



**INKEL Limited**

A Public Private Partnership initiative

**ANNUAL REPORT 2020-21**



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**INKEL LIMITED**

CIN : U45209KL2007PLC020471

Registered Office : 2<sup>nd</sup> Floor, Ajiyal Complex, Post Office Road, Kakkanad, Kochi – 682030

**CHAIRMAN**

Shri P Rajeeve  
Hon'ble Minister (Law, Industries & Coir)  
Government of Kerala

**DIRECTORS**

Dr. K Ellangovan IAS  
Principal Secretary (Industries)  
Government of Kerala

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 Kovoov  
Independent Director

Smt. Vidhya Sangeeth  
Independent Director

**CHIEF OPERATING OFFICER**

Mr. N Sasidharan Nair

**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<sup>nd</sup> 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 14<sup>th</sup> Annual General Meeting of INKEL Limited will be held on Thursday, the 30<sup>th</sup> day of December 2021 at 11 .00am 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 31<sup>st</sup> March 2021, 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 31<sup>st</sup> March 2021 and report of Auditors.
2. To appoint a Director in the place of Mr. C V Rappai (DIN: 02011057) who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS**

3. Appointment of Mr. Mohanlal (DIN:08956382) as Managing Director

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

- (i) RESOLVED THAT pursuant to Sections 152, 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time or any other modification or statutory re-enactment thereof and 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. Mohanlal (DIN:08956382) as Managing Director of the company with effect from 30.03.2021 for a maximum period of five years or until further orders from the Government, whichever is earlier.

- (ii) RESOLVED THAT pursuant to the provisions of Section 197 read with Part and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded for the following terms of appointment Mr. A Mohanlal as Managing Director :
- (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) Medical Reimbursement limited to 50 per cent of monthly fixed salary per year.
  - (vi) Car with driver for personal and official use
  - (vii) Mobile and Landline telephone /Broadband at the residence, for personal and official use.

RESOLVED FURTHER THAT the approval of the members be and is hereby accorded for a remuneration of Rs. 2,00,000/- per month to Mr. A Mohanlal for the services rendered by him in the capacity of 'Managing Director-in-charge' from 31.10.2020 till his formal appointment as Managing Director.

RESOLVED further that the Board of directors of the company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid resolution.

By order of the Board  
For INKEL Limited

Sd/-  
Anjana M A  
Company Secretary

Place : Cochin  
Date : 06.12.2021

**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/ re-appointment 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 continuation of this Ministry’s General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021. 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 2020-21 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 will also be available on the Company’s website ([www.inkel.in](http://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](mailto: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. The company has transferred the unclaimed dividend for the FY 2013-14 to Investor Education & Protection Fund (IEPF) established by the Central Government. A few members have not encashed their dividend pertaining to the dividend declared for the financial year ended 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018. Details of the unclaimed/unpaid dividend are also uploaded on the company's website [www.inkel.in](http://www.inkel.in). Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the company.

9. **Voting through electronic means:**

1. 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 April 8, 2020, Circular No.17/2020 dated April 13, 2020, and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.
3. 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 April 08, 2020, April 13, 2020 and May 05, 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) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. 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. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the

Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. 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.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.inkel.in](http://www.inkel.in). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA circular no. 02/2021 dated January,13,2021.
9. CS Puzhankara Sivakumar (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, First Floor, Building No. CC 56/172, K C Abraham Master Road, Panampilly Nagar, Kochi-682036 has been appointed as the Scrutinizer to oversee the voting process in a fair and transparent manner.
10. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, unblock the votes cast through remote e-voting and e-voting on the date of the AGM 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.



11. 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 INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins from 09.00 am on 25<sup>th</sup> December 2021 and ends at 5.00 pm on 29<sup>th</sup> December 2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 23<sup>rd</sup> December 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
- (iii) Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p>

	<p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL</p>

	<p>Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.

- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) 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.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) 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.
- (xv) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto: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.com](mailto:deptcs@inkelkerala.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance atleast **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [deptcs@inkelkerala.com](mailto:deptcs@inkelkerala.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [deptcs@inkelkerala.com](mailto:deptcs@inkelkerala.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.



