INKEL LIMITED ANNUAL REPORT 2019-20

CONTENTS

	Pg. No
Notice to Shareholders	02
Directors Report	16
Secretarial Audit Report	40
Balance Sheet	53
Statement of Profit & Loss	54
Cash Flow Statement	55
Auditors Report	82
Consolidated Financial Statements	93

INKEL LIMITED

CIN:U45209KL2007PLC020471

Regd 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 Jayakrishnan Krishna Menon Chairman, ABN Corporation, Doha

Shri Jaocb Kovoor Independent Director

Smt. Vidhya Sangeeth Independent Director

MANAGING DIRECTOR IN CHARGE

Mr. A Mohanlal

COMPANY SECRETARY

Ms. Anjana M A

CHIEF FINANCIAL OFFICER

Mr. V Prasanna Kumar

AUDITORS

M/s.Sridhar& Co Chartered Accountants Thiruvananthapuram - 695023



INKEL LIMITED

 $Regd.\ Office: Door\ No.\ 7/473ZA-5\ \&\ 6,2^{nd}\ Floor,\ Ajiyal\ Complex,\\ Kakkanad,\ Cochin-682030,\ Phone: +91-484-2978101/03\\ Website: www.inkel.in,\ email: deptcs@inkelkerala.com,\ CIN: U45209KL2007PLC020471$

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 13th Annual General Meeting of INKEL Limited will be held on Wednesday, the 30th day of December 2020 at 12 Noon through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business.

ORDINARY BUSINESS

- 1. To receive, consider and adopt:
 - a) the Audited Balance Sheet as at 31st March 2020, the Statement of Profit and Loss for the year ended on that date, Annexure and Schedules thereto and the report of the Directors and Auditors of the Company.
 - b) the Audited Consolidated financial statements of the Company for the financial year ended 31st March 2020 and report of Auditors.
- 2. To appoint a Director in the place of Mr. Varghese Kurian (DIN: 01114947) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Mr. Jacob Kovoor (DIN:01213357) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED that Mr. Jacob Kovoor (DIN:01213357) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th June 2020 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 Mr. Jacob Kovoor who has submitted a declaration that he meets the criteria for independence as



provided under Section 149(6) of the Act be and is hereby appointed as an Independent Director of the company to hold office for a term upto two consecutive years, commencing from 30th December 2020 till the conclusion of the Annual General Meeting for the Financial Year ending 31st March 2022.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

4. Appointment of Mr. Jayakrishna Krishna Menon (DIN: 02734324) as a Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT Mr.Jayakrishna Krishna Menon (DIN:02734324) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14/09/2020 pursuant to the provisions of Section 161 of the Companies Act 2013 along with the rules framed thereunder and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respectof whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

5. Appointment of Mr. K Venugopal (DIN: 06539970) as Managing Director for the period 04.02.2020 to 25.06.2020

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED 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 reenactment thereof, and the rules made thereunder and Article 99 (1) of the Articles of Association of the company and pursuant to the recommendation of the Board of Directors, consent of the members of the company be and is hereby accorded for the appointment of Mr. K Venugopal (DIN: 06539970) as Managing Director for the period from 04.02.2020 to 25.06.2020 on a remuneration of Rs. 2,00,000/- per month.



6. Appointment of Mr. M P Dinesh (DIN: 06539970) as Managing Director for the period 26.06.2020 to 30.10.2020

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED 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 reenactment thereof and the rules made thereunder and Article 99 (1) of the Articles of Association of the company and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent of the members of the company be and is hereby accorded for appointment of Mr. M P Dinesh (DIN: 06539970) as Managing Director for the period from 26.06.2020 to 30.10.2020 on following terms of appointment:

- (i) A fixed salary of Rs. 2,00,000/- per month
- (ii) An incentive based on turnover:
 - if the company achieves more than Rs. 50 crore revenue during a financial year then an incentive of Rs. 50,000/- per month
 - if the company achieves more than Rs. 75 crore revenue during a financial year then an incentive of Rs. 75,000/- per month
 - if the company achieves more than Rs. 100 crore revenue during a financial year then a maximum level incentive of Rs. 1,00,000/- per month
- (iii) A commission of 1% on the net profit (after tax) in excess of Rs. 10 crore in any financial year.
- (iv) Gratuity payable at a rate not exceeding half a month's fixed salary for each completed year of service;
- (v) Encashment of leave at the end of the tenure.
- (vi) Medical Reimbursement limited to 50 per cent of monthly fixed salary per year.
- (vii) Car with driver for personal and official use
- (viii) Mobile and Landline telephone /Broadband at the residence, for personal and official use

By order of the Board For INKEL Limited

Place: Cochin Date: 04.12.2020

Sd/-Anjana M A Company Secretary



Notes:

- 1. The Statement pursuant to Section 102 of the Companies Act 2013, in respect of the Special business set out in the notice is annexed hereto and the details as required under Secretarial Standard in respect of the Directors seeking appointment/ reappointment at this Annual General Meeting is annexed hereto.
- 2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated 05th May 2020 read with circulars dated 08th April 2020 and 13th April 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act 2013 and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- 3. Pursuant to the provisions of the Companies Act a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, the physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.
- 4. In compliance with the aforesaid MCA Circulars, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company. Members may please note that the Notice and Annual Report 2019-20 will also be available on the Company's website (www.inkel.in).
- 5. Since the AGM will be held through VC / OAVM, the route map is not annexed in this Notice.
- 6. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. Corporate Members are requested to send a scanned copy of the Board Resolution authorising their representatives to attend the AGM, pursuant to Section 113 of the Act, through e-mail at deptcs@inkelkerala.com
- 7. 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 upto and inclusive of the date of Annual General Meeting.



8. 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.

9. Voting through electronic means:

- a) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 08th April 2020, Circular No.17/2020 dated 13th April 2020 and Circular No. 20/2020 dated 05th May 2020. The forthcoming Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate this AGM through VC/OAVM.
- b) Pursuant to the provisions of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended) and MCA Circulars dated 08th April 2020, 13th April 2020 and 05th May 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), the authorized e-Voting's agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as the e-voting system at the time of the AGM, will be provided by CDSL.
- c) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- d) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act 2013.
- e) Pursuant to Section 112 and Section 113 of the Companies Act 2013, representatives of the members such as Government of Kerala or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.



- f) CS Sivakumar P (Membership No.: F3050), or in his absence, CS Embrammadam Padmanabhan Madhusudhanan (Membership No. F10085), or in his absence, CS Anju Panicker (Membership No. A37120), Partners of M/s. SEP & Associates, Company Secretaries, 56/172, K C Abraham Master Road, Panampilly Nagar, Kochi has been appointed as the Scrutinizer to oversee the voting process in a fair and transparent manner.
- g) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast during the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 2 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Company.
- h) The results of voting shall be declared forthwith by the company and the results declared along with the Scrutinizer's Consolidated Report shall be placed on the Company's website (www.inkel.in) and on the website of Central Depository Services Limited (CDSL).

The instructions for shareholders for remote e-voting are as under:

- (i) The voting period begins from 09.00 hours (IST) on 24th December 2020 and ends at 17.00 hours (IST) on 28th December 2020. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 20th December 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already casted their votes prior to the meeting date would not be entitled to vote during the meeting time.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically

(vi) Next enter the Image Verification as displayed and Click on Login.



- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and
	Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax
	Department (Applicable for both demat shareholders as well as
	physical shareholders)
	• Shareholders who have not updated their PAN with the
	Company/Depository Participant are requested to use the
	sequence number sent by Company/RTA or contact
	Company/RTA
Dividend	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy
Bank	format) as recorded in your demat account or in the company
Details	records in order to login.
OR Date	• If both the details are not recorded with the depository or
of Birth	company please enter the member id / folio number in the
(DOB)	Dividend Bank details field as mentioned in instruction
	(v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
- (xii) Click on the EVSN **201208035** for the relevant <Company Name (INKEL LIMITED)> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- 1. For Physical shareholders please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to deptcs@inkelkerala.com.
- 2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to deptcs@inkelkerala.com.

INSTRUCTIONS FOR SHAREHOLDERSATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- 1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- 2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.



- 3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at deptcs@inkelkerala.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at deptcs@inkelkerala.com. These queries will be replied to by the company suitably by email.
- 6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THEAGM ARE AS UNDER:-

- 1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- 2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- 4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.



(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; deptcs@inkelkerala.comif they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- If you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No: 03

The Board of Directors appointed Mr. Jacob Kovoor (DIN: 01213357) 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 Mr. Jacob Kovoor shall hold office upto the date of this Annual General Meeting and is eligible to be appoint as a Director. The company has received in writing notice proposing his candidature for the office of Director.



Further, the company has received declaration from Mr. Jacob Kovoor to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder.

Mr. Jacob Kovoor is a Chartered Accountant by profession. He is the founder Chairman of Kovoor Consultants (P) Limited and also the founder & Managing partner of CA firm Kovoor& Co. Your Board considers that Mr.JacobKovoor's association with the Company as an Independent Director would immensely benefit the Company.

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

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

Item No: 04

Mr.Jayakrishna Krishna Menon (DIN: 02734324) was appointed by the Board of Directors of the Company as Additional Non-Executive Director of the Company effective 14.09.2020 in terms of Section 161 of the Companies Act, 2013. He will vacate office at this Annual General Meeting. The Board at its meeting held on 04.12.2020, recommended for the approval of the Members, the appointment of Mr.Jayakrishna Krishna Menon as Non-Executive Director of the Company as set out in the Resolution. Further notice under Section 160 of the Act has been received from Members proposing his/her appointment as a Director of the Company. Requisite consent, pursuant to Section 152 of the Act, has been filed by him to act as Director, if appointed.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution. The Board recommends this Resolution for your approval.

Item No: 05

In pursuance of the Govt. Order, the Board of Directors has appointed Mr. K Venugopal as Managing Director with effect from 04.02.2020 and he held the position upto 25.06.2020. 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 and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.



Item No: 06

In pursuance of the Govt. Order, the Board of Directors has appointed Mr. M P Dinesh as Managing Director with effect from 26.06.2020 and he held the position upto 30.10.2020. 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 and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

By order of the Board For INKEL Limited

Sd/-Anjana M A Company Secretary

Place: Cochin Date: 04.12.2020



As per the requirement of Secretarial Standard-2, the following information relating to the directors to be appointed/reappointed as contained in item 2, 3 & 4 is furnished below:

Particulars	Information	Information	Information
Name	Mr. Varghese Kurian	Mr. Jacob Kovoor	Mr.Jayakrishna Krishna
			Menon
Age	58 years	71 years	33 years
Qualification	Civil Engineering	Chartered Accountant	Mechatronics Engineering
Experience	Chairman of the VKL Holdings	Chartered Accountant	Chairman of ABN
	and Al Namal group of Companies		Corporation , Doha, Qatar
	whose business include real estate,	more than 25 years	
	property development and	experience in this	
	management, construction, health	field.	
	and hospitality divisions.		
Terms and conditions of	Retiring director, being eligible	Appointment as	Appointment as Non
appointment	offer himself for re-appointment.	Independent Director	executive Director.
Remuneration	Sitting fees for attending meeting	Sitting fees for	Sitting fees for attending
	of the Board and Sub Committees	attending meeting of	meeting of the Board and Sub
	of the Board	the Board and Sub	Committees of the Board
		Committees of the	
		Board	
Date of first appointment on	22/11/2007	30/06/2020	14/09/2020
Board			
Shareholding in the company	13494697 equity shares of Rs. 10/-	NIL	6000000
	each		
Relationship with other	NIL	NIL	NIL
Directors, Manager and other			
KMP			
Number of Meetings of Board	8	NIL	NIL
attended for FY 2019-20			



			INKELLIMITED
Other Directorships,	Director in:	1. Tranquil	1. TJSV Steel Fabrication
Memberships / Chairmanships	1. Tecil Chemical And Hydro	Developers India	And Galvanizing(India)
of Committees of other Boards	Power Limited	Pvt Ltd	Limited
	2. VKL Estates India Private		2. Behzad Steel and
	Limited	2. Kovoor	Galvanizing Private
	3. Lakshmi Paper Industries	Consultants Pvt	Limited
	Private Limited	Ltd	3. MIV Logistics Private
	4. VKL Industries Private Limited		Limited
	5. K V Apartments Private Limited	3. Indo Japan	4. Cheraman Financial
	6. Maradu Properties Private	Chamber Of	Services Limited
	Limited	Commerce	5. Sowparnika Leasing Gold
	7. Sandune Properties Private	(Kerala)	Finance Private Limited
	Limited		C Debug d Dunkaning And
	8. VKL Builders India Private		6. Behzad Bunkering And Shipchandling Private
	Limited		Limited
	9. VKL Projects India Private		Limited
	Limited		7. Norka-Roots (Sec 25
	10. VKL Infrastructure Products		Company)
	Private Limited		Company
	11. Lintex Constructions And		
	Properties Private Limited		
	12. Seethathode Constructions And		
	Properties Private Limited		
	13. VKL Resorts India Private Limite		
	14. Poothotta Resorts Private		
	Limited		
	15. INKEL-KSIDC Projects Limited		
	16. INKEL Infrastructure		
	Development Projects Limited		
	17. SVJ Granites Private Limited		



REPORT TO THE SHAREHOLDERS

Dear Members,

Your Directors are pleased to present the 13th Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended 31st March 2020.

1. FINANCIAL RESULTS

Financial Highlights	For the Year Ended 31 st March 2020	For the Year Ended 31 st March 2019
Revenue from Operations	19,09,28,787	32,05,59,913
Other Income	10,64,77,907	9,18,47,273
Total Revenue	29,74,06,694	41,24,07,186
Total expenditure except	41,97,37,664	31,95,93,050
Depreciation		
Depreciation	1,72,75,901	1,94,37,305
Profit before tax	(13,96,06,871)	7,33,76,831
Income Tax / MAT	25,07,100	2,75,73,921
Deferred tax	(60,97,126)	(48,68,077)
Profit after tax	(13,60,16,845)	4,62,95,939

2. PERFORMANCE REVIEW

The Company has reported total turnover of Rs. 29,74,06,694/- for the financial year as compared to Rs. 41,24,07,186/- in the previous year. The net loss of the year under review amounted to Rs.13,60,16,845/- in the current year as compared to Profit of Rs.4,62,95,939/- in the previous year. The company has made a provision for diminution in the value of investments of Rs.13,81,50,205/- in Seguro Foundations and Structures Private Limited and this has resulted in a net loss. The provision is created in line with the Accounting Standard 13 issued by the Institute of Chartered Accountants of India due to negative net worth of Seguro and the Net discounted cash flows for the future does not show a surplus to justify the value of the investments.

3. **DIVIDEND**

Considering the loss incurred by the Company during the financial year 2019-20, the Board of Directors decided not to declare final dividend to the shareholders. The Board of Directors also decided not to transfer any amount to the Reserves for the year under review.



4. CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of your Company for the financial year 2019-20 are prepared in compliance with applicable provisions of the Companies Act 2013 and Accounting Standards. The financial performance of each of the subsidiaries and joint venture companies included in the consolidated financial statements of your Company is set out in the Annexure to this Report.

5. OPERATIONS REVIEW

KIIFB funded Hospital Projects

The Company was conferred with the status of a Special Purpose Vehicle by Government of Kerala for execution of major health care projects under its 'Healthcare to the Poor' mission. The details of the KIIFB funded Hospital Projects is stated below:

Development of General Hospital, Ernakulam: The work consists of Construction of Super Specialty Block -Civil works, MEP works including Electrical, Plumbing, Lift, Medical Gas System and Furniture & Interior Fitouts (Hospital equipment, Modular OT and CSSD are being executed through KMSSCL). Total Project cost is Rs. 76.50 crore for which total centgae is Rs. 1.55 crore. The project is nearing completion and expected to be handed over by January 2021.

Development of Taluk Hospital, Punalur: The project is to construct a New Hospital Block-Civil works, MEP works including Electrical, Plumbing, Lift, Medical Gas System, and Furniture & Interior Fitouts (Hospital equipment, Modular OT and CSSD are being executed through KMSSCL). Total project cost is Rs. 68.19 crore and total centage is Rs. 2.33 crore. The project is nearing completion and expected to be handed over by January 2021.

Development Cochin Cancer Research Centre: This work consists of construction of Cochin Cancer Research Centre-Civil works, MEP works including Electrical, Plumbing, Lift, Medical Gas System, and Furniture & Interior Fitouts (Hospital equipment, Modular OT and CSSD will be executed through KMSSCL). Total Project Cost is Rs.384.34 Cr and total Centage for the work is Rs.8.49 Cr. Work is in progress and 34% of civil work is completed as on the date of this report and the project is expected to be completed by July 2021.

Development Government Medical College Ernakulam: The project is to construct a new hospital block-Civil works, MEP works including Electrical, Plumbing, Lift, Medical Gas System, and Furniture & Interior Fitouts (Hospital



equipment, Modular OT and CSSD will be executed through KMSSCL). Project cost is Rs. 286.62 crore and total centage is Rs. 9.11 crore. Work is in progress and 59% of civil work is completed as on the date of this report and the project is expected to be completed by July 2021.

Development of Taluk Head Quarters hospital, Chirayinkeezhu: the project comprise of construction of new hospital block- Civil works, MEP works including Electrical, Plumbing, Lift, Medical Gas System, and Furniture & Interior Fitouts. Project Cost is Rs.50.77 Cr and total Centage for the project is Rs.1.98Cr. Civil works for the project is progressing and expected completion of the whole project is July 2021.

Development of Govt. Medical College Thiruvananthapuram: Phase I include (1) Improvements to External Infrastructure-Construction of Road, Bridge and other infrastructure (2) Multi-Level Car Parking (MLCP) Works. Total project cost is Rs. 58.37 crore and total centage is Rs. 1.61 crore. Improvements to External Infrastructure-Construction of Road, Bridge and other infrastructure work are in progress. Expected date of completion of the project is June 2021.

KIIFB Funded School Projects

INKEL has been assigned the role of Special Purpose Vehicle for 39 schools. These works were awarded, replacing KITE by INKEL. DPR and Estimate for these schools were prepared by KITE through KITCO. These projects were tendered by INKEL based on the approved estimate prepared by KITCO. Work commenced for 37 schools. For the remaining 2 schools, the DPR submitted earlier by KITCO needed to be revised which are under preparation. Total Project cost is Rs. 99.89 crore and total centage is Rs. 3.19 crore. Expected date of completion of the project is April 2021.

Treasury Projects

Government has entrusted INKEL with construction of 23 Sub Treasury Buildings in various districts of Kerala. Total project cost is Rs. 36.30 crore and centage is Rs. 3.35 crore. Construction of 1 sub treasury building in Phase II was completed and handed over to the Client; remaining 14 Sub treasury buildings in Phase II are nearing completion. 8 Treasury Buildings in Phase III are in the initial stage of construction. Expected date of completion for Phase II is Mrach 2021 and phase III is December 2021.

Other PMC Jobs

Alappuzha Heritage Projects: The scope of work include conservation of various buildings of New Model Coir Factory, Coirfed, Kerala State Coir Corporation, Masjid, Port office etc, maintaining their heritage characteristics. These are



funded by KIIFB/Coir Dept/Dept of Tourism. There are 25 Work packages in the ongoing stage. Total Project Cost is 33.53 Cr and total Centage is Rs.2.35 Cr. The project is in various stages of construction, major components will be completed by March 2021.

Musiris Heritage Projects: The work includes conservation of various buildings in the Muzirisarea, maintaining their heritage characteristics. There are 15 projects under execution. Total Project Cost is 17.09 Cr and total Centage is Rs.1.03Cr. Project work is in progress and is expected to be completed in March 2021.

SOLAR DIVISION

For FY 2020-21 solar division has targeted business for Rs. 63 Crore. The division has achieved Rs.5.65 crore business in the 1st quarter itself. We have confirmed order of Rs. 60 crores for execution. 1MW work started at KSEB 33KV Substation Agali, 3MW started at 220KV Substation Kanjikkode. KSEB also awarded 5MW Kerala government prestigious project "SOURA-KERALA" Which will be starting soon. We also have few orders from District panchayat Kasaragod, Calicut Corporation, District panchayat Trivandrum etc. The division also initiated few projects outside Kerala (Karnataka).

INKEL Business Park Angamaly and INKEL Greens Malappuram

The allotment of land/space at Malappuram and Angamaly is fast progressing. Plots are being allotted to investors who intend to set up educational institutions, small scale units etc.

INKEL - EKK Road Project

As you are aware, our Company in joint venture with M/s. EKK Infrastructure Limited completed its first PPP Road project, ahead of the scheduled completion date. The Project is now under O & M stage which is carried out by INKEL. The O & M fee received for the year under review is Rs.1.50 crore.

Container Freight Station

During the year under review the unit has achieved Rs. 1.56 crore profits compared to Rs. 1.28 crore in the previous year. The operating results of the period have narrowly escaped from the pitfalls of pandemic and lockdown.



6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND: SECTION 125(2) OF THE ACT.

The provision of section 125(2) of the companies act 2013, do not apply for the year under Report as there was no unpaid dividend amount required to be transferred to the Investors Education and protection Fund Account during the year under report.

7. CHANGES IN SHARE CAPITAL DURING THE FINANCIAL YEAR, IF ANY

As on the date of this report, the authorized share capital of the Company is Rs. 200,00,00,000/- (Rupees Two Hundred Crores) divided into 20,00,00,000 (Twenty Crores) equity shares of Rs. 10/-(Rupees ten) each. The total paid up share capital of the Company as on the date of the report is Rs. 1,77,81,43,340/- (Rupees Rupees One Hundred Seventy Seven Crores Eighty One Lakhs Forty Three Thousand Three Hundred and Forty) Divided in to Rs. 17,78,14,334(Seventy Crores Seventy Eight Lakhs Fourteen Thousand Three Hundred and Thirty Four) equity shares of Rs. 10/- (Rupees Ten) each. During the year under review there is no change in Share Capital of the Company.

8. <u>MATERIAL CHANGES AND COMMITMENTS AFFECTING THE</u> FINANCIAL POSITION OF THE COMPANY – SECTION 134(3)(I)

No material changes/ events occurred after balance sheet date till the date of the report.

9. <u>DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK</u> OPTIONS/SWEAT EQUITY SHARES

The Company has not issued any employee stock options/ sweat equity shares during the financial year.

10. DIRECTORS – SECTION 152 OF THE ACT.

The Board of Directors of the Company is duly constituted and the present structure as on the date of this report is as follows:

Sl.	Name	Designation	Date of Appointment	DIN	Resident/N	Category- Independent / Non Independent /	/ Non
-----	------	-------------	------------------------	-----	------------	---	-------



1	VARGHESE KURIAN	Director	22/11/2007	0111494 7	Non Resident	Non Independe nt	Non- Executi ve
2	JACOB KOVOOR NINAN	Independe nt Director	30/06/2020	0121335 7	Resident	Independe nt Director	Non- Executi ve
3	EDAVAN PUTHIYA VEETTIL JAYARAJA N	Nominee Director	06/09/2018	0165975 7	Resident	Non Independe nt	Non- Executi ve
4	RAPPAI CHIRAYAT H VAREED	Director	22/11/2007	0201105 7	Non Resident	Non Independe nt	Non- Executi ve
5	JAYAKRISH NAN KRISHNA MENON	Additional Director	14/09/2020	0273432 4	Non Resident	Non Independe nt	Non- Executi ve
6	ELLANGOV AN KANNAN KAMALA	Nominee Director	07/02/2018	0527247 6	Resident	Non Independe nt	Non- Executi ve
7	MOHAMED ALTHAF	Director	22/09/2012	0640993 5	Non Resident	Non Independe nt	Non- Executi ve
8	VIDHYA	Independe nt Director	01/08/2019	0852533 6	Resident	Independe nt Director	Non- Executi ve
9	Mohanlal	Managing Director in charge	31/10/2020	0895638 2	Resident	Non Independe nt	Executi ve



11. THE DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR – SECTION 203 OF THE ACT.

Name	Designation
Mr. M M Abdul Basheer	Director (upto 27/12/2019)
Mrs. Sharmila Mary Joseph	Director (upto 30/06/2019)
Mr. C K Menon	Director (upto 01/10/2019)
Dr. Mohammed Sagheer	Director (upto 25/10/2019)
Ms. Vidya Sangeeth	Independent Director (from 01/08/2019)
Mr. K A Retheesh	Additional Director (from 26/10/2019 upto
	03/02/2020)
Mr. K Venugopal	Additional Director (from 04/02/2020 upto
	25/06/2020)
Mr. M P Dinesh	Additional Director (from 26/06/2020 upto
	30/10/2020)
Mr. Jayakrishnan Menon	Additional Director (from 14/09/2020)
Mr. K Padmadasan	Company Secretary (upto 01/10/2019)
Mr. George Raphael	CFO (upto 30/11/2019)
Mr. Prasanna Kumar V	CFO (from 27/12/2019)
Ms. Anjana M A	Company Secretary (from 01/10/2019)

12. NUMBER OF BOARD MEETINGS HELD AND THE DATE ON WHICH HELD – SECTION 134(3)(b)OF THE ACT.

During the year under report, the Board met on 15.06.2019, 31.08.2019, 01.10.2019, 15.11.2019, 27.12.2019, 10.01.2020, 31.01.2020 and 24.02.2020.

