets in these companies to be recognised at this stage.

For the reasons stated in the Basis for Disclaimer of Opinion section of our report, we have not expressed an opinion on the aforesaid consolidated financial statements.

Other Matters

a) We did not audit the financial statements/financial information of the four subsidiaries viz. INKID, INKES, INKEL-EKK, IIDPL and one subsidiary entity viz INKEL Seguro LLP whose financial statements /financial information reflect total assets of Rs. 2,50,74,10,183/- and net assets of Rs.60,02,06,610/- as at March 31, 2019, total revenues of Rs. 50,80,81,521/- and net cash outflow amounting to Rs.1,45,64,607/- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 37,00,953/- for the year ended 31st March, 2019 as considered in the consolidated financial statements, in respect of one associate company viz. MIV Logistics Private Limited (which includes its share of results of operations in an associate viz. Seabird Seaplane Private Limited) as stated in the Consolidated Financial Statements, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors. The auditors of the associate

enterprise MIV Logistics Private Limited have stated in their report that the financial statements of Seabird Seaplane Private Limited have not been audited.

- b) As stated in Note No 1.b.ii to the Consolidated Financial Statements, the Holding Company had written off the book value of investments in certain subsidiary companies viz Thalikulam PURA Private Limited, Tirurangadi PURA Private Limited and Inkel - Kinfra Infrastructure Projects Limited, the effect of which is not considered to be material.
- c) As stated in Note No 2.38.3, in the absence of financial statements/ financial information, the consolidated financial statements do not reflect the share of the results of operations as per AS 23 –‘Accounting for investment in Associates’ relating to investments made by the wholly owned subsidiary company Inkel Infrastructure Development Projects Limited in its associate M/s Calicut Expressway Private Limited, the impact of which is not expected to be material.

For the reasons stated in the Basis for Disclaimer of Opinion section of our report, we have not expressed an opinion on the aforesaid consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) As described in the Basis for Disclaimer of Opinion paragraph, we were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) On account of the matters stated in the Basis for Disclaimer of Opinion paragraph above, we are unable to state whether proper books of account as required by law have been kept by the Group and its associate so far as appears from our examination of those books;
 - (c) For the reasons stated in the Basis for Disclaimer of Opinion paragraph above, we are unable to state whether the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of

preparation of the consolidated financial statements;

- (d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, we are unable to state whether the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matter described in Basis for Disclaimer of Opinion paragraph above, may, in our opinion, have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of four subsidiary companies and the associate company, none of the directors of the Group companies and its associate, is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act. In the absence of relevant information regarding the subsidiary company SFS, we are unable to comment on whether the directors of the said company are disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial control over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”;
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position in the consolidated financial statements – Refer Note No 41. However, in view of the matters reported in the Basis for Disclaimer of Opinion paragraph above, we are unable to comment on whether the impact of the same has been fully disclosed in the consolidated financial statements;

- ii. Based on our audit of the holding company and the reports issued by statutory auditors of four subsidiaries and the associate company, the Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts, other than in respect of the subsidiary company INKES Trade Centre Limited which has made provision as required under the applicable law or Accounting Standards in respect of the same. In view of the matters reported in the 'Basis for Disclaimer of Opinion' paragraph above, we are unable to comment on the existence of any material foreseeable losses on long-term contracts including derivative contracts in respect of the subsidiary company SFS;
- iii. Based on our audit of the holding company and the reports issued by statutory auditors of four subsidiaries and the associate company, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate in respect of these companies. In view of the matters reported in the Basis for Disclaimer of Opinion paragraph above, we are unable to comment on whether there were any amounts which were required to be transferred to the Investor Education and Protection Fund in respect of the subsidiary company SFS.

Place: Kochi-19

Date:

“ANNEXURE A” REFERRED TO IN PARAGRAPH 1(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INKEL LIMITED, ITS FIVE SUBSIDIARY COMPANIES AND ASSOCIATE COMPANY INCORPORATED IN INDIA FOR THE YEAR ENDED 31ST MARCH 2019

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

We were engaged to audit the internal financial control systems with reference to financial statements reporting of Inkel Limited (“hereinafter referred to as “the Holding Company”) and its five subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group) and its associate, which are companies incorporated in India, as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Group and its associate for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Group’s and its associate's internal financial control systems with reference to financial statements reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the

Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Group and its associate.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

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

Disclaimer of Opinion

As stated in Note No 2.38 of the consolidated financial statements, the financial statements of a material component of the Group- Seguro Foundations and Structures Private Limited (SFS) for the financial year ended 31st March 2019 have not been approved by the Board of Directors of the said company and is subject to audit by SFS's auditors. Accordingly, we are not able to determine if the Group and its associate has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial

statements of the Group and its associate, and the disclaimer has affected our opinion on the consolidated financial statements of the Group and its associate and we have issued a disclaimer of opinion on the consolidated financial statements.

Place: Kochi-19

Date:

INKEL LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Note No.	As at 31-03-2019 (In Rupees)	As at 31-03-2018 (In Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2.1	1,77,81,43,340	1,63,02,70,000
(b) Reserves and surplus	2.2	14,98,30,203	19,81,77,700
(2) Minority Interest			
	2.3	16,03,95,440	21,93,25,312
(3) Share Application Money Pending Allotment			
	2.4	-	23,72,325
(4) Non - Current Liabilities			
(a) Long -Term borrowings	2.5	1,33,87,85,944	98,06,55,499
(b) Deferred Tax Liabilities (Net)	2.6	2,99,45,955	3,48,12,690
(c) Other Long -Term Liabilities	2.7	2,01,18,769	8,32,68,511
(d) Long - Term Provisions	2.8	1,49,38,723	91,07,462
(5) Current Liabilities			
(a) Short - Term Borrowings	2.9	64,07,60,817	46,33,95,961
(b) Trade Payables	2.10		
i. Total outstanding dues of micro enterprises and small enterprises		-	5,73,745
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		18,61,78,293	26,02,49,858
(c) Other Current Liabilities	2.11	46,30,32,715	35,97,71,250
(d) Short - Term Provisions	2.12	4,03,83,065	6,85,90,935
TOTAL		4,82,25,13,264	4,31,05,71,248
II. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment			
i. Tangible Assets	2.13	1,10,96,67,436	1,14,81,63,652
ii. Intangible Assets	2.13	1,24,723	1,77,267
iii. Capital Work - In - Progress	2.14	1,05,98,463	3,37,19,732
iv. Intangible Assets under Development	2.15	-	6,59,375
(b) Goodwill on Consolidation	2.42	6,08,941	6,08,941
(c) Non - Current Investments	2.16	19,63,19,990	19,09,69,173
(d) Deferred Tax Assets (Net)	2.17	1,95,34,067	2,01,99,076
(e) Long -Term Loans and Advances	2.18	12,03,29,651	14,76,47,896
(f) Other Non-Current Assets	2.19	1,52,94,18,190	1,39,09,69,617
(2) Current Assets			
(a) Inventories	2.20	1,31,59,989	3,14,20,302
(b) Trade Receivables	2.21	68,90,20,068	40,99,60,333
(c) Cash and Cash Equivalents	2.22	57,06,09,929	41,80,91,161
(d) Short - Term Loans and Advances	2.23	34,57,30,455	12,38,17,043
(e) Other Current Assets	2.24	21,73,91,362	39,41,67,680
TOTAL		4,82,25,13,264	4,31,05,71,248

Significant Accounting Policies and Consolidated Notes to Accounts
The Accompanying notes are an integral part of the financial statements

1&2

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K.A Rethesh
Managing Director
DIN: 01345383

M.M. Abdul Basheer
Director
DIN:00120916

For Varma & Varma
Chartered Accountants
Firm No.004532S

Anjana M.A
Company Secretary

George Raphael V.P
Chief Financial Officer

Vijay Narayan Govind
(Partner)
Membership No. 203094

Place : Kochi
Date : 15.11.2019

INKEL LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Note No.	For the year ended 31-03-2019 (In Rupees)	For the year ended 31-03-2018 (In Rupees)
Revenue			
I. Revenue from Operations	2.25	1,02,35,44,614	1,91,30,32,816
II. Other Income	2.26	9,38,17,408	4,78,78,921
III. Total Revenue (I+II)		1,11,73,62,022	1,96,09,11,737
IV. Expenses:			
Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.27	2,61,08,890	4,80,31,462
Purchases of Stock-in-Trade	2.28	12,04,18,719	17,66,49,295
Changes in Inventories of Stock-in-Trade	2.29	1,82,60,313	(2,11,05,461)
Operating, Works Contract and Project Expenses	2.30	52,51,52,620	1,19,04,68,404
Employee Benefits Expense	2.31	12,30,98,617	8,04,82,077
Finance costs	2.32	20,85,83,402	9,78,22,816
Depreciation and Amortisation Expense	2.13	5,55,26,035	4,67,11,742
Other Expenses	2.33	12,75,52,560	12,47,38,998
Total Expenses		1,20,47,01,156	1,74,37,99,333
V. Profit/(Loss) Before Tax (III - IV)		(8,73,39,134)	21,71,12,404
VI. Tax Expense:			
(1) Current tax		2,86,15,690	5,06,90,310
(2) Tax relating to prior years		43,75,048	-
(3) Deferred tax		(42,03,068)	(2,74,65,480)
VII. Profit/(Loss) for the year before Minority Interest, Share in Net Profit/ (Loss) of Associate (V-VI)		(11,61,26,804)	19,38,87,574
VIII. Share of Profit/ (Loss) of Associate Company		37,00,953	-
IX. Profit/ (Loss) for the year (VII+VIII)		(11,24,25,851)	19,38,87,574
X. Profit/ (Loss) attributable to			
Owners of the Company		(5,28,01,892)	17,89,03,615
Minority Interest		(5,96,23,959)	1,49,83,959
		(11,24,25,851)	19,38,87,574
XI. Earnings per Equity Share:	2.34		
Face value of share ₹ 10/- (₹ 10/-)			
(1) Basic		(0.30)	1.10
(2) Diluted		(0.30)	1.10

Significant Accounting Policies and Consolidated Notes to Accounts 1 & 2
The Accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K.A Rethesh
Managing Director
DIN: 01345383

M.M. Abdul Basheer
Director
DIN:00120916

For Varma & Varma
Chartered Accountants
Firm No.004532S

Anjana M.A
Company Secretary

George Raphael V.P
Chief Financial Officer

Vijay Narayan Govind
(Partner)
Membership No. 203094

Place : Kochi
Date : 15.11.2019

INKEL LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2019

(In Rupees)

	Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Taxation and exceptional items	(8,73,39,134)	21,71,12,404
	Adjustments for :		
	Depreciation and Amortisation	5,55,26,035	4,67,11,742
	Provision for Doubtful Debts	-	1,37,84,249
	Provision for Doubtful Advances	-	92,53,126
	Intangible asset written off	6,59,375	-
	Provision for Doubtful debts written back	(79,27,755)	-
	Creditors written back	(62,03,296)	-
	Interest Income	(4,36,36,423)	(4,31,38,250)
	Interest Expense	20,85,83,402	9,78,22,816
	Share of (Profit)/Loss from A V Associates	136	959
	Conversion of fixed assets to current assets	2,61,08,890	4,80,31,462
	Operating profit before Working Capital Changes	14,57,71,230	38,95,78,508
	Changes in Working Capital		
	Adjustments for (Increase)\Decrease in Operating Assets		
	Trade Receivables	(27,33,36,587)	(4,17,689)
	Increase in Inventories	1,82,60,313	(2,11,05,461)
	Short term loans and advances	(22,19,13,412)	3,61,46,193
	Other Current Assets	19,15,17,821	(8,42,67,262)
	Long term Loans and Advances	(56,38,816)	2,57,51,943
	Other Non Current Assets	(14,31,33,826)	(96,17,83,231)
		(43,42,44,507)	(1,00,56,75,507)
	Adjustments for increase (Decrease) in Operating Liabilities		
	Trade Payables	(6,84,42,015)	10,25,45,123
	Other Current Liabilities	(1,39,21,576)	14,23,15,096
	Short term Provisions	11,04,790	(9,40,421)
	Long term Provisions	58,31,261	28,61,795
	Long Term Liabilities	(6,31,49,742)	4,40,30,108
		(13,85,77,282)	29,08,11,701
	Cash generated from Operations	(42,70,50,559)	(32,52,85,298)
	Taxes Paid	(3,58,20,489)	(5,43,89,904)
	Net Cash Used in Operating activities - (A)	(46,28,71,048)	(37,96,75,202)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment including Capital WIP	(2,03,97,440)	(10,77,01,526)
	Proceeds from sale of Property, Plant and Equipment	1,345	16,037
	(Investments)/Sale of Equity shares/Preference Shares	(16,50,000)	(13,81,50,206)
	Interest received on deposits	4,24,19,431	4,26,79,069
	Net Cash Used in Investing activities - (B)	2,03,73,336	(20,31,56,626)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend paid	(5,69,94,200)	(4,89,85,206)
	Dividend distribution tax paid	(1,17,28,738)	(99,56,540)
	Share application money received	-	23,72,325
	Proceeds from issue of shares	14,62,91,790	-
	Interest paid	(19,82,75,687)	(9,72,01,711)
	Securities Premium	7,31,45,895	-
	Proceeds from Short Term Borrowings	17,73,64,856	18,76,34,359
	Proceeds from Borrowings	46,52,12,564	56,81,55,507
	Net Cash Generated By Financing Activities - (C)	59,50,16,480	60,20,18,734

INKEL LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2019

(In Rupees)

Particulars	For the Year ended 31-03-2019	For the Year ended 31-03-2018
Net increase in Cash and Cash equivalents(A+B+C)	15,25,18,768	1,91,86,906
Cash and Cash equivalents at the beginning of the year	41,80,91,161	39,89,04,255
Closing Cash And Cash Equivalents at the end of the year (See note 2.22)	57,06,09,929	41,80,91,161

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K.A Rethesh
Managing Director
DIN: 01345383

M.M. Abdul Basheer
Director
DIN:00120916

For Varma & Varma
Chartered Accountants
Firm No.004532S

Anjana M.A
Company Secretary

George Raphael V.P
Chief Financial Officer

Vijay Narayan Govind
(Partner)
Membership No. 203094

Place : Kochi
Date : 15.11.2019

INKEL LIMITED
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2019

NOTE - 2.1 SHARE CAPITAL

(In Rupees)

Particulars	As at 31-03-2019		As at 31-03-2018	
	Number of Shares	Amount	Number of Shares	Amount
SHARE CAPITAL				
Authorised Equity Share Capital				
Equity Shares of ₹ 10/- (₹ 10/-) each	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10/- (₹ 10/-) each	17,78,14,334	1,77,81,43,340	16,30,27,000	1,63,02,70,000
	17,78,14,334	1,77,81,43,340	16,30,27,000	1,63,02,70,000

2.1.1 Terms/ Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares with a face value of ₹ 10/- (₹ 10/-) each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed/ declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

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

(In Rupees)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
As at the beginning of the financial year	16,30,27,000	1,63,02,70,000	16,30,27,000	1,63,02,70,000
Shares issued during the financial year	1,47,87,334	14,78,73,340	-	-
As at the end of the financial year	17,78,14,334	1,77,81,43,340	16,30,27,000	1,63,02,70,000
Particulars of Shareholders holding more than 5% share in the Company				
Govt. of Kerala - 22.78 % (Previous year 24.84 %)	4,05,00,000	40,50,00,000	4,05,00,000	40,50,00,000
Bismi Holdings Limited - 6.19 % (Previous year 6.75%)	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Shri.Yusuffali M A - 17.02 % (Previous year 15.13 %)	3,02,60,018	30,26,00,180	2,46,66,000	24,66,60,000
Shri.Varghese Kurian - 7.59 % (Previous year 6.75 %)	1,34,94,697	13,49,46,970	1,10,00,000	11,00,00,000
Dr.Mohamed Ali - 5.91 % (Previous year 6.44 %)	1,05,00,000	10,50,00,000	1,05,00,000	10,50,00,000

INKEL LIMITED
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2019

NOTE - 2.2 RESERVES AND SURPLUS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
(a) Securities Premium		
Opening Balance	-	-
Add: Additions during the year	7,39,36,670	-
Closing balance	7,39,36,670	-
(b) Surplus in statement of profit and loss		
Opening Balance	16,92,05,317	4,54,40,534
Add: Profit/(Loss) for the year	(5,28,01,892)	17,89,03,615
Amount available for appropriation	11,64,03,425	22,43,44,149
Less: Appropriations		
Final Dividend for 2017-18 paid to equity shareholders @ ₹ 0.35/- per share (Previous year: ₹ 0.30/- per share)	5,70,59,450	4,89,08,100
Dividend Distribution Tax	1,17,28,738	99,56,540
Total Appropriations	6,87,88,188	5,88,64,640
	12,15,51,907	16,54,79,509
Less: Minority Interest adjusted (as per contra)	6,94,087	-
Add: Adjusted against majority interest (as per contra)	-	37,25,808
Closing Balance	12,08,57,820	16,92,05,317
Capital Reserve(transfer of intercompany loan receivable from KINFRA)	1,51,37,723	1,51,37,723
Capital Reserve on Consolidation	1,38,34,660	1,38,34,660
	14,98,30,203	19,81,77,700

2.2.1 The Board of Directors of the company has proposed final dividend of ₹ 0.20/- (₹ 0.35/-) per share, which is subject to approval by the share holders at the ensuing Annual General Meeting. In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016) proposed dividend for the year and Corporate Dividend Tax thereon has not been recognised as a distribution of profit in the current year's accounts.

NOTE - 2.3 MINORITY INTEREST

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Share Capital	18,94,36,274	18,94,36,274
Add: Share of accumulated reserves	2,98,89,038	1,30,37,667
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss	(5,96,23,959)	1,49,83,959
Less: Transfer to goodwill on acquisition by majority interest (as per contra)	-	(2,74,560)
Add: Adjustment towards transfer of intercompany loan receivable from KINFRA	-	53,18,660
Add: Adjusted against majority interest (as per contra)	6,94,087	-
Less: Adjusted against majority (as per contra)	-	37,25,808
Closing Balance	16,03,95,440	21,93,25,312

NOTE - 2.4 SHARE APPLICATION MONEY PENDING ALLOTMENT

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Share Capital Advance - Pending Allotment	-	15,81,550
Share Premium Advance - Pending Allotment	-	7,90,775
	-	23,72,325

NOTE - 2.5 LONG TERM BORROWINGS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Term Loans (Secured)		
From Banks		
Term loan from State Bank of India (See Note 2.5.1 & 2.5.2)	78,59,54,069	48,32,30,646
Term loan from Corporation Bank (See Note 2.5.1)	42,49,33,493	38,97,79,916
Term loan ICICI Bank - Vehicle Loan (See Note 2.5.5)	-	2,98,111
Term loan ICICI Bank - Machinery Loan (See Note 2.5.5)	-	16,64,071
From other parties		
Unsecured (See Note 2.5.3)	1,00,00,000	2,00,00,000
Deposits		
Unsecured (See Note 2.5.4)	10,46,24,000	7,38,43,000
Loans and advances from related parties		
From Directors (In case of Seguro Foundations and Structures Private Limited)		
Unsecured	1,32,74,382	1,18,39,755
	1,33,87,85,944	98,06,55,499

2.5.1 In case of the subsidiary company INKEL-EKK Roads Private Limited : Term Loan is availed on hypothecation of the assets of the company.

2.5.2 In case of the subsidiary company INKEL - KSIDC PROJECTS LIMITED, State Bank of India has sanctioned a Term Loan of ₹ 30,00,00,000/-. The details of terms of repayment for the long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security	As at 31-03-2019	As at 31-03-2018
Term loan from bank:			
State Bank of India (Including current maturities of Long term borrowings)	To be repaid in 72 monthly installments	30,00,00,000	-

Security : Equitable Mortgage of 15 Acres of Land at Angamaly - Re. Sy . No- 266/5 in Block No-11 , Sy. No-165/3 , A, B, C - Lease deed No 2464/2010 of Angamaly Sub Registry Office - Value of Land amounting to Rs.37.80 Crores

Interest rate : 9.50% - MCLR + 0.95%

Repayment Period - 72 Months

2.5.3 The above interest free loan was sanctioned under the Assistance to States for developing Export Infrastructure and other Allied Activities (ASIDE) Scheme implemented by Kerala Industrial Infrastructure Development Corporation (KINFRA) as the Nodal Agency for Government of Kerala. The loan is repayable in three annual instalments of ₹ 1,00,00,000 each starting from the fourth year of disbursement, to be paid before 31st March 2019, 31st March 2020 & 31st March 2021 respectively.

Vide letter dated 28th March 2019, the company has requested KINFRA to set-off the first instalment of the above loan amounting to Rs 1,00,00,000 against the amounts agreed to be reimbursed by KINFRA towards expenditure incurred in earlier years for the joint venture company Inkel-Kinfra Infrastructures Private Limited. However, pending final confirmation from KINFRA, the company has not set-off the dues and receivable in the books of account and has presented the loan instalment as "Current maturities of Long Term Debt" in Note 2.11 and the amount receivable from KINFRA amounting to Rs 1,25,36,000 as "Claims receivable" in Note No 2.24 in the Balance Sheet. Based on the above, the management is of the view that the first instalment of the above loan falling due before 31st March 2019 has been fully repaid to KINFRA without any default.

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

Terms of Repayment	Cumulative basis		Non-Cumulative basis	
	Rate	Amount	Rate	Amount
Within 1 year - Scheme 1	12.01%	3,51,89,000	11.50%	3,86,54,000
Within 1 year - Scheme 3	10.38%	41,85,000	10.00%	28,40,000
Within 2 years - Scheme 3	10.92%	51,50,000	10.00%	40,09,000
Within 3 years - Scheme 2	10.84%	3,20,93,000	9.50%	3,33,81,000
Within 3 years - Scheme 3	11.49%	1,65,90,000	10.00%	1,34,01,000
		9,32,07,000		9,22,85,000

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

2.5.5 In the case of subsidiary company - Seguro Foundations and Structures Private Limited :

Vehicle Loans and Machinery/Equipment loans are secured by hypothecation of corresponding vehicle and Machinery/Equipment.

NOTE - 2.6 DEFERRED TAX LIABILITIES (NET)

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
A. Deferred Tax Liability		
On excess of net book value over Income tax written down value of Property, Plant and Equipment	3,92,75,897	4,37,11,973
B. Deferred Tax Assets		
On Provisions/other disallowances	93,29,942	88,99,283
Net Deferred Tax Liability	2,99,45,955	3,48,12,690

NOTE - 2.7 OTHER LONG TERM LIABILITIES

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Security Deposits	34,02,628	52,19,647
Interest accrued but not due on borrowings	23,14,702	62,29,022
Employee Gratuity Fund	-	21,185
Recovery against Future Expenditure	1,13,16,169	1,18,45,968
Retention & Earnest Money Deposit	28,25,874	5,97,25,262
Performance Guarantee Payable	2,59,396	2,27,427
	2,01,18,769	8,32,68,511

NOTE - 2.8 LONG TERM PROVISIONS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Provision for Employee Benefits (See Note 2.35)		
- Provision for Gratuity	60,59,210	34,74,648
- Provision for Leave Encashment	88,79,513	56,32,814
	1,49,38,723	91,07,462

NOTE - 2.9 SHORT TERM BORROWINGS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
From Banks (Secured)		
Federal Bank Limited (See Note 2.9.1 & Note 2.9.2)	52,17,35,817	46,33,95,961
Term Loan from SBI	6,20,00,000	-
Term Loan from Corporation Bank	5,00,00,000	-
Deposits		
Unsecured (See Note 2.5.4)	70,25,000	-
	64,07,60,817	46,33,95,961

2.9.1 In case of the subsidiary entity - M/s Seguro-INKEL Consortium LLP, cash credit loan availed from Federal Bank, sanctioned on 27.03.2018 with a limit of ₹ 19 Crore against the security of Hypothecation of Bill Receivables with 35% Margin, Fixed Deposit for ₹ 3 crore & Collateral Security (Mortgaged Piravom Land) & Corporate Guarantee of INKEL Limited.