10. 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.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

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](mailto:deptcs@inkelkerala.com)
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013**

**Item No: 03**

Mr. A Mohanlal was nominated by the Government of Kerala as Managing Director of the company. Eventhough he took charge on 31.10.2020, Mr. Mohanlal discharged his duties and responsibilities in his capacity as 'Managing Director-in-charge' till vigilance clearance was obtained for his formal appointment. After getting the clearance, the Board of Directors appointed Mr. Mohanlal as the Managing Director of the company with effect from 30.03.2021 on the terms and conditions set out in the resolution. The Board also recommended a remuneration for the services rendered by him in the capacity of 'Managing Director-in-charge' from 31.10.2020 till his formal appointment as Managing Director.

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 : 06.12.2021



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 is furnished below:

Particulars	Information	Information
Name	Mr. C V Rappai	Mr. Mohanlal
Age	69 years	61 years
Qualification	Degree	Electrical and electronics graduate engineer from NIT Trichy, equipped with a Post-graduation in Project management from the University of Manchester, UK.
Experience	Director and General Manager of Videohome Electronics Centre, Qatar.	Served as Chief General Manager in a PSU refinery in India.
Terms and conditions of appointment	Retiring director, being eligible offer himself for re-appointment.	Appointment as Managing Director
Remuneration	Sitting fees for attending meeting of the Board and Sub Committees of the Board.	Rs. 2,00,000/- per month.
Date of first appointment on Board	22/11/2007	30/03/2021
Shareholding in the company	4500000 equity shares of Rs. 10/- each	NIL
Relationship with other Directors, Manager and other KMP	NIL	NIL
Number of Meetings of Board attended for FY 2020-21	5	3
Other Directorships, Memberships / Chairmanships of Committees of other Boards	Director in : (1) Inkel – ksidc Projects Limited (2) INKEL Infrastructure Development Projects Limited (3) Asset Homes Private Limited (4) Norka-Roots (Sec 25 Company)	NIL

## DIRECTORS' REPROT

**Dear Members,**

Your Directors present the 14<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2021.

### **1. FINANCIAL RESULTS**

	<b>For the Year Ended 31<sup>st</sup>March 2021</b>	<b>For the Year Ended 31<sup>st</sup> March 2020</b>
Revenue from Operations	5276,24,960	1909,28,787
Other Income	866,42,736	1064,77,907
<b>Total Revenue</b>	<b>6142,67,696</b>	<b>2974,06,694</b>
Total expenditure except Depreciation	6351,51,327	4197,37,664
Depreciation	185,48,331	172,75,901
Profit before tax	(394,31,962)	(1396,06,871)
Income Tax / MAT	-	25,07,100
Deferred tax	(76,48,824)	(60,97,126)
Tax relating to prior years	15,68,341	-
<b>Profit after tax</b>	<b>(333,51,479)</b>	<b>(1360,16,845)</b>

### **2. PERFORMANCE REVIEW**

The Company has reported total turnover of Rs. 61,42,67,696/- for the financial year as compared to Rs. 29,74,06,694/- in the previous year. The net loss of the year under review amounted to Rs.3,33,51,479/- in the current year as compared to loss of Rs. 13,60,16,845/- in the previous year. The company has made a provision for doubtful Advances for Rs.2,00,00,000/- and bad debts written off for Rs 9,34,38,000/- in respect of Seguro INKEL Consortium LLP resulted in a net loss.

### **3. DIVIDEND**

Considering the loss incurred by the Company during the financial year 2020-21, 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 2020-21 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**

INKEL Limited has been appointed as Special Purpose Vehicle (SPV)/ Project Management Consultants (PMC) by various departments of Govt. of Kerala for implementing projects from concept to completion for ensuring quality, transparency and cost effectiveness. Though for majority of the projects KIIFB is the funding agency, The Company also doing projects funded by Treasury department, Tourism, KINFRA, KSIDC, CSML etc. For all these projects INKEL is paid the centage charges which vary from 1.5 to 8 % of the project cost depending on the value and nature of the project and is governed by the GOs issued by the departments in this regard from time to time. The projects are being executed through reputed contractors identified through transparent tendering process as per KPWD/CPWD norms.