The maximum time gap between any two meetings was not more than 120 days. The composition and category of the Directors along with their attendance at Board Meetings for the financial year 2019-20 are given below:

Sl. No	Name of Director	Category	Meetings hel	te attended
1	Mr. E P Jayarajan	Chairman (Non- Executive) Nominee Director	8	8
2	Dr. Sharmila Mary Joseph	Non-Executive (Nominee Director)	1	1



3	Dr. K Ellangovan IAS	Non-Executive (Nominee Director)	8	6
4	Mr. Varghese Kurian	Non-Executive Director	8	8
5	Mr. C K Menon	Non-Executive Director	2	0
6	Mr. C V Rappai	Non-Executive Director	8	8
7	Mr. Mohammed Althaf	Non-Executive Director	8	4
8	Dr. Mohammed Sagheer	Managing Director	3	3
9	Mr. M M Abdul Basheer	Non-Executive Director	5	5
10	Mr. M Madhavan Nambiar	Independent Director (Non- Executive)	2	1
11	Ms. Vidhya Sangeeth	Independent Director (Non- Executive)	7	7
12	Dr. K A Retheesh	Managing Director	4	4
13	Mr. K Venugopal	Managing Director	1	1

13. **DISCLOSURES**

BOARD SUB COMMITTEES

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

As per the requirement of section 135 of Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules 2014 and Schedule VII (Activities to be included in the CSR Policies), the Company has constituted a Corporate Social Responsibility Committee at the Board level to monitor the CSR activities. The Company understands its responsibility towards the society and environment in which it operates. Your Company has already identified the strategic areas to achieve its corporate and social objectives. The composition and category of the members are given below:

Sl.No:	Name	Designation
1.	Mr. C V Rappai	Member
2.	Ms. Vidhya Sangeeth	Member
3.	Managing Director	Member



The financial details as sought under the Act for FY 2019-20 are as follows:

Rs. in lacs

Particulars	Amount
Average net profit of the company for last three years	966.84
Prescribed CSR expenditure (2% of the average net profit as	19.34
computed above)	

Details of CSR spent during the financial year:

During the year under review the company has spent Rs. 20.50 lac for reconstruction of house in the flood affected area in Paravur Taluk, Ernakulam district. The identified families were from economically back ward/below poverty line which include sick, widows, aged women and destitute.

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

NIL

NOMINATION AND REMUNERATION COMMITTEE

As per the provisions of Section 178(1) of the Companies Act 2013 read with Rule 6 of the Companies (Meetings of Board & its Powers) Rules 2014, the Board has constituted Nomination and Remuneration Committee with the following Members;

Sl.No:	Name	Designation
1.	Mr. Jacob Kovoor	Chairman
2.	Ms. Vidhya Sangeeth	Member
3.	Mr. Varghese Kurian	Member
4.	Mr. Mohammed Althaf	Member

AUDIT COMMITTEE

The Board has constituted an Audit Committee with the following members:

Sl.No:	Name	Designation
1.	Mr. Jacob Kovoor	Chairman
2.	Ms. Vidhya Sangeeth	Member
4.	Mr. C V Rappai	Member



One meeting of the Audit Committee were held during the period under report on 22.08.2019. The composition and category of the members along with their attendance at the Audit Committee meetings are given below:

Sl.No:	Name	Designation
1.	Mr. M Madhvan Nambiar	Chairman
2.	Ms. Vidhya Sangeeth	Member
4.	Mr. C V Rappai	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to Section 178 of the Companies Act 2013 read with Rule 6 of the Companies (Meetings of Board & its Powers) Rules 2014, the Board has constituted Stakeholders Relationship Committee with the following members:

Sl.No:	Name	Designation
1.	Mr. Jacob Kovoor	Chairman
2.	Ms. Vidhya Sangeeth	Member
4.	Managing Director	Member

PARTICULARS OF EMPLOYEES

There were no employees of the company who have drawn remuneration in excess of the limits set out under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

RISK MANAGEMENT

The Company has adequate system of business risk evaluation and management to ensure stable & sustainable business growth and to promote pro-active approach in evaluating and resolving the risks associated with the business. The Company has identified the potential risks such as financial risk, legal & statutory risks and the internal process risk and has put in place appropriate measures for its mitigation. At present, the Company has not identified any element of risk which may threaten the existence of the Company.

RELATED PARTY TRANSACTIONS

Particulars of contracts or arrangements with related parties as referred to in sub-section (1) of section 188 and are set out in the Notes forming part of the accounts. These transactions are not likely to have a conflict with the interest of the company. All the related party transactions are on arm's length basis and are intended to protect the interest of the company. The details are in form AOC-2 attached as Annexure.



14. CODE OF CONDUCT

The Company being an Unlisted Company the Code of Conduct for the Board Members and Senior Management is not applicable for the Company.

15. INDEPENDENT DIRECTORS & STATEMENT OF DECLARATION – SECTION 149(4)

Sri. M Madhavan Nambiar (DIN: 01122411) and Smt. Vidhya Sangeeth (DIN: 07188269), were appointed as Independent Directors of the Company during the year under review. Mr. Madhavan Nambiar resigned on 24.10.2020. Mr. Jaoch Kovoor was appointed on 30.06.2020. The Independent Directors of the Company have furnished declaration(s) to the Board that they meet the criteria of 'independence' as provided in sub-section (6) of Section 149. Pursuant to the notification of the Ministry Corporate Affairs dated 22nd October 2019, an online data bank for the independent directors ("Data Bank") has been rolled out by the Indian Institute of Corporate Affairs and these two Independent Directors of the Company had registered themselves in the Data Bank.

16. WOMAN DIRECTOR – SECTION 149(1)

The Company is required to appoint a Woman Director as per Section 149(1) of the Companies Act, 2013. We have appointed Ms. Vidhya Sangeeth as Woman/Independent director.

17. VIGIL MECHANISM

The Company is covered under section 177 (9) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.

18. STATUTORY AUDITOR

M/s Sridhar & Co., Chartered Accountants, Trivandrum were appointed as the Statutory Auditors of the Company at the General Meeting for five years from the conclusion of 12th Annual General Meeting to the conclusion of the 17th Annual General Meeting.

Pursuant to notification issued by the Ministry of Corporate Affairs on May 07, 2018, amending Section 139 of the Companies Act 2013, the mandatory requirements for ratification of appointment of auditors by the members at every AGM does not arise. The Auditors are eligible to continue as Auditors in accordance with the provisions of Section 141 of the Companies Act, 2013.



The Report given by M/s Sridhar & Co., Chartered Accountants, Statutory Auditors, on the financial statement of the Company for the year 2019-20 is part of the Annual Report.

19. COST AUDITORS

The Company is not required to appoint Cost Auditor under section 148 of the Companies Act, 2013.

20. SECRETARIAL AUDIT

As required under Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing the Secretarial and related records to ensure compliances of various legislations of the Company and to provide a report in this regard. The Board of Directors of your Company has appointed Sri. M C Sajumon, Practicing Company Secretary as Secretarial Auditor of the Company and the Secretarial Audit Report in Form MR-3 is attached as Annexure to this report. No qualification, reservation, adverse remark or disclaimer have been made in the said report by the Practicing Company Secretary.

21. COMPLIANCE WITH SECRETARIAL STANDARD

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

22. DEPOSITS

In terms of the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, the Company has accepted deposits and has complied with all rules and regulations in this regard.

The company has not made any default in repayment of deposits or payment of interest thereon during the year.

23. LOANS, GUARANTEES AND 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.



24. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

The company has invested in various subsidiaries, joint ventures/associate companies' viz. Inkel-EKK Roads Private Limited, MIV Logistics Private Limited (MIV), Inkel-Seguro Consortium LLP (ISCL) and Seguro Foundations and Structures Private Limited (SFPL), Inkel KSIDC Projects Limited (INKID), and 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. The company is also having a wholly owned subsidiary INKEL Infrastructure Development Projects Limited during the year under review.

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

25. EXTRACT OF ANNUAL RETURN

As required under Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return under Section 92 in the prescribed Form MGT-9 are available on our website www.inkel.in

26. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

During the Financial Year, there were no cases reported or filed regarding sexual harassment of women at workplace.

27. FRAUD REPORTING

During the Financial Year, no cases regarding fraud have been reported to the Board.

28. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of your Company and its future operations.



29. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal control and process in place with respective Financial Statements which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements. This Controls and processes are driven through various policies, procedures and certification. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The company follows the best practices on all aspects including conservation of energy and technology absorption. There are no foreign exchange earnings and out go.

31. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance to the provisions of Section 134 (5) of the Companies Act, 2013 your Directors wish to place on record:

- i. in the preparation of the annual accounts, the applicable Indian Accounting Standards had been followed. There were no material departures from applicable Indian Accounting Standards;
- ii. the directors had 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 at the end of the financial year and of the profit/loss of the Company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis;
- v. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



49. APPRECIATION

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.

For and on behalf of the Board of Directors

Sd/-Chairman

Date: 04.12.2020 Place: Kochi

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

FORM NO. AOC - 1

Part "A": Subsidiaries

Rs lakhs

Sl	Name of	Financial	Share	Reserves	Total	Total	invest	Turno	Profit	Provision	Profit after	Propos	% of
No.	subsidiary	period	capita	&	assets	liabiliti	ments	ver	before	for	taxation	ed	holding
		ended	1	Surplus		es			taxation	taxation		divided	
1	INKEL-EKK	31.03.2020	2800	997.14	20277.09	164799	-	2188.	35.86	9.32	26.54	-	72
	Roads Pvt Ltd					.95		35					
2	INKEL-	31.03.2020	2476.	(969.59	4213.16	2706.6	-	817.9	77.06	-	92.73	-	74
	KSIDC		14			2		9					
3	Inkes Trade	31.03.2020	500	(7.41)	718.85	292.95	-	-	-	-	-	-	74
	Centre Ltd												
6	INKEL	31.03.2020	1.00	(71.52)	4506.88	4577.4	-	44.36	(64.40)	-	(64.40)	-	100
	Infrastructure					0							
	Development												
	Projects												
	Limited												

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
Latest audited Balance Sheet Date	31.03.2020
Shares of Associate/joint venture held by the company on the year end:	
No:	
Amount of Investment:	
Extend of holding	11829714
	118297140
	39.43%
Description of how there is significant influence	Controls more than 20% of total share capital
Reason why associate/joint venture is not consolidated	NA
Net worth attributable to shareholding as per latest audited Balance Sheet	2009.87
Profit/Loss for the year	
i. considered in consolidation before tax	
ii. not considered in consolidation	155.79

Notes:

Name of associate which is yet to commence operation: NIL

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

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

A.	Related parties and nature of relationship	
i.	INKEL KSIDC Projects Limited	Subsidiary Company
ii.	INKEL KINFRA Infrastructure Projects Limited	Subsidiary Company
iii. iv.	INKES Trade Centre Limited INKEL- EKK Roads Private Limited	Subsidiary Company (w.e.f 28-09-2016)
v.	Thalikulam PURA Private Limited	Jointly Controlled Entity (upto 27-09-2016) Subsidiary Company
v. vi.	Tirurangadi PURA Private Limited	Subsidiary Company
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)
		Jointly Controlled Entity (upto 30-11-2017)
viii.	Inkel Infrastructure Development Projects Limited (IIDPL)	Subsidiary Company (w.e.f 27-10-2018)
ix.	INKEL-KMC JV	Joint venture (W.E.F. 12.12.2018)
x.	Key Managerial Personnel	
	Dr. Mohammed Sagheer	Managing Director (w.e.f. 17-08-2017) (upto 28-10-2019)
	Dr. Retheesh KA	Managing Director (w.e.f. 28-10-2019) (upto 03-02-2020)
	Mr. K Venugopal	Managing Director (w.e.f. 04-02-2020)
xi.	Calicut Expressway Private Limited	Enterprise in which the company has significant influence
xii.	KMC-INKEL (JV)	indirectly through an intermediary (IIDPL) Jointly Controlled Operations (w.e.f. 12-12-2018)

B. Description of Transactions

(In Rupees)

	Nature of Transaction	Subsidiary/ Associate/ Jointly Controlled Entity	Key Managerial Personnel	Total	
Inco	<u>me</u>				
1.	Project Management Services				
	MIV Logistics Private Limited	-	-	-	
		-	-	-	
	INKEL KSIDC Projects Limited	-	-	-	
		(9,38,128)	-	(9,38,128)	
	Seguro- INKEL Consortium LLP	-	-	-	
		(32,90,508)	-	(32,90,508)	
	INKES Trade Centre Ltd	-	-	-	
		-	-	-	
	INKEL EKK Roads Private Limited	-	-	-	
		(145,30,740)	-	(145,30,740)	
2.	Guarantee Commission Received				
	Seguro-INKEL Consortium LLP	9,56,702	-	9,56,702	
		(10,89,784)	-	(10,89,784)	
	INKEL EKK Roads Private Limited	159,99,242	-	159,99,242	
		(106,37,475)	-	(106,37,475)	
	MIV Logistics Private Limited	20,40,929	-	20,40,929	
		(23,00,000)	-	(23,00,000)	
	INKEL KSIDC Projects Limited	25,54,111		25,54,111	
		-	-	-	
3.	Interest income from Loans/Debentures				
	KV Apartments	-		-	
			-	-	
	INKEL KSIDC Projects Limited	8,18,292	-	8,18,292	
		(329,93,329)	-	(329,93,329)	
	Seguro-INKEL Consortium LLP	86,30,860	-	86,30,860	
		(63,71,741)	_	(63,71,741)	
	INKES Trade Centre Ltd	44,899		44,899	

		-		-
	INKEL EKK Roads Private Limited	1,521	-	1,521
		(1,64,876)	-	(1,64,876)
4.	Facility Management Services			-
	INKEL KSIDC Projects Limited		-	-
		(11,79,230)	-	(11,79,230)
5.	Expenses Recovered			-
	MIV Logistics Private Limited	29,79,849	-	29,79,849
		(27,70,919)	-	(27,70,919)
6.	Operation & Maintenance Income			
	INKEL EKK Roads Private Limited	150,00,000	-	150,00,000
		(108,00,000)	-	(108,00,000)
Expe	nses			•
1.	Remuneration to Managing Director			
	Mr. K Venugopal		3,79,310	3,79,310
			-	-
	Dr. Retheesh KA		12,34,865	12,34,865
			-	-
	Dr. Mohammed Sagheer	-	29,70,331	29,70,331
		-	(42,94,530)	(42,94,530)
2.	Purchase of Assets			
	MIV Logistics Private Limited	-	-	-
		-	-	-
		-	-	
3.	Project Management Services			-
	Inkel Infrastructure Development Projects Limi	6,46,175		6,46,175
		-		-
	INKES Trade Centre Limited		-	-
		(14,84,651)	-	(14,84,651)
				-
4.	Consideration for outsource			-

	Inkel Infrastructure Development Projects Limi	37,83,776		37,83,776
		-		-
Loan	s and Advances			
1.	INKEL KSIDC Projects Limited			
	- Loan/Advances given	55,00,000	-	55,00,000
		(16,00,000)	-	(16,00,000)
	- Loan/Advances recovered	166,30,744	-	166,30,744
		(3415,40,419)	-	(3415,40,419)
2	Thalikulam PURA Pvt Ltd			-
	- Loan/Advances given	-	-	-
		-	-	-
	- Loan/Advances recovered	-	-	-
		-	-	-
	- Investment written off	-	-	-
		(85,15,000)	-	(85,15,000)
				-
3	Tirurangadi PURA Pvt Ltd.			-
	- Loan/Advances given	-	-	_
	Tour /Advances necessary			
	- Loan/Advances recovered	-	-	-
	- Investment written off	-	-	
	- investment written on	(83,57,000)		(83,57,000)
		(55,51,555)		-
2.	Seguro-INKEL Consortium LLP			-
	- Loan/Advances given	503,42,658	-	503,42,658
	-	(16,50,000)	-	(16,50,000)
	- Loan/Advances recovered	96,21,171	-	96,21,171
		(150,60,381)	-	(150,60,381)
3.	INKES Trade Centre Limited			
	- Advances given	3,85,000	-	3,85,000
		(1,70,000)	-	(1,70,000)
	- Loan/Advances recovered	-	-	-

		(1,30,000)	-	(1,30,000)
4.	INKEL KINFRA Infrastructure Projects Limited			
	- Advances given	-	-	-
		-	-	-
	- Loan/Advances transferred	-	-	-
		-	-	-
5.	INKEL EKK Roads Private Limited			
	- Loan/Advances given	1,04,311	-	1,04,311
		(480,00,000)	-	(480,00,000)
	- Loan/Advances recovered	1,04,311	-	1,04,311
		(480,00,000)	-	(480,00,000)
6.	Inkel Infrastructure Development Projects Limi	ted		
	- Loan/Advances given	1343,99,512	-	1343,99,512
		(2200,00,000)	-	(2200,00,000)
	- Loan/Advances recovered	17,44,000		17,44,000
		-		-
	- Expenses Recoverable	113,85,717	-	113,85,717
		(309,34,903)	-	(309,34,903)
Share	e of Profit			-
1.	Seguro-INKEL Consortium LLP		-	
		(7,89,896)	-	(7,89,896)
Inves	stments made during the year			
1.	Inkel Infrastructure Development Projects Limi	ted	-	-
		(1,00,000)	-	(1,00,000)
1.	INKEL EKK Roads Private Limited	1200,00,000	-	1200,00,000
		(815,70,000)	-	(815,70,000)
2.	Seguro Foundation & Structures Private Limited	-	-	1
		-	-	-
Inves	tments written off during the year			
		-	-	-
		_	_	-

Inves	tments			
1.	INKEL KINFRA Infrastructure Projects Limited	-	-	-
	J	-	-	-
2.	INKEL KSIDC Projects Limited	1832,34,120	-	1832,34,120
	,	(1832,34,120)	-	(1832,34,120)
3.	INKES Trade Centre Limited	370,00,000	-	370,00,000
		(370,00,000)	-	(370,00,000)
4.	INKEL-EKK Roads Private Limited	2016,00,000	-	2016,00,000
		(2016,00,000)	-	(2016,00,000)
5.	MIV Logistics Private Limited	2782,97,140	-	2782,97,140
	(Including Preference Shares)	(2782,97,140)	-	(2782,97,140)
4	Thalikulam PURA Pvt Ltd	-	-	-
	(Fully written off in the books of accounts)	-	-	-
				-
5	Tirurangadi PURA Pvt Ltd.	-	-	-
	(Fully written off in the books of accounts)	-	-	-
6.	Seguro-INKEL Consortium LLP	25,83,533	-	25,83,533
	(Including share of profit)	(117,93,637)	-	(117,93,637)
7.	Seguro Foundations and Structures Private Limited	1381,50,206	-	1381,50,206
		(1381,50,206)	-	(1381,50,206)
8.	Inkel Infrastructure Development Projects Limi	1,00,000	-	1,00,000
		(1,00,000)	-	(1,00,000)
Guara	antee given during the year			
1.	Calicut Expressway Private Limited	-	-	-
		(8550,00,000)	-	(8550,00,000)
2.	INKEL-EKK Roads Private Limited	18200,00,000		18200,00,000
		-		-
Guara	antee given			
1.	MIV Logistics Private Limited	2040,92,922	-	2040,92,922
		(2179,05,223)	-	(2179,05,223)
2.	Seguro-INKEL Consortium LLP	835,08,146	-	835,08,146

		(1048,44,603)	-	(1048,44,603)
3.	INKEL-EKK Roads Private Limited	15999,24,231	1	15999,24,231
		(9517,47,451)	-	(9517,47,451)
4.	Calicut Expressway Private Limited	8550,00,000	-	8550,00,000
		(8550,00,000)	-	-
Share	es pledged during the year			
1.	INKEL-EKK Roads Private Limited	1032,00,000	_	1032,00,000
		(1032,00,000)	-	(1032,00,000)
Rece	ivables			
1.	MIV Logistics Private Limited	33,41,834	-	33,41,834
		(2,31,308)	-	(2,31,308)
2.	INKEL KSIDC Projects Limited	74,65,721	-	74,65,721
		(151,37,268)	-	(151,37,268)
3.	Seguro-INKEL Consortium LLP	1010,61,020	-	1010,61,020
		(518,83,937)	-	(518,83,937)
4.	INKES Trade Centre Limited	16,25,207	-	16,25,207
		(11,99,798)	-	(11,99,798)
5.	INKEL-EKK Roads Private Limited	222,04,142	-	222,04,142
		(120,09,772)	-	(120,09,772)
6.	Inkel Infrastructure Development Projects Limi	499,38,332	-	499,38,332
		(365,03,185)	_	(365,03,185)

For INKEL Limited S/d Chairman

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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 by the adherence to good corporate practices INKEL **LIMITED**(CIN: U45209KL2007PLC020471) (hereinafter called the company). INKEL LIMITED is a Non Government unlisted public company limited by shares formed in the year 2007, as a PPP initiative, for infrastructural development. The company has subsidiaries viz; (a) INKEL-KSIDC Projects Limited (b) INKEL-Infrastructure Development Projects Limited (WOS) (c)INKES Trade Centre Limited(d) INKEL-EKK Roads Private Limited (e) SEGURO Foundations and Structures Private Limited and (f) SEGURO-INKEL Consortium LLP and Associate company viz; MIV Logistics Private Limited. The Secretarial Audit of INKEL LIMITED 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 herebyreport that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 ('Audit Period'/'Period under report')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, 2020 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-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 dematerialized its share certificates. And the company has appointed

- Integrated Registry Management Services Private Limited, No 30 Ramana Residency, 4th Cross Sampige Road, Malleswaram, Bengaluru 560 003 as 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. During the reporting period, as per information provided by the company, there was no Foreign Direct Investment in the company and the company has not made any Overseas Direct Investment and also had not availed External Commercial Borrowings.
- (V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (LODR) Regulations, 2015 Not applicable as the company is an unlisted public company;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations,2011- Not applicable as the company is an unlisted public company;
 - c) The Securities and Exchange Board of India(Prohibition of Insider Trading)Regulations,1992 - Not applicable as the company is an unlisted public company;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 Not applicable as the company is an unlisted public company;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 Not applicable as the company is an unlisted public company;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 Not applicable as the company is an unlisted public company;
 - g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 Not applicable as the company is an unlisted public company and has not offered any shares or granted any options pursuant to any Employee Benefit Scheme during the period under review;
 - h) 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-Not applicable as the company is an unlisted public company;
 - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not applicable as the company is an unlisted public company; and

j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-Not applicable as the company is an unlisted public company;

(VI) I have also examined compliances with respect to:

- (i) The Secretarial Standards, 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- Not applicable as the company is an unlisted public company.

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

- a) The company did not have Independent Directors on its Board from 27/03/2019 to 01.08.2019 and there was only one Independent Director w.e.f 24.10.2019 to 31.03.2020, during the period under report. As per subsection (4) of Section 149 of the Act read with Rule 4 of Companies (Appointment of Directors) Rules, 2014, the company shall have two directors as Independent Directors as provided in subsections (5) & (6) thereof. Therefore, there was non-compliance of Section 149(4) of the Companies Act 2013 during the above period under report. Further Independent Directors shall have atleast one meeting in a financial year without the attendance of non-independent directors and members of the management as per code for Independent Directors prescribed under Section 149(8) of the Act and specified in Schedule IV thereof, interalia, to review the performance of non-independent directors and the board as a whole. In the absence of Independent Directors as above in the Board during the financial year such a meeting could not be held, to review the performance as aforesaid.
- (VII). INKEL Limited is an infrastructure development company. The company has identified and informed me that the industry/sector specific laws, applicable to the company under Central and/or State legislations, are:
 - a) Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
 - b) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998.
 - c) The Building and Other Construction Workers' Welfare Cess Act, 1996.
 - d) Building and Other Construction Workers Welfare Cess Rules, 1998.
 - e) The Building and Other Construction Workers (RE & CS) Kerala Rules, 1998
 - f) The Kerala Building & Other Construction Workers' Welfare Cess Rules.

(VIII). The company has also identified and informed me that the following Environmental Laws, Labour laws and General laws are specifically applicable to the company under Central and/or State legislations **Environmental laws** viz; Environment Protection Act, 1986 and rules made there under; Water (Prevention and Control of Pollution) Act, 1974 and rules made there

under; Air (Prevention and Control of Pollution) Act, 1981 and rules made there under; Noise Pollution (Regulation and Control) Rules, 2000, The Hazardous Wastes (Management Handling and Trans boundary Movement) Rules, 2008 and **Labour laws** viz; The Employees' Provident Fund & Misc. Provisions Act, 1952 and rules made there under; The Employees' State Insurance Act, 1965 and rules made there under, The Maternity Benefit Act, 1961and rules made there under; The Payment of Gratuity Act, 1972and rules made there under; The Minimum Wages Act, 1948and rules made there under; The Payment of Bonus Act, 1965and rules made there under; Kerala Industrial Establishments (National and Festival Holidays) Act, 1958and rules made there under; The Contract Labour (Regulation and Abolition) Act, 1970 and rules made there under, Apprentices Act,1961 and rules made there under, and Kerala Shops and Commercial Establishments Act,1960 and **other General laws** viz; The Factories Act 1948 and rules made there under; The Industrial Disputes Act, 1947 and rules made thereunder; vis-a-vis The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

For the purpose of examining the adequacy of compliances with industry/sector specific laws and Environmental/Labour laws, reliance has been placed on information/records produced by the Company during the course of audit and the Management Representation Letter issued by the management of the company and the reporting is limited to that extent and based on that I am of the opinion that the company has generally complied with the specific laws and Environmental laws etc.