2.9.2 In case of the subsidiary company- M/s Seguro Foundations and Structures Private Limited, working capital loans are secured by EM of immovable property of the company and related parties, related parties, personal properties and on the hypothecation of work in progress, bills receivables and stock of materials at site of the company.

NOTE - 2.10 TRADE PAYABLES

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Trade Payables (See Note 2.10.1)		
i. Total outstanding dues of micro enterprises and small enterprises; and	-	5,73,745
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	18,61,78,293	26,02,49,858
	18,61,78,293	26,08,23,603

2.10.1 The group has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006 and the same is in progress. Based on available information, there are no balance outstanding as payable to such suppliers as at the year end. In the opinion of the management there are no amounts paid/payable towards interest under the said statute. Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
a. Principal Amount remaining unpaid but not due as at the year end	-	5,73,745
b. Interest due thereon and remaining unpaid as at the year end.	-	-
c. Interest paid by the group in terms of Section 16 of Micro, Small & Medium Enterprises Development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e. Interest accrued and remaining unpaid as at the year end	-	-
f. Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTE - 2.11 OTHER CURRENT LIABILITIES

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Current maturities of Long Term Debt		
- Term Loan(See Note 2.5.3)	6,30,44,414	2,14,85,295
- Public deposit	7,38,43,000	83,20,000
Accounts Payable - Capital	-	2,72,043
KSIE Limited	2,75,38,500	2,75,38,500
Interest accrued but not due on borrowings	1,09,98,359	10,02,973
Interest payable	3,12,329	-
Lease hold Premium received in advance	-	1,68,81,487
Unpaid Dividend	5,58,550	4,93,300
Other Payables		
Advance From Customers/Clients		
- for Deposit Work	8,84,35,535	20,28,10,813
- Others	10,11,10,106	1,10,40,284
Retention Money payable	4,81,16,753	1,90,69,620
Statutory Dues	3,34,91,488	1,78,14,677
Security Deposit / Earnest Money Deposit	87,62,395	23,71,411
Expenses Payable	1,94,980	-
Performance Bank Gurantee	31,031	31,031
Mobilisation Advance Received	65,95,275	3,06,39,816
	46,30,32,715	35,97,71,250

NOTE - 2.12 SHORT TERM PROVISIONS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Provision for employee benefits		
- Provision for Leave Encashment (See Note 2.35)	12,61,325	7,97,351
- Provision for Gratuity(See Note 2.35)	20,20,556	13,79,740
Provision for Income Tax	3,71,01,184	6,64,13,844
	4,03,83,065	6,85,90,935

NOTE - 2.14 CAPITAL WORK IN PROGRESS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Projects under implementation (See Note 2.14.1)	1,05,98,463	3,37,19,732
	1,05,98,463	3,37,19,732

2.14.1 In case of the subsidiary company- INKEL-KSIDC Projects Limited, projects under implementation includes Tower 3 & 4 ₹ 61,06,422/- (₹ 58,28,131/-), Building Centre ₹ 6,28,620/- (₹ 6,19,903/-) , Executive Accomodation ₹ 3,81,094/- (₹ 3,78,365/-) & Power Supply ₹ Nil (₹ 2,34,14,006 /-)

NOTE - 2.15 INTANGIBLE ASSETS UNDER DEVELOPMENT

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Computer Software	-	6,59,375
	-	6,59,375

NOTE - 2.16 NON CURRENT INVESTMENTS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
a) Investments in Equity Instruments (Un-quoted, Trade, at cost)		
i) In Associate companies		
-MIV Logistics Pvt Ltd 1,18,29,714 (1,18,29,714) Equity Shares of ₹10/-each, Fully Paid up		
Opening Balance	-	-
Add: Share of Profit/ (Loss) of Associate	37,00,953	-
Closing Balance	37,00,953	-
- Calicut Expressway Pvt Ltd (CEPL) 1,65,000 equity shares of ₹10/- each, Fully paid up	16,50,000	-
ii) In Others		
- KV Apartments Pvt Ltd 5,000 (5,000) Equity Shares of ₹100/- each, fully paid up	5,00,000	5,00,000
b) Investments in Preference Instruments (Un-quoted, Trade, at cost)		
i) In Associate companies		
- MIV Logistics Pvt Ltd 1,60,00,000 (1,60,00,000) Optionally Convertible Preference Shares of ₹10/- each, fully paid up	16,00,00,000	16,00,00,000
c) Investment in Partership Firm		
- A.V Associates	3,04,69,037	3,04,69,173
Total investments (a) + (b) + (c)	19,63,19,990	19,09,69,173
Aggregate amount of unquoted investments	19,63,19,990	19,09,69,173

NOTE - 2.17 DEFERRED TAX ASSETS (NET)

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
A. Deferred Tax Assets		
On Provisions/other disallowances	1,95,34,067	2,01,99,076
B. Deferred Tax Liability		
On excess of net book value over Income tax written down value of Property,Plant and Equipment	-	-
Net Deferred Tax Asset	1,95,34,067	2,01,99,076

NOTE - 2.18 LONG TERM LOANS AND ADVANCES

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
(Unsecured, Considered good)		
Capital Advances	1,60,500	-
Security Deposits	4,62,45,242	4,06,06,426
MAT Credit Entitlement	2,49,06,348	1,83,78,205
Income Tax (Net)	4,90,17,561	8,86,63,265
	12,03,29,651	14,76,47,896

NOTE - 2.19 OTHER NON CURRENT ASSETS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
(Unsecured, Considered good)		
Balance with banks in Fixed Deposit accounts	23,55,06,225	22,18,240
Earnest Money Deposits	-	28,00,000
Security Deposits	1,48,80,000	1,48,80,000
Advance Income Tax and TDS	88,00,235	1,34,85,489
Provision for Gratuity	-	18,315
Income Recievable	1,26,38,12,785	1,34,41,94,180
Unbilled Revenue	63,92,289	1,33,53,705
Other Non Current Assets	26,656	19,688
	1,52,94,18,190	1,39,09,69,617

2.19.1 Balance with banks in Deposit Accounts include ₹ 7,10,000 (₹ Nil) held with a maturity period of more than 12 months.

2.19.2 Balance with banks in Deposit Account includes ₹ 23,28,94,985 (₹ Nil) held under lien including ₹ 21,75,00,000 being cash margin towards Bank Guarantee of ₹ 85,50,00,000 provided in favour of National Highway Authority of India on behalf of Calicut Expressway Private Limited.

2.19.3 In case of the subsidiary entity - M/s Seguro-INKEL Consortium LLP, balance with banks under Fixed Deposit Accounts totalling to ₹ 1,09,60,276 is held under lien against Bank Guarantees. Out of this, ₹26,11,240 (₹ 22,18,240) is of maturity period more than 12 months.

NOTE - 2.20 INVENTORIES

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Land and Building held on long term finance lease		
Opening Balance	-	-
Add: Additions during the year	1,98,92,198	4,91,59,642
Less: Disposed during the year	(1,98,92,198)	4,91,59,642
Closing Balance	-	-
Raw Materials	1,06,82,335	3,14,20,302
Stock-in-trade: Solar Panel/Inverter	24,77,654	-
	1,31,59,989	3,14,20,302

In case of the subsidiary company INKEL KSIDC Projects Limited

The amortized value of the land subleased is transferred from the lease hold land asset of the company to inventories based on the requirement from the prespective customer. The land is subleased to the customer and is treated as a sale in the books of the company. As such the company does not hold any inventory.

NOTE - 2.21 TRADE RECEIVABLES

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
(Unsecured Considered good)		
-Outstanding for a period exceeding six months from the date they were due for payment	12,30,50,065	11,32,86,484
-Others (See Note 2.21.1)	56,59,70,003	29,66,73,849
(Unsecured Considered doubtful)		
-Outstanding for a period exceeding six months from the date they were due for payment	58,56,494	87,19,666
Less:Provision for Doubtful Debts	(58,56,494)	(87,19,666)
	-	-
-Others(See Note 2.21.1)	-	28,59,978
Less:Provision for Doubtful Debts	-	(28,59,978)
	-	-
	68,90,20,068	40,99,60,333

2.21.1 Trade Receivables include debts due from:

Particulars	Description	As at 31-03-2019	As at 31-03-2018
MIV Logistics Private Limited	Private limited company in which a director of INKEL Limited is a director	2,31,308	1,91,01,160
Kerala Industrial Infrastructure Development Corporation (KINFRA)	Government of Kerala owned Statutory Body in which a director of INKEL Limited is a director	8,96,576	37,69,808
Kerala State Industrial Development Corporation (KSIDC)	Government of Kerala owned private limited company in which a director of INKEL Limited is a director	21,26,128	2,29,897
Kerala Academy for Skills Excellence (KASE)	Government of Kerala owned private limited company in which a director of INKEL Limited is a director	-	5,55,027

2.21.2 In case of the subsidiary entity - M/s Seguro-INKEL Consortium LLP , trade receivables represents amounts receivable from - Kerala State Construction Corporation amounting to ₹131,45,995/- (₹6,47,691/-), Kerala PWD amounting to ₹5,64,40,093/- (₹ 3,97,39,024 /-), from Roads and Bridges Development Corporation Kerala Ltd. amounting to ₹4,44,47,310/- (₹6,43,93,994/-) ,Gibu P Mathew amounting to ₹ 1,41,39,753/- (₹ 1,06,15,474/-) towards the pending bills related to construction of Bridges and from GM Engineers & Contractors amounting to ₹1,26,32,645/- (₹ 80,09,564/-).

NOTE - 2.22 CASH AND CASH EQUIVALENTS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Cash on Hand	80,963	7,35,460
Balance with Banks		
In Current Accounts	1,65,73,092	23,58,907
In Fixed Deposit Accounts	55,39,55,874	41,49,96,794
	57,06,09,929	41,80,91,161

2.22.1 Earmarked Balances:

Balance with banks in current accounts include earmarked balances for unpaid dividend ₹ 5,90,430/- (₹ 5,25,190/-).

Balance with banks in current accounts include earmarked balances of ₹ 35,366/- (₹ 54,244/-) held for specific projects.

2.22.2 Balance with banks in Deposit Accounts include ₹ 63,247/- (₹ 3,17,853/-) held with a maturity period of more than 12 months and ₹ 2,08,35,690/- (₹ 1,19,61,046/-) held against public deposits in pursuance of the requirements of applicable Rules.

2.22.3 Balance with banks in Deposit Account includes ₹ 3,22,54,022/- (₹ 13,85,41,572/-) held under lien.

2.22.4 Balance with banks in Deposit Account includes ₹ 12,40,23,758/- (₹ 18,20,88,703/-) earmarked for specific projects.

2.22.5 In case of the subsidiary company INKEL-EKK Roads Private Limited, balance with banks in deposit accounts include ₹ 50,000/- held under lien.