Some of the Government departments that have engaged INKEL limited as SPV/PMC are:

- Department of Health and family welfare, Kerala
- Department of Tourism, Kerala
- Department of General and Higher Education, Kerala
- Department of Treasuries, Kerala
- Department of Transport, Kerala
- Department of Scheduled Caste Development, Kerala
- Local Self Government Department, Kerala

#### **Projects under execution**

Total project cost under execution is Rs.1358Cr and average centage is 3.30%. A glance of the major projects which are currently in the execution stage is given below:

### 1. Department of Health and family welfare

The Health and Family Welfare Department engaged INKEL Limited as SPV for implementing various hospital projects under 'Healthcare to the Poor mission' funded by KIIFB. At present, there are 7 Nos of hospital projects are under execution stage, out of which 2 Nos of projects have been completed and started functioning. Total project cost of hospital project is 1005Cr and average centage is 3.3%. Hospital projects under execution are as follows:

1. General Hospital Ernakulam
2. Taluk Hospital, Punalur
3. Cochin Cancer Research Centre Government
4. Medical College Ernakulam
5. TH Quarters Hospital, Chirayinkeezhu
6. Govt. Medical College TVM
7. District Hospital, Mavelikkara

### 2. Department of Tourism

The Tourism Department have assigned to conservation and renovation of heritage and cultural monuments for the promotion of tourism.

a) 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 average centage is 7%. The major components are expected to be completed by March 2022.

b) Muziris 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 average centage is 7%. The major components are expected to be completed by March 2022.

### 3. Department of General and Higher Education

General and Higher Education Department has assigned the modernization of 39 schools in overall Kerala, funded through KIIFB. Out of 39 Nos. of schools, construction of 5 Nos. of schools has been completed, construction of 24 Nos. of schools are under progress and remaining 10 schools need to be retendered/commenced. Total Project Cost is 99.89 Cr and average centage is 3.2%

#### 4. Department of Treasuries

Department of Treasuries, Kerala has entrusted the construction of 23 Sub Treasury Buildings in various districts of Kerala. Construction of 4 sub treasury building in Phase II was completed and handed over to the Client; remaining 11 Sub treasury buildings in Phase II are nearing completion. 8 Treasury Buildings in Phase III are in the initial stage of construction. Total Project Cost is 36.30 Cr and average centage is 7%.

#### 5. Department of Transport

Transport Department of Kerala Government has assigned the development of Alappuzha mobility hub. The scope consists of construction of KSRTC bus terminal complex at Alappuzha, Temporary garage at Kalavoor. The approved project cost is Rs.24.97crore and centage is 3.7%.

#### 6. Local Self Government Department

Local Self Government Department has assigned the Construction of Edathuruthy Gramapanchayath. The approved project cost is Rs.0.69crore and centage is 8%.

#### 7. KINFRA

The project scope consist of development of Defence Park consisting of buildings for Common Facilities Center, Warehouses and Common Utilities Center, Administrative building, Roads, Yard, Drains including water supply system, STP and Compound Wall.Work has been completed by August 2020. Total Project Cost is Rs.102.84 Cr and centage is 3.75%.

#### 8. KSIDC

The project scope consists of extension of internal roads, water supply and allied works at KSIDC Life Science Park, Thonnakkal, Trivandrum. The Project Cost is 11.89 Cr and centage is 5%.

#### 9. CSML

The project scope consists of the construction of new cancer specialty block for General Hospital, Ernakulum. Total Project Cost is 25.38 Cr and centage is 5%.

### Projects under Different Stages

A glance of the major projects which are under different stage is given below:

Sl No	Department	Approved Project Cost (Crore)
1	Department of H&FW	1472.26
2	Department of Tourism	32.52
4	Department of Transport	116.27
5	Department of SC Development	15.83
6	Department of Agriculture	20.00
7	National Health Mission	3.74

Total project cost under different stages is Rs.1660 Cr

### Solar Division

Solar division achieved Rs.35 crore business in the FY 2020-21. The division obtained second highest Credit Rating “SP1B” for solar business and also bagged 1<sup>st</sup> Biggest power plant order in India with “Mono PERC” module (Higher Efficiency). The division acquired accreditation from LSGD & Co-Operative sector which would help to get solar projects without tenders.