I further report that the compliance by the company of the financial laws like direct and indirect tax laws and various labour laws and other laws has not been reviewed in this audit, since they do not come under the scope of this audit. However based on the information received and records maintained by the company and on their examination I report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with general laws like labour laws, Competition law, environmental laws, rules, regulations and guidelines.

I further report that the Board of Directors of the company is duly constituted with Executive Director, Non-Executive Directors and Woman Director. The company did not have Independent Directors on its Board and committees during the period 27/03/2019 to 01/08/2019 and there was only one Independent Director w.e.f 24.10.2019 to 31.03.2020, during the reporting financial year. The following changes in the composition of the Board of directors and other KMPs took place during the audit period and were carried out in compliance with the provisions of the Act.

- a) Dr. Beena Mahadevan (Dr. M Beena IAS), (DIN:03483417) Nominee Director of the Government of Kerala resigned from the Board/ceased to be director w.e.f01.06.2019.
- b) Mr.Cheril Krishna Menon (C K Menon) (DIN: 01955233) vacated office of Director of the Company w.e.f 15.06.2019 by virtue of Section 167 (1) of the Companies Act, 2013.

- c) Dr. Sharmila Mary Joseph Kumbattu, IAS (DIN: 07974964) who was appointed as a Nominee Director of Government of Kerala on the Board of the company had ceased to be Director with effect from 01.07.2019.
- d) Mr. Maniedath Madhavan Nambiar, IAS (Retd) (DIN: 01122411) and Mrs.Vidhya Narayanan (Mrs. Vidhya Sangeeth) (DIN: 08525336) were appointed by a circular resolution passed on 23.07.2019, as Additional Directors (Non-Executive & Independent) w.e.f. 1st August 2019 till the conclusion of the AGM subject to the approval of the members, for appointment as Independent Directors to hold office for a term up to two consecutive years. Board on 31.08.2019 took on record the resolution by circulation passed on 23.07.2019 for appointment of two Independent Directors. Mr. Maniedath Madhavan Nambiarre signed from the Board as Additional Director (Non-Executive & Independent) of the Company w.e.f 24.10.2019. Designation of Mrs. Vidhya Narayanan was changed from additional director to Director (Independent) of the Company w.e.f 28.12.2019. The company has obtained Declaration of Independent Directors pursuant to Section 149(6) of the Act.
- e) Mr. Mohammed Sagheer (DIN: 02802910) ceased to be Managing Director of the company w.e.f 25.10.2019 and the Board at the meeting held on 15.11.2019 took on record Government of Kerala Order G.O (Rt) No. 1073/2019/ID dated 25.10.2019 nominating Mr. K A Retheesh (DIN: 01345383) as Managing Director and formally appointed Mr. K A Retheesh as Managing Director of the Company, under Article 99 of the Articles of Association of the Company with effect from 28.10.2019. Remuneration was fixed as per recommendation of Remuneration Committee and consent of the Board at the meeting held on 10.01.2020, by the members at the EGM held on 12.03.2020.
- f) Mr. Mucheth Muhamed Abdul Basheer (M.M Abdul Basheer) (DIN: 00120916) Alternate Director to Dr P Mohamed Ali resigned from the Board on 28.12.2019.
- g) Mr. Ratheesh Kuruvelil Ayyappan Pillai(Mr. K.A Retheesh) (DIN:01345383) ceased to be the Managing Director of the Company w.e.f 03.02.2020.
- h) Mr. Venugopal Karunakaran Nair (DIN: 06539970) was appointed as the Managing Director of the Company w.e.f 04.02.2020. Board took on record the GO (Rt) No. 99/2020/ID dated 03.02.2020 regarding appointment of Mr. Venugopal Karunakaran Nair as Managing Director at the meeting held on24.02.2020 and formally appointed Mr. K Venugopal as a Director on the Board of the company under Section 161 pursuant to Article 99 (1) of the Articles of Association of the company and as MD as per Sections 197,198 and 203 read with Schedule V of the Companies Act 2013,subject to the approval of members in the General Meeting with effect from 04.02.2020. Nomination & Remuneration Committee of the Board was authorised to finalise the terms of appointment.
- i) Mr. Kunnath Padmadasan (Mr. K Padmadasan) resigned from the post of Company Secretary of the Company w.e.f 01.10.2019 and Ms.Anjana Mokayil Appukuttan, (Anjana M A) an Associate member of the Institute of Company Secretaries of India (MN: 26024),(eCSINNo.EA026024A000050499) was appointed as the company

secretary of the company w.e.f 01.10.2019 in compliance of the provisions of Section 203 of the Companies Act, 2013 and Rule 8 and 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, by the Board at the meeting held on 15.11.2019.

j) Mr. George Raphael V P, resigned from the post of General Manager (Finance) and Key Managerial Person (CFO) of the Company and got relieved w.e.f 30.11.2019. Mr.Prasanna Kumar Vengalil, General Manager (Finance) was appointed as the as Key Managerial Person (CFO) of the Company w.e.f 27.12.2019 by the Board at the meeting held on 27.12.2019 as per the provisions of Section 203 of the Companies Act, 2013, and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The company has held Eight (8) Board meetings during the period under review respectively on 15.06.2019, 31.08.2019, 01.10.2019, 15.11.2019, 27.12.2019, 10.01.2020, 31.01.2020 and 24.02.2020and adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent in advance duly complying with the time limits specified 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. More than one hundred and twenty days has not intervened between two consecutive meetings of the Board as per Section 173 (1) of the Act. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. Board has taken on record the resolution by circulation passed on 23.07.2019 for appointment of two Independent Directors and to reconstitute the Audit Committee of the Board at the meeting held on 31.08.2019.

In addition to the general business and statutory matters, the Board at the meeting held on 15.06.2019, also noted the Disclosure of Interest received from the Directors of the Company for the Financial Year 2019-20 pursuant to the provisions of Section 184(1) of the Companies Act, 2013, read with rule 9(1) of the Companies (Meetings of Board and its power) Rules, 2014, and taken on record. The Directors have given declaration that none of them are disqualified under the provisions of section 164(2) of the Act. The Board at the meeting held on 31.08.2019 decided to apply for extension of time for three months for holding the annual general meeting, pursuant to provisions of Section 96 (1) of the Companies Act 2013 as the annual general meeting of a Company had to be held before the 30th September, 2019 and obtained three months extension from the Registrar of Companies. Subsequently the Board in the meeting held on 15.11.2019considered and approved the draft financial statements (standalone and consolidated) as on 31.03.2019 as well as Auditor's Report and Board's Report thereon. Subsidiaries (a) INKEL-KSIDC Projects Limited (b) INKEL-Infrastructure Development Projects Limited (WOS) (c) INKES Trade Centre Limited (d) INKEL-EKK Roads Private Limited (e) SEGURO Foundations and Structures Private Limited (f) SEGURO-INKEL Consortium LLP Associate company viz MIV Logistics Private Limited, have been considered in thepreparation of the consolidated financial statements. The company has at the Board Meeting held on 31.08.2019 appointed M/s PAB & Associates, Chartered Accountants, Cochin as Internal Auditors for the financial year 2019-20 as per the provisions of Section 138 (1) of the Companies Act 2013 read with rule 13 (b) of the Companies (Accounts) Rules 2014. The Board at the meeting

held on 15.11.2019 accepted the recommendation of the Audit Committee on dividend and decided to recommend to the members for consideration and approval, a dividend of 2% on the face value of the shares of Rs.10/- each. Board on 31.08.2019 approved the proposal to increase the authorized capital as a pre-requisite to issue Compulsorily Redeemable Cumulative Preference Shares (CRPS) and resolved as per provisions of Section 61 and 64 to increase the authorized capital subject to the approval of the members in the general meeting but as per explanation received from the company and on verification of records of the company the company has not gone ahead on the matter after the Board proposal.

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 though there were different observations among Directors about recording of minutes.

The company has constituted four (4) committees of the Board viz; Audit Committee and Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer Committee. As per explanation received from the company, the company has not constituted a separate Risk Management Committee to develop and implement risk management policy for the company including identification therein of element of risks, if any, which in the opinion of the Board may threaten the existence of the company and to report thereon as envisaged under Section 134(3) (n) of the Act. During the reporting period, Audit Committee meetings were held twice on 22.08.2019 and 27.12.2019 respectively. Audit Committee was reconstituted with two Independent Directors Mr. M Madhavan Nambiar, IAS (Retd) as Chairman and Mrs. Vidhya Sangeeth as member besides the other members by a Resolution by Circulation passed on 23.07.2019 and taken on record at the Board meeting held on 31.08.2019. Audit committee held on 22.08.2019, among other matters considered and approved Related party transactions and noted that they are in the ordinary course of business and on arms length basis. The committee also considered thereat appointment of statutory auditors and Internal Auditors and endorsed the recommendation of the Management to pay a dividend of 2% on the face value of Rs.10/- per equity share for the financial year ended 31st March 2019. The Audit committee held on 27.12.2019 recommended to the Board the name of M/s. Sridhar & Co; Chartered Accountants to be appointed as Statutory Auditors as envisaged under Section 139 for a period of 5 years from the conclusion of 12th Annual General Meeting to 17th Annual General Meeting .The Audit Committee held on 22.08.2019 had recommended the name of M/s. RGN Price & Co; Chartered Accountants to the Board for appointment as Statutory Auditors of the company for the financial year 2019-2020, but they had informed excuse from being appointed as Auditors. Mr. T.R Sreeram, Practising Company Secretary (FCS 4926, CPN:3351), who was appointed as Secretarial Auditor of the company for the financial year 2019-20 and 2020-21 had tendered resignation vide his letter dated 10.02.2020. During the reporting period, one Remuneration Committee meeting was held on 14.11.2019. Remuneration Committee was authorised to finalise the terms of appointment of Mr. K A Retheesh Managing Director and report to the Board for approval. Accordingly remuneration Committee recommended the terms of remuneration of the Managing Director in the above meeting. In my opinion and to the best of my information and according to the explanations given to me the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. As per information received from the company there was no meeting of the Share Transfer committee of the Board during the reporting period as no physical share transfer was taken place since the share certificates of the company were dematerialized. Further there was no meeting of Corporate Social Responsibility (CSR) Committee during the period under report.

As per records of the company, re-constitution of Board of SPVs/subsidiaries as well as transfer of the registered ownership of Equity shares held by the MD/ other INKEL Officers in above subsidiaries/SPVs have been made during the reporting period when there was change in the office of the Managing Director from Dr. Mohammed Sagheer to Dr. K A Ratheesh and further from Dr. K A Ratheesh to Mr. K Venugopal, Managing Director. The company has nominated Representatives on the Board of subsidiaries companies as per Articles of Association of the subsidiary companies. Managing Director of INKEL Limited shall be the Chairman of the Board of subsidiary companies. The company has in the meeting of the Board held on 15.11.2020 nominated former Managing Director Dr. K. A Retheesh and on 24.02.2020 nominated the present Managing Director Mr. K.Venugopal, respectively to the Board of the subsidiary companies.

I further report that:

- a) on the basis of explanation received and on verification of records of the company the provisions of the Act regarding Corporate Social Responsibility (CSR) is applicable to the company. The company has constituted CSR committee u/s 135 of the Companies Act, 2013. 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 spend 2% of the average net profit of the last three financial years on CSR activities. During the financial year 2019-20, the company has spent an amount of Rs 20.51 lacs towards CSR activities as against prescribed CSR expenditure of Rs 19.34 lacs.
- b) on the basis of explanation received the Company has formulated a vigil mechanism policyin compliance with section 177(9) and Section 177(10) of the Companies Act, 2013. On verification of the minutes of the meeting of the Board held on 19.06.2018, the Board had approved the proposal to establish a Vigil Mechanism for Directors and Employees of the company and authorised the Managing Director to draft a suitable Policy for Vigil Mechanism and submit to the Board for approval. Further in the said meeting the Board had approved the proposal and authorized the Managing Director to finalise a Standard Format for carrying out Self Evaluation and put up to the Board for its approval.
- c) on the basis of explanation received and on verification of records, the company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the present term of the committee is up to 20.01.2021.
- d) The Company has vide MCA Notification dated 22nd January 2019, filedReturn of Deposits pursuant to rule 16 of the Companies (Acceptance of Deposits) Rules, 2014. The Company has also submitted e-Form INC-22A ACTIVE, (Active Company Tagging Identities and

- Verification) with MCA, as per Rule 25A of the Companies (Incorporation) Amendments Rules, 2019, as amended w.e.f 25.02.2019 vide MCA notification dated 21st February, 2019.
- e) on the basis of explanation received from the company there was no requirement to file MSME Form 1 with ROC in respect of Outstanding payments to Micro or Small enterprises suppliers exceeding 45 days pursuant to order dated 2^{2nd} January 2019 issued under Section 405 of the Companies Act, 2013.
- f) on the basis of explanation received and on verification of records the directors of the company have filed Web-Form DIR-3 KYC WEB or Form DIR-3-KYC as the case may be with MCA/ROC as it has been made mandatory for the DIN holders to update the DIN Status within the stipulated date by the MCA for updating its register with latest and personal information of DIN holders vide notification dated 5th July 2018, either through the company or on their own.
- g) on the basis of explanation received from the company there was no requirement to transfer any amount or share to IEPF pursuant to section 125 read with rules mad there under, during the audit period.
- h) Every company specified in item (B) (Non-regulated Sectors) of rule 3 of Companies (Cost records and Audit) Rules, 2014, shall get its cost records audited in accordance with these rules if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees one hundred crore or more and the aggregate turnover of the individual product(s) or service(s) for which cost records are required to be maintained under rule (3) is rupees thirty five crore (Rs.35 crore) or more. Under item B (Non-regulated Sectors)Industry/Sector/Product/service item (10) is Roads and other infrastructure projects corresponding to para No(1)(a) as specified in Schedule VI of the Companies Act, 2013 and Industry/Sector/Product/service item (21) is Construction Industry as per para No.5(a) as specified in Schedule VI of the Companies Act, 2013.As regards Applicability of Cost Audit for the company it was explained thatthe aggregate turnover of the individual product(s) or service(s) for which cost records are required to be maintained has not exceeded rupees thirty five crore (Rs.35 crore) or more and so Cost Audit is not applicable to the company as of now.

The Annual General Meeting of the company for the financial year ending 31.03.2019 was held on 28.12.2019 by extension of time for three months from the Registrar of companies. Apart from this, Extra Ordinary General Meetings of the Members of the Company was duly called and held on 12.03.2020. The Company had in the Extra-Ordinary General Meeting held on 12.03.2020appointed M/s. Sridhar &Co. Chartered Accountants, as the Statutory Auditors of the Company for a period of five years from the conclusion of the 12th Annual General Meeting till the conclusion of 17th Annual General Meeting of the company and accorded approval of the Shareholders for the remuneration payable to Dr. K A Retheesh, Managing Director of the company. M/s. R. G. N. Price & Co, Chartered Accountants, who have been recommended by the Board for appointment as Statutory Auditors for the FY 2019-20 expressed their inability to take up the assignment. Board had considered the recommendation of the Audit Committee to appoint M/s. Sridhar & Co; Chartered Accountants as the Statutory Auditors for a period of Five

Years in the place of M/s. R G N Price & Co, whose name was circulated earlier to the shareholders for period of one year. The proceedings of the above meetings were duly recorded and signed by the Chairman.

I further report that based on the information received and records maintained by the company 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 the company has the following specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

- i. On 28.12.2019, a special resolution was passed in the Annual General Meeting of the company to invite/ accept/ renew from time to time unsecureddeposits from the Public and / or Members of the company pursuant to the provisions of Sections 73 and Section 76 of the Companies Act, 2013 within permissible limits asprescribed under Rule 3(4)(b) of the Companies (Acceptance of Deposits) Rules, 2014 and asapproved by the Members, from time to time. The Board had earlier at the meeting held on 15.11.2019 approved the proposal to invite/ accept renew from time to time unsecured deposits from the members and/ or public within the limits prescribed under Rule 3(4)(b) of the Companies (Acceptance of Deposits) Rules, 2014 and the overall borrowing limits of the Company, and approval of the members of the Company. According to the information and explanations given to me though the company had taken approval from the Board as well as shareholders as aforesaid, neither proceeded further on the matter nor did invite any deposits during the reporting period. Whereas, in respect of amounts accepted in earlier financial years and falling within the definition of deposits within the provisions of the Act and deposits Rules, the company has reported that provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, has been complied with and company has not made any default in repayment of deposits or payment of interest thereon during the year. However, I have not verified the veracity of statements and explanations with books of accounts of the company for my audit purpose.
- ii. On 28.12.2019, a special resolution was passed in the Annual General Meeting of the company to offer or invite subscriptions for unsecured redeemable non-convertible debentures having face value of Rs. 1,00,000/- per debenture at par, in one or more series, of the aggregate nominal value up to Rs.200,00,00,000 (Rupees Two Hundred Crores), on private placement, basis, pursuant to the provisions of Sections 42, 71 of the Companies Act, 2013, as decided at the Board Meeting held on 15.11.2019. However the Board at the meeting held on 31.01.2020 rescinded the resolution passed earlier by the Board for issue of Unsecured Debentures since the company does not meet the eligibility criteria for listing. According to the information and explanations given to me though the company had taken approval from the Board as well as shareholders as aforesaid, neither proceeded further on the matter nor did offer/issue any debentures during the reporting

- period. However, I have not verified the veracity of statements and explanations with books of accounts of the company for my audit purpose.
- iii. On 28.12.2019, a special resolution was passed in the Annual General Meeting of the company to provide required Corporate Guarantee for a value of Rs. 25 Crore (Rupees Twenty Five Crore only) to MIV Logistics Private Limited an associate company and to charge a Guarantee Fee of 1% on the outstanding amount at the end of every financial year.
- iv. Consent of the Board was accorded on 31.08.2019 to provide required Corporate Guarantee in favour of State Bank of India, as per the terms of the borrowing agreed by INKEL KSIDC Projects Limited for availing the credit facility for an amount not exceeding Rs.30 Crore (Rupees Thirty Crore only) and to charge a Guarantee Fee of 1% on the outstanding amount at the end of every financial year.
- v. At the meeting of the Board held on 24.02.2020, the company had decided to extent corporate guarantee to the wholly owned subsidiary company M/s INKEL Infrastructure Development Projects Limited (IIDPL).
- According to the information and explanations given to me and the records of the vi. Company, the Company had given intercorporate loans, guarantees and made investments to the companies and limited liability partnership covered in the register maintained under Section 189. Whereas, as per section 186 (3), where the aggregate of the loans, guarantees and securities given and investments made exceed 60% of company's paid up share capital, free reserves and securities premium the same shall be previously authorized by a special resolution passed in a general meeting, except as per first proviso thereto, in the case of loans, guarantees, securities to and investment in wholly owned subsidiary and loans, guarantees and securities to joint ventures. Further, as per subsection (4) of Section 186 the company shall disclose to the members in the financial statements the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security. Further, as per subsection (5), if the limit as per subsection (2) is likely to exceed or there is default in repayment of loan installments or payment of interest thereon as per terms and conditions of such loan to the public financial institutions, no investment shall be made or loan or guarantee or security given by the company, unless the resolution sanctioning it is passed at a meeting of the Board with the consent of all directors present at the meeting and the prior approval of the public financial institution concerned where any term loan is subsisting, is obtained. Further no loan shall be given u/s 186 at a rate of interest lower than the prevailing yield of government securities close to the tenure of loan as provided under subsection (7). On a clarification on the above, it was explained and reported by the company and its officers that for a company engaged in the business of providing infrastructure facilities, provisions of Section 186 are not applicable but loans, guarantees or investments covered under the Section form part of the notes to the financial statements. It can be construed from subsection (11) of Section 186, provisions of

Section 186 (except subsection 1) shall not apply to any loan made, any guarantee given or any security provided or any investment made by a banking company, or an insurance company, or a housing finance company in the ordinary course of its business, or a company established with the object of and engaged in the business of financing industrial enterprises, or of providing infrastructural facilities.

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

UDIN:A009868B000598874

Place: Kochi-18 Signature: Sd/-

Date: 04.12.2020 Name of Company Secretary in practice: M.C SAJUMON

M.No: A9868, C.P. No.: 2385 ICSI Unique Code: I1995KE067800 Per Review Cert. No. 713/2020

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. Ihave based my opinion on the basis of information/records produced by the company during the course of the audit and the reporting is limited tothat 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 whichthe management has conducted the affairs of the company.

UDIN:A009868B000598874

Place: Kochi-18 Signature: Sd/-

Date:-04.12.2020 Name of Company Secretary in practice: M.C SAJUMON

M.No: A9868, C.P. No.: 2385ICSI Unique Code: I1995KE067800
Per Review Cert. No. 713/2020

INKEL LIMITED BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Note No.	As at 31.03.2020 (In Rupees)	As at 31.03.2019 (In Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	1,77,81,43,340	1,77,81,43,340
(b) Reserves and Surplus	2.2	24,50,36,381	42,39,26,145
(2) Non - Current Liabilities			
(a) Long - Term Borrowings	2.3	15,93,37,000	12,46,24,000
(b) Deferred Tax Liabilities (Net)	2.4	2,38,48,829	2,99,45,955
(c) Other Long Term Liabilities	2.5	1,02,57,090	48,57,742
(d) Long - Term Provisions	2.6	1,13,39,185	1,23,00,099
(3) Current Liabilities			
(a) Short Term Borrowings	2.7	97,35,000	70,25,000
(b) Trade Payables :-	2.8		
i. Total outstanding dues of micro enterprises and small enterprises; and		-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		4,84,29,129	6,25,58,045
(c) Other Current Liabilities	2.9	34,78,28,022	36,48,68,785
(d) Short - Term Provisions	2.10	35,48,197	3,02,91,061
TOTAL		2,63,75,02,173	2,83,85,40,172
II. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	2.11	57,60,16,664	59,58,73,870
(ii) Intangible Assets	2.11	11,19,327	1,24,723
(b) Non - Current Investments	2.12	69,22,57,799	84,14,64,999
(c) Long - Term Loans and Advances	2.13	2,84,33,671	9,73,94,426
(d) Other Non - Current Assets	2.14	30,64,78,277	23,92,87,274
(2) Current Assets			
(a) Inventories	2.15	41,26,863	24,77,654
(b) Trade Receivables	2.16	22,34,33,415	16,72,22,084
(c) Cash and Cash Equivalents	2.17	19,10,62,641	50,38,37,179
(d) Short - Term Loans and Advances	2.18	50,15,44,822	29,38,54,263
(e) Other Current Assets	2.19	11,30,28,694	9,70,03,700
TOTAL Significant Accounting Policies and Notes to Accounts		2,63,75,02,173	2,83,85,40,172

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

Jacob Kovoor NinanVidya SangeethFor Sridhar & CoDirectorDirectorChartered AccountantsDIN: 01213357DIN: 08525336FRN: 003978S

Anjana M.A Prasanna Kumar V CA. S. Unnikrishnan Company Secretary Chief Financial Officer Partner

Place: Kochi Date: 04-12-2020 Membership No.218366

INKEL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Note No.	For the year ended 31.03.2020 (In Rupees)	For the year ended 31.03.2019 (In Rupees)
Revenue			
I. Revenue from Operations	2.20	19,09,28,787	32,05,59,913
II. Other Income	2.21	10,64,77,907	9,18,47,273
III. Total Revenue (I+II)		29,74,06,694	41,24,07,186
IV. Expenses			
i) Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.22	1,63,04,914	78,97,745
ii) Purchases of Stock-in-Trade	2.23	3,51,94,733	9,05,93,492
iii) Changes in inventories of Stock-in-Trade	2.24	(16,49,209)	(24,77,654)
iv) Employee Benefits Expense	2.25	10,26,14,536	9,52,82,059
v) Finance Costs	2.26	2,01,77,422	2,57,08,940
vi) Depreciation and Amortisation Expense	2.11	1,72,75,901	1,94,37,305
vii) Other Expenses	2.27	10,89,45,063	10,25,88,468
viii) Provisions	2.28	13,81,50,205	
Total Expenses		43,70,13,565	33,90,30,355
V. Profit Before Tax (III - IV)		(13,96,06,871)	7,33,76,831
VI. Tax Expense			
(1) Current Tax		25,07,100	2,75,73,921
(2) Deferred tax		(60,97,126)	` '
(3) Taxes relating to prior years		-	43,75,048
VII. Profit for the year (V - VI)		(13,60,16,845)	4,62,95,939
VIII. Earnings per Equity Share:	2.29		
Face value of share ₹ 10/- (₹ 10/-)			
(1) Basic		(0.78)	0.27
(2) Diluted		(0.78)	0.26

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

Jacob Kovoor NinanVidya SangeethFor Sridhar & CoDirectorDirectorChartered AccountantsDIN: 01213357DIN: 08525336FRN: 003978S