2.22.6 In case of the subsidiary company -INKEL KSIDC Projects Limited - All the deposits with banks are having an original maturity of more than 2 months but on the basis of the subsequent events deposits closed with in three months has been reclassified to cash and cash equivalents.

NOTE - 2.23 SHORT TERM LOANS AND ADVANCES

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	25,46,02,383	16,36,678
Earnest Money Deposits	64,03,356	20,78,669
Balances with Government Authorities	6,88,64,895	5,93,71,592
Advance to Suppliers/Contractors	1,17,77,802	4,59,15,463
Mobilisation and secured advance	-	1,06,59,304
Advance to employees	2,27,656	6,55,337
Advance to Gratuity	3,54,363	-
Others	35,00,000	35,00,000
(Unsecured, Considered doubtful)		
Advances recoverable in cash or in kind or for value to be received	92,53,126	92,53,126
Less: Provision for Doubtful Advances	(92,53,126)	(92,53,126)
	-	-
	34,57,30,455	12,38,17,043

In case of the subsidiary company -INKEL KSIDC Projects Limited - Balance with statutory authorities includes GST Input refund receivable to the tune of Rs 3.3 Crore. The company has approached the Honourable High Court of Kerala for obtaining an order for prompt refund of the input credit.

NOTE - 2.24 OTHER CURRENT ASSETS

(In Rupees)

Particulars	As at 31-03-2019	As at 31-03-2018
Interest Receivable	92,39,124	80,22,132
Tax Deducted at source and Refund claimed	3,86,33,511	2,73,13,605
Mobilisation Advance	-	1,53,00,175
Fixed Deposit Accounts	83,49,036	2,21,13,682
Value of contract work unbilled	4,55,21,397	24,80,04,894
Provision for Bill discounting	10,70,131	11,37,591
KSFCE Chitty	11,23,504	53,05,463
Unbilled Revenue	7,83,06,028	2,97,34,456
Less: Provision for Doubtful Debts	-	(22,04,605)
Claims Receivable	1,25,36,000	1,25,36,000
Others	2,26,12,631	2,69,04,287
	21,73,91,362	39,41,67,680

NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2019

NOTE - 2.25 REVENUE FROM OPERATIONS

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Sale of Services		
Income from disposal of land and building(On Long Term Finance Lease)	9,26,41,112	13,48,68,646
Construction Income (Refer Note 2.25.1)	42,18,51,925	1,37,93,62,010
Share of Course Fee Received	1,06,71,243	1,16,90,202
Income from Operating Lease	96,21,013	79,02,445
Income from Project Management Services (Refer Note 2.25.2)	11,96,68,215	5,37,00,003
Income from Common Area Maintenance Services	76,75,913	67,95,981
Lighting system commissioning services	1,09,23,598	41,94,275
Facility Management Service	5,21,392	60,13,951
Contract Revenue	23,95,91,287	10,79,33,154
Sale of Products		
Sale of lighting system/security system	10,93,56,154	19,73,16,360
Income from Agriculture	10,22,762	32,55,789
	1,02,35,44,614	1,91,30,32,816

2.25.1 In respect of the subsidiary company INKEL-EKK Roads Private Limited, The Company recognises revenue from construction contracts based on the percentage of completion method as specified in Accounting Standard [AS 7 (Revised)] "Construction Contracts". Revenue has been recognised in the previous year to the extent of 27.65% of the Total Contract Revenue, as the percentage of completion of work as on 31st March 2018 was 27.65%. Since the percentage of completion of work as on 31st March 2019 is 33.69% based on the revised estimate of the project cost, revenue is recognised in the current year at 6.04% so that the cumulative revenue recognised as on 31st March 2019 is 33.69%.

2.25.2 Details of Project Management Consultancy services (PMC):

- Revenue recognized from PMC contracts : ₹ 11,96,68,215/- (₹ 5,37,00,003/-)
- Details of cost incurred for PMC contracts : ₹ 7,20,08,464/- (₹ 4,32,66,878/-).
- Amount of advances received: ₹ 8,92,72,819 /- (₹ 26,18,002/-)
- Amount of retentions: ₹ 3,13,190 /- (₹ 5,82,537/-).

NOTE - 2.26 OTHER INCOME

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Interest Income	4,20,66,544	4,06,07,724
Guarantee Fee Received	23,00,000	5,02,206
Interest on Mobilisation Advance	3,26,029	18,89,698
Interest on Fixed Deposit/Bank	12,43,850	6,40,829
Income/(Loss) from AV Associates	(136)	(959)
Insurance claim received	9,33,489	2,33,498
Creditors written off	61,73,196	25,29,713
Provision for Doubtful debts written back	79,27,755	-
Miscellaneous Income	26,34,806	14,76,212
Rent	3,86,648	-
Sale of goods	2,98,25,227	-
	9,38,17,408	4,78,78,921

2.26.1 In the case of the subsidiary INKEL-KSIDC Projects Ltd, Interest Income includes interest on Lease Premium for Rs.17,37,792/- & Bank Interest of Rs.2,78,590/-

NOTE - 2.27 COST OF LAND ACQUIRED/BUILDING/AMENITIES CONSTRUCTED AND DISPOSED

(On long term finance lease agreements)

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Cost of Land	2,19,25,718	2,40,00,612
Cost of Building/Amenities	41,83,172	2,40,30,850
	2,61,08,890	4,80,31,462

NOTE - 2.28 PURCHASES OF STOCK-IN-TRADE

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Solar light	8,88,83,705	17,52,81,463
Highmast light	17,09,787	13,67,832
Purchase of Trading goods	2,98,25,227	-
	12,04,18,719	17,66,49,295

NOTE - 2.29 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Opening Stock- Raw Materials	3,14,20,302	1,03,14,841
Closing Stock- Raw Materials	1,06,82,335	3,14,20,302
	2,07,37,967	(2,11,05,461)
Opening Stock In Trade	-	-
Closing Stock In Trade	24,77,654	-
	(24,77,654)	-
	1,82,60,313	(2,11,05,461)

NOTE 2.30 OPERATING, WORKS CONTRACT AND PROJECT EXPENSES

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Construction and Project Cost	54,19,61,612	1,31,54,72,869
Consultancy Charges	36,74,166	78,37,184
Finance Cost	6,15,954	1,64,01,617
Power Fuel and Water Charges	2,10,44,800	61,31,360
Spares and Consumables	1,18,56,088	66,25,374
Grant Received	(5,40,00,000)	(16,20,00,000)
	52,51,52,620	1,19,04,68,404

NOTE - 2.31 EMPLOYEE BENEFITS EXPENSE

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Salaries & Allowances	11,05,03,247	7,33,10,946
Contribution to Provident and Other Funds	63,86,209	47,45,498
Staff Welfare Expenses	62,09,161	24,25,633
	12,30,98,617	8,04,82,077

NOTE - 2.32 FINANCE COSTS

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Interest Expense	17,88,29,853	8,48,77,083
Interest on Term Loan SBI	30,12,329	-
Bill Discounting Charges	10,32,280	11,18,428
Interest on Public Deposits	1,51,20,457	1,04,54,882
Other Borrowing costs (See Note 2.32.1)	1,05,88,483	13,72,423
	20,85,83,402	9,78,22,816

2.32.1 Other Borrowing costs includes ₹ 1,05,88,483 /- incurred for procurement & administration of Public Deposits.

NOTE - 2.33 OTHER EXPENSES

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Expenditure on corporate social responsibility activity (See Note 2.33.1)	1,50,18,716	1,01,50,000
Lighting system commissioning expenses	1,57,52,015	33,32,637
Operation & Maintenance Expense	54,08,348	-
Agricultural expenses	20,37,877	62,62,578
Power & Fuel	40,79,834	38,41,846
Rent	53,50,991	36,77,356
Repairs & Maintenance:		
- Building	10,62,343	27,60,624
- Plant	20,16,122	1,25,053
- Others	44,50,289	40,63,978
Insurance	13,86,560	5,94,552
Payment to Auditors		
- as auditor	11,40,000	9,88,530
- for taxation matters	3,48,000	2,10,000
- for other services	3,36,000	37,000
- for reimbursement of expenses	22,981	17,151
Bank charges & interest	30,28,014	2,99,344
Meeting expense	10,45,331	9,67,299
Sitting fee to Directors	16,05,000	17,85,375
Consideration for Manpower services	59,00,108	1,03,22,100
Advertisement & Publicity	40,52,224	30,76,899
Postages, Telephone and internet charges	12,82,077	11,99,347
Printing and Stationery	16,37,669	7,44,667
Professional Charges & Legal Fee	2,29,25,379	2,07,03,337
Rates & Taxes	67,28,201	84,10,912
Staff Recruitment Expense	-	53,378
Travelling & Conveyance	88,08,481	82,19,862
Write off of CWIP - Project abandoned	-	65,28,688
Business Promotion Expense	6,07,965	2,60,504
Miscellaneous Expenses	92,03,727	30,68,606
Interest on statutory dues	7,72,542	-
Provision for Doubtful Advances	-	92,53,126
Provision for Doubtful Debts	-	1,37,84,249
Intangible asset written off	6,59,375	-
Land Development expense	4,57,615	-
Income tax adjusted for Previous Years	4,28,776	-
Road Project Expenses (Refer Note 2.33.2)	-	-
	12,75,52,560	12,47,38,998

NOTE - 2.33.1 Note on Expenditure on Corporate Social Responsibility activities

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
i) Gross amount required to be spent during the year	27,32,823	30,19,352
ii) Amount spent during the year		
- Construction/acquisition of any asset	-	-
- On purposes other than above	1,50,18,716	1,01,50,000

2.33.2 In case of the subsidiary company - Inkel Infrastructure Development Projects Limited, Road Project expenses is incurred by the company on behalf of Calicut Expressway Private Limited(Associate Company.) This is disclosed after netting off the same amount of income reimbursable from them.

Particulars	Amount
Road Project expenses incurred	3,03,84,403
Less: Reimbursable from CEPL	3,03,84,403
Net expense incurred on behalf of CEPL	-

NOTE - 2.34 EARNINGS PER EQUITY SHARE

(In Rupees)

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Basic:		
Profit/(Loss) after tax for the year as per Statement of Profit and Loss (In ₹)	(5,28,01,892)	17,89,03,615
Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each (fully paid up)	17,38,21,778	16,30,27,000
Basic Earnings Per Equity Share- In ₹ (Face Value of Share- ₹ 10 each)	(0.30)	1.10
Diluted:		
Profit after tax for the year as per Statement of Profit and Loss (In ₹)	(5,28,01,892)	17,89,03,615
Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each (fully paid up)	17,55,81,928	16,30,28,878
Diluted Earnings per Share (In ₹) (Face Value of Share- ₹ 10 each)	(0.30)	1.10