### INKEL Business Park Angamaly and INKEL Greens Malappuram

During the year under review we had allotted 20 acres of land at Malappuram and generated revenue of Rs. 12.50 crore. Land leasing at Angamaly is also progressing.

### Container Freight Station, Vallarpadom

FY 2021-2021 was a challenging year with the Covid pandemic looming around and causing disruption to business activities and impacting the business globally. The bottom line of MIV CFS was also badly affected as a result. The facility earned a PBT of Rs. 19.00 lac during the year. The CFS has taken great strides now and our revenue has improved considerably. We have also introduced a few strategies to increase the flow of income and implemented various cost saving measures.

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

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,

2016, the Company has during the year transferred unclaimed dividend of Rs. 50,400/- pertaining to the FY 2013-14 to the IEPF account.

**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. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY – SECTION 134(3)(D)**

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

**9. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK 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. No	Name	Designation	Date of Appointment	DIN	Status- Resident/Non Resident	Category- Independent / Non Independent /	Executive / Non Executive
1.	Punnadath Rajeeve	Nominee Director	11/08/2021	09239099	Resident	Non Independent	Non-Executive

2.	Ellangovan Kannan Kamala	Nominee Director	07/02/2018	05272476	Resident	Non Independe nt	Non- Executi ve
3	Varghese Kurian	Director	22/11/2007	01114947	Non Resident	Non Independe nt	Non- Executi ve
4	Rappai Chirayath Vareed	Director	22/11/2007	02011057	Non Resident	Non Independe nt	Non- Executi ve
5	Jayakrishn an Krishna Menon	Director	14/09/2020	02734324	Non Resident	Non Independe nt	Non- Executi ve
6	Jacob Kovoor Ninan	Independen t Director	30/06/2020	01213357	Resident	Independe nt Director	Non- Executi ve
7	Vidhya	Independen t Director	01/08/2019	08525336	Resident	Independe nt Director	Non- Executi ve
8	Mohanlal	Managing Director	31/10/2020	08956382	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.**

Mr. Venugopal Karunakaran Nair (DIN: 06539970) who had been appointed as Managing Director of the company on 04.02.2020 had ceased to be Managing Director of the company w.e.f.25.06.2020. Mr. Mutteykode Puthen Veetil Dinesh (M.P Dinesh), (DIN:08829835) was appointed as Managing Director of the Company w.e.f. 26.06.2020 who ceased to be Managing Director on 30.10.2020. Jayakrishnan Krishna Menon (DIN:02734324), was appointed as an Additional Director of the company w.e.f. 14.09.2020 by the board pursuant to the provisions of section 161 (1) of Companies Act, 2013. The members at the AGM held on 30.12.2020 appointed Mr. J K Menon as Director of the company liable to



retire by rotation. Mr. Jacob Kovoov Ninan, (DIN:01213357) was appointed as Independent Director w.e.f 30.12.2020. Mr. Mohammed Althaf, Director of the company had resigned from the Board on 07.12.2020. Mr. Mohanlal has been appointed as the Managing Director of the company w.e.f 30.03.2021 in pursuance to the Govt. Order dated 30.10.2020.

**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 16.05.2020, 12.10.2020, 21.11.2020, 04.12.2020 and 30.03.2021. 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	No. of Meetings held during the period the Director was on the Board	No. of Meetings attended
1	Mr. E P Jayarajan	Chairman (Non-Executive) Nominee Director	5	4
2	Dr. K Ellangovan IAS	Non-Executive (Nominee Director)	5	4
3	Mr. Varghese Kurian	Non-Executive Director	5	5
4	Mr. C V Rappai	Non-Executive Director	5	5
5	Mr. Mohammed Althaf	Non-Executive Director	4	4
6	Mr. Jayakrishnan Krisha Menon	Non-Executive Director	3	3
7	Mr. Jacob Kovoov Ninan	Independent Director (Non-Executive)	4	4
8	Ms. Vidhya Sangeeth	Independent Director (Non-Executive)	5	5
9	Mr. Venugopal	Managing Director	1	1
10	Mr. M P Dinesh	Managing Director	1	1
10	Mr. Mohanlal	Managing Director	3	3

### 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 2020-21 are as follows:

Particulars	Rs. in lacs
	Amount
Average net profit of the company for last three years	1,63,85,762
Prescribed CSR expenditure (2% of the average net profit as computed above)	3,27,715

#### Details of CSR spent during the financial year:

During the period under review, the company had spent an amount of Rs.15,93,400/-, for reconstruction of house in the flood affected area in Paravur Taluk, Ernakulam district in continuation of the previous year's CSR activity and also for supply of television to economically backward students.