Anjana M.A Prasanna Kumar V CA. S. Unnikrishnan Company Secretary Chief Financial Officer Partner Membership No.218366

Place : Kochi Date : 04-12-2020

INKEL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

	_		(In Rupees)
	Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Tax	(13,96,06,871)	7,33,76,831
	Adjustments for:		
	Depreciation and Amortisation expense Intangible asset written off	1,72,75,901	1,94,37,305 6,59,375
	Provision for Doubtful debts written back	-	(79, 27, 755)
	Creditors written back Provision for dimunition in value of investment	13,81,50,205	(30,100)
	Loss/(Profit) on sale of Assets(Net)	16,860	-
	Interest Income	(4,49,32,319)	(6,76,27,473)
	Dividend recevied INKEL EKK Ltd	(2,01,60,000)	-
	Finance costs	2,01,77,422	2,57,08,940
	Share of (Profit)/Loss from Seguro-INKEL Consortium LLP	1,10,56,996	(7,89,896)
	Conversion of fixed assets to current assets	1,63,04,914	78,97,745
	Operating profit before Working Capital Changes	(17,16,892)	5,07,04,972
	Changes in Working Capital Adjustments for Increase/Decrease in Operating Assets		
	Trade Receivables	(5,62,11,331)	57,57,361
	Short term loans and advances	(2,59,77,874)	3,02,25,533
	Other Non-Current Assets	(6,71,91,003)	(22,59,33,569)
	Inventories	(16,49,209)	(24,77,654)
	Long term Loans and Advances	(10,48,651)	(17,750)
	Other Current Assets	(1,58,39,350)	(4,85,71,572)
		(16,79,17,418)	(24,10,17,651)
	Adjustments for Increase/ Decrease in Operating Liabilities		
	Trade Payables	(1,41,28,916)	(5,37,87,182)
	Other Current Liabilities	6,70,25,176	2,64,61,809
	Short term Provisions	(16,76,043)	9,40,695
	Long term Provisions	(9,60,914)	65,57,803
	Other Long Term Liabilities	2,74,800	(8,79,120)
		5,05,34,103	(2,07,05,995)
	Cash generated from Operations	(11,91,00,207)	(21,10,18,674)
	Taxes Paid	(47,25,015)	(2,90,27,834)
	Net Cash Generated from Operating activities -(A)	(12,38,25,222)	(24,00,46,508)
В	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets including Capital WIP/Capital Advances	(1,45,22,902)	(32, 35, 362)
	Loans and Advances (given)/repaid	(13,47,12,685)	6,14,19,053
	Interest received on loans/deposits	4,47,46,675	6,42,03,638
	Proceeds from sale of Fixed assets	20,383	-
	(Investments)/Sale of equity shares/preference shares	-	(1,00,000)
	Drawings from Seguro-INKEL Consortium LLP	-	1,00,00,000
	Dividend recevied INKEL EKK	2,01,60,000	-
	Net Cash Used in Investing activities - (B)	(8,43,08,529)	13,22,87,329

C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from /(Repayment of) Short term borrowings	27,10,000	70,25,000
	Share capital amount received	-	14,62,91,790
	Securities Premium amount received	-	7,31,45,895
	Proceeds/(Repayment) from Long term borrowings	(3,87,51,000)	9,63,04,000
	Finance costs paid	(2,56,41,665)	(1,96,27,874)
	Dividend paid	(3,56,48,070)	(5,69,94,200)
	Dividend Distribution tax paid	(73,10,052)	(1,17,28,738)
	Net Cash Generated from/ (Used in) Financing Activities - (C)	(10,46,40,787)	23,44,15,873
	Net increase in Cash and Cash equivalents (A+B+C)	(31,27,74,538)	12,66,56,694
	Cash and Cash equivalents at the beginning of the year	50,38,37,179	37,71,80,485
	Cash And Cash Equivalents at the end of the year (See note 2.17)	19,10,62,641	50,38,37,179

For and on behalf of the Board of Directors

As per our separate report of even date attached

Jacob Kovoor Ninan Vidy Director Director DIN: 01213357 DIN

Vidya Sangeeth Director DIN: 08525336 For Sridhar & Co Chartered Accountants FRN: 003978S

Anjana M.A Company Secretary Prasanna Kumar V Chief Financial Officer CA. S. Unnikrishnan Partner Membership No.218366

Place : Kochi Date : 04-12-2020

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

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

d. Intangible Assets

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

e. **Depreciation/ Amortisation**

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

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

f. Government Grant/Subsidies

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

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

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

g. Investments

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

h. Revenue Recognition

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

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

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

Other 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.

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 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.

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.

NOTE - 2.1 SHARE CAPITAL (In Rupees)

	As at 3	As at 31.03.2020		1.03.2019
Particulars	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	17,78,14,334	1,77,81,43,340
	17,78,14,334	1,77,81,43,340	17,78,14,334	1,77,81,43,340

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

	As at 3	1.03.2020	As at 31.03.2019	
Particulars	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
As at the beginning of the financial year	17,78,14,334	1,77,81,43,340	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	17,78,14,334	1,77,81,43,340
Particulars of Shareholders holding more than 5% share in the Company				
Govt. of Kerala - 22.78 % (Previous year 22.78 %)	4,05,00,000	40,50,00,000	4,05,00,000	40,50,00,000
Bismi Holdings Limited - 6.19 % (Previous year 6.19 %)	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Shri.Yusuffali M A - 17.02 % (Previous year 17.02 %)	3,02,60,018	30,26,00,180	3,02,60,018	30,26,00,180
Shri.Varghese Kurian - 7.59 % (Previous year 7.59 %)	1,34,94,697	13,49,46,970	1,34,94,697	13,49,46,970
Dr.Mohamed Ali - 5.91 % (Previous year 5.91 %)	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 31.03.2020	As at 31.03.2019
(a) Securities Premium		
Opening Balance	7,39,36,670	-
Add: Additions during the year	-	7,39,36,670
Closing balance	7,39,36,670	7,39,36,670
(b) Surplus in statement of profit and loss		
Opening balance	34,99,89,475	37,24,81,724
Add: Profit/Loss for the year	(13,60,16,845)	4,62,95,939
Amount available for appropriation	21,39,72,630	41,87,77,663
Less: Appropriations Proposed Dividend		
Final Dividend for 2018-19 paid to equity shareholders @ ₹ 0.20/- per share (Previous year: ₹ 0.35/- per share)	3,55,62,867	5,70,59,450
Dividend Distribution Tax	73,10,052	1,17,28,738
Total Appropriations	4,28,72,919	6,87,88,188
Closing Balance	17,10,99,711	34,99,89,475
Total	24,50,36,381	42,39,26,145

2.2.1 Considering the loss incurred by the Company during the financial year 2019-20, the Board of Directors decided not to recommend declaration of any dividend to the shareholders.

NOTE - 2.3 LONG-TERM BORROWINGS

(In Rupees)

		(=== ==================================
Particulars	As at 31.03.2020	As at 31.03.2019
(a) Term Loans from Other parties		
Unsecured (See Note 2.3.1)	2,00,00,000	2,00,00,000
(b) Deposits		
Unsecured (See Note 2.3.2)	13,93,37,000	10,46,24,000
	15,93,37,000	12,46,24,000

Note

2.3.1 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.

Overdue Details as on 31st March 2020- Rs 1 Crore for a period of 2 years and Rs 1 Crore for a period of 1 year. (Rs 1 crore for 1

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

Terms of repayment	Cum	ulative basis	Non-Cumulative basis	
	Rate	Amount	Rate	Amount
Within 1 year - Scheme 3	10.38%	40,53,000	10.00%	45,32,000
Within 1 year - Scheme 3	10.92%	11,50,000		-
Within 2 years - Scheme 3	10.92%	24,21,000	10.00%	1,37,96,000
Within 2 years - Scheme 3	11.49%	1,50,90,000		-
Within 2 years - Scheme 2	10.84%	2,51,73,000	9.50%	3,10,06,000
Within 3 years - Scheme 3	11.49%	2,54,93,000	10.00%	2,63,58,000
Total		7,33,80,000		7,56,92,000

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

2.3.3 Deposits received from directors during the year ₹ Nil/- (₹ Nil/-).

NOTE - 2.4	DEFERRED	TAX LIABILITIE	S (NET)

NOTE - 2.4 DEFERRED TAX DIADIDITIES (NET)		(III Kupees)
Particulars	As at 31.03.2020	As at 31.03.2019
A. Deferred Tax Liability On excess of net book value over Income tax written down value of Property, Plant &	3,07,87,280	3,92,75,897
B. Deferred Tax Assets On Provisions/other disallowances	69,38,451	93,29,942
Net Deferred Tax Assets	2,38,48,829	2,99,45,955

NOTE - 2.5 OTHER LONG TERM LIABILITIES

(In Rupees)

Particulars	As at 31.03.2020	As at 31.03.2019
Security Deposits Interest accrued but not due on borrowings	28,17,840 74,39,250	25,43,040 23,14,702
	1,02,57,090	48,57,742

NOTE - 2.6 LONG-TERM PROVISIONS

(In Rupees)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits (See Note-2.30)		
- Provision for Gratuity	30,62,939	35,41,717
- Provision for Leave Encashment	82,76,246	87,58,382
	1,13,39,185	1,23,00,099

NOTE - 2.7 SHORT TERM BORROWINGS

(In Rupees)

		(=== === <u>F</u> = == <u>J</u>
Particulars	As at 31.03.2020	As at 31.03.2019
Deposits		
Unsecured (See Note 2.3.2)	97,35,000	70,25,000
	97,35,000	70,25,000

NOTE - 2.8 TRADE PAYABLES

(In Rupees)

NOTE - 2.5 TRADE TATABLES		(III Kupees)
Particulars	As at 31.03.2020	As at 31.03.2019
Trade Payables (See Note 2.8.1) i. Total outstanding dues of micro enterprises and small enterprises; and ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	4,84,29,129	- 6,25,58,045
	4,84,29,129	6,25,58,045

2.8.1 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.

Particulars	As at 31.03.2020	As at 31.03.2019
a. Principal Amount remaining unpaid but not due as at the year end	-	-
b. Interest due thereon and remaining unpaid as at the year end.	-	-
c. Interest paid by the Company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	1	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.		-
e. Interest accrued and remaining unpaid as at the year end	-	-
f. Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTE - 2.9 OTHER CURRENT LIABILITIES

NOTE - 2.9 OTHER CORRENT BIADIDITIES		(III Kupees)
Particulars Particulars	As at 31.03.2020	As at 31.03.2019
Current maturities of Long Term Debt		
- Term Loan (See Note 2.3.1)	1,00,00,000	1,00,00,000
- Public Deposit	-	7,38,43,000
Accounts payable - Capital	72,055	-
Interest accrued but not due on borrowings	4,09,568	1,09,98,359
Unpaid dividend	4,73,347	5,58,550
Current Liabilities		-
Deposit matured and payable	3,79,000	-
Advances from Customers		
- for Deposit Work	11,42,38,286	8,84,35,535
- Others	13,48,99,324	10,11,07,411
Retention Money payable	6,14,22,804	4,18,12,531
Statutory Dues	2,44,63,638	2,95,53,521
Security Deposit / Earnest Money Deposit	14,70,000	85,59,878
	34,78,28,022	36,48,68,785

NOTE - 2.10 SHORT-TERM PROVISIONS

(In Rupees)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits		
-Provision for Gratuity (See Note 2.30)	5,72,021	14,55,815
-Provision for Leave Encashment (See Note 2.30)	4,69,076	12,61,325
Provision for Income tax	25,07,100	2,75,73,921
	35,48,197	3,02,91,061

NOTE - 2.12 NON-CURRENT INVESTMENTS

(In Rupees)

NOTE - 2.12 NON-CURRENT INVESTMENTS		(In Rupees)
Particulars	As at 31.03.2020	As at 31.03.2019
a) Investments in Equity Instruments		
(Un-quoted, Trade, at cost)		
i) In Subsidiary Companies		
- INKEL- KSIDC Projects Limited	18,32,34,120	18,32,34,120
1,83,23,412 (1,83,23,412) Equity Shares of ₹ 10/- each, fully paid up - INKES Trade Centre Limited	2 70 00 000	2 70 00 000
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	20,16,00,000	20,16,00,000
2,01,60,000 (2,01,60,000)Equity Shares of ₹ 10/- each, fully paid up	20,10,00,000	20,10,00,000
- Seguro Foundations and Structures Private Limited 13,81,50,206	5 1	13,81,50,206
62,02,248 (62,02,248) Equity Shares of ₹ 10/- each, fully paid up		10,01,00,100
Less: Provision for dimunition in Value 13,81,50,205	5	
- Inkel Infrastructure Development Projects Limited	1,00,000	1,00,000
10,000 (Nil) Equity Shares of ₹ 10/- each, fully paid up	1,00,000	1,00,000
ii) In Associate Companies		
- MIV Logistics Private Limited	11,82,97,140	11,82,97,140
1,18,29,714(1,18,29,714) Equity Shares of ₹ 10/- each, fully paid up		
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	4.50.000	4 50 000
Investment towards 45% of the capital	4,50,000	4,50,000
Add: Opening balance of Share of Profit from LLP Less: Received during the year	21,33,534	1,13,43,637 (1,00,00,000)
Add: Share of Profit from LLP	(1,10,56,996)	7,89,896
	(84,73,462)	25,83,533
c) Investment in Preference Instruments		, ,
(Un-quoted, Trade, at cost)		
i) In Associate Companies		
- MIV Logistics Private Limited	16 00 00 000	16 00 00 000
1,60,00,000 (1,60,00,000) optionally convertible preference shares of ₹ 10/- each,	16,00,00,000	16,00,00,000
Total investments (a) + (b) + (c)	69,22,57,799	84,14,64,999
Aggregate amount of unquoted investments	69,22,57,799	84,14,64,999

2.12.1

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 - 2.13 LONG-TERM LOANS AND ADVANCES

(In Rupees)

Particulars	As at 31.03.2020	As at 31.03.2019
(Unsecured, Considered good) Security Deposits	31,06,227	20,57,576
Advance to Related Parties		
- Seguro - INKEL Consortium LLP - Subsidiary Entity	-	4,70,00,000
Capital Advances	-	1,60,500
Income Tax (Net)	2,53,27,444	4,81,76,350
	2,84,33,671	9,73,94,426

NOTE - 2.14 OTHER NON-CURRENT ASSETS

(In Rupees)

		(III Itupoos)
Particulars	As at 31.03.2020	As at 31.03.2019
Unbilled Revenue -Lease Premium Installment	39,81,808	63,92,289
Balance with Banks -In Fixed Deposit Accounts	30,24,96,469	23,28,94,985
	30,64,78,277	23,92,87,274

2.14.1 Balance with banks in Deposit Account includes ₹ 30,24,96,469/-(₹ 23,28,94,985/-) 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.

NOTE - 2.15 INVENTORIES

(In Rupees)

NOTE - 2:15 INVENTORIES		(III Kupees)
Particulars	As at 31.03.2020	As at 31.03.2019
Land and Building held on long term finance lease Opening Balance Add: Additions during the year Less: Disposed during the year	1,63,04,914 1,63,04,914	- 1,85,02,936 1,85,02,936
Closing Balance Stock-in-trade:	-	· · · · · -
Solar Panel/Inverter	41,26,863 41,26,863	24,77,654 24,77,654

NOTE - 2.16 TRADE RECEIVABLES

(In Rupees)

		(=== ====F===)
Particulars Particulars	As at 31.03.2020	As at 31.03.2019
(Unsecured, Considered Doubtful) - Outstanding for a period exceeding six months from the date they were due for payment	58,56,494	58,56,494
Less: Provision for Doubtful Debts	(58,56,494)	(58,56,494)
(Unsecured, Considered good) - Outstanding for a period exceeding six months from the date they were due for payment	18,77,83,467	3,98,55,409
- Others (See Note 2.16.1)	3,56,49,948	12,73,66,675
	22,34,33,415	16,72,22,084

2.16.1 Trade Receivables include debts due from:

(In Rupees)

(11)				
Particulars	Description	As at 31.03.2020	As at 31.03.2019	
MIV Logistics Private Limited	Private limited company in which a director of INKEL Limited is a director	33,41,834	2,31,308	
Kerala Industrial Infrastructure Development Corporation (KINFRA)	Government of Kerala owned Statutory Body in which a director of INKEL Limited is a director	25,03,070	8,96,576	
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	
Inkel-EKK Roads Private Limited	Private limited company in which a director of INKEL Limited is a director	2,22,04,142	1,20,09,772	

NOTE - 2.17 CASH AND CASH EQUIVALENTS

NOTE 2:11 ORDITIME ORDITE GOTTIMENTO		
Particulars	As at 31.03.2020	As at 31.03.2019
Cash on Hand Balance with Banks	18,771	4,503
-In Current Accounts -In Fixed Deposit Accounts	12,83,997 18,97,59,873	68,19,206 49,70,13,470
	19.10.62.641	50.38.37.179

2.17.1 Earmarked Balances:

Balance with banks in current accounts include earmarked balances for unpaid dividend ₹ 5,06,225/- (₹5,90,430/-). Balance with banks in current accounts include earmarked balances of ₹ 29,390/- (₹35,366/-) held for specific projects.

- **2.17.2** Balance with banks in Deposit Accounts include ₹ 13,19,196/- (₹ 63,247/-) held with a maturity period of more than 12 months and ₹ 51,67,852/-(₹ 2,08,35,690/-) held against public deposits in pursuance of the requirements of applicable Rules.
- **2.17.3** Balance with banks in Deposit Account includes ₹ 2,83,93,756/-(₹ 3,22,54,022/-) held under lien.
- **2.17.4** Balance with banks in Deposit Account includes ₹13,14,52,290/- (₹ 12,40,23,758/-) earmarked for specific projects.

NOTE - 2.18 SHORT-TERM LOANS AND ADVANCES

(In Rupees)

Particulars	As at 31.03.2020	As at 31.03.2019
(Unsecured, Considered good)		
-Loans/Advances to related parties:		
INKEL- KSIDC Projects Ltd- Subsidiary Company	45,79,576	1,49,73,887
INKEL Infrastructure Development Projects Limited- Subsidiary Company	35,26,55,512	25,65,03,185
Seguro - INKEL Consortium LLP- Subsidiary Entity	9,80,76,697	25,87,437
INKES Trade Centre Limited-Subsidiary Company	4,65,409	-
-Others:		
Advances recoverable in cash or in kind or for value to be received	5,51,251	12,63,918
Security Deposits/Earnest Money Deposits	55,77,313	64,03,356
Balances with Government Authorities	8,59,634	3,52,428
Advance to Suppliers/Contractors	3,83,66,527	1,16,15,302
Advance to employees	4,12,903	1,54,750
	50,15,44,822	29,38,54,263
(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)
	50,15,44,822	29,38,54,263

NOTE - 2.19 OTHER CURRENT ASSETS

Particulars	As at 31.03.2020	As at 31.03.2019
Interest accrued on Fixed Deposits Unbilled Revenue	61,11,511	58,63,468
-Project Management Consultancy Income	9,19,73,552	6,10,90,173
-Lease Premium Installment Less: Provision for Doubtful Debts	21,71,826	1,72,15,855
	21,71,826	1,72,15,855
Interest accrued on Lease Premium Installment	2,35,805	2,98,204
Claims Receivable	1,25,36,000	1,25,36,000
	11,30,28,694	9,70,03,700

INKEL LIMITED NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2020

NOTE - 2.11 PROPERTY, PLANT & EQUIPMENT A. TANGIBLE ASSETS

			GROSS	вьоск		I	DEPRECIATION/	AMORTISATION			
SL. NO.	Particulars	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	NET BLOCK AS ON 31.03.2020	NET BLOCK AS ON 31.03.2019
1	Freehold Land	34,39,75,816	-	-	34,39,75,816	-	-	-	-	34,39,75,816	34,39,75,816
		(34,39,75,816)	-	-	(34,39,75,816)	-	-	-	-	(34,39,75,816)	(34,39,75,816)
2	Leasehold Land - See Note	9,49,27,858	-	61,77,064	8,87,50,794	82,46,712	9,17,809	5,46,242	86,18,279	8,01,32,515	8,66,81,146
	2.12.1	(9,91,33,774)	(18,80,044)	(60,85,960)	(9,49,27,858)	(74,25,926)	(12,25,017)	(9,97,046)	(76,53,897)	(8,72,73,961)	(9,17,07,848)
3	Building- See Note 2.12.1	17,53,11,003	55,46,895	1,35,35,895	16,73,22,003	3,64,34,653	81,58,655	31,74,836	4,14,18,472	12,59,03,531	13,88,76,350
		(18,07,09,784)	(80,97,316)	(1,34,96,097)	(17,53,11,003)	(2,01,03,991)	(1,02,47,105)	(15,49,736)	(2,88,01,360)	(14,65,09,643)	(16,06,05,793)
4	Plant & Machinery	3,69,77,868	10,70,000	6,71,976	3,73,75,892	2,10,00,913	38,90,939	3,58,943	2,45,32,909	1,28,42,983	1,59,76,955
		(3,72,28,982)	(10,79,207)	(13,30,319)	(3,69,77,870)	(1,15,49,463)	(56,48,481)	(4,20,079)	(1,67,77,865)	(2,02,00,005)	(2,56,79,519)
5	Furniture and Fittings	1,95,65,406	33,10,936	-	2,28,76,342	1,51,98,182	12,29,687	-	1,64,27,869	64,48,473	43,67,224
		(1,92,42,456)	(3,22,951)	-	(1,95,65,407)	(1,15,41,237)	(20,75,739)	-	(1,36,16,976)	(59,48,431)	(77,01,219)
6	Office Equipments	37,48,505	6,10,564	-	43,59,069	32,91,604	1,76,578	- (25, 620)	34,68,181	8,90,888	4,56,901
		(36,55,726)	(92,779)	-	(37,48,505)	(26,59,366)	(3,92,317)	(25,638)	(30,26,045)	(7,22,460)	(9,96,360)
7	Computer	1,04,95,805	10,18,727	2,59,998	1,12,54,534	83,71,683	13,95,106	2,22,754	95,44,035	17,10,499	21,24,122
		(86,08,132)	(18,87,673)	-	(1,04,95,805)	(58,37,203)	(11,87,689)	(33,157)	(69,91,735)	(35,04,070)	(27,70,929)
8	Motor Car	32,57,194	- (40,040)	-	32,57,194	19,97,640	3,79,116	-	23,76,756	8,80,438	12,59,554
		(32,09,154)	(48,040)	_	(32,57,194)	(6,41,721)	(7,99,919)	-	(14,41,640)	(18,15,554)	(25,67,433)
9	Electrical Fittings	65,64,506	16,18,585	-	81,83,091	44,08,703	5,42,866	-	49,51,569	32,31,522	21,55,803
		(65,64,506) 69,48,23,962	1,31,75,707	2,06,44,933	(65,64,506) 68,73,54,737	(27,32,722) 9,89,50,089	(9,32,532) 1,66,90,755	43,02,775	(36,65,254) 11,13,38,070	(28,99,252) 57,60,16,666	(38,31,784) 59,58,73,872
	Total (A)	(70,23,28,330)				(6,24,91,629)	(2,25,08,799)			(61,28,49,192)	
B. INT	ANGIBLE ASSETS	•									
1	Computer Software	12,05,670	15,79,750	-	27,85,420	10,80,947	5,85,146	-	16,66,093	11,19,327	1,24,723
		(11,78,432)	(27,238)	-	(12,05,670)	(9,51,884)	(76,519)	-	(10,28,403)	(1,77,267)	(2,26,548)
	Total (B)	12,05,670		-	27,85,420	10,80,947	5,85,146	-	16,66,093	11,19,327	1,24,723
	· •	(11,78,432)	, , ,	-	(12,05,670)	(9,51,884)	(76,519)		(10,28,403)		(2,26,548)
	Grand Total (A) + (B)	69,60,29,632		2,06,44,933	69,01,40,157	10,00,31,037	1,72,75,901	43,02,775	11,30,04,163	57,71,35,993	59,59,98,595
GIAIIU IOLAI (A) + (B)		(70,35,06,762)	(1,34,35,248)	(2,09,12,376)	(69,60,29,634)	(6,34,43,513)	(2,25,85,318)	(30,25,656)	(8,30,03,175)	(61,30,26,459)	(64,00,63,249)

^{2.11.1} 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 2020

NOTE - 2.20 REVENUE FROM OPERATIONS

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Sale of Services		
Income from disposal of land and building (On long term finance lease)	3,15,67,550	2,08,23,000
Income from operating lease	65,51,582	91,59,030
Income from Common Area Maintenance services	40,34,972	76,75,913
Income from Project Management Consultancy services (See Note 2.20.1)	7,60,89,940	13,84,27,591
Share of course fee received	98,41,060	1,06,71,243
Lighting system commissioning services	1,55,75,955	1,09,23,598
Facility Management Service		17,00,622
Construction Income	6,70,346	
Operation & Maintenance Income	1,50,00,000	1,08,00,000
Sale of Products		
Sale of lighting/security system	3,10,47,888	10,93,56,154
Income from agriculture	5,49,494	10,22,762
	19,09,28,787	32,05,59,913