INKEL LIMITED
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2019

NOTE - 2.13 PROPERTY, PLANT & EQUIPMENT

A. TANGIBLE ASSETS

SL. NO.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK AS ON 31.03.2019	NET BLOCK AS ON 31.03.2018
		Opening Balance	Assets transferred on acquisition of subsidiary	Additions during the year	Deletions/ Adjustments during the year	Closing Balance	Opening Balance	Accumulated depreciation transferred on acquisition of subsidiary	For the year	Deleted during the year	Closing Balance		
1	Freehold Land	34,87,06,116 (33,77,30,042)	- (47,30,300)	(62,45,774) 18,80,044	- -	34,87,06,116 (34,87,06,116)	- -	- -	- -	- -	34,87,06,116 (34,87,06,116)	34,87,06,116 (33,77,30,042)	34,87,06,116 (33,77,30,042)
2	Leasehold Land	52,83,90,870 (55,44,21,235)	- -	18,80,044 -	2,63,15,659 (2,60,30,365)	50,39,55,255 (62,83,90,870)	4,28,08,037 (3,86,16,458)	60,28,807 (62,21,332)	25,09,896 (20,29,753)	4,63,26,938 (4,28,08,037)	45,76,28,307 (48,55,82,833)	48,55,82,833 (51,58,04,777)	48,55,82,833 (51,58,04,777)
3	Building	24,75,64,535 (26,57,63,121)	- -	1,81,18,164 (94,12,332)	1,34,96,097 (2,36,10,918)	25,21,86,602 (24,75,64,535)	7,98,05,848 (6,32,48,322)	1,39,52,515 (1,81,07,262)	15,33,670 (15,49,736)	9,22,24,693 (7,98,05,848)	15,99,61,909 (16,77,58,687)	16,77,58,687 (20,25,14,799)	16,77,58,687 (20,25,14,799)
4	Plant & Machinery	30,34,95,439 (3,78,92,540)	- (26,54,94,579)	45,41,201 (24,97,731)	25,99,569 (23,89,411)	30,54,37,071 (30,34,95,439)	17,66,96,641 (1,15,49,463)	2,88,64,347 (1,59,10,345)	10,96,631 (4,20,079)	20,44,64,357 (17,66,96,641)	10,99,72,714 (12,67,98,798)	12,67,98,798 (2,63,43,077)	12,67,98,798 (2,63,43,077)
5	Furniture and Fittings	2,19,66,031 (1,84,96,667)	- (27,06,477)	5,57,529 (7,62,887)	- -	2,25,23,560 (2,19,66,031)	1,56,15,194 (1,15,55,000)	17,70,687 (21,62,470)	- -	1,73,85,881 (1,56,15,194)	51,37,679 (69,50,837)	63,50,837 (69,41,667)	63,50,837 (69,41,667)
6	Office Equipments	36,55,725 (84,61,481)	- -	92,779 (2,20,764)	(26,520) -	37,48,504 (86,55,725)	30,26,045 (26,59,366)	2,65,558 (3,92,317)	- (25,638)	32,91,603 (30,26,045)	4,56,901 (6,29,680)	6,29,680 (8,02,115)	6,29,680 (8,02,115)
7	Computer	98,65,371 (73,38,910)	- (12,57,239)	20,05,202 (13,08,722)	- (39,500)	81,65,607 (88,95,371)	26,59,366 (1,18,70,573)	3,92,317 (14,19,183)	- -	95,84,790 (81,65,607)	22,85,783 (16,99,764)	16,99,764 (15,01,707)	16,99,764 (15,01,707)
8	Motor Car	2,43,91,659 (32,09,154)	- (2,11,73,487)	48,040 (9,018)	8,28,750 -	2,36,10,949 (2,43,91,659)	1,68,47,905 (6,41,720)	23,34,258 (16,65,789)	7,84,019 -	1,83,98,144 (1,68,47,905)	52,12,805 (75,43,754)	75,43,754 (25,67,434)	75,43,754 (25,67,434)
9	Electrical Fittings	79,35,528 (61,04,110)	- (13,71,022)	2,70,50,175 (4,60,396)	- -	3,49,85,703 (79,35,528)	48,42,345 (27,32,722)	8,38,136 (9,73,140)	- -	56,80,481 (48,42,345)	2,93,05,222 (30,93,183)	30,93,183 (63,71,388)	30,93,183 (63,71,388)
Total (A)		1,49,59,71,274 (1,23,44,17,260)	- (29,67,33,104)	5,42,93,134 (1,69,17,624)	4,32,40,075 (5,20,96,714)	1,50,70,24,333 (1,49,59,71,274)	34,78,07,622 (13,68,40,254)	5,54,73,491 (4,66,35,224)	59,24,216 (40,58,364)	39,73,56,897 (34,78,07,622)	1,10,96,67,436 (1,14,81,63,652)	1,14,81,63,652 (1,09,75,77,006)	1,14,81,63,652 (1,09,75,77,006)

B. INTANGIBLE ASSETS

1	Computer Software	12,05,670 (11,78,432)	- -	(27,238) -	- -	12,05,670 (12,05,670)	10,28,403 (9,51,885)	52,544 (76,518)	- -	10,80,947 (10,28,403)	1,24,723 (1,77,267)	1,77,267 (2,26,547)	1,77,267 (2,26,547)
Total (B)		12,05,670 (11,78,432)	- -	(27,238) -	- -	12,05,670 (12,05,670)	10,28,403 (9,51,885)	52,544 (76,518)	- -	10,80,947 (10,28,403)	1,24,723 (1,77,267)	1,77,267 (2,26,547)	1,77,267 (2,26,547)
Grand Total (A) + (B)		1,49,71,76,944 (1,23,55,95,692)	- (29,67,33,104)	5,42,93,134 (1,69,44,862)	4,32,40,075 (5,20,96,714)	1,50,82,30,003 (1,49,71,76,944)	34,88,36,025 (13,77,92,139)	5,55,26,035 (4,67,11,742)	59,24,216 (40,58,364)	39,84,97,844 (34,88,36,025)	1,10,97,92,159 (1,14,85,40,919)	1,14,85,40,919 (1,09,78,03,553)	1,14,85,40,919 (1,09,78,03,553)

2.13.1 Deletions/ Adjustments includes cost of land/ building re-classified as current asset based on management decision to dispose the same as per long term finance lease agreement.

Note -2.36

Disclosure of transactions with Related Parties as required by Accounting Standard – 18 on Related Party Disclosures as prescribed by Companies (Accounting Standards) Rules, 2006.

A. Related parties and nature of relationship

i. MIV Logistics Private Limited	Associate Company
ii. Calicut Expressway Private Limited (CEPL)	Associate Company
iii. KSIDC Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-KSIDC Projects Limited
iv. EKK Infrastructure Private Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-EKK Roads Private Limited
v. KSIE Limited	Enterprise having substantial interest in the Subsidiary Company - INKES Trade Centre Limited
vi. Amity Rock Products Private Limited	Enterprises in which Key Managerial Personnel of the subsidiary Company - Seguro Foundations & Structures Private Limited are able to exercise significant influence (together referred to as 'Other Enterprises')
vii. Sanathan Infrastructures and Developers Private Limited	
viii. Angel Granites and Crushers Private Limited,	
ix. Green worth Infrastructure Private Limited	
x. AV Associates	
xi. SeaBird Sea Plane Private Limited	Associate Company of MIV Logistics Private Limited
xii. INKEL KSIDC Projects Limited	Subsidiary Company
xiii. KMC-INKEL (JV)	Jointly Controlled Operation(w.e.f 12-12-2018)

xiv. Key Managerial Personnel

Dr Mohammed Sagheer

Managing Director of the company
(w.e.f 17-08-2017) (upto 28-10-2019)

In subsidiary Seguro Foundations and Structures Pvt Ltd.

Mr. C V Rajeev

Managing Director of the company

Mr. P J Jacob

Director of the company (Resigned)

Mrs. Seena Rajeev

Director of the company

B. Description of Transactions

(₹)

Nature of Transaction	Subsidiary/ Associate/ Jointly Controlled Entity	Key Managerial Personnel	Total
Income			
1. Project Management Services			
MIV Logistics Private Limited	-	-	-
	(55,32,222)	-	(55,32,222)
2. Facility Management Services			
MIV Logistics Private Limited	-	-	-
	(51,74,650)	-	(51,74,650)
3. Guarantee Commission Received			
MIV Logistics Private Limited	23,00,000	-	23,00,000
	-	-	-
4. Expenses Recovered			
MIV Logistics Private Limited	27,70,919	-	27,70,919
	(7,23,557)	-	(7,23,557)
Expenses			
1 Remuneration to Managing Director			
Dr. Mohammed Sagheer	-	42,94,530	42,94,530
	-	(27,78,624)	(27,78,624)
Mr. T Balakrishnan	-	-	-
	-	(29,32,356)	(29,32,356)
In subsidiary Seguro Foundations and Structures Pvt Ltd.			
Mr. C V Rajeev	-	45,01,250	45,01,250
	-	(51,64,515)	(51,64,515)
Mr. P J Jacob	-	-	-
	-	(36,16,667)	(36,16,667)
Mrs. Seena Rajeev	-	-	-
	-	(14,46,666)	(14,46,666)

2 Purchase of Assets			
MIV Logistics Private Limited	-	-	-
	(54,051)	-	(54,051)
In subsidiary Inkel-EKK Roads Private Limited			
3 EPC Contract Expenses			
EKK Infrastructure Private Limited	14,53,07,394	-	14,53,07,394
	(82,92,86,010)	-	(82,92,86,010)
4 Sitting Fees	-	7,80,000	7,80,000
	-	(7,44,000)	(7,44,000)
In subsidiary Seguro Foundations and Structures Pvt Ltd.			
5 Purchase of Materials			
Other Enterprises	-	-	-
	(1,25,37,799)	-	(1,25,37,799)
In subsidiary Seguro Foundations and Structures Pvt Ltd.			
6 Work contract receipt (billed)			
Other Enterprises	-	-	-
	(4,22,96,321)	-	(4,22,96,321)
In subsidiary Seguro Foundations and Structures Pvt Ltd.			
7 Rent			
Other Enterprises	-	-	-
	(7,93,633)	-	(7,93,633)
In subsidiary Seguro Foundations and Structures Pvt Ltd.			
8 Interest on Loan from directors			
	-	-	-
	(5,78,546)	-	(5,78,546)
In subsidiary Seguro Foundations and Structures Pvt Ltd.			
9 Interest & Bill Discounting Charges			
Other Enterprises	-	-	-
	(23,61,510)	-	(23,61,510)
- C V Rajeev	-	-	-
	-	(4,17,861)	(4,17,861)
- Seena Rajeev	-	11,17,253	11,17,253
	-	(1,60,685)	(1,60,685)
10 Purchase of Assets			
MIV Logistics Pvt Ltd	-	-	-
	(54,051)	-	(54,051)
In subsidiary Inkel Infrastructure Development Projects Limited			
11 Road project expenses incurred on behalf of:			
Calicut Expressway Private Limited (CEPL)	3,03,84,403	-	3,03,84,403
	-	-	-
12 In associate MIV Logistics Private Limited			
Reimbursement of Expenses:			
INKEL, KSIDC Projects Limited	37,405	-	37,405
	-	-	-
Loans and Advances			
1. KSIE Limited			
- Loan/Advances given	35,00,000	-	35,00,000
	-	-	-
2. EKK Infrastructure Private Limited			
- Mobilisation Advance	-	-	-
	(1,06,59,304)	-	(1,06,59,304)
3. In subsidiary Seguro Foundations and Structures Pvt Ltd.			
<u>Unsecured loan repaid</u>			
- C V Rajeev	-	1,66,906	1,66,906
	-	(2,12,34,781)	(2,12,34,781)
- P J Jacob	-	-	-
	-	(10,00,000)	(10,00,000)
- Seena Rajeev	-	18,29,607	18,29,607
	-	(1,47,27,317)	(1,47,27,317)