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 Kovoov	Chairman
2.	Ms. Vidhya Sangeeth	Member
3.	Mr. Varghese Kurian	Member

### AUDIT COMMITTEE

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

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

Audit Committee meetings were held on 03.12.2020 and 25.03.2021 respectively wherein all the members were present.

### 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 Kovoov	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)**

Mr. Jacob Kovoov Ninan (DIN: 01213357) and Smt. Vidhya Sangeeth (DIN: 07188269), are the Independent Directors of the Company as on the date of this report. 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 and successfully passed the Online Proficiency Self-Assessment Test.

## **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. Ms. Vidhya Sangeeth is the Woman/Independent director of the company as on the date of this report.

## **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 17<sup>th</sup> 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 2020-21 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. With regard to the comments, it is stated that the company has complied with provisions of Section 149 of the Act as on the date of the report and the meeting of Independent Directors will be held as prescribed and also be complied with Section 173(1) of the Act.

## **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 and Seguro Foundations and Structures Private Limited (SFPL), Inkel KSIDC Projects Limited (INKID), and INKES Trade Centre Limited (INKES). The company is also having a wholly owned subsidiary INKEL Infrastructure Development Projects Limited.

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](http://www.inkel.in).

## **25. ANNUAL RETURN**

As required under Section 134(3)(a) of the Companies Act, 2013, the Annual Return under Section 92 in the prescribed Form is available on our website [www.inkel.in](http://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: 06.12.2021  
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 No.	Name of subsidiary	Financial period ended	Share capital	Reserves & Surplus	Total assets	Total liabilities	investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed divided	% of holding
1	INKEL-EKK Roads Pvt Ltd	31.03.2021	2,800.00	1,283.85	19,098.61	15,014.75	-	2,228.65	412.22	125.52	286.71	-	72.00
2	INKEL-KSIDC	31.03.2021	2,476.14	1,061.38	5,127.20	1,589.68	-	4,412.09	2,586.46	-	2,030.97	-	74.00
3	Inkes Trade Centre Ltd	31.03.2021	500.00	81.14	712.28	293.43	-	-	-	-	-	-	74.00
6	INKEL Infrastructure Development Projects Limited	31.03.2021	1.00	106.20	5,929.35	6,034.55	33.07	482.43	-34.68	-	-34.68	-	100.00

**Part “B” : Associates & Joint Ventures**

Amount in lacs.

Name of Associate / joint Venture	MIV Logistics Private Limited
Latest audited Balance Sheet Date	31.03.2021
Shares of Associate/joint venture held by the company on the year end :	
No:	11829714
Amount of Investment:	118297140
Extend of holding	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	2153.53
Profit/Loss for the year	
i. considered in consolidation before tax	
ii. not considered in consolidation	-12.13 lakh