2.20.1 Details of Project Management Consultancy services (PMC):

- a. Revenue recognised from PMC contracts :7,60,89,940/- (₹ 13,84,27,591/-)
- b. Details of cost incurred for PMC contracts : ₹ 8,74,28,207/- (₹ 7,97,14,846/-)
- c. Amount of advances received:₹ 13,31,62,990/- (₹ 8,92,72,819/-)
- d. Amount of retentions:₹ NIL (₹3,13,190/-)

NOTE - 2.21 OTHER INCOME

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest income Guarantee fee income Share of profit from LLP Profit on sale of asset INKEL EKK - Dividend Provision for Doubtful debts written back Miscellaneous income	4,49,32,319 2,15,50,984 - 2,592 2,01,60,000 - 1,98,32,012	6,76,27,473 1,40,27,259 7,89,896 - 79,27,755 14,74,890
	10,64,77,907	9,18,47,273

NOTE - 2.22 COST OF LAND ACQUIRED/BUILDING/AMENITIES CONSTRUCTED AND DISPOSED

(On long term finance lease agreements)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Cost of Land Cost of Building/Amenities	56,30,822 1,06,74,092	37,14,573 41,83,172
	1,63,04,914	78,97,745

NOTE - 2.23 PURCHASES OF STOCK-IN-TRADE

Particulars	For the year er 31.03.2020	For the year ended 31.03.2019
Solar light High mast light	3,51,94	,733 8,88,83,705 - 17,09,787
	3,51,94,	733 9,05,93,492

NOTE - 2.24 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening Stock-in-Trade Closing Stock-in-Trade	24,77,654 41,26,863	- 24,77,654
	(16,49,209)	(24,77,654)

NOTE - 2.25 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries & Wages Contribution to Provident and Other funds Staff Welfare Expenses	9,31,67,573 62,90,505 31,56,458	8,74,23,752 52,49,875 26,08,432
	10,26,14,536	9,52,82,059

NOTE - 2.26 FINANCE COSTS

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest on public deposits Other Borrowing costs - Expenses for procurement and administration of Public Deposits	1,89,73,645 12,03,777	1,51,20,457 1,05,88,483
	2,01,77,422	2,57,08,940

NOTE - 2.27 OTHER EXPENSES

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Expenditure on corporate social responsibility activity (See Note 2.27.1)	20,50,000	1,50,18,716
Share of Loss from LLP	1,10,56,996	-
Construction expense	3,51,220	-
Lighting system commissioning expenses	1,16,08,577	1,57,52,015
Facility management divisional expense	-	-
Operation & Maintenance Expense	89,41,343	54,08,348
Agricultural expense	11,75,875	20,37,877
Water Line Expenses - Malappuram	-	
Power & Fuel	37,76,195	38,98,508
Rent	52,85,150	43,36,652
Repairs & maintenance		
- Building	1,51,768	10,62,343
- Plant	4,08,501	20,16,122
- Others	36,76,380	22,95,438
Insurance	2,96,188	3,25,187
Payments to the Auditor		
- as auditor	6,00,000	6,00,000

- for taxation matters	-	2,68,000
- for other services	19,580	51,000
- for reimbursement of expenses	-	22,981
Bank charges	79,46,816	1,41,393
Meeting expense	10,87,741	7,96,197
Sitting fee to directors	9,95,000	7,25,000
Consideration for manpower services	78,79,949	57,17,675
Advertisement & publicity	17,47,267	40,47,224
Printing and stationery	10,27,828	12,71,220
Professional charges	2,13,25,376	1,58,31,938
Legal Fee	28,38,411	44,32,150
Rates & Taxes	13,55,554	38,55,466
Water charges	3,24,629	4,58,393
Software Running Expenses	19,96,438	-
Travelling & Conveyance	88,18,172	82,42,167
Postages, telephone and internet charges	6,65,663	8,84,911
General Expense	8,58,596	21,00,919
Miscellaneous expenses	6,79,850	3,31,253
Intangible asset written off	-	6,59,375
	10,89,45,063	10,25,88,468

2.27.1 Note on Expenditure on corporate social responsibility activities

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
i) Gross amount required to be spent during the year ii) Amount spent during the year	19,33,674	27,32,823
- Construction/acquisition of any asset - on purposes other than above	20,50,000	- 1,50,18,716

NOTE - 2.28 PROVISIONS

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Provision for dimunition in value of Investment (Seguro Foundations and Structures Private Limited 62,02,248 Equity Shares of ₹ 10/- each, fully paid up)	13,81,50,205	-
	13,81,50,205	-

NOTE - 2.29 EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Basic: Profit after tax for the year as per Statement of Profit and Loss (In ₹) Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each (fully	(13,60,16,845) 17,38,21,778	
paid up) Basic Earnings per Share (In ₹)	(0.78)	

Diluted:		
Profit after tax for the year as per Statement of Profit and Loss (In ₹)	(13,60,16,845)	4,62,95,939
Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each (fully paid up)	17,38,21,778	17,55,81,928
Diluted Earnings per Share (In ₹)	(0.78)	0.26

Note No. 2.30 EMPLOYEE BENEFITS

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

2.30.1Defined Contribution Plans

During the year the company has recognised ₹.45,06,020/- (₹.36,54,282/-) as Contribution to Provident Fund, ₹.10,41,235/-(₹.9,57,027/-)as Contribution to National Pension Scheme and ₹.3,85,496/- (₹.3,54,467/-) as Contribution to Employee State Insurance in the Statement of Profit and Loss on account of defined contribution plans.

2.30.2Defined Benefit Plans Gratuity (Funded)

(i)	Actuarial Assumptions	31 st March	31 st March
		2020	2019
	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	Indian Lives
		Lives Mortality	Mortality
		[1994-1996]	[1994-1996]
		Ultimate Table	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.

(ii)	Reconciliation of present value of obligation:	31 st March 2020	31 st March 2019
	Present value of obligation at the beginning of the year	77,42,985	44,42,671
	Current Service Cost	8,63,751	10,32,281
	Interest Cost	6,31,114	3,71,910
	Actuarial gain/(loss)	(3,40,596)	20,30,959
	Benefits Paid	-	(1,34,836)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	62,08,196	77,42,985

(In Rupees)

(iii)	Reconciliation of fair value of plan	31 st March	31 st March
	assets:	2020	2019
	Fair value of plan assets at the	27,45,453	28,74,233
	beginning of the year	27,43,433	20,74,233
	Acquisition Adjustments	-	(68,963)
	Expected return on plan assets	2,05,908	2,15,567
	Actuarial gain/(loss)	(2,99,598)	(1,40,548)
	Contributions	-	-
	Benefits paid	(26,89,058)	(1,34,836)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of		
	the year	25,73,236	27,45,453

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the	31 st March	31 st March
	Balance Sheet as at year end:	2020	2019
	Present value of obligation	62,08,196	77,42,985
	Fair value of plan assets	25,73,236	27,45,453
	Net present value of unfunded obligation		
	recognised as (asset)/liability in the	36,34,960	49,97,532
	Balance Sheet		

(v)	Expenses recognised in the Statement	31 st March	31 st March
	of Profit and Loss:	2020	2019
	Current Service Cost	8,63,751	10,32,281
	Interest Cost	6,31,114	3,71,910
	Expected return on plan assets	(2,05,908)	(2,15,567)
	Acquisition Adjustment of assets	-	68,963
	Actuarial (gain) /loss recognised in the	(40,998)	21,71,507
	period	(40,770)	21,71,307
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the		
	Statement of Profit and Loss	12,47,959	34,29,094

Leave Plan (Unfunded)

(i)	Actuarial Assumptions	31 st March	31 st March
		2020	2019
	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	Indian Lives
		Lives Mortality	Mortality
		[1994-1996]	[1994-1996]
		Ultimate Table	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	31 st March	31 st March
	obligation:	2020	2019
	Present value of obligation at the beginning		
	of the year	1,00,19,707	59,50,303
	Current Service Cost	38,16,285	43,10,163
	Interest Cost	8,94,588	6,07,903
	Actuarial (gain)/loss	(56,096)	8,11,480
	Benefits Paid	(59,29,162)	(16,60,142)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of		
	the year	87,45,322	1,00,19,707

(iii)	Reconciliation of fair value of plan	31 st March	31 st March
	assets:	2020	2019
	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 2020	31 st March 2019
	Present value of obligation	87,45,322	1,00,19,707
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet		1,00,19,707

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31 st March 2020	31 st March 2019
	Current Service Cost	38,16,285	43,10,163
	Interest Cost	8,94,588	6,07,903
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	(56,096)	8,11,480
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	46,54,777	57,29,546

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

NOTE -2.31

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. Thalikulam PURA Private Limited Subsidiary Company vi. Tirurangadi PURA Private Limited Subsidiary Company

vii. 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)

viii. MIV Logistics Private Limited Associate Company

ix. Seguro - INKEL Consortium LLP

Subsidiary Entity (w.e.f 01-12-2017)

Jointly Controlled Entity (upto 30-11-2017)

Inkel Infrastructure Development Projects Limited

x. (IIDPL)

xi. INKEL-KMC JV

Subsidiary Company (w.e.f 27-10-2018)

Joint venture (W.E.F. 12.12.2018)

xii. Key Managerial Personnel

Dr. Mohammed Sagheer

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

Dr. Retheesh KA

Managing Director (w.e.f. 28-10-2019) (upto 03-02-2020)

Mr. K Venugopal

Managing Director (w.e.f. 04-02-2020)

Managing Director (w.e.f. 04-02-2020)

xiii. Calicut Expressway Private Limited

Enterprise in which the company has significant influence indirectly through an intermediary (IIDPL)

xiv. KMC-INKEL (JV)

Jointly Controlled Operations (w.e.f. 12-12-2018)

B. Description of Transactions

				(In Rupees)
	Nature of Transaction	Subsidiary/ Associate/ Jointly Controlled Entity	Key Managerial Personnel	Total
Inc	<u>ome</u>			
1.	Project Management Services			
	MIV Logistics Private Limited	-	-	-
		-	-	-
	INKEL KSIDC Projects Limited	-	-	-
		(9,38,128)	-	(9,38,128)
	Seguro- INKEL Consortium LLP	-	-	-
		(32,90,508)	-	(32,90,508)
	INKES Trade Centre Ltd	-	-	-
		-	-	-
	INKEL EKK Roads Private Limited	-	-	-
		(1,45,30,740)	-	(1,45,30,740)
2.	Guarantee Commission Received			
	Seguro-INKEL Consortium LLP	9,56,702	_	9,56,702
	S	(10,89,784)	_	(10,89,784)
	INKEL EKK Roads Private Limited	1,59,99,242	_	1,59,99,242
		(1,06,37,475)	_	(1,06,37,475)
	MIV Logistics Private Limited	20,40,929	_	20,40,929
	miv Eogistics i fivate Emited	(23,00,000)	_	(23,00,000)
	INKEL KSIDC Projects Limited	25,54,111		25,54,111
	INIED HOLD O Trojecto Emilicoa	20,01,111	_	20,01,111
3.	Interest income from Loans/Debentures			
	KV Apartments	_	_	_
		_	_	_
	INKEL KSIDC Projects Limited	8,18,292	_	8,18,292
		(3,29,93,329)	_	(3,29,93,329)
	Seguro-INKEL Consortium LLP	86,30,860	-	86,30,860
		(63,71,741)	_	(63,71,741)
	INKES Trade Centre Ltd	44,899		44,899
				, -
	INKEL EKK Roads Private Limited	1,521	-	1,521
		(1,64,876)	-	(1,64,876)
4.	Facility Management Services			-
	INKEL KSIDC Projects Limited		_	_
	Title Roll of Tojecto Emitted	(11,79,230)	_	(11,79,230)
5.	Expenses Recovered	(11,79,200)		(11,19,400)
5.	-	00.70.040		
	MIV Logistics Private Limited	29,79,849	-	29,79,849
		(27,70,919)	-	(27,70,919)
6.	Operation & Maintenance Income			-
	INKEL EKK Roads Private Limited	1,50,00,000	-	1,50,00,000
		(1,08,00,000)	_	(1,08,00,000)

Exp	enses_			
	Remuneration to Managing Director			
	Mr. K Venugopal		3,79,310	3,79,310
	Dr. Retheesh KA		12,34,865	12,34,865
	Dr. Mohammed Sagheer		29,70,331 (42,94,530)	29,70,331 (42,94,530)
2.	Purchase of Assets MIV Logistics Private Limited	-	-	-
3.	Project Management Services Inkel Infrastructure Development Projects Limited	6,46,175	-	- 6,46,175
	INKES Trade Centre Limited	-	_	- -
4.	Consideration for outsource	(14,84,651)	-	(14,84,651)
-7.	Inkel Infrastructure Development Projects Limited	37,83,776		37,83,776
Loa	ns and Advances	-		-
1.	INKEL KSIDC Projects Limited			
	- Loan/Advances given	55,00,000	-	55,00,000
		(16,00,000)	-	(16,00,000)
	- Loan/Advances recovered	1,66,30,744	-	1,66,30,744
		(34,15,40,419)	-	(34,15,40,419)
2	Thalikulam PURA Pvt Ltd			-
	Loan/Advances givenLoan/Advances recovered	-	-	-
	- Investment written off	-	-	-
3	Tirurangadi PURA Pvt Ltd Loan/Advances given	(85,15,000)	-	(85,15,000) - -
	- Loan/Advances recovered	_	-	-
	- Investment written off		-	- -
4.	Seguro-INKEL Consortium LLP	(83,57,000)	-	(83,57,000)
••	- Loan/Advances given	5,03,42,658	-	5,03,42,658
	- Loan/Advances recovered	(16,50,000) 96,21,171 (1,50,60,381)	-	(16,50,000) 96,21,171 (1,50,60,381)
5.	INKES Trade Centre Limited - Advances given	3,85,000	-	3,85,000
	- Loan/Advances recovered	(1,70,000)		(1,70,000)
6.	INKEL KINFRA Infrastructure Projects Limited	(1,30,000)	-	(1,30,000)
0.	- Advances given	-	-	-
	- Loan/Advances transferred	-	-	- - -
7.	INKEL EKK Roads Private Limited			- -
	- Loan/Advances given	1,04,311	-	1,04,311
	- Loan/Advances recovered	(4,80,00,000) 1,04,311	-	(4,80,00,000) 1,04,311
	- Loan/ Advances recovered	(4,80,00,000)	-	(4,80,00,000)
8.	Inkel Infrastructure Development Projects Limited			
	- Loan/Advances given	13,43,99,512	-	13,43,99,512
	- Loan/Advances recovered	(22,00,00,000) 17,44,000	-	(22,00,00,000) 17,44,000
	- Expenses Recoverable	1,13,85,717 (3,09,34,903)	-	1,13,85,717 (3,09,34,903)
<u>Sh</u> a	re of Profit/ -loss	(0,00,01,000)		(5,55,51,505)
1.	Seguro-INKEL Consortium LLP	-1,10,56,996 (7,89,896)	-	-1,10,56,996 (7,89,896)
Inv	estments made during the year			, , , ,
1.	Inkel Infrastructure Development Projects Limited	(1,00,000)		- (1,00,000)
2.	INKEL EKK Roads Private Limited	12,00,00,000	-	12,00,00,000
Inv	estments written off during the year	(8,15,70,000)	-	(8,15,70,000)
		-	-	-
		<u> </u>	- 1	<u>-</u>

<u>Investments</u>			
INKEL KINFRA Infrastructure Projects Limited	_	_	-
	-	-	-
2. INKEL KSIDC Projects Limited	18,32,34,120	-	18,32,34,120
2 INIZEC Trade Contra Limited	(18,32,34,120)	-	(18,32,34,120)
3. INKES Trade Centre Limited	3,70,00,000	-	3,70,00,000
4. INKEL-EKK Roads Private Limited	(3,70,00,000) 20,16,00,000	-	(3,70,00,000)
4. INKEL-EKK KOAUS FIIVATE LIIIITEU	(20,16,00,000)	-	20,16,00,000 (20,16,00,000)
5. MIV Logistics Private Limited	27,82,97,140	_	27,82,97,140
5. MIV Logistics Private Limited (Including Preference Shares)	(27,82,97,140)	_	(27,82,97,140)
6. Thalikulam PURA Pvt Ltd	(27,02,57,110)	_	(21,02,71,110)
(Fully written off in the books of accounts)	-	-	-
			-
7. Tirurangadi PURA Pvt Ltd.	-	-	-
(Fully written off in the books of accounts)	-	-	-
8. Seguro-INKEL Consortium LLP	25,83,533		25,83,533
(Including share of profit)	(1,17,93,637)	-	(1,17,93,637)
9. Seguro Foundations and Structures Private Limited	13,81,50,206	_	13,81,50,206
	(13,81,50,206)	-	(13,81,50,206)
			, ,
10. Inkel Infrastructure Development Projects Limited	1,00,000 (1,00,000)	-	1,00,000 (1,00,000)
Guarantee given during the year	(1,00,000)		(1,00,000)
Calicut Expressway Private Limited	-	-	-
	(85,50,00,000)	-	(85,50,00,000)
2. INKEL-EKK Roads Private Limited	1,82,00,00,000		1,82,00,00,000
Guarantee given	-		-
1. MIV Logistics Private Limited	20,40,92,922	-	20,40,92,922
	(21,79,05,223)	-	(21,79,05,223)
2. Seguro-INKEL Consortium LLP	8,35,08,146	-	8,35,08,146
	(10,48,44,603)	-	(10,48,44,603)
3. INKEL-EKK Roads Private Limited	1,59,99,24,231	-	1,59,99,24,231
4. Calicut Expressway Private Limited	(95,17,47,451) 85,50,00,000	-	(95,17,47,451) 85,50,00,000
4. Calicut Expressway Private Limited	(85,50,00,000)	_	-
Shares pladged during the year	(55,55,55,555)		
Shares pledged during the year			
	-	-	-
Shares pledged			
1. INKEL-EKK Roads Private Limited	10,32,00,000	-	10,32,00,000
	(10,32,00,000)	-	(10,32,00,000)
Receivables			
1. MIV Logistics Private Limited	33,41,834	-	33,41,834
2. INKEL KSIDC Projects Limited	(2,31,308) 74,65,721	-	(2,31,308) 74,65,721
2. INKEL KSIDE Projects Limited	(1,51,37,268)	- -	(1,51,37,268)
3. Seguro-INKEL Consortium LLP	10,10,61,020	_	10,10,61,020
	(5,18,83,937)	-	(5,18,83,937)
4. INKES Trade Centre Limited	16,25,207	-	16,25,207
	(11,99,798)	-	(11,99,798)
5. INKEL-EKK Roads Private Limited	2,22,04,142	-	2,22,04,142
	(1,20,09,772)	-	(1,20,09,772)
6. Inkel Infrastructure Development Projects Limited	4,99,38,332 (3,65,03,185)	-	4,99,38,332 (3,65,03,185)
	(3,03,03,165)	-	(5,05,05,165)
•	<u>.</u>		<u> </u>

^{2.31.1} Transactions in the nature of current account transactions have not been included in the above disclosure.

NOTE - 2.33

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 - 2.34 Contingent Liabilities not provided for :

(In Rupees)

I		(III Rapoos)
Particulars	As at 31.03.2020	As at 31.03.2019
a) Corporate guarantee issued in favour of -		
- MIV Logistics Private Limited	20,40,92,922	21,79,05,223
- Seguro-INKEL Consortium LLP	8,35,08,146	10,48,44,603
- INKEL-EKK Roads Private Limited	1,59,99,24,231	95,17,47,451
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. INKEL is in the process of forming the strategies for implementation of the Calicut Expressway project, to be implemented by INKEL directly or through any of its subsidiaries, and is yet to be finalised. The process of financial closure and raising of promoters funds is also underway.	85,50,00,000	85,50,00,000
c) Other Counter Guarantees issued in favour of Banks for the guarantees issued -KSEB -CSML	8,13,41,510 7,80,92,510 32,49,000	47,70,510 47,70,510 -
d) Claims towards Building Tax	1,31,16,348	1,24,78,500
e) GST on Interest on Lease Premium	-	20,86,892

NOTE - 2.35 Capital Commitments

(In Rupees)

11012 1100 Capital Commitments		(III Itupoo)
Particulars	As at 31.03.2020	As at 31.03.2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

NOTE - 2.36 Remittances in foreign currency

2.36.1. Dividend

(In Rupees)

Particulars	For the year ended 31.03.2020			
Year to which dividend relates	Financial Year 2018-	Financial Year 2017-		
Amount remitted during the year	46,26,790	77,00,000		
Number of non resident shareholders	4	4		
Number of shares on which dividend was due	2,20,00,000	2,20,00,000		

2.36.2. Other Remittances		(In Rupees)
Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Software Purchase	96,720	-

NOTE - 2.37

Impact of tax rate change: The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

NOTE - 2.38

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.52,71,989/- (Rs.43,36,652/-).

The company has only entered into cancellable lease arrangements.

NOTE - 2.39

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

Jacob Kovoor NinanVidya SangeethFor Sridhar & CoDirectorDirectorChartered AccountantsDIN: 01213357DIN: 08525336FRN: 003978S

Anjana M.A Prasanna Kumar V CA. S. Unnikrishnan Company Secretary Chief Financial Officer Partner

Place: Kochi Date: 04-12-2020

79

Membership No.218366

- Fraud on INKEL: INKEL Limited (INKEL) had acquired 65% of shares in the company Seguro Foundations and Structures Private Limited (SFS) on 1st December 2017 and made an investment of ₹.13,81,50,206/-. SFS has been functioning as a subsidiary of INKEL from 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 were noticed, which were prima facie considered material. The committee constituted by the Board of INKEL has found out serious lapses, irregularities, diversion of funds and misappropriations "Overvaluation of Seguro's shares for investment by INKEL, Practice of showing inflated unbilled revenue (work in progress), Non Utilisation of Investment by INKEL on any projects, Irregularities in financial transactions and diversion of funds, Absence of transparency in related party transactions, Statutory non compliances and malpractices to hide the same, availing higher working capital facility from bank by submitting inflated receivable" etc. and recommended the Board to consider legal remedies against the erstwhile management of SFS. The forensic audit simultaneously conducted by the management of INKEL by engaging a firm of chartered accountants had also reported that the Managing Director of SFS has perpetrated frauds by "siphoning funds through bogus creditors, fictitious expense, misappropriation/ diversion of funds, overstatement of unbilled revenue, conflicting interest, non-reported related party transactions" etc. Based on the aforesaid reports INKEL has initiated legal actions against SFS and its erstwhile management. Having regard to the report that SFS's shares were overvalued through misrepresenting its financial positions and the investment made by INKEL was siphoned away by the managing director of SFS, the Board of INKEL has declared the transaction of investment in SFS as a fraud on INKEL by SFS.
- 2.32.2 Impairment of value of investment: Based on unaudited financial statements as on 31/03/2019 provided by SFS and the provisional financial statements of SFS complied for the year ended 31/03/2020, the net worth of SFS has fully eroded. In view of the matters of fraud and erosion of share value reported above, there is permanent diminution in the value of investments in the subsidiary company, SFS as per AS-13 (Accounting for Investments) and recoverability of the investment seems to be remote. Hence full provision has been made for the investment of ₹.13,81,50,206/- by INKEL in SFS as on 31.03.2020.

2.32.3 Investment in other subsidiaries and associates:

a) As per audited financial statements of the following subsidiary companies and an associate of INKEL, the net worth of these companies as at 31stMarch 2020 continues to be eroded, although not turned negative, which has resulted in value of the shares asper books of the respective companies having values lower than the cost of investments in equity shares are shown hereunder:

Name of Company /	Carrying Cost as per books o	f INKEL	Share of Net Asset Value as per books of the respective Company			
Relationship	As at 31 St March 2020	As at 31 St March 2019	As at 31 St March 2020	As at 31 St March 2019		
1)INKEL-KSIDC Projects Limited (INKID)/ Subsidiary	18,32,34,120	18,32,34,120	11,14,84,313	10,46,21,745		
2)INKES Trade Centre Limited (INKES)/ Subsidiary	3,70,00,000	3,70,00,000	3,15,16,396	3,21,13,417		
3)MIV Logistics Private Limited (MIV)/ Associates	11,82,97,140	11,82,97,140	2,23,04,070	1,61,61,121		

- b) Further, as per the financial statements of MIV ((a)(3) referred to above) as at 31st March 2020, 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 2020, as per AS-13 (Accounting for Investments).

INDEPENDENT AUDITOR'S REPORT

To the members of INKEL LIMITED,

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of INKEL Limited ("the Company"), which comprise the Balance Sheet as at 31stMarch, 2020 and the Statement of Profit and Loss, and the Cash Flow Statement 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, 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 31st March, 2020 and its loss and its cash flows for the year ended on that date.

Basis for Opinion

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 opinion.