<u>Unsecured loan received</u>			
- C V Rajeev	-	-	-
	-	(1,56,76,075)	(1,56,76,075)
- P J Jacob	-	-	-
	-	(10,00,000)	(10,00,000)
- Seena Rajeev	-	34,31,140	34,31,140
	-	(2,24,97,455)	(2,24,97,455)
4. In subsidiary Inkel Infrastructure Development Projects Limited	24,82,38,465	-	24,82,38,465
Calicut Expressway Private Limited (CEPL)	-	-	-
Investments			
1. MIV Logistics Private Limited	16,00,00,000	-	16,00,00,000
(being preference shares)	(16,00,00,000)	-	(16,00,00,000)
In subsidiary Inkel Infrastructure Development Projects Limited			
2. Calicut Expressway Private Limited	16,50,000	-	16,50,000
	-	-	-
In associate MIV Logistics Private Limited			
3. SeaBird Sea Plane Private Limited	1,48,76,923	-	1,48,76,923
	(1,66,85,059)	-	(1,66,85,059)
Guarantee given during the year			
1. Calicut Expressway Private Limited	85,50,00,000	-	85,50,00,000
	-	-	-
Guarantee given			
1. MIV Logistics Private Limited	21,79,05,223	-	21,79,05,223
	(22,69,07,083)	-	(22,69,07,083)
2. Calicut Expressway Private Limited	85,50,00,000	-	85,50,00,000
	-	-	-
Receivables			
1. MIV Logistics Private Limited	2,31,308	-	2,31,308
	(1,91,01,160)	-	(1,91,01,160)
2. KSIDC Limited	42,39,237	-	42,39,237
	(42,39,237)	-	(42,39,237)
3. KINFRA Ltd	-	-	-
	-	-	-
4. SeaBird Sea Plane Private Limited	3,01,84,659	-	3,01,84,659
	(3,01,84,659)	-	(3,01,84,659)
Payables			
1. EKK Infrastructure Private Limited	2,29,830	-	2,29,830
	(4,47,23,380)	-	(4,47,23,380)
2. KSIE Limited (Payable against lease premium)	2,75,38,500	-	2,75,38,500
	(2,75,38,500)	-	(2,75,38,500)

2.36.1 In subsidiary Seguro Foundations and Structures Pvt Ltd.

The subsidiary company has non-current Investment in the capital of partnership firm A.V Associates. The capital balances in the books of A.V Associates excluding the subsidiary are furnished below:

Names of Partners	31.03.2019	31.03.2018
P J Jacob	5,75,85,991	5,75,86,235
Seguro Foundations and Structures Pvt. Ltd.	3,22,09,723	3,22,09,859

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

2.36.3 Transactions with Associate Company are prior to elimination.

Note - 2.39**In case of the company and its subsidiaries:**

The companies are engaged in providing infrastructure facilities and other services in connection with infrastructure projects including construction. In the opinion of the management, this is the only primary reportable segment within the meaning of Accounting Standard-17 notified by the Companies (Accounting Standards) Rules, 2006.

In case of the associate company :

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

Note - 2.40.1**In case of the subsidiary company INKES Trade Centre Limited:**

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

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

Note - 2.40.2**In case of the subsidiary company INKEL-EKK ROADS PRIVATE LIMITED**

The Company, being engaged in the business of developing, operating and maintaining an infrastructure facility, is eligible to claim a deduction of an amount equal to hundred per cent of the profits and gains derived from such business for ten consecutive assessment years under Section 80IA of the Income Tax Act, 1961. The company has claimed the said deduction from Assessment Year 2018-19 and 2019-20

Note 2.40.3**In case of the associate company MIV Logistics Private Limited**

Penal Interest due on default of instalments and interest amounting to Rs.7.66 lakhs and 48.09 lakhs respectively from Sea Bird Sea Plane Services (P)Ltd is not recognized in the accounts.

Cumulative interest amount receivable from Sea Bird Sea Plane services is Rs 161.90 lakhs. Penal Interest due on installments unpaid and interest amounting to Rs 25.89 lakhs.

Note - 2.41 Contingent Liabilities not provided for :

(₹)

Particulars	As at 31.03.2019	As at 31.03.2018
I. In case of the Company		
a) Corporate guarantee issued in favour of - - MIV Logistics Private Limited	21,79,05,223	22,69,07,083
b) Performance Guarantee issued in favour of : -National Highway Authority of India (NHAD) on behalf of Calicut Expressway Private Limited- secured by cash margin of ₹ 21,75,00,000 and also by equitable Mortgage of 124.12 acres of land at Palakkad and unsold space/receivables of INKEL Tower II at Angamaly.	85,50,00,000	-
c) Claims towards Building Tax	1,24,78,500	1,18,24,092
d) Other Counter Guarantees issued in favour of Banks for the guarantees issued by the Banks - KSEB - National highway authority of India (NHAD) - Kerala road fund board	47,70,510 47,70,510 - -	7,51,00,000 - 4,64,00,000 2,87,00,000
e) Letters of credit Outstanding	-	3,25,31,900
f) GST on Interest on Lease Premium	20,86,892	-
II. In case of the subsidiary company INKEL - KSIDC Project Limited		
a) Interest as per the lease agreement entered into with Kerala State Industrial Development Corporation (KSIDC) not provided in the books for the lease premium, being paid on instalments as the matter is under renegotiation by the management with KSIDC and is expected a waiver.	8,05,00,000	8,05,00,000
b) Claims by Commercial Taxes Department	3,26,69,182	3,26,69,182
III. In case of the subsidiary entity SEGURO-INKEL Consortium LLP		
a) Guarantees	5,16,00,000	4,77,00,000
IV. In case of the subsidiary company Seguro Foundations and Structures Pvt Ltd		
a) Service tax demand from the Commissioner of Central Excise, Customs & Service tax appealed before Appellate authority.	6,05,126	6,05,126
b) VAT demand from the Sales tax office (works contract) SGST department appealed before Appellate authority.	1,75,57,434	-
Since the management has belief that the decision will be in favor of the company it is treated as a contingent liability.		

Note 2.42**Computation of goodwill arising on consolidation of Subsidiary Company: INKEL EKK Roads Private Limited**

Particulars	As at 31st March 2019	As at 31st March 2018
Consideration Paid	8,16,00,000	8,16,00,000
Less: Nominal value of share capital held by INKEL Limited in INKEL EKK Roads Private Limited	8,16,00,000	8,16,00,000
Less: Share of INKEL Limited in the accumulated losses as on the date of acquisition	(3,34,381)	(3,34,381)
Add: Transfer from Minority Interest on change in Share Holding in Financial Year 2017-18	2,74,560	2,74,560
Goodwill on consolidation	6,08,941	6,08,941

Note - 2.43

Capital Commitments	As at 31.03.2019	As at 31.03.2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

Note 2.44 Remittances in Foreign Currency**Note - 2.44.1 Dividend**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Year to which dividend relates	Financial Year 2017-18	Financial Year 2016-17
Amount remitted during the year	77,00,000	66,00,000
Number of non resident shareholders	4	4
Number of shares on which dividend was due	2,20,00,000	2,20,00,000

Note - 2.44.2 Other Remittances

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Conference Registration Fee and Travelling expenses	Nil	1,86,155

Note - 2.45

The company is in the process of assessing the impact of the recently enacted The Taxation laws amendment ordinance 2019 dated 20/09/2019 applicable for the period after the balance sheet date, the effect of which if any Deferred Tax Asset and Deferred Tax Liability has not been ascertained at this stage.

Note - 2.46**In case of the Company**

Operating Lease: Company as Lessee

The Company has acquired assets under the operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses are those expenses under those leases debited to statement of profit and loss was Rs.43,36,652/- (Rs 33,24,160/-). The company has only entered into cancellable lease arrangements.

Note - 2.47

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

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K.A Rethesh
Managing Director
DIN: 01345383

M.M. Abdul Basheer
Director
DIN:00120916

For Varma & Varma
Chartered Accountants
Firm No.004532S

Anjana M.A
Company Secretary

George Raphael V.P
Chief Financial Officer

Vijay Narayan Govind
(Partner)
Membership No. 203094

Place : Kochi
Date : 15.11.2019

Note No 2.37 Additional information as required by paragraph 2 of the General instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	As at 31.03.2019		As at 31.03.2018	
	Net Assets, ie Total Assets - Total liabilities		Net Assets, ie Total Assets - Total liabilities	
	As a % of consolidated net assets	Amount (In Rupees)	As a % of consolidated net assets	Amount (In Rupees)
Parent Company	71.24%	1,48,77,81,400	62.69%	1,28,39,84,203
Subsidiaries:				
INKEL KSIDC Projects Limited	5.01%	10,46,21,745	5.09%	10,41,74,731
INKES Trade Centre Ltd	1.54%	3,21,13,417	1.60%	3,27,73,243
INKEL EKK Roads Private Limited	14.16%	29,57,87,438	12.99%	26,60,13,195
Seguro Foundations & Structures Pvt Ltd	-0.06%	(12,89,018)	6.40%	13,09,90,489
Inkel Infrastructure Development Projects Limited	-0.03%	(6,11,817)	0.00%	-
Subsidiary Entity:				
SEGURO-INKEL Consortium LLP	0.20%	42,19,425	0.54%	1,10,18,743
Associate Company:				
Equity Investment in MIV Logistics Private Limited		11,82,97,140		11,82,97,140
Less: Share of Loss		(11,45,96,187)		(11,82,97,140)
	0.18%	37,00,953	-	-
Equity Investment in Calicut Expressway Private Limited	0.08%	16,50,000	-	-
Minority Interest	7.68%	16,03,95,440	10.71%	21,93,25,312
Total	100%	2,08,83,68,983	100%	2,04,82,79,916

Name of the entity	For the year ended 31.03.2019		For the year ended 31.03.2018	
	Share in Profit or (Loss)		Share in Profit or (Loss)	
	As a % of consolidated Profit or (Loss)	Amount (In Rupees)	As a % of consolidated Profit or (Loss)	Amount (In Rupees)
Parent Company	-40.18%	4,51,79,633	48.22%	9,34,99,783
Subsidiaries:				
INKEL KSIDC Projects Limited	-1.25%	14,04,157	-0.02%	(37,176)
INKEL KINFRA Infrastructure Projects Limited	0.00%	-	-2.71%	(52,57,941)
INKES Trade Centre Ltd	0.59%	(6,59,451)	-0.42%	(8,05,677)
INKEL EKK Roads Private Limited	-26.48%	2,97,74,243	54.21%	10,51,03,392
Seguro Foundations & Structures Private Limited	118.36%	(13,30,69,403)	-9.60%	(1,86,16,997)
Inkel Infrastructure Development Projects Limited	0.63%	(7,11,817)	0.00%	-
Subsidiary Entity:				
SEGURO-INKEL Consortium LLP	-1.41%	15,79,793	2.59%	50,18,231
Associate Company:				
MIV Logistics Private Limited	-3.29%	37,00,953	-	-
Minority Interest	53.03%	(5,96,23,959)	7.73%	1,49,83,959
Total	100%	(11,24,25,851)	100%	19,38,87,574

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

1. Significant Accounting Policies

a. Principles of Consolidation

The consolidated financial statements relate to INKEL Limited (the 'Company'), its subsidiaries (hereinafter referred to as 'the Group'), and the Group's share of profit / loss in its associate company. Following subsidiaries and associate company have been considered in the preparation of the consolidated financial statements:

Name of the entity	Abbreviation Used	Relationship	% of Holding and voting power either directly or indirectly through subsidiary as at	
			31 March, 2019	31 March, 2018
INKEL KSIDC Projects Limited	INKID	Subsidiary Company	74%	74%
INKES Trade Centre Limited	INKES	Subsidiary Company	74%	74%
Seguro Foundations & Structures Pvt Ltd.	SFS	Subsidiary Company (w.e.f 01-12-2017)	65%	65%
Inkel Infrastructure Development Projects Limited	IIDPL	Subsidiary Company (w.e.f 27-10-2018)	100%	-
INKEL- EKK Roads Private Limited	INKEL-EKK	Subsidiary Company	72%	72%
SEGURO - INKEL Consortium LLP	SIC LLP	Subsidiary Entity (w.e.f 01-12-2017) Jointly Controlled Entity (upto 30.11.2017)	80.75%	80.75%
MIV Logistics Private Limited	MIV	Associate Company	39.43%	39.43%

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements / financial information of the subsidiaries and associate company used in the consolidation are drawn upto the same reporting date as that of the Company, i.e., 31 March, 2019.
- ii. The financial statements of the Company and its subsidiaries (including subsidiary entity) have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered, as per AS 21 'Consolidated Financial Statements'.
- iii. The consolidated financial statements include the share of results in operations in an associate entity (which includes its share of profits/losses in an associate) which has been accounted for using 'equity method' as per AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements'. Accordingly, the share of profit / loss of the associate entity (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.
- iv. The difference between the cost of investment in the subsidiary company and the net assets at the time of acquisition of shares in the subsidiary company is recognised in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be and where two or more investments are made over a period of time, Goodwill/Capital Reserve is calculated on a step by step basis.
- v. Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- vi. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements and if a member of the group uses accounting policies other than those adopted in the consolidated financial statements for such

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

transactions and events, appropriate adjustments are made to its financial statements when they are used in preparing the consolidated financial statements.

b. Basis of Preparation

- i. The Consolidated Financial Statements of Inkel Limited (the Company) and its subsidiaries, INKID, INKES, INKEL- EKK, SFS, IIDPL and SIC LLP collectively referred to as the 'group' and its associate MIV (which includes its share of results of operation in an associate viz Seabird) have been prepared in accordance with Accounting Standard - 21 (AS 21), "Consolidated Financial Statements" and Accounting Standard – 23 (AS 23) "Accounting for Investments in Associates in Consolidated Financial Statements"
- ii. The company had in earlier years written off the book value of investments in subsidiary companies Thalikulam PURA Private Limited, Tirurangadi PURA Private Limited and INKEL KINFRA Infrastructure Projects Ltd as these companies had not commenced any commercial activities and there are no management plans for revival. Current financial statements / financial information in relation to these companies is not available, although none of these companies has any significant assets or liabilities and hence these entities have been excluded for the purpose of consolidation, the effect of which is not material.
- iii. In the consolidated financial statements of the associate company M/s MIV, investments made by MIV in their associate company M/s. Seabird Seaplane Private Limited (Seabird) have been accounted using the Equity Method of accounting as per AS 23 – "Accounting for investment in Associates, based on the unaudited financial statements of Seabird. The impact of changes in the financial results of Seabird on completion of audit in the consolidated financial statements of INKEL Limited is not expected to be material.
- iv. In the absence of financial statements/ financial information, the consolidated financial statements do not reflect the share of results in operations as per AS 23 – "Accounting for investment in Associates relating to investments made by the wholly owned subsidiary company IIDPL in its associate M/s Calicut Expressway Private

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

Limited, the impact of which in the consolidated financial statements of INKEL Limited is not expected to be material.

c. **Basis of Accounting**

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these consolidated financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

d. **Use of Estimates**

The presentation of consolidated financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities (including contingent liabilities if any) as on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known /materialised.

e. **Property, Plant and Equipment**

- i. Land acquired on long term lease arrangements that are in the nature of financial leases are classified under Fixed Assets and amortised over the lease period. Buildings constructed on such land are capitalised and depreciated as per company's accounting policy. Such land and building are reclassified and treated as Current Assets (at Net Book Value) when the decision to dispose under long-term finance leases is conclusively taken by the management.
- ii. Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value if any. Cost includes purchase price (inclusive of non-refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

- iii. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (Major components).
- iv. The cost of assets not ready for use at the balance sheet date are disclosed under Capital Work in Progress.

f. **Intangible Assets**

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

g. **Project Development Expense**

In case of the INKES:

Expense incurred in connection with Project Development are treated as project development expense pending capitalisation/ adjustment. These expenses are shown under capital work in progress.

h. **Depreciation/Amortisation**

- i. Depreciation on property, plant and equipment is charged on Written Down Value Method on the basis of the useful lives in the manner prescribed as per Schedule II of The Companies Act, 2013 based on a review by the management at the year end, except where stated.
- ii. Leasehold land is amortised over the duration of the lease.
- iii. Cost of software treated as Intangible Assets is amortised over a period of six years.
- iv. Buildings owned by INKID- Building are depreciated over useful lives which have been assessed lower than the life prescribed in schedule II to the Companies Act 2013 having regard to the fact that the appurtenant land is acquired on Lease basis for 30 years and hence remaining useful life for buildings is also reckoned on that basis.

-Buildings owned by MIV- Useful life has been assessed lower than the life prescribed in schedule II to the Companies Act, 2013 due to the fact that land is acquired on Lease basis for 30 years from Cochin Port Trust and hence remaining useful life only considered for Building

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

i. **Impairment of Assets**

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss if any is recognised in the Consolidated Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

j. **Government Grants/Subsidies**

Government Grants and Subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the Grants/Subsidies will be received. Government Grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. Government Grants and subsidies in the nature of Promoter's Contribution like Investment Subsidy, where no repayment is ordinarily expected in respect thereof, or identifiable with non – depreciable assets are credited to Capital Reserve. Other Government grants and subsidies are recognised as Income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis.

k. **Investments**

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

l. **Revenue Recognition**

- i. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue is recognised net of taxes.
- ii. Revenue arising on disposal of current assets under long-term lease arrangements that are in nature of financial leases is recognised in the year in which the lease agreements are entered into.
- iii. Proportionate income during the period of license agreement and income from other arrangements which are in the nature of

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

operating leases, are recognised as income in the respective years.

- iv. Revenue from construction contracts is recognised on the percentage of completion method as mentioned in Accounting Standard [AS 7(Revised)] “Construction Contracts” notified under section 133 of the Companies Act, 2013, read with Rule 2014. The percentage of completion is determined by the proportion that contract costs incurred for work performed up to the balance sheet date bear to the estimated total contract costs over the concession period. However, profit is not recognised unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revision to estimates is included in the income statement of the year in which revisions are made.
- v. Income from services rendered are recognised based on the stage of completion of the respective contracts/arrangements having regard to the specific milestones wherever specified therein.
- vi. Other incomes are recognised on accrual basis except when there are significant uncertainties.

m. **Inventories**

- i. Inventories of Stock in trade are valued at lower of cost (on specific identification or FIFO basis) and net realisable value.
- ii. Inventories of land and building/amenities includes cost of purchase, development costs, construction costs, overheads.

n. **Employee Benefits**

Short Term Employee Benefits

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

Defined Contribution Plans

The companies have defined contribution plans for employees comprising of Provident Fund, Employee’s State Insurance and National Pension Scheme. The contributions paid/payable to these plans during the year are charged to the Consolidated Statement of Profit and Loss for the year.

Defined Benefit Plans: Gratuity (Funded)

The company makes contributions to the Employee’s Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation conducted annually using the projected

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

unit credit method, as adjusted for unrecognised past services cost, if any, and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Consolidated Statement of Profit and Loss for the period in which they occur.

Other Long-term employee benefits: Compensated absences

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in full in the Consolidated Statement of Profit and Loss for the period in which they occur.

Termination Benefits

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

o. Income Tax

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Deferred Tax assets/ liabilities representing timing differences between accounting income and taxable income are recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

Tax during the specified period.

p. **Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gain/loss arising during the year is adjusted to the Consolidated Statement of Profit and Loss.

q. **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. Other borrowing costs are recognised as expenditure for the period in which they are incurred.

r. **Earnings per share**

Basic/ diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/ dilutive potential equity shares outstanding as at the end of the year as the case may be.

s. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation.

Contingent assets are neither recognised nor disclosed in the accounts.

t. **Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Note No. 2.35 EMPLOYEE BENEFITS

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

2.35.1 Defined Contribution Plans

In case of the Holding Company – INKEL Limited

During the year the company has recognised ₹ 36,54,282/- (₹ 21,45,206/-) as Contribution to Provident Fund, ₹ 9,57,027/-(₹ 6,55,789/-) as Contribution to National Pension Scheme and ₹ 3,54,467/- (₹ 83,152/-) as Contribution to Employee State Insurance in the Statement of Profit and Loss on account of defined contribution plans.

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

During the period, Company has made contributions to INKEL Employees Gratuity Fund Scheme constituted by the Holding Company for the benefit of employees of its Group Companies. During the year the company has recognized Rs. 66,122/-(Previous Year Rs.4,28,702/-) in the Statement of Profit and Loss on account of defined contribution plans.

2.35.2 Defined Benefit Plans

In case of the Holding Company – Inkel Limited Gratuity (Funded)

(i)	Actuarial Assumptions	31 st March 2019	31 st March 2018
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	7.50% p.a.	8.00% p.a.
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Assured Lives Mortality [1994-1996] Ultimate Table	Indian Lives Mortality [1994-1996] Ultimate Table

*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31 st March 2019	31 st March 2018
	Present value of obligation at the beginning of the year	44,42,671	43,42,516
	Current Service Cost	10,32,281	6,17,771
	Interest Cost	3,71,910	3,48,855
	Actuarial gain/(loss)	20,30,959	10,74,106
	Benefits Paid	(1,34,836)	(19,40,577)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	77,42,985	44,42,671

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 st March 2019	31 st March 2018
	Fair value of plan assets at the beginning of the year	28,74,233	33,79,365
	Acquisition Adjustments	(68,963)	-
	Expected return on plan assets	2,15,567	2,70,349
	Actuarial gain/(loss)	(1,40,548)	85,876
	Contributions	-	10,79,220
	Benefits paid	(1,34,836)	(19,40,577)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	27,45,453	28,74,233

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March 2019	31st March 2018
	Present value of obligation	77,42,985	44,42,671
	Fair value of plan assets	27,45,453	28,74,233
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	49,97,532	15,68,438

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31st March 2019	31st March 2018
	Current Service Cost	10,32,281	6,17,771
	Interest Cost	3,71,910	3,48,855
	Expected return on plan assets	(2,15,567)	(2,70,349)
	Acquisition Adjustment of assets	68,963	-
	Actuarial (gain) /loss recognised in the period	21,71,507	9,88,230
	Past Service Cost	-	-
	Curtailement cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	34,29,094	16,84,507

Leave Plan (Unfunded)

(i)	Actuarial Assumptions	31st March 2019	31st March 2018
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	Not Applicable	Not Applicable
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Assured Lives Mortality [1994-1996] Ultimate Table	Indian Lives Mortality [1994-1996] Ultimate Table

*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31 st March 2019	31 st March 2018
	Present value of obligation at the beginning of the year	59,50,303	53,34,830
	Current Service Cost	43,10,163	16,21,126
	Interest Cost	6,07,903	4,60,904
	Actuarial (gain)/loss	8,11,480	4,93,805
	Benefits Paid	(16,60,142)	(19,60,362)
	Curtailments		
	Settlements		
	Present value of obligation at the end of the year	1,00,19,707	59,50,303

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 st March 2019	31 st March 2018
	Fair value of plan assets at the beginning of the year	-	-
	Expected return on plan assets	-	-
	Actuarial gain/(loss)	-	-
	Contributions	-	-
	Benefits paid	-	-
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	-	-

(In Rupees)			
(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31st March 2019	31st March 2018
	Present value of obligation	1,00,19,707	59,50,303
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	1,00,19,707	59,50,303

(In Rupees)			
(v)	Expenses recognised in the Statement of Profit and Loss:	31st March 2019	31st March 2018
	Current Service Cost	43,10,163	16,21,126
	Interest Cost	6,07,903	4,60,904
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	8,11,480	4,93,805
	Past Service Cost	-	-
	Curtailement cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	57,29,546	25,75,835

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

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

Gratuity (Funded)

(i)	Actuarial Assumptions	31st March 2019	31st March 2018
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	8.00% p.a.	8.00% p.a.
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Assured Lives	Indian Assured Lives

		Mortality [1994-1996] Ultimate	Mortality [1994-1996] Ultimate
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*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31st March 2019	31st March 2018
	Present value of obligation at the beginning of the year	41,715	22,217
	Current Service Cost	3,268	17,941
	Interest Cost	3,251	2,339
	Actuarial gain/(loss)	(38,257)	35,138
	Benefits Paid	-	(35,920)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	9,977	41,715