Emphasis of Matter

We draw attention to Note 2.32.1 of the standalone financial statements, as per which,INKEL Limited (INKEL) had acquired 65% of shares in the company Seguro Foundations and Structures Private Limited (SFS) on 1st December 2017 and made an investment of Rs.13,81,50,206/-. SFS has been functioning as a subsidiary of INKEL from 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 were noticed, which were prima facie considered material. The committee constituted by the Board of INKEL has found out serious lapses, irregularities, diversion of funds and misappropriations and recommended the Board to consider legal remedies against the erstwhile management of SFS. The forensic audit

simultaneously conducted by the management of INKEL by engaging a firm of chartered accountants had also reported that the Managing Director of SFS has perpetrated frauds. Having regard to the report that 'SFS's shares were overvalued through misrepresenting its financial positions and the investment made by INKEL was siphoned away by the managing director of SFS', the Board of INKEL has declared the transaction of investment in SFS as a fraud on INKEL by SFS.

We draw attention to Note 2.32.2 of the standalone financial statements, as per which, based on the unaudited financial statements as on 31.03.2019 provided by SFS and the provisional financial statements of SFS complied for the year ended 31/03/2020, the net worth of SFS has fully eroded. In view of the matters of fraud and erosion of share value, there is permanent diminution in the value of investments in the subsidiary company, SFS as per AS-13 (Accounting for Investments) and recoverability of the investment seems to be remote. Hence full provision has been made for the investment of Rs.13,81,50,206/- by INKEL in SFS as on 31.03.2020.

We draw attention to Note 2.32.3 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).

We draw attention to Note 2.34 (b) regarding performance guarantee issued in favour of National Highway Authority of India (NHAI) for Rs.85,50,00,000/- on behalf of CalicutExpressway Private Limited- secured by cash margin of Rs. 21,75,00,000 andalso by equitable Mortgage of 124.12 acres of land at Palakkad and unsoldspace/ receivables of INKEL Tower II at Angamaly. INKEL is in the processof forming the strategies for implementation of the Calicut Expresswayproject, to be implemented by INKEL directly or through any of itssubsidiaries, and is yet to be finalised. The process of financial closureand raising of promoters funds is also underway.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit matte	r				How	our	audit	addre	essed	the K	æу	audit
					mat	ter						
Documentation	of	process	flow	and	We	teste	ed a	samp	le of	key	cor	ntrols
procedures :					oper	ating	over	the fina	ancial	accou	nting	g and
					repo	rting	sys	stems	and	desi	gn	and

The Company's key financial accounting processesis handled through a file management software, which is working in a well controlled environment. However, there is а lack documentation of the defined process flow, standard operating procedures and concentration of authority in single key management personnel, such that there exists a risk that lack of such documentation and concentration of authority may result in gap in control environment, which could result in the financial accounting and reporting records being misstated. Hence we have identified the 'documentation of process flow and procedures' as key audit matter.

operating effectiveness of key controls. For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process. The substantive tests were designed to provide us with reasonable assurance that the financial accounting and reporting are free from material misstatements.

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 Annexure to the Director's Report in the Annual Report of the Company for the financial year 2019-20,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 financialstatements.

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 internalcontrol.
- 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 bymanagement.
- 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 goingconcern.
- 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 extentapplicable.
- 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 ouraudit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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.

- (h) 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.34 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.

For Sridhar & Co Chartered Accountants FRN: 003978S

Place: Kochi Date: 04.12.2020 CA. S. Unnikrishnan Partner Membership No.218366 UDIN: 20218366AAAAFM1037

"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 2020

- 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 four 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 2.3.1 regarding the view of the management that there is no default in repayment of the loan instalment due on 31st March 2020 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 Emphasis of Matter paragraph, Board of INKEL has declared the transaction of investment in SFS as a fraud on INKEL by SFS. Other than the transaction of investment in SFS reported as fraud, 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 2.31 to the standalone financial statements as required by the applicable accounting standards.
- 14. According to the information and explanations given to us and the records of the Company examined by us, during the financial year the company has not issued any shares to existing shareholders as rights issue and has also issued renounced share offers (including to non-shareholders).

- 15. 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.
- 16. 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.
- 17. 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.

For Sridhar & Co Chartered Accountants FRN: 003978S

CA. S. Unnikrishnan Partner Membership No.218366

UDIN: 20218366AAAAFM1037

Place: Kochi Date: 04.12.2020

"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 2020

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, 2020 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 amaterial 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 31stMarch, 2020, 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.

> For Sridhar & Co Chartered Accountants FRN: 003978S

Place: Kochi Date: 04.12.2020

CA. S. Unnikrishnan Partner Membership No.218366 UDIN 20218366AAAAFM1037

INKEL LIMITED CONSOLIDATED BALANCE SHEET AS AT 31st MARCH,2020

(In Rupees)

	BT - 4 -	A = -4 01 00 0000	(in Rupees)
Particulars Particulars	Note	As at 31-03-2020	As at 31-03-2019
	No.	(In Rupees)	(In Rupees)
I. EQUITY AND LIABILITIES			
1. EQUIT MAD EMBIETTES			
(1) Shareholders' Funds			
(a) Share capital	2.1	1,77,81,43,340	1,77,81,43,340
(b) Reserves and surplus	2.2	7,86,76,617	14,98,30,203
(a) 23222 Care Care Care Care Care Care Care Care		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
(2) Minority Interest	2.3	15,45,82,449	16,03,95,440
(3) Non - Current Liabilities			
(a) Long -Term borrowings	2.4	1,85,18,02,968	1,34,87,85,944
	2.5		
(b) Deferred Tax Liabilities (Net)		2,38,48,829	
(c) Other Long -Term Liabilities	2.6	2,49,46,659	
(d) Long - Term Provisions	2.7	1,29,58,523	1,49,38,723
(4) Current Liabilities			
(a) Short - Term Borrowings	2.8	71,56,80,612	64,07,60,817
(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		6,41,47,740	18,61,78,293
(c) Other Current Liabilities	2.10	44,52,20,218	45,30,32,715
(d) Short - Term Provisions	2.11	44,79,993	4,03,83,065
TOTAL	2,11	5,15,44,87,948	4,82,25,13,264
		3,23,11,01,01	1,02,20,20,20
II. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment			
i. Tangible Assets	2.12	1,02,87,03,903	1,10,96,67,436
ii. Intangible Assets	2.12	11,19,327	1,24,723
iii. Capital Work - In - Progress	2.13	5,93,38,375	1,05,98,463
(b) Goodwill on Consolidation	2.38	6,08,941	6,08,941
(c) Non - Current Investments	2.14	20,41,08,522	19,63,19,990
(d) Deferred Tax Assets (Net)	2.15	2,13,77,907	1,95,34,067
(e) Long -Term Loans and Advances	2.16	28,09,50,669	
(f) Other Non-Current Assets	2.17	1,41,38,06,733	1,52,94,18,190
(i) Other Non-Current Assets	2.17	1,41,30,00,733	1,52,94,10,190
(2) Current Assets			
(a) Inventories	2.18	2,65,44,661	1,31,59,989
(b) Trade Receivables	2.19	54,13,04,751	68,90,20,068
(c) Cash and Cash Equivalents	2.20	75,92,18,444	57,06,09,929
(d) Short - Term Loans and Advances	2.21	52,20,30,693	34,57,30,455
(e) Other Current Assets	2.22	29,53,75,022	21,73,91,362
TOTAL		5,15,44,87,948	4,82,25,13,264
Significant Assounting Policies and Consolidated Notes to Assounts	1 8-0	5,15,77,67,946	T,02,23,13,204

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

Jacob Kovoor NinanVidya SangeethFor Sridhar & CoDirectorDirectorChartered AccountantsDIN: 01213357DIN: 08525336FRN: 003978S

Anjana M.A Prasanna Kumar V CA. S. Unnikrishnan Company Secretary Chief Financial Officer Partner Membership No.218366

Place : Kochi Date : 04-12-2020

INKEL LIMITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH,2020

(In Rupees)

	1	Bon 4ho de d	For the rear anded
Particulars	Note No.	For the year ended 31-03-2020 (In Rupees)	For the year ended 31-03-2019 (In Rupees)
Revenue	1		<u> </u>
I. Revenue from Operations	2.23	66,15,16,696	1,02,35,44,614
II. Other Income	2.24	11,14,88,864	9,38,17,408
III. Total Revenue (I+II)		77,30,05,560	1,11,73,62,022
IV. Expenses:			
i) Cost of land acquired/building/amenities constructed			
and disposed (on Long Term Finance Lease Agreements)	2.25	3,83,13,450	2,61,08,890
ii) Purchases of Stock-in-Trade	2.26	4,54,25,333	12,04,18,719
iii) Changes in Inventories of Stock-in-Trade	2.27	(4,17,19,370)	
iv) Operating, Works Contract and Project Expenses	2.28	21,17,88,356	52,51,52,620
v) Employee Benefits Expense	2.29	11,82,15,162	12,30,98,617
vi) Finance costs	2.30	25,61,21,827	20,85,83,402
vii) Depreciation and Amortisation Expense	2.12	5,72,64,109	5,55,26,035
viii) Other Expenses	2.31	12,27,84,387	12,75,52,560
Total Expenses		80,81,93,254	1,20,47,01,156
N. Duo Cit (/I and) Do Come (New /III - IV)		(0.51.07.604)	(0.70.00.104)
V. Profit/(Loss) Before Tax (III - IV)		(3,51,87,694)	(8,73,39,134)
VI. Tax Expense:			
(1) Current tax		35,26,424	2,86,15,690
(2) Tax relating to prior years		_	43,75,048
(3) Deferred tax		(79,40,966)	(42,03,068)
VII. Profit/(Loss) for the year before Minority Interest, Share in Net Profit/ (Loss) of Associate (V-VI)		(3,07,73,152)	(11,61,26,804)
		(0,01,10,101)	(==,==,==,===:)
VIII. Share of Profit/ (Loss) of Associate Company		61,31,032	37,00,953
IX. Profit/ (Loss) for the year (VII+VIII)		(2,46,42,120)	(11,24,25,851)
X. Profit/ (Loss) attributable to			
Owners of the Company		(1,97,81,847)	(5,28,01,892)
Minority Interest		(48,60,273)	·
		(2,46,42,120)	(11,24,25,851)
			,
XI. Earnings per Equity Share:	2.32		
Face value of share ₹ 10/- (₹ 10/-)			
(1) Basic		(0.11)	(0.30)
(2) Diluted		(0.11)	(0.30)

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

Jacob Kovoor NinanVidya SangeethFor Sridhar & CoDirectorDirectorChartered AccountantsDIN: 01213357DIN: 08525336FRN: 003978S

Anjana M.A Prasanna Kumar V CA. S. Unnikrishnan Company Secretary Chief Financial Officer Partner Membership No.218366

Place: Kochi Date: 04-12-2020

INKEL LIMITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2020

(In Rupees)

		T	(In Rupees)
	Particulars	For the Year ended 31-03-2020	For the Year ended 31-03-2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Taxation and exceptional items	(3,51,87,694)	(8,73,39,134)
	Adjustments for:		
	Depreciation and Amortisation	5,72,64,109	5,55,26,035
	Intangible asset written off	-	6,59,375
	Provision for Doubtful debts written back	-	(79,27,755)
	Creditors written back	-	(62,03,296)
	Interest Income	(6,86,13,334)	(4,36,36,423)
	Interest Expense	25,61,21,827	20,85,83,402
	Share of (Profit)/Loss from A V Associates	-	136
	Conversion of fixed assets to current assets	3,83,13,450	2,61,08,890
	Operating profit before Working Capital Changes	24,78,98,358	14,57,71,230
	Changes in Working Capital		
	Adjustments for (Increase)\Decrease in Operating Assets	14 77 15 017	(07.22.26.507)
	Trade Receivables	14,77,15,317	
	Increase in Inventories	(1,33,84,672)	
	Short term loans and advances	(17,63,00,238)	
	Other Current Assets	(7,13,71,998)	
	Long term Loans and Advances	(18,31,19,298)	,
	Other Non Current Assets	11,61,88,164	
	A disease and a few in a manage (December 2) in Construction of infilities	(18,02,72,724)	(43,42,44,508)
	Adjustments for increase (Decrease) in Operating Liabilities	(10.00.20.552)	(6.04.40.015)
	Trade Payables	(12,20,30,553)	
	Other Current Liabilities Short term Provisions	7,71,05,142 (19,69,696)	(1,39,21,576)
		1 ' ' '	l ' ' '
	Long term Provisions Long Term Liabilities	(19,80,200)	
	Long Term Diabilities	(2,96,658) (4,91,71,965)	\
	Cash generated from Operations	1,84,53,669	(42,70,50,560)
	Taxes Paid	(1,65,99,478)	I
	Net Cash Used in Operating activities - (A)	18,54,191	(46,28,71,049)
В	CASH FLOW FROM INVESTING ACTIVITIES		
ם	Purchase of Property, Plant and Equipment including Capital WIP	(11,28,55,900)	(2,03,97,440)
	Proceeds from sale of Property, Plant and Equipment	20,383	1,345
	Dividend Received(Net of Dividend distribution tax)	1,60,16,048	- 1,010
	(Investments)/Sale of Equity shares/Preference Shares	(16,57,500)	(16,50,000)
	Interest received on deposits	6,49,04,729	4,24,19,431
	Net Cash Used in Investing activities - (B)	(3,35,72,240)	2,03,73,336
С	CASH FLOW FROM FINANCING ACTIVITIES	(5,55,12,215)	2,00,10,000
	Dividend paid	(3,56,48,070)	(5,69,94,200)
	Dividend distribution tax paid	(73,10,052)	1 '1
	Proceeds from issue of shares	(75,10,052)	14,62,91,790
	Interest paid	(24,04,08,488)	1
	Securities Premium	(21,01,00,100)	7,31,45,895
	Proceeds from Short Term Borrowings	7,49,19,795	17,73,64,856
	Proceeds from Borrowings	42,87,73,379	46,52,12,564
	Net Cash Generated By Financing Activities - (C)	22,03,26,564	59,50,16,480
	Net increase in Cash and Cash equivalents(A+B+C)	18,86,08,515	15,25,18,767
	Cash and Cash equivalents at the beginning of the year	57,06,09,928	41,80,91,161
	Closing Cash And Cash Equivalents at the end of the year (See		
	note 2.20)	75,92,18,443	57,06,09,928

For and on behalf of the Board of Directors $\,$

As per our separate report of even date attached

Jacob Kovoor NinanVidya SangeethFor Sridhar & CoDirectorDirectorChartered AccountantsDIN: 01213357DIN: 08525336FRN: 003978S

Anjana M.A Prasanna Kumar V CA. S. Unnikrishnan Company Secretary Chief Financial Officer Partner

Place: Kochi Date: 04-12-2020 Membership No.218366

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		O
			31 March, 2020	31 March, 2019
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%	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%

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, 2020.
- 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 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 and Tirurangadi PURA Private Limited 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 both 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. The investment value in another subsidiary INKEL -KINFRA Infrastructure Projects Limited had also been written off by the company in the earlier years and the company has been striken off during year.

- 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) havebeen 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 notexpected 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 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.
- 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

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.

1. 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 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 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 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.

INKEL LIMITED

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2020

NOTE - 2.1 SHARE CAPITAL

(In Rupees)

	As at 31	-03-2020	As at 31	-03-2019
Particulars	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	17,78,14,334	1,77,81,43,340
Equity Shares of \ 10/-(\ 10/-) each	17,70,14,554	1,11,01,73,340	11,10,17,554	1,11,01,73,340
	17,78,14,334	1,77,81,43,340	17,78,14,334	1,77,81,43,340

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

	.03.2020	As at 31	(In Rupees) 1.03.2019	
Particulars	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
As at the beginning of the financial year	17,78,14,334	1,77,81,43,340	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	17,78,14,334	1,77,81,43,340
Particulars of Shareholders holding more than 5% share in the Company				
Govt. of Kerala - 22.78 % (Previous year 22.78 %)	4,05,00,000	40,50,00,000	4,05,00,000	40,50,00,000
Bismi Holdings Limited - 6.19 % (Previous year 6.19 %)	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Shri.Yusuffali M A - 17.02 % (Previous year 17.02 %)	3,02,60,018	30,26,00,180	3,02,60,018	30,26,00,180
Shri.Varghese Kurian - 7.59 % (Previous year 7.59 %)	1,34,94,697	13,49,46,970	1,34,94,697	13,49,46,970
Dr.Mohamed Ali - 5.91 % (Previous year 5.91 %)	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 31.03.2020

NOTE - 2.2 RESERVES AND SURPLUS

(In Rupees)

Particulars	As at 31-03-2020	As at 31-03-2019
(a) Securities Premium		
Opening Balance	7,39,36,670	-
Add: Additions during the year	-	7,39,36,670
Closing balance	7,39,36,670	7,39,36,670
(b) Surplus in statement of profit and loss		
Opening Balance	4,69,21,150	16,92,05,317
Add: Profit/(Loss) for the year	(1,97,81,847)	(5,28,01,892)
Amount available for appropriation	2,71,39,303	11,64,03,425
Less: Appropriations		
Final Dividend for 2018-19 paid to equity shareholders @ ₹ 0.20/- per share (Previous		
year: ₹ 0.35/- per share)	3,55,62,867	5,70,59,450
Dividend Distribution Tax	73,10,052	1,17,28,738
Total Appropriations	4,28,72,919	6,87,88,188
	5,82,03,054	12,15,51,907
Less: Minority Interest adjusted (as per contra)	84,98,820	6,94,087
Add: Adjusted against majority interest (as per contra)		-
Closing Balance	4,97,04,234	12,08,57,820
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
	7,86,76,617	14,98,30,203

2.2.1 Considering the loss incurred by the Company during the financial year 2019-20, the Board of Directors decided not to recommend declaration of any dividend to the shareholders

NOTE - 2.3 MINORITY INTEREST

(In Rupees)

		\ <u>1</u> /
Particulars	As at 31-03-2020	As at 31-03-2019
Share Capital	18,94,36,274	18,94,36,274
Add: Share of accumulated reserves	(2,90,40,835)	2,98,89,038
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss	(48,60,273)	(5,96,23,959)
Less: Dividend and Divident tax paid	94,51,537	-
Add: Adjusted against majority interest (as per contra)	84,98,820	6,94,087
Closing Balance	15,45,82,449	16,03,95,440

NOTE - 2.4 LONG TERM BORROWINGS

Particulars	As at 31-03-2020	As at 31-03-2019
Term Loans (Secured)		
From Banks		
Term loan from State Bank of India (See Note 2.4.1 & 2.4.2)	1,67,91,91,586	78,59,54,069
Term loan from Corporation Bank (See Note 2.4.1)	-	42,49,33,493
From other parties		
Unsecured (See Note 2.4.3)	2,00,00,000	2,00,00,000
Deposits		
Unsecured (See Note 2.4.4)	13,93,37,000	10,46,24,000
Loans and advances from related parties		
From Directors (In case of Seguro Foundations and Structures Private Limited)		
Unsecured	1,32,74,382	1,32,74,382
	1,85,18,02,968	1,34,87,85,944

- **2.4.1** In case of the subsidiary company INKEL-EKK Roads Private Limited : Term Loan is availed on hypothecation of the assets of the company.
- **2.4.2** 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 31-03-2020	As at 31-03-2019
Term loan from bank:			
State Bank of India (Including current maturites of Long term borrowings)	To be repaid in 72 monthly Installments	25,54,11,124	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: 8.85% (PY 9.50%) - MCLR + 0.95%

Repayment Period - 72 Months

2.4.3. 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. Overdue Details as on 31st March 2020- Rs 1 Crore for a period of 2 years and Rs 1 Crore for a period of 1 year.(Rs 1 crore for 1 year)

2.4.4 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	Cumul	ative basis	Non-Cumulative basis	
	Rate	Amount	Rate	Amount
Within 1 year - Scheme 3	10.38%	40,53,000	10.00%	45,32,000
Within 1 year - Scheme 3	10.92%	11,50,000		-
Within 2 years - Scheme 3	10.92%	24,21,000	10.00%	1,37,96,000
Within 2 years - Scheme 3	11.49%	1,50,90,000		-
Within 2 years - Scheme 2	10.84%	2,51,73,000	9.50%	3,10,06,000
Within 3 years - Scheme 3	11.49%	2,54,93,000	10.00%	2,63,58,000
Total		7,33,80,000		7,56,92,000

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 31-03-2020	As at 31-03-2019
A. Deferred Tax Liability		
On excess of net book value over Income tax written down value of Property, Plant and		
Equipment	3,07,87,280	3,92,75,897
B. Deferred Tax Assets		
On Provisions/other disallowances	69,38,451	93,29,942
Net Deferred Tax Liability	2,38,48,829	2,99,45,955

NOTE - 2.6 OTHER LONG TERM LIABILITIES

Particulars	As at 31-03-2020	As at 31-03-2019
Security Deposits	68,56,276	34,02,628
Interest accrued but not due on borrowings	74,39,250	23,14,702
Recovery against Future Expenditure	75,99,023	1,13,16,169
Retention & Earnest Money Deposit	28,25,874	28,25,874
Performance Guarantee Payable	2,26,236	2,59,396
Provision for Leave Encashment		-
	2,49,46,659	2,01,18,769

NOTE - 2.7 LONG TERM PROVISIONS

(In Rupees)

		(III Itapoos)
Particulars	As at 31-03-2020	As at 31-03-2019
Provision for Employee Benefits (See Note 2.33)		
- Provision for Gratuity	45,87,111	60,59,210
- Provision for Leave Encashment	83,71,412	88,79,513
	1,29,58,523	1,49,38,723

NOTE - 2.8 SHORT TERM BORROWINGS

(In Rupees)

Particulars	As at 31-03-2020	As at 31-03-2019
From Banks (Secured)		
Federal Bank Limited (See Note 2.8.1 & Note 2.8.2)	52,24,45,612	52,17,35,817
Term Loan from SBI	13,35,00,000	6,20,00,000
Term Loan from Corporation Bank	-	5,00,00,000
From Related Parties (Unsecured)		
Directors(In case of INKEL IIDPL)	5,00,00,000	-
Deposits		
Unsecured (See Note 2.4.4)	97,35,000	70,25,000
	71,56,80,612	64,07,60,817

- **2.8.1** 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 ₹ 2.80 crores & Collateral Security (Mortaged Piravom Land) & Corporate Guarantee of INKEL Limited.
- **2.8.2** 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 - 2.9 TRADE PAYABLES

(In Rupees)

27 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		(
Particulars Particulars	As at 31-03-2020	As at 31-03-2019
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	6,41,47,740	18,61,78,293
	6,41,47,740	18,61,78,293

2.9.1 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 Particulars	As at 31-03-2020	As at 31.03.2019
a. Principal Amount remaining unpaid but not due as at the year end	-	-
b. Interest due thereon and remaining unpaid as at the year end.	1	-
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 accrured 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 - 2.10 OTHER CURRENT LIABILITIES

(In Rupees)

Particulars	As at 31-03-2020	As at 31-03-2019
Current maturities of Long Term Debt		
- Term Loan(See Note 2.4.1, 2.4.2 & 2.4.3)	5,26,43,769	5,30,44,414
- Public deposit (See Note 2.4.4)	-	7,38,43,000
Accounts Payable - Capital	72,055	-
KSIE Limited	2,75,38,500	2,75,38,500
Interest accrued but not due on borrowings	4,09,568	1,09,98,359
Interest payable	-	3,12,329
Unpaid Dividend	4,73,347	5,58,550
Current Liabilities		
Deposit matured and payable	3,79,000	-
Advance From Customers/Clients		
- for Deposit Work	11,42,38,286	8,84,35,535
- Others	14,86,35,039	10,11,10,106
Retention Money payable	6,72,78,283	4,81,16,753
Statutory Dues	2,94,03,521	3,34,91,488
Security Deposit / Earnest Money Deposit	14,72,517	87,62,395
Expenses Payable	1,35,961	1,94,980
Performance Bank Gurantee	31,031	31,031
Mobilisation Advance Received	25,09,341	65,95,275
	44,52,20,218	45,30,32,715

NOTE - 2.11 SHORT TERM PROVISIONS

(In Rupees)

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for employee benefits		
- Provision for Leave Encashment (See Note 2.33)	4,69,076	12,61,325
- Provision for Gratuity(See Note 2.33)	5,72,021	20,20,556
- Provision for Bonus/Exgratia	21,088	-
Provision for Income Tax	31,67,808	3,71,01,184
Provision for Auditor's Fees	2,50,000	
	44,79,993	4,03,83,065

NOTE - 2.13 CAPITAL WORK IN PROGRESS

(In Rupees)

Particulars Particulars	As at 31-03-2020	As at 31-03-2019
Building under construction - Materials in hand		-
Projects under implementation (See Note 2.13.1)	5,93,38,375	1,05,98,463
	5,93,38,375	1,05,98,463

2.13.1 In case of the subsidiary company- INKEL-KSIDC Projects Limited, projects under implementation includes Tower 3 & 4 ₹ 1,76,10,562/- (₹ 61,06,422/-), Building Centre ₹ 25,19,723/- (₹ 6,28,620/-) , Executive Accomodation ₹ 17,84,617/- (₹ 3,81,094/-) & Power Supply ₹ Nil (₹ Nil /-)

INKEL LIMITED NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

NOTE - 2.12 PROPERTY, PLANT & EQUIPMENT

A. TANGIBLE ASSETS

		GROSS BLOCK					GROSS BLOCK DEPRECIATION/AMORTISATION						
SL. NO.	Particulars	Opening Balance	Assets transferred on acquisition of subsidiary	Additions during	Deletions/ Adjustments during the year	Closing Balance	Opening Balance	Accumulated depreciation transferred on acquisition of subsidiary		Deleted during the year	Closing Balance	NET BLOCK AS ON 31.03.2020	NET BLOCK AS ON 31.03.2019
1	Freehold Land	34,87,06,116	-	-	-	34,87,06,116	-	-	-	-	-	34,87,06,116	34,87,06,116
		(34,87,06,116)	-	-	-	(34,87,06,116)	-	-	-	-	-	(34,87,06,116)	,
2	Leasehold Land	50,39,55,255	-	(10.00.044)	3,08,17,058	47,31,38,197	4,63,26,948		57,06,715	31,77,700	4,88,55,963	42,42,82,234	45,76,28,307
3	Building	(52,83,90,870) 25,21,86,602		(18,80,044) 55,46,895	(2,63,15,659) 1,35,35,895	(50,39,55,255) 24,41,97,602	(4,28,08,037) 9,22,24,693		(60,28,807) 1,51,90,012	(25,09,896) 31,74,836	(4,63,26,948) 10,42,39,869	(45,76,28,307) 13,99,57,733	(48,55,82,833) 15,99,61,909
3	Dunding	(24,75,64,535)	-	(1,81,18,164)	(1,34,96,097)	(25,21,86,602)	(7,98,05,848)		(1,39,52,515)	(15,33,670)	(9,22,24,693)	(15,99,61,909)	
4	Plant & Machinery	30,54,37,071	-	15,60,490	6,71,976	30,63,25,585	20,44,64,357		2,29,14,757	3,58,943	22,70,20,170	7,93,05,414	10,09,72,714
	J	(30,34,95,439)	-	(45,41,201)	(25,99,569)	(30,54,37,071)	(17,66,96,641)		(2,88,64,347)	(10,96,631)	(20,44,64,357)	(10,09,72,714)	
5	Furniture and Fitting	2,25,23,560	-	33,10,936	-	2,58,34,496	1,73,85,881	-	14,13,297	-	1,87,99,178	70,35,318	51,37,679
		(2,19,66,031)	-	(5,57,529)	-	(2,25,23,560)	(1,56,15,194)	-	(17,70,687)	-	(1,73,85,881)	(51,37,679)	
6	Office Equipments	37,48,504	-	6,10,564	_	43,59,068	32,91,603	-	1,76,578	-	34,68,181	8,90,888	4,56,901
	1 1	(36,55,725)	_	(92,779)	_	(37,48,504)	(30,26,045)	-	(2,65,558)	-	(32,91,603)	(4,56,901)	
7	Computer	1,18,70,573	_	14,18,653	2,59,998	1,30,29,228	95,84,790	-	17,11,199	2,22,754	1,10,73,235	19,55,993	22,85,783
	1	(98,65,371)	_	(20,05,202)	_	(1,18,70,573)	(81,65,607)	-	(14,19,183)	-	(95,84,790)	(22,85,783)	
8	Motor Car	2,36,10,949	_	-	_	2,36,10,949	1,83,98,144	-	14,30,755	-	1,98,28,899	37,82,050	52,12,805
		(2,43,91,659)	_	(48,040)	(8,28,750)	(2,36,10,949)	(1,68,47,905)	_	(23,34,258)	(7,84,019)	(1,83,98,144)	(52,12,805)	
9	Electrical Fittings	3,49,85,703	_	16,18,585	-	3,66,04,288	56,80,481	-	81,35,650	-	1,38,16,131	2,27,88,157	2,93,05,222
		(79,35,528)	-	(2,70,50,175)	-	(3,49,85,703)	(48,42,345)	-	(8,38,136)	-	(56,80,481)	(2,93,05,222)	
	Total (A)	1,50,70,24,333	-	1,40,66,123	4,52,84,927	1,47,58,05,529	39,73,56,897	-	5,66,78,963	69,34,233	44,71,01,627	1,02,87,03,903	1,10,96,67,436
	Previous Year	(1,49,59,71,274)	-	(5,42,93,134)	(4,32,40,075)	(1,50,70,24,333)	(34,78,07,622)	-	(5,54,73,491)	(59,24,216)	(39,73,56,897)	(1,10,96,67,436)	(1,14,81,63,652)
B. INT	ANGIBLE ASSETS												
1	Computer Software	12,05,670 (12,05,670)	-	15,79,750	-	27,85,420 (12,05,670)	10,80,947 (10,28,403)		5,85,146 (52,544)	-	16,66,093 (10,80,947)	11,19,327 (1,24,723)	1,24,723 (2,26,547)
	Total (B)	12,05,670	-	15,79,750	-	27,85,420	10,80,947		5,85,146	-	16,66,093	11,19,327	1,24,723
	Previous Year	(12,05,670)			_	(12,05,670)	(10,28,403)		(52,544)	_	(10,80,947)	(1,24,723)	
Gra	nd Total (A) + (B)	1,50,82,30,003	-	1,56,45,873	4,52,84,927	1,47,85,90,949	39,84,37,844		5,72,64,109	69,34,233	44,87,67,720	1,02,98,23,230	1,10,97,92,159
	Previous Year	(1,49,71,76,944)	-	(5,42,93,134)	(4,32,40,075)	(1,50,82,30,003)	(34,88,36,025)	-	(5,55,26,035)	(59,24,216)	(39,84,37,844)	(1,10,97,92,159)	(1,14,83,90,199)

^{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 - 2.14 NON CURRENT INVESTMENTS

(In Rupees)

Particulars	As at 31-03-2020	As at 31-03-2019
a) Investments in Fauity Instruments		
a) Investments in Equity Instruments 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	37,00,953	_
Add: Share of Profit / (Loss) of Associate	61,31,032	37,00,953
Closing Balance	98,31,985	37,00,953
- Calicut Expressway Pvt Ltd (CEPL)	33,07,500	16,50,000
3,30,750 (1,65,000) equity shares of ₹10/- each, Fully paid up		
ii) In Others		
- KV Apartments Pvt Ltd	5,00,000	5,00,000
5,000 (5,000) Equity Shares of ₹100/- each, fully paid up		
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 Parternship Firm		
- A.V Associates	3,04,69,037	3,04,69,037
Total investments (a) + (b) + (c)	20,41,08,522	19,63,19,990
Aggregate amount of unquoted investments	20,41,08,522	19,63,19,990

NOTE - 2.15 DEFERRED TAX ASSETS (NET)

(In Rupees)

Dout! ou loue	A+ 21 02 0000	A4 21 02 0010
Particulars Particulars	As at 31-03-2020	As at 31-03-2019
A. Deferred Tax Assets		
On Provisions/other disallowances	2,13,77,907	1,95,34,067
B. Deferred Tax Liability		
On excess of net book value over Income tax written down value of Property, Plant and	-	-
Net Deferred Tax Asset	2,13,77,907	1,95,34,067

NOTE - 2.16 LONG TERM LOANS AND ADVANCES

Particulars Particulars	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered good)		
Capital Advances	-	1,60,500
Security Deposits	5,44,25,040	4,62,45,242
EKK Infrastructure Limited	17,51,00,000.00	-
MAT Credit Entitlement	2,45,47,732	2,49,06,348
Income Tax (Net)	2,68,77,897	4,90,17,561
	28,09,50,669	12,03,29,651

NOTE - 2.17 OTHER NON CURRENT ASSETS

(In Rupees)

Particulars	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered good)		
Balance with banks in Fixed Deposit accounts	30,52,33,262	23,55,06,225
Security Deposits	1,48,80,000	1,48,80,000
Advance Income Tax and TDS	93,76,942	88,00,235
Provision for Gratuity	22,640	-
Income Recievable	1,08,03,12,081	1,26,38,12,785
Unbilled Revenue	39,81,808	63,92,289
Other Non Current Assets	-	26,656
	1,41,38,06,733	1,52,94,18,190

- **2.17.1** Balance with banks in Deposit Accounts include ₹ 7,10,000 (₹ Nil) held with a maturity period of more than 12 months.
- 2.17.2 Balance with banks in Deposit Account includes ₹ 30,24,96,469/- (₹ 23,28,94,985/-) 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.
- 2.17.3 In case of the subsidiary entity M/s Seguro-INKEL Consortium LLP, balance with banks under Fixed Deposit Accounts totalling to ₹87,13,244 (PY ₹1,09,60,276) is held under lien against Bank Guarantees. Out of this, ₹27,36,240 (PY ₹ 26,11,240) is of maturity period more than 12 months.

NOTE - 2.18 INVENTORIES

(In Rupees)

Particulars	As at 31-03-2020	As at 31-03-2019
Land and Building held on long term finance lease		
Opening Balance	-	-
Add: Additions during the year	2,20,08,536	1,98,92,198
Less: Disposed during the year	(2,20,08,536)	(1,98,92,198)
Closing Balance	-	-
Raw Materials	2,24,17,798	1,06,82,335
Stock-in-trade: Solar Panel/Inverter	41,26,863	24,77,654
	2,65,44,661	1,31,59,989

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 comapny does not hold any inventory.

NOTE - 2 19 TRADE RECEIVABLES

(In Runees)

NOTE - 2.19 TRADE RECEIVABLES		(in Rupees)
Particulars Particulars	As at 31-03-2020	As at 31-03-2019
(Unsecured Considered good) -Outstanding for a period exceeding six months from the date they were due for	26,52,49,553	12,30,50,065
-Others (See Note 2.19.1)	27,60,55,198	56,59,70,003
(Unsecured Considered doubtful)		
-Outstanding for a period exceeding six months from the date they were due for	58,56,494	58,56,494
Less:Provision for Doubtful Debts	(58,56,494)	(58,56,494)
	54,13,04,751	68,90,20,068

2.19.1 Trade Receivables include debts due from:

Particulars Particulars	Description	As at 31-03-2020	As at 31-03-2019
MIV Logistics Private Limited	Private limited company in which a director of INKEL Limited is a director		2,31,308
Kerala Industrial Infrastructure Development Corporation (KINFRA)	Government of Kerala owned Statutory Body in which a director of INKEL Limited is a director	25.03.070	8,96,576
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

Kerala Academy for Skills Excellence (KASE)	Government of Kerala owned private limited company in which a director of INKEL Limited is a director	_
Inkel-EKK Roads Private Limited	Private limited company in which a director of INKEL Limited is a director	1,20,09,772

2.19.2 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/-(₹131,45,995/-), Kerala PWD amounting to ₹4,39,50,962/- (₹5,64,40,093 /-), from Roads and Bridges Development Corporation Kerala Ltd. amounting to ₹1,27,09,343/- (₹4,44,47,310/-), Gibu P Mathew amounting to ₹53,05,115/- (₹1,41,39,753/-) towards the pending bills related to construction of Bridges and from GM Engineers & Contractors amounting to ₹6,32,466/- (₹1,26,32,645/-).

NOTE - 2.20 CASH AND CASH EQUIVALENTS

/T	D \	
lln	Rupees)	
 1111	Nubcesi	

Particulars	As at 31-03-2020	As at 31-03-2019
Cash on Hand	89,835	80,963
Balance with Banks		
In Current Accounts	17,58,149	1,65,73,092
In Fixed Deposit Accounts	75,73,70,460	55,39,55,874
	75,92,18,444	57,06,09,929

2.20.1 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 ₹ 29,390/- (₹35,366/-) held for specific projects.

- **2.20.2** Balance with banks in Deposit Accounts include ₹ 13,19,196/- (₹ 63,247/-) held with a maturity period of more than 12 months and ₹ 51,67,852/-(₹ 2,08,35,690/-) held against public deposits in pursuance of the requirements of applicable Rules.
- **2.20.3** Balance with banks in Deposit Account includes ₹ 2,83,93,756/-(₹ 3,22,54,022/-) held under lien.
- **2.20.4** Balance with banks in Deposit Account includes ₹13,14,52,290/- (₹ 12,40,23,758/-) earmarked for specific projects.
- **2.20.5** In case of the subsidiary company INKEL-EKK Roads Private Limited, balance with banks in deposit accounts include ₹ 7,91,50,000/- held under lien.
- **2.20.6** 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 - 2.21 SHORT TERM LOANS AND ADVANCES

(In Rupees)

NOTE - 2.21 SHORT TERM LOANS AND ADVANCES	1	(In Rupees)
Particulars	As at 31-03-2020	As at 31-03-2019
(Unsecured, Considered good)		
Loans/advances to related parties		
Advances recoverable in cash or in kind or for value to be received	40,59,96,878	25,46,02,383
Earnest Money Deposits	55,77,313	64,03,356
Balances with Government Authorities	6,76,04,956	6,88,64,895
Advance to Suppliers/Contractors	3,85,24,678	1,17,77,802
Advance to employees	5,21,356	2,27,656
Advance to Gratuity	3,05,512	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)
	-	-
	52,20,30,693	34,57,30,455

NOTE - 2.22 OTHER CURRENT ASSETS

Particulars	As at 31-03-2020	As at 31-03-2019
Interest Receivable	1,29,47,729	92,39,124
Tax Deducted at source and Refund claimed	4,15,36,568	3,86,33,511
Fixed Deposit Accounts	59,76,451	83,49,036
Value of contract work unbilled	9,13,00,004	4,55,21,397
Provision for Bill discounting	7,79,218	10,70,131
KSFE Chitty	95,37,570	11,23,504
Unbilled Revenue	9,41,45,378	7,83,06,028
Claims Receivable	1,25,36,000	1,25,36,000
Others	2,66,16,104	2,26,12,631
	29,53,75,022	21,73,91,362

INKEL LIMITED

NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2020

NOTE - 2.23 REVENUE FROM OPERATIONS

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Sale of Services		
Income from disposal of land and building(On Long Term Finance	11,03,19,550	9,26,41,112
Construction Income (Refer Note 2.23.1)	20,24,15,059	42,18,51,925
Share of Course Fee Received	98,41,060	1,06,71,243
Income from Operating Lease	70,32,368	96,21,013
Income from Project Management Services (Refer Note 2.23.2)	7,60,89,940	11,96,68,215
Income from Common Area Maintenance Services	40,34,972	76,75,913
Lighting system commissioning services	1,55,75,955	1,09,23,598
Facility Management Service	-	5,21,392
Contract Revenue	20,46,10,410	23,95,91,287
Sale of Products		
Sale of lighting system/security system	3,10,47,888	10,93,56,154
Income from Agriculture	5,49,494	10,22,762
	66,15,16,696	1,02,35,44,614

2.23.1 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 33.69% of the Total Contract Revenue, as the percentage of completion of work as on 31st March 2019 was 33.69%. Since the percentage of completion of work as on 31st March 2020 is 37.60% based on the estimate of the project cost, revenue is recognised in the current year at 3.92% so that the cumulative revenue recognised as on 31st March 2020 is 37.60%.

2.23.2 Details of Project Management Consultancy services (PMC):

- a. Revenue recognized from PMC contracts :₹ 7,60,89,940/-(₹ 11,96,68,215/)
- b. Details of cost incurred for PMC contracts :₹8,74,28,207/-(₹7,97,14,846/-).
- c. Amount of advances received:₹ 13,31,62,990/- (₹ 8,92,72,819/-)
- d. Amount of retentions:₹ NIL (₹ 3,13,190/-)

NOTE - 2.24 OTHER INCOME

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Interest Income	4,87,97,142	4,20,66,544
Guarantee Fee Received	20,40,929	23,00,000
Profit on Sale of Assets	2,592	-
INKEL EKK - Dividend (Net of DDT)	1,60,16,048	-
Interest on Mobilisation Advance	-	3,26,029
Interest on Fixed Deposit/Bank	1,82,46,313	12,43,850
Income/(Loss) from AV Associates	-	(136)
Insurance claim received	-	9,33,489
Creditors written off	-	61,73,196
Provision for Doubtful debts written back	-	79,27,755
Miscellaneous Income	2,08,68,834	26,34,806
Rent	8,04,000	3,86,648
Sale of goods	47,13,006	2,98,25,227
	11,14,88,864	9,38,17,408

2.24.1 In the case of the subsidiary INKEL-KSIDC Projects Ltd, Interest Income includes Interest on Lease Premium for Rs.20,04,520/-, Bank Interest of Rs.2,79,921/- & Interest on IT Refund of Rs.4,138/-.

NOTE - 2.25 COST OF LAND ACQUIRED/BUILDING/AMENITIES CONSTRUCTED AND DISPOSED

(On long term finance lease agreements)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Cost of Land Cost of Building/Amenities	2,76,39,358 1,06,74,092 3,83,13,450	2,19,25,718 41,83,172 2,61,08,890

NOTE - 2.26 PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Solar light	3,51,94,733	8,88,83,705
Highmast light	-	17,09,787
Purchase of Trading goods	1,02,30,600	2,98,25,227
	4,54,25,333	12,04,18,719

NOTE - 2.27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Opening Stock- Raw Materials	1,06,82,335	3,14,20,302
Closing Stock- Raw Materials	2,24,17,798	1,06,82,335
	(1,17,35,463)	2,07,37,967
Opening Stock In Trade	24,77,654	-
Closing Stock In Trade	3,24,61,561	24,77,654
	(2,99,83,907)	(24,77,654)
	(4,17,19,370)	1,82,60,313

NOTE 2.28 OPERATING, WORKS CONTRACT AND PROJECT EXPENSES

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Construction and Project Cost	18,63,62,762	54,19,61,612
Consultancy Charges	73,92,474	36,74,166
Finance Cost	1,55,07,206	6,15,954
Power Fuel and Water Charges	20,92,458	2,10,44,800
Spares and Consumables	4,33,456	1,18,56,088
Grant Received	-	(5,40,00,000)
	21,17,88,356	52,51,52,620

NOTE - 2.29 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Salaries & Allowances	10,79,89,932	11,05,03,247
Contribution to Provident and Other Funds	70,53,898	63,86,209
Staff Welfare Expenses	31,71,332	62,09,161
	11,82,15,162	12,30,98,617

NOTE - 2.30 FINANCE COSTS

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Interest Expense	20,86,28,050	17,88,29,853
Interest on Term Loan SBI	2,63,70,086	30,12,329
Bill Discounting Charges	9,46,269	10,32,280
Interest on Public Deposits	1,89,73,645	1,51,20,457
Other Borrowing costs (See Note 2.30.1)	12,03,777	1,05,88,483
	25,61,21,827	20,85,83,402

2.30.1 Other Borrowing costs includes ₹ 12,03,777 /- incurred for procurement & administration of Public Deposits.

NOTE - 2.31 OTHER EXPENSES

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Expenditure on corporate social responsibility activity	20,50,000	1,50,18,716
(See Note 2.31.1)		
Lighting system commissioning expenses	1,16,08,577	1,57,52,015
Operation & Maintenance Expense	89,41,343	54,08,348
Agricultural expenses	11,75,875	20,37,877
Power & Fuel	38,56,387	40,79,834
Rent	63,73,560	53,50,991
Repairs & Maintenance:		, ,
- Building	1,51,768	10,62,343
- Plant	4,08,501	20,16,122
- Others	45,59,088	44,50,289
Insurance	6,99,837	13,86,560
Payment to Auditors		
- as auditor	9,50,000	11,40,000
- for taxation matters	80,000	3,48,000
- for other services	2,04,580	3,36,000
- for reimbursement of expenses	_	22,981
Bank charges & interest	1,83,57,505	30,28,014
Meeting expense	11,39,209	10,45,331
Sitting fee to Directors	15,56,600	16,05,000
Consideration for Manpower services	55,58,190	59,00,108
Advertisement & Publicity	17,47,267	40,52,224
Postages, Telephone and internet charges	8,16,779	12,82,077
Printing and Stationery	16,33,406	16,37,669
Professional Charges	2,84,87,323	1,84,93,229
Legal Fee	28,38,411	44,32,150
Rates & Taxes	18,47,239	67,28,201
Software Running Expenses	19,96,438	-
Travelling & Conveyance	93,25,802	88,08,481
Guarantee Commission	28,79,862	-
Business Promotion Expense	5,47,988	6,07,965
Miscellaneous Expenses	27,42,840	92,03,727
Interest on statutory dues	2,50,012	7,72,542
Intangible asset written off	_	6,59,375
Land Development expense	_	4,57,615
Income tax adjusted for Previous Years	_	4,28,776
	12,27,84,387	12,75,52,560

NOTE - 2.31.1 Note on Expenditure on Corporate Social Responsibility activities

For the year ended 31-03-2020	For the year ended 31-03-2019
19,33,674	27,32,823
20,50,000	- 1,50,18,716
	31-03-2020 19,33,674

2.31.2 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	3,97,20,416	3,03,84,403
Less: Reimbursable from CEPL	1,13,85,718	3,03,84,403
Net expense incurred on behalf of CEPL	2,83,34,698	-

NOTE - 2.32 EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Basic:		
Profit/(Loss) after tax for the year as per Statement of Profit and		
Loss (In ₹)	(1,97,81,847)	(5,28,01,892)
Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each		
(fully paid up)	17,78,14,334	17,78,14,334
Basic Earnings Per Equity Share- In ₹ (Face Value of Share- ₹ 10		
each)	(0.11)	(0.30)

Diluted:		
Profit after tax for the year as per Statement of Profit and Loss (In ₹	(1,97,81,847)	(5,28,01,892)
Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each		
(fully paid up)	17,78,14,334	17,78,14,334
Diluted Earnings per Share (In ₹) (Face Value of Share- ₹ 10 each)		
	(0.11)	(0.30)

Note No. 2.33EMPLOYEE BENEFITS

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

2.33.1Defined Contribution Plans

In case of the Holding Company - INKEL Limited

During the year the company has recognised = 45,06,020/- (=36,54,282/-) as Contribution to Provident Fund,= 10,41,235/-(=9,57,027/-)as Contribution to National Pension Scheme and =3,85,496/- (=3,54,467/-) 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 constitued by the Holding Company for the benefit of employees of its Group Companies. During the year the company has recognized Rs. 49,235/-(Previous Year Rs.66,122/-) in the Statement of Profit and Loss on account of defined contribution plans.

2.33.2Defined Benefit Plans In case of the Holding Company - INKEL Limited Gratuity (Funded)

(i)	Actuarial Assumptions	31 st March 2020	31 st March 2019
	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	Indian Lives
		Lives Mortality	Mortality
		[1994-1996]	[1994-1996]
		Ultimate Table	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	31 st March	31 st March
	obligation:	2020	2019
	Present value of obligation at the	77,42,985	44,42,671
	beginning of the year	, , ,	, , , -
	Current Service Cost	8,63,751	10,32,281
	Interest Cost	6,31,114	3,71,910
	Actuarial gain/(loss)	(3,40,596)	20,30,959
	Benefits Paid	-	(1,34,836)
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end		
	of the year	62,08,196	77,42,985

(iii)	Reconciliation of fair value of plan assets:	31 st March 2020	31 st March 2019
		2020	2017
	Fair value of plan assets at the	27,45,453	28,74,233
	beginning of the year	27,43,433	20,74,233
	Acquisition Adjustments	-	(68,963)
	Expected return on plan assets	2,05,908	2,15,567
	Actuarial gain/(loss)	(2,99,598)	(1,40,548)
	Contributions	-	-
	Benefits paid	(26,89,058)	(1,34,836)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of	25,73,236	27,45,453
	the year	23,73,230	21,73,733

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the	31 st March	31 st March
	Balance Sheet as at year end:	2020	2019
	Present value of obligation	62,08,196	77,42,985
	Fair value of plan assets	25,73,236	27,45,453
	Net present value of unfunded obligation		
	recognised as (asset)/liability in the	36,34,960	49,97,532
	Balance Sheet		

(In Rupees)

(v)	Expenses recognised in the Statement	31 st March	31 st March
	of Profit and Loss:	2020	2019
	Current Service Cost	8,63,751	10,32,281
	Interest Cost	6,31,114	3,71,910
	Expected return on plan assets	(2,05,908)	(2,15,567)
	Acquisition Adjustment of assets	-	68,963
	Actuarial (gain) /loss recognised in the	(40,988)	21,71,507
	period	(40,700)	21,71,307
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the		
	Statement of Profit and Loss	12,47,959	34,29,094

Leave Plan (Unfunded)

(i)	Actuarial Assumptions	31 st March	31 st March
		2019	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	Indian Lives
		Lives Mortality	Mortality
		[1994-1996]	[1994-1996]
		Ultimate Table	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 2020	31 st March 2019
	Present value of obligation at the beginning	2020	2017
	of the year	1,00,19,707	59,50,303
	Current Service Cost	38,16,285	43,10,163
	Interest Cost	8,94,588	6,07,903
	Actuarial (gain)/loss	(56,096)	8,11,480
	Benefits Paid	(59,29,162)	(16,60,142)
	Curtailments		-
	Settlements		-
	Present value of obligation at the end of		
	the year	87,45,322	1,00,19,707

(In Rupees)

			· · · /
(iii)	Reconciliation of fair value of plan	31 st March	31 st March
	assets:	2020	2019
	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 2020	31 st March 2019
	Present value of obligation	87,45,322	1,00,19,707
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet		1,00,19,707

(v)	Expenses recognised in the Statement of	31 st March	31st March 2019
	Profit and Loss:	2020	
	Current Service Cost	38,16,285	43,10,163
	Interest Cost	8,94,588	6,07,903
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	(56,096)	8,11,480

Past Service Cost	-	-
Curtailment cost	-	-
Settlement cost	-	-
Total expenses recognised in the		
Statement of Profit and Loss	46,54,777	57,29,546

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

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

Gratuity (Funded)

(i)	Actuarial Assumptions	31 st March 2020	31 st March 2019
	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]	Mortality [1994-1996]
		Ultimate	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	31 st March 2020	31 st March 2019
	obligation:		
	Present value of obligation at the	0.077	11 715
	beginning of the year	9,977	41,715
	Current Service Cost	11,010	3,268
	Interest Cost	1,161	3,251
	Actuarial gain/(loss)	(36,680)	(38,257)
	Benefits Paid	-	-
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of	58,828	9,977
	the year		

(iii)	Reconciliation of fair value of plan assets	31 st March 2020	31 st March 2019
	:		
	Fair value of plan assets at the beginning of the year	3,64,340	3,34,539
	Expected return on plan assets	-	25,090
	Actuarial gain/(loss)	-	(15,135)
	Contributions	-	-
	Benefits paid	-	-
	Assets distributed on settlement	-	19,846
	Fair value of plan assets at the end of the	3,64,340	3,64,340
	year		

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the	31 st March	31 st March
	Balance Sheet as at year end:	2020	2019
	Present value of obligation	58,828	9,977
	Fund Status	3,05,512	3,54,363
	Fair value of plan assets	3,64,340	3,64,340
	Net present value of unfunded obligation		
	recognised as (asset)/liability in the Balance	-	-
	Sheet		

(In Rupees)

	(- F /
of 31st March	31 st March
2020	2019
11,010	3,268
1,161	3,251
-	(25,090)
36,680	(23,122)
-	(19,846)
-	-
-	-
-	-
48,851	(61,539)
	2020 11,010 1,161 - 36,680 - - -

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	Indian Lives
		Mortality [1994-1996]	Mortality [1994-
		Ultimate	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.