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31st March 2019	31st March 2018
	Fair value of plan assets at the beginning of the year	3,34,539	2,24,325
	Expected return on plan assets	25,090	17,946
	Actuarial gain/(loss)	(15,135)	(17,946)
	Contributions	-	1,46,134
	Benefits paid	-	(35,920)
	Assets distributed on settlement	19,846	-
	Fair value of plan assets at the end of the year	3,64,340	3,34,539

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31 st March 2019	31 st March 2018
	Present value of obligation	9,977	41,715
	Fund Status	3,54,363	2,92,824
	Fair value of plan assets	3,64,340	3,34,539
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	-	-

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31 st March 2019	31 st March 2018
	Current Service Cost	3,268	17,941
	Interest Cost	3,251	2,339
	Expected return on plan assets	(25,090)	(17,946)
	Actuarial (gain) /loss recognised in the period	(23,122)	53,084
	Acquisition of asset adjustment	(19,846)	-
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	(61,539)	55,418

Leave Plan (Unfunded)

(i)	Actuarial Assumptions	31 st March 2019	31 st March 2018
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	Not Applicable	Not Applicable
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Assured Lives Mortality [1994-1996] Ultimate	Indian Lives Mortality [1994-1996] Ultimate

*The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31 st March 2019	31 st March 2018
	Present value of obligation at the beginning of the year	4,66,543	3,55,994
	Current Service Cost	40,070	2,32,872
	Interest Cost	36,493	35,432
	Actuarial (gain)/loss	(4,86,106)	1,09,070
	Benefits Paid	-	(2,66,825)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	57,000	4,66,543

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 st March 2019	31 st March 2018
	Fair value of plan assets at the beginning of the year	-	-
	Expected return on plan assets	-	-
	Actuarial gain/(loss)	-	-
	Contributions	-	-
	Benefits paid	-	-
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	-	-

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31 st March 2019	31 st March 2018
	Present value of obligation	57,000	4,66,543
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(57,000)	(4,66,543)

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31 st March 2019	31 st March 2018
	Current Service Cost	40,070	2,32,872
	Interest Cost	36,493	35,432
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	(4,86,106)	1,09,070
	Past Service Cost	-	-
	Curtailement cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	(4,09,543)	3,77,374

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

Note 2.38

2.38.1 INKEL Ltd (INKEL) had acquired 65% of shares in the company Seguro Foundations and Structures Private Limited (SFS) on 1st December 2017 and SFS has been functioning as a subsidiary of INKEL since such date. During the financial year 2018-19, certain instances of non-adherence with proper corporate governance systems, as also incompleteness/deficiencies in the financial information furnished by the former management of SFS have been noticed, which are prima facie considered material. Having regard to a forensic study conducted at the instance of INKEL by a firm of financial consultants for the period from 01 January 2017 to 31 January 2019, which has brought out various lapses/irregularities in the functioning of SFS, the Board of INKEL has initiated action including constituting a committee comprising of an independent director of INKEL, a financial expert and a legal expert to examine the issues raised in detail and give its findings on the extent/impact on the working/state of affairs of the company. Further, as per the findings of this committee, the audited financial statements of SFS for the financial year ended 31st March 2018 and the unaudited financial statements for the year ended 31st March 2019 are to be examined by an independent firm of Chartered Accountants, based on which, INKEL will take necessary measures, including for recovery of losses, if any. Pending resolution of the matters stated above, the financial statements of SFS for the financial year ended 31st March 2019 have not been approved by the Board of Directors of the said company and are subject to audit by that company's auditors.

As per the unaudited financial statements of the said company, for the financial year ended 31st March 2019, the Net loss disclosed amounting to Rs 20,35,06,934/- is significantly higher than the Net loss for the preceding year ended 31st March 2018 which amounted to Rs 5,65,20,338/-. The increase in net loss as above, is prima-facie attributable to a material reduction of Rs 20,24,83,497/- in the amount of "Unbilled Revenue" recognised in the

accounts of SFS as Current Assets as at 31st March, 2019 as compared to that on 31st March, 2018 in the previous year. The effect/impact of various adjustments, if any, that may be necessary arising out of the findings of the Committee and the review by the independent firm of Chartered Accountants as stated above, in the accounts of SFS for the financial year ended 31st March 2019, as well as to those relating to the preceding year ended 31st March 2018, which are being subject to independent review as stated above, are not ascertainable at this stage and hence have not been incorporated in the accounts of the said subsidiary company for the respective years, but, will be appropriately dealt with on receipt of the concerned reports.

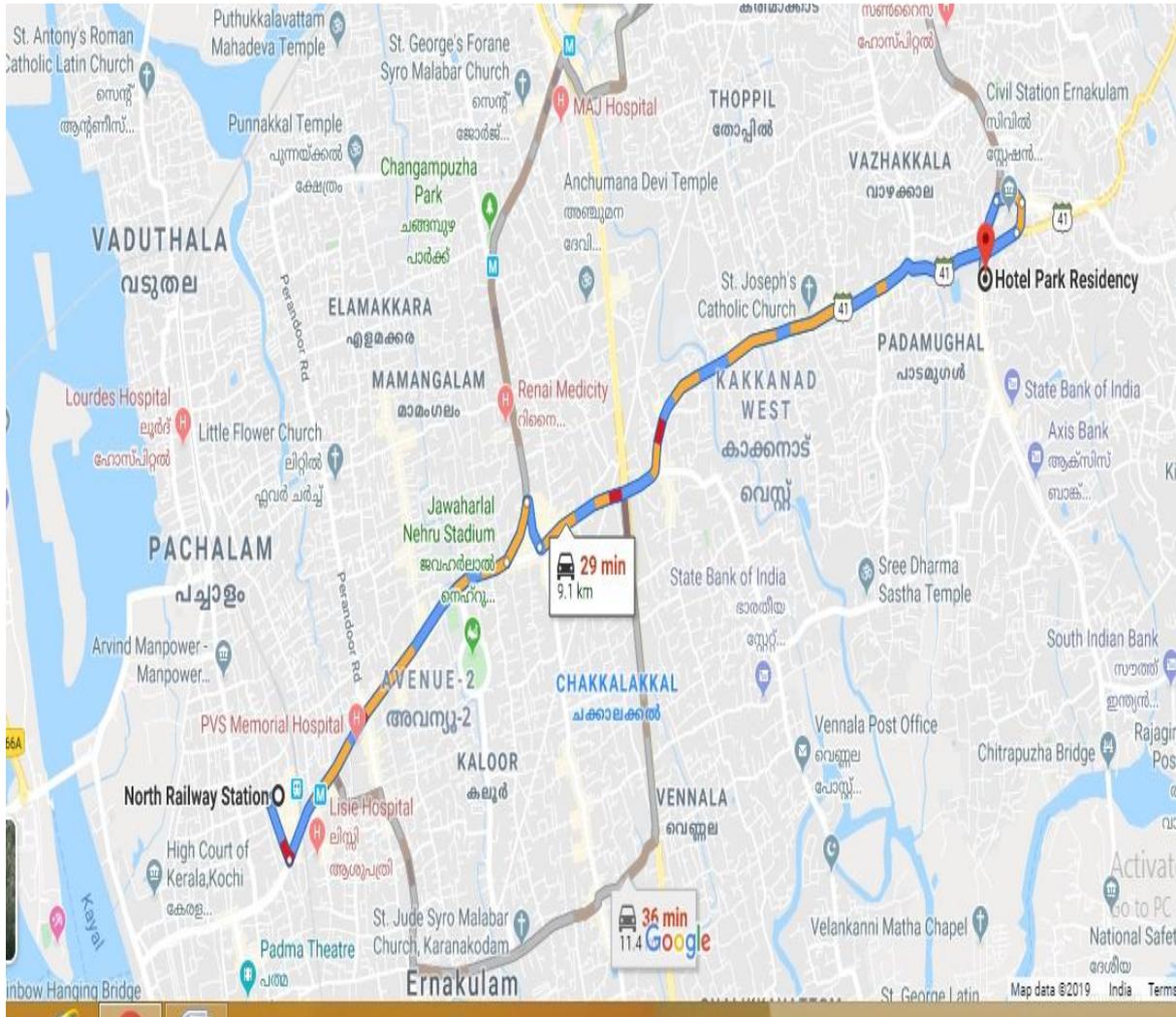
These unaudited financial statements of SFS have been incorporated in the consolidated financial statements of the Group which reflects SFS's total assets of Rs. 54,89,55,826/- (11.38% of Group's total assets) and net assets of Rs. (19,83,105)/- (-0.09% of Group's net assets) as at March 31, 2019, total revenues (including other income) of Rs. 39,06,52,198/- (34.96% of Group's total revenues), net loss of Rs. 20,35,06,934/- (181.01 % of Group's total loss) and net cash inflows amounting to Rs. 53,14,918/- (3.48% of Group's cash inflows) for the year then ended. The impact of further adjustments, if any, that may be necessary in the financial statements of SFS in relation to the financial year ended 31st March 2019, as well as in relation to the preceding year ended 31st March 2018, which are being subject to independent review as stated above, cannot be ascertained at this stage and hence has not been considered in these Consolidated Financial Statements.

2.38.2 Based on valuation of the assets of the subsidiary companies INKEL-KSIDC Projects Limited and INKES Trade Centre Limited, as well as of the associate company MIV Logistics Private Limited (which includes investments in equity shares in and loans and advances granted to an associate company of MIV viz Seabird Seaplane Private Limited (Seabird) which has not commenced any commercial operations since its inception in 2012 and insolvency resolution process has been initiated before National Company Law Tribunal), carried out by independent chartered engineers engaged by the respective companies and plans for improved future

operations as approved by the Board of INKEL, the management is of the opinion that although there is some erosion in the net worth of these companies as per financial statements, there is no impairment in the carrying value of the Group's share of total assets in these companies to be recognised at this stage.

2.38.3 In the absence of necessary information the Consolidated Financial Statements do not include adjustments if any required in the carrying value of investments made by a wholly owned subsidiary company (IIDPL Ltd) during the year in a newly formed associate company Calicut Expressway Private Limited on account of post-acquisition changes in the investor's share of net assets, if any of the investee and does not reflect the investor's share of the results of operations of the said investee company. In the opinion of the management the impact of such adjustments, if any, are not expected to be material.

ROUTE MAP
VENUE OF 12TH ANNUAL GENERAL MEEETING
Hotel Park Residency, Kakkanad



ATTENDANCE SLIP

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

CIN: U45209KL2007PLC020471

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

Kakkanad, Cochin, Ernakulum - 682030

Ph : 0484 2978101/03

I hereby record my presence at the Twelveth Annual General Meeting of INKEL Limited to be held on Saturday, the 28th December 2019 at 11 AM at Hotel Park Residency, Kakkanad, Cochin.

Full name of the Member :
Folio No. :
No. of shares :
Name of Proxy :
Member's/Proxy's Signature :

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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

Ph : 0484 2978101/03

Name of the member (s):

Registered address:

E-mail Id:

Folio No

I/We, being the member (s) of shares of the above named company, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the at the Annual General Meeting of INKEL Limited to be held on Saturday, the 28th December 2019 at 11 AM at Hotel Park Residency, Kakkanad, Cochin and at any adjournment thereof in respect of such resolutions as indicated in the notice.

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

Signature of Shareholder

Signature of first Proxy holder signature of second proxy holder signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



A Public Private Partnership initiative

Registered Office : Door No. 7/473 ZA-5&6, Ajiyal Complex
Post Office Road, Kakkanad, Cochin - 682 030, India,
Phone : 0484 2978101/03
Email : deptcs@inkelkerala.com, **Website** : www.inkel.in