		\ I /
(ii) Reconciliation of present value of obligation:	31 st March 2020	31 st March 2019
Present value of obligation at the beginning of the year	57,000	4,66,543
Current Service Cost	5,463	40,070
Interest Cost	4,479	36,493
Actuarial (gain)/loss	1,672	(4,86,106)
Benefits Paid	(32,548)	-
Curtailments	-	-

Settlements	-	-
Present value of obligation at the end of	20.000	F7 000
the year	36,066	57,000

(In Rupees)

(iii)	Reconciliation of fair value of plan assets:	31 st March 2020	31 st March 2019
	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 2020	31 st March 2019
	Present value of obligation	36,066	57,000
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet		(57,000)

(In Rupees)

(v)	Expenses recognised in the Statement	31 st March	31 st March
	of Profit and Loss:	2020	2019
	Current Service Cost	5,463	40,070
	Interest Cost	4,479	36,493
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the		
	period	1,679	(4,86,106)
	Past Service Cost	•	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the		
	Statement of Profit and Loss	11,614	(4,09,543)

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

Note -2.34

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

ii. Calicut Expressway Private Limited (CEPL)

iii. KSIDC Limited

iv. EKK Infrastructure Private Limited

v. KSIE Limited

vi. AV Associates

vii SeaBird Sea Plane Private Limited viii INKEL KSIDC Projects Limited

viii INKEL KSIDC Projectix KMC-INKEL (JV)

x Key Managerial Personnel

Dr. Mohammed Sagheer Dr. Retheesh KA Mr. K Venugopal

In subsidiary Seguro Foundations and Structures Pvt Ltd.

Mr. C V Rajeev

Mrs. Seena Rajeev

Associate Company

Associate Company

Enterprise having substantial interest in the Subsidiary Company -

INKEL-KSIDC Projects Limited

Enterprise having substantial interest in the Subsidiary Company -

INKEL-EKK Roads Private Limited

Enterprise having substantial interest in the Subsidiary Company -

INKES Trade Centre Limited

Enterprise in which Key Managerial Personnel of the subsidiary Company - Seguro Foundations & Structures Private Limited are able to

exercise significant influence

Associate Company of MIV Logistics Private Limited

Subsidiary Company

Jointly Controlled Operation(w.e.f 12-12-2018)

Managing Director (w.e.f. 17-08-2017) (upto 28-10-2019) Managing Director (w.e.f. 28-10-2019) (upto 03-02-2020)

Managing Director (w.e.f. 04-02-2020)

Managing Director of the company

Director of the company

B. Description of Transactions

(₹)

Nature of Transaction	Subsidiary/ Associate/ Jointly Controlled Entity	Key Managerial Personnel	Total
<u>Income</u>			
1. Guarantee Commission Received			
MIV Logistics Private Limited	20,40,929		20,40,929
0. F D	(23,00,000)		(23,00,000)
2. Expenses Recovered			00.70.040
MIV Logistics Private Limited	29,79,849	-	29,79,849
P-range -	(27,70,919)	-	(27,70,919)
Expenses 1 December to Managing Director			
1 Remuneration to Managing Director		3,79,310	3,79,310
Mr. K Venugopal		-	3,73,310
Dr. Retheesh KA		12,34,865	
		-	
Dr. Mohammed Sagheer		29,70,331	
	-	(42,94,530)	(42,94,530)
In subsidiary Seguro Foundations and Structures Pvt Ltd.			
Mr. C V Rajeev	-	- (45.01.050)	- (45.01.050)
	-	(45,01,250)	(45,01,250)
In subsidiary Inkel-EKK Roads Private Limited			
1. EPC Contract Expenses			09 75 000
EKK Infrastructure Private Limited	28,75,000 (14,53,07,394)	-	28,75,000 (14,53,07,394)
		1 11 500	1,41,600
2. Sitting Fees	-	1,41,600	(3,15,000)
In subsidiary Inkel Infrastructure Development Projects Limited	-	(3,15,000)	(
1. Road project expenses incurred on behalf of:			
Calicut Expressway Private Limited (CEPL)	3,97,20,416	_	3,97,20,416
	(3,03,84,403)	-	(3,03,84,403)
	_	_	-
Loans and Advances			
1. Calicut Expressway Provate Limited(CEPL)	35,20,64,794		
- Loan/Advances given	(21,17,35,280)		
2. KSIE Limited			
- Loan/Advances given	_	-	-
	(35,00,000)	_	(35,00,000)
3. EKK Infrastructure Private Limited	, , , , , , , , , , , , , , , , , , ,		
-Intercorporate Loan	17,51,00,000		17,51,00,000
	-		-

	1	I	
4. In subsidiary Seguro Foundations and Structures Pvt Ltd.			
<u>Unsecured loan repaid</u>			
- C V Rajeev	-	-	-
	-	(1,66,906)	(1,66,906)
- Seena Rajeev	-	- (10.00.607)	- (10.00.607)
	-	(18,29,607)	(18,29,607)
Unsecured loan received			
- Seena Rajeev	-	-	-
	-	(34,31,140)	(34,31,140)
5. In subsidiary Inkel Infrastructure Development Projects Limited			
<u>Unsecured loan received</u>			
Varghese Kurian	-	2,50,00,000	2,50,00,000
Mohamed Althaf	_	2,50,00,000	2,50,00,000
		-	-
6. In subsidiary Inkel Infrastructure Development Projects Limited	40.00.00.107		40.00.00.107
Calicut Expressway Private Limited (CEPL)	40,20,03,127 (24,82,38,465)	-	40,20,03,127 (24,82,38,465)
<u>Investments</u>	(24,02,30,403)		(27,02,30,703)
$^{ m 1.}$ In subsidiary Inkel Infrastructure Development Projects Limited			
Calicut Expressway Private Limited	33,07,500	-	33,07,500
	(16,50,000)	-	-
Guarantee given during the year			
1. Calicut Expressway Private Limited	- (05.50.00.00)	-	-
Guarantee given	(85,50,00,000)	-	(85,50,00,000)
1. MIV Logistics Private Limited	20,40,92,922	_	20,40,92,922
	(21,79,05,223)	-	(21,79,05,223)
2. Calicut Expressway Private Limited	85,50,00,000	-	85,50,00,000
	(85,50,00,000)	-	(85,50,00,000)
Receivables			
1. MIV Logistics Private Limited	33,41,834	-	33,41,834
	(2,31,308)	-	(2,31,308)
2. KSIDC Limited	42,39,237	-	42,39,237
	(42,39,237)	-	(42,39,237)
3 SeaBird Sea Plane Private Limited	3,01,84,659	-	3,01,84,659
	(3,01,84,659)	-	(3,01,84,659)
<u>Payables</u>			
1. EKK Infrastructure Private Limited	-	-	-
	(2,29,830)	-	(2,29,830)
2. KSIE Limited (Payable against lease premium)	2,75,38,500	-	2,75,38,500
	(2,75,38,500)	-	(2,75,38,500)

2.35.1 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 subisidiary are furnished below:

Names of Partners	31.03.2020	31.03.2019
P J Jacob	5,75,85,991	5,75,85,991
Seguro Foundations and Structures Pvt. Ltd.	3,22,09,723	3,22,09,723

- **2.35.2** Transactions in the nature of current account transactions have not been included in the above disclosure.
- **2.35.3** Transactions with Associate Company are prior to elimination.

Note - 2.36

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 - 2.36.1

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 - 2.36.2

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, 2019-20 and 2020-21

Note 2.36.3

In case of the associate company MIV Logistics Private Limited

Penal Interest due on default of instalments and interest amounting to Rs. 8.84 lakhs (Rs.7.66 lakhs) and Rs 55.48 lakhs (Rs.48.09 lakhs) respectively from Sea Bird Sea Plane Services (P)Ltd is not recognized in the accounts.

Cumuative interest amount receivable from Sea Bird Sea Plane services is Rs 217.38 Lakhs (Rs 161.90 lakhs). Penal Interest due on installments unpaid and interest amounting to Rs.34.74 lakhs (Rs 25.89 lakhs).

Note - 2.37 Contingent Liabilities not provided for :

(₹)

Particulars	As at 31.03.2020	As at 31.03.2019
I. In case of the Company		
a) Corporate guarantee issued in favour of -		
- MIV Logistics Private Limited	20,40,92,922	21,79,05,223
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. INKEL is in the process of forming the strategies for implementation of the Calicut Expressway project, to be implemented by INKEL directly or through any of its subsidiaries, and is yet to be finalised. The process of financial closure and raising of promoters funds is also underway.	85,50,00,000	85,50,00,000
c) Claims towards Building Tax	1,31,16,348	1,24,78,500
d) Other Counter Guarantees issued in favour of Banks for the guarantees issued by the Banks	8,13,41,510	47,70,510
- KSEB	7,80,92,510	47,70,510
- CSML	32,49,000	
e) 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
b) Claims by Commercial Taxes Department	-	3,26,69,182
III. In case of the subsidiary entity SEGURO-INKEL Consortium LLP		
a) Guarantees	3,77,39,950	5,16,00,000
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	1,75,57,434

Note 2.38

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

Particulars	As at 31st March 2020	As at 31st March 2019
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 Limted	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

- 2.39.1 Fraud on INKEL: INKEL Limited (INKEL) had acquired 65% of shares in the company Seguro Foundations and Structures Private Limited (SFS) on 1st December 2017 and made an investment of Rs.13,81,50,206/-. SFS has been functioning as a subsidiary of INKEL from 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 were noticed, which were prima facie considered material. The committee constituted by the Board of INKEL has found out serious lapses, irregularities, diversion of funds and misappropriations including "Overvaluation of Seguro's shares for investment by INKEL, Practice of showing inflated unbilled revenue (work in progress), Non Utilisation of Investment by INKEL on any projects, Irregularities in financial transactions diversion of funds, Absence of transparency in related party transactions, Statutory non compliances and malpractices to hide the same, availing higher working capital facility from bank by submitting inflated receivable" etc. and recommended the Board to consider legal remedies against the erstwhile management of SFS. The forensic audit simultaneously conducted by the management of INKEL by engaging a firm of chartered accountants had also reported that the Managing Director of SFS has perpetrated frauds by "siphoning funds through bogus creditors, fictitious expense, misappropriation/ diversion of funds, overstatement of unbilled revenue, conflicting interest, non-reported related party transactions" etc. Based on the aforesaid reports INKEL has initiated legal actions against SFS and its erstwhile management. Having regard to the report that SFS's shares were overvalued through misrepresenting its financial positions and the investment made by INKEL was siphoned away by the managing director of SFS, the Board of INKEL has declared the transaction of investment in SFS as a fraud on INKEL by SFS.
- 2.39.2 Impairment of value of investment: Based on unaudited financial statements as on 31/03/2019 provided by SFS and the provisional financial statements of SFS complied for the year ended 31/03/2020, the net worth of SFS has fully eroded. In view of the matters of fraud and erosion of share value reported above, there is permanent diminution in the value of investments in the subsidiary company, SFS as per AS-13 (Accounting for Investments) and recoverability of the investment seems to be remote. Hence full provision has been made for the investment of Rs.13,81,50,206/- by Inkel in SFS as on 31.03.2020 in its Standalone Financial Statements. However, this separate provision gets eliminated in the consolidated financial statements, since the minority share of losses in the consolidated financial statements is restricted to their investment value in accordance with the Accounting Standard 21 and thereby the erosion in the value of investment gets absorbed in the majority share of accumulated profit/losses.
- 2.39.3 These provisional financial statements for the year ended 31.03.2020 complied by SFS have been incorporated in the consolidated financial statements of the Group which reflects SFS's total assets of Rs.52,78,41,309/- (10.24% of Group's total assets) and net assets of Rs. (-) 2,42,82,343/- (-1.31% of Group's net assets) as at March 31, 2020, total

revenues (including other income) of Rs. 22,18,77,470/- (28.70% of Group's total revenues), net loss of Rs. 2,22,99,238/- (90.49 % of Group's total loss) and net cash outflows amounting to Rs. 1,93,33,825/- (-10.25% 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 2020, as well as in relation to the preceding year ended 31st March 2019, 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.

- 2.39.4 The financial statements for the year ended 31.03.2020 of IIDPL a fully owned subsidiary which has not been approved by the Board of Directors have been incorporated in the consolidated financial statements of the Group which reflects IIDPL's total assets of Rs. 45,06,88,337/- (8.74% of Group's total assets) and net assets of Rs. (-)72,51,929/- (-0.39% of Group's net assets) as at March 31, 2020, total revenues (including other income) of Rs. 44,35,987/- (0.57% of Group's total revenues), net loss of Rs. (-)64,40,112 /- (26.13 % of Group's total loss) and net cash inflows amounting to Rs. 53,70,683/- (3.52 % 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 IIDPL in relation to the financial year ended 31st March 2020, due to the non approval of financial statements by the Board of Directors cannot be ascertained at this stage and hence has not been considered in these Consolidated Financial Statements.
- 2.39.5 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.
- 2.39.6. 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.

Note - 2.40

Capital Commitments	As at 31.03.2020	As at 31.03.2019
Estimated amount of contracts remaining to be executed on capital account and	Nil	Nil
not provided for		

Note 2.41 Remittances in Foreign Currency

Note - 2.41.1 Dividend

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019	
Year to which dividend relates	Financial Year 2018-19	Financial Year 2017-18	
Amount remitted during the year	46,26,790	77,00,000	
Number of non resident shareholders	4	4	
Number of shares on which dividend was due	2,20,00,000	2,20,00,000	

Note - 2.41.2 Other Remittances

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019	
Software Purchase	96,720	-	

Note - 2.42

Impact of tax rate change: The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

Note - 2.43

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.52,71,989/- (Rs 43,36,652/-).

The company has only entered into cancellable lease arrangements.

Note - 2.44

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

Jacob Kovoor NinanVidya SangeethDirectorDirectorDIN: 01213357DIN: 08525336

For Sridhar & Co Chartered Accountants FRN: 003978S

Anjana M.A Company Secretary

Prasanna Kumar V Chief Financial Officer CA. S. Unnikrishnan Partner Membership No.218366

Place : Kochi Date : 04-12-2020

Note No 2.45 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.

	As at 31.03.2020		As at 31.03.2019	
	Net Assets, ie Total Assets - Total liabilities		Net Assets, ie Total Assets - Total liabilities	
Name of the entity	As a % of consolidated net assets	Amount (In Rupees)	As a % of consolidated net assets	Amount (In Rupees)
Parent Company	73.01%	1,46,85,10,856	71.24%	1,48,77,81,400
Subsidiaries:				
INKEL KSIDC Projects Limited	5.54%	11,14,84,313	5.01%	10,46,21,745
INKES Trade Centre Ltd	1.57%	3,15,16,396	1.54%	3,21,13,417
INKEL EKK Roads Private Limited	13.59%	27,33,94,190	14.16%	29,57,87,438
Seguro Foundations & Structures Pvt Ltd	-0.78%	(1,57,83,523)	-0.06%	(12,89,018)
Inkel Infrastructure Development Projects Limted	-0.35%	(70,51,929)	-0.03%	(6,11,817)
Subsidiary Entity:				
SEGURO-INKEL Consortium LLP	-0.73%	(1,46,88,878)	0.20%	42,19,425
Associate Company:				
Equity Investment in MIV Logistics Private Limited		11,82,97,140		11,82,97,140
Less: Share of Loss		(11,21,66,108)		(11,45,96,187)
	0.30%	61,31,032	0.18%	37,00,953
Equity Investment in Calicut Expressway Private Limited	0.16%	33,07,500	0.08%	16,50,000
Minority Interest	7.69%	15,45,82,449	7.68%	16,03,95,440
Total	100%	2,01,14,02,406	100%	2,08,83,68,983

		For the year ended 31.03.2020 Share in Profit or (Loss)		For the year ended 31.03.2019 Share in Profit or (Loss)	
Name of the entity	As a % of consolidated Profit or (Loss)	Amount (In Rupees)	As a % of consolidated Profit or (Loss)	Amount (In Rupees)	
Parent Company	-36.36%	89,59,478	-40.18%	4,51,79,633	
Subsidiaries:					
INKEL KSIDC Projects Limited	-27.85%	68,62,568	-1.25%	14,04,157	
INKES Trade Centre Ltd	2.42%	(5,97,022)	0.59%	(6,59,451)	
INKEL EKK Roads Private Limited	-7.75%	19,10,705	-26.48%	2,97,74,243	
Seguro Foundations & Structures Private Limited	58.82%	(1,44,94,505)	118.36%	(13,30,69,403)	
Inkel Infrastructure Development Projects Limted	26.13%	(64,40,112)	0.63%	(7,11,817)	
Subsidiary Entity:					
SEGURO-INKEL Consortium LLP	89.74%	(2,21,13,991)	-1.41%	15,79,793	
Associate Company:					
MIV Logistics Private Limited	-24.88%	61,31,032	-3.29%	37,00,953	
Minority Interest	19.72%	(48,60,273)	53.03%	(5,96,23,959)	
Total	100%	(2,46,42,120)	100%	(11,24,25,851)	

INDEPENDENT AUDITOR'S REPORT

To the Members of INKEL LIMITED,

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, 2020, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement 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 2.39.1& Note No 2.39.2 to the consolidated financial statements ofINKEL Limited (INKEL), 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 during financial year 2018-19, which are prima facie considered material and are being independently examined as stated therein. The committee appointed by INKEL and the forensic audit simultaneously conducted by INKEL had reported that SFS's shares were overvalued through misrepresenting its financial positions and the investment made by INKEL was siphoned away by the managing director of SFS', the Board of INKEL has declared the transaction of investment in SFS as a fraud on INKEL by SFS. The legal actions initiated by INKEL has not reached finality. Pending resolution of the matter the financial statement for the year ended 31.03.2019 have not been approved by the Board of Directors of the said company. As per explanation given to us the financial records of SFS is maintained by one of its employee stationed at INKEL premises and has compiled the unaudited financial statements of SFS based on the financial records maintained as on 31st March 2020. As such, financial statements for the years ended 31.03.2019 and 31.03.2020 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 associatereflects total assets of Rs.52,78,41,309/- (10.24% of Group's total assets) and net assets ofRs.(-)2,42,82,343/- (-1.31%% of Group's net assets) as at March 31, 2020, total revenues including other income of Rs. 22,18,77,470/- (28.70% of Group's total revenues), net loss of Rs. 2,22,99,238/- (90.49 %of Group's total loss) and net cash outflows amounting to Rs. 1,93,33,825/-(-10.25%of Group's cash inflows) for the year then ended in relation to the said subsidiary company. Due to the afore stated issues the financial statements of SFS for the financial year 2018-19 as well as 2019-10 are unaudited and 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 2020, as well as in relation to the preceding year ended 31st March 2019, which arebeing subject toindependent review as stated above, cannot be ascertained at this stage andhence has not been considered in these Consolidated Financial Statements.

As stated in Note No 2.39.4to the consolidated financial statements, The audit of financial statements for the year ended 31.03.2020 of Inkel Infrastructre Development Projects Limited(IIDPL), a fully owned subsidiary, has been completed by the auditors but not been approved by the Board of Directors of that company and as such the said financial statements remain unaudited. Based on the unaudited financial stetements of the IIDPL, the consolidated financial statements of the Group and its associate reflects total assets of Rs. 45,06,88,337/- (8.74% of Group's total assets) and net assets of Rs. (-)72,51,929/-(-0.39% of Group's net assets) as at March 31, 2020, total revenues (including other income) of Rs. 44,35,987/- (0.57% of Group's total revenues), net loss of Rs. (-)64,40,112/- (26.13 % of Group's total loss) and net cash inflows amounting to Rs. 53,70,683/- (3.52 % of Group's cash inflows) for the year then endedin relation to the said subsidiary company. The impact of further adjustments, if any, that may be necessary in the financial statements of IIDPL in relation to the financial year ended 31st March 2020, due to the non approval of financial statements by the Board of Directors cannot be ascertained at this stage and hence has not been considered in these Consolidated Financial Statements.

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 companies, Seguro Foundations and Structures Private Limited and Inkel Infrastructure development projects Limited for the year ended 31st March 2020; 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 associateare 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 2.39.1 of the consolidated financial statements, as per which,INKEL Limited (INKEL) had acquired 65% of shares in the company Seguro Foundations and Structures Private Limited (SFS) on 1st December 2017 and made an investment of Rs.13,81,50,206/-. SFS has been functioning as a subsidiary of INKEL from 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 were noticed, which were prima facie considered material. The committee constituted by the Board of INKEL and has found out serious lapses, irregularities, diversion of funds and misappropriations and recommended the Board to consider legal remedies against the erstwhile management of SFS. The forensic audit simultaneously conducted by the management of INKEL by engaging a firm of chartered accountants had also reported that the Managing Director of

SFS has perpetrated frauds. Having regard to the report that 'SFS's shares were overvalued through misrepresenting its financial positions and the investment made by INKEL was siphoned away by the managing director of SFS', the Board of INKEL has declared the transaction of investment in SFS as a fraud on INKEL by SFS.

We draw attention to Note No.2.39.2 of the consolidated financial statements, as per which, based on theunaudited financial statements as on 31.03.2019 provided by SFS and the provisional financial statements of SFS complied for the year ended 31.03.2020, the net worth of SFS has fully eroded. In view of the matters of fraud and erosion of share value, there is permanent diminution in the value of investments in the subsidiary company, SFS as per AS-13 (Accounting for Investments) and recoverability of the investment seems to be remote. Hence full provision has been made for the investment of Rs.13,81,50,206/- by INKEL in SFS as on 31.03.2020 in it's standalone financial statement.

We draw attention to Note No 2.39.5to 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 MIVLogistics 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 engineersas at 31st March 2019 engaged by the respective companiesand 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.

We draw attention to Note No 2.39.6 to the Consolidated Financial Statements which states that 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.

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 and one subsidiary entity viz INKEL Seguro LLP whose financial statements/financial information reflect total assets of Rs.2,71,10,36,625/and net assets of Rs.55,47,67,793/- as at 31stMarch 2020, total revenues of Rs. 31,26,04,482/- and net cash inflow amounting to Rs.51,30,99,163/- 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.61,31,032/- for the year ended 31st March, 2020 as considered in the consolidated financial statements, in respect of one associate company viz. MIVLogistics 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 MIVLogistics 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 vizThalikulam 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 2.39.5, 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 thepossible 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 consolidatedfinancial 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 Opinionparagraph 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 Companyas on 31st March, 2020 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 it's associate, is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act. Inthe 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, 2020 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 Opinionparagraph 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:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position in the consolidated financial statements – Refer Note No 2.37. 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 it's 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 contractsin 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.

For Sridhar & Co Chartered Accountants FRN: 003978S

Place: Kochi Date: 04.12.2020 CA. S. Unnikrishnan Partner Membership No.218366 UDIN 20218366AAAAFN6007 "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 2.39 of the consolidated financial statements, the financial statements of a material component of the Group- Seguro Foundations and Structures Private Limited (SFS) and Inkel Infrastructure Development Projects Limited (IIDPL) for the financial year ended 31st March 2020 have not been approved by the Board of Directors of the said company and is subject to audit by that company'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 31stMarch, 2020.

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.

For Sridhar & Co Chartered Accountants FRN: 003978S

Place: Kochi Date: 04.12.2020 CA. S. Unnikrishnan
Partner
Membership No.218366
UDIN 20218366AAAAFN6007