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 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. INKES Trade Centre Limited                              | Subsidiary Company   |
| iv. INKEL- EKK Roads Private Limited                         | Subsidiary Company (w.e.f 28-09-2016) □<br>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 Lim           | Subsidiary Company (w.e.f 01-12-2017 )<br>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 )<br>Jointly Controlled Entity (upto 30-11-2017)                 |
| x. Inkel Infrastructure Development Projects Limited (IIDPL) | Subsidiary Company (w.e.f 27-10-2018 )   |
| xi. INKEL-KMC JV   | Joint venture (W.E.F. 12.12.2018)  |
| xii. Key Managerial Personnel                                |  |
| Mr. K Venugopal  | Managing Director (w.e.f. 04-02-2020) (upto 25.06.2020)  |
| Mr M.P Dinesh  | Managing Director (w.e.f. 26-06-2020) (up to 30.10.2020)   |
| Mr. Mohanlal A   | Managing Director (w.e.f. 31-10-2020)  |
| 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
<b>Income</b>			
<b>1. Project Management Services</b>	NIL	NIL	NIL
<b>2. Guarantee Commission Received</b>			
Seguro-INKEL Consortium LLP	-	-	-
	(9,56,702)	-	(9,56,702)
INKEL EKK Roads Private Limited	101,57,449	-	101,57,449
	(159,99,242)	-	(159,99,242)
MIV Logistics Private Limited	16,22,927	-	16,22,927
	(20,40,929)	-	(20,40,929)
INKEL KSIDC Projects Limited	6,43,547	-	6,43,547
	(25,54,111)	-	(25,54,111)
<b>3. Interest income from Loans/Debentures</b>			
INKEL KSIDC Projects Limited	73,591	-	73,591
	(8,18,292)	-	(8,18,292)
Seguro-INKEL Consortium LLP	-	-	-
	(86,30,860)	-	(86,30,860)
INKES Trade Centre Ltd	-	-	-
	(44,899)	-	(44,899)
INKEL EKK Roads Private Limited	-	-	-
	(1,521)	-	(1,521)
<b>4. Facility Management Services</b>			
INKEL KSIDC Projects Limited	-	-	-
	(11,79,230)	-	(11,79,230)
<b>5. Expenses Recovered</b>			
MIV Logistics Private Limited	34,26,984	-	34,26,984
	(29,79,849)	-	(29,79,849)
INKEL KSIDC Projects Limited	16,666	-	16,666
	-	-	-
Inkel Infrastructure Development Projects Limited	195,58,251	-	195,58,251
	-	-	-
<b>6. Operation &amp; Maintenance Income</b>			
INKEL EKK Roads Private Limited	200,00,000	-	200,00,000
	(150,00,000)	-	(150,00,000)
<b>Expenses</b>			
<b>1. Remuneration to Managing Director</b>			
Mr. K Venugopal		5,66,667	5,66,667
		(3,79,310)	(3,79,310)
Mr M.P Dinesh		9,09,073	9,09,073
		-	-
Mr. Mohanlal A		9,97,393	9,97,393
<b>2. Project Management Services</b>			
Inkel Infrastructure Development Projects Limited	-	-	-
	(6,46,175)	-	(6,46,175)
INKES Trade Centre Limited		-	-
	(14,84,651)	-	(14,84,651)
<b>3. Consideration for outsource</b>			
Inkel Infrastructure Development Projects Limited	26,27,484	-	26,27,484
	(37,83,776)	-	(37,83,776)

<b>Loans and Advances</b>			
1. INKEL KSIDC Projects Limited			
- Loan/Advances given	75,423	-	75,423
	(55,00,000)	-	(55,00,000)
- Loan/Advances recovered	46,54,999	-	46,54,999
	(166,30,744)	-	(166,30,744)
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	-	-	-
	-	-	-
- Loan/Advances recovered	-	-	-
	-	-	-
- Investment written off	-	-	-
	(83,57,000)	-	(83,57,000)
4. Seguro-INKEL Consortium LLP			
- Loan/Advances given	522,77,279	-	522,77,279
	(503,42,658)	-	(503,42,658)
- Loan/Advances recovered	-	-	-
	(96,21,171)	-	(96,21,171)
5. INKES Trade Centre Limited			
- Advances given	50,000	-	50,000
	(3,85,000)	-	(3,85,000)
- Loan/Advances recovered	-	-	-
	-	-	-
6. INKEL KINFRA Infrastructure Projects Limited			
- Advances given	-	-	-
	-	-	-
- Loan/Advances transferred	-	-	-
	-	-	-
7. INKEL EKK Roads Private Limited			
- Loan/Advances availed	1748,60,000		1748,60,000
	-		-
- Loan/Advances given	-	-	-
	(1,04,311)	-	(1,04,311)
- Loan/Advances recovered	-	-	-
	(1,04,311)	-	(1,04,311)
8. Inkel Infrastructure Development Projects Limited			
- Loan/Advances given	950,15,000	-	950,15,000
	(2200,00,000)	-	(2200,00,000)
- Loan/Advances recovered	-	-	-
	-	-	-
- Expenses Recoverable	825,63,472	-	825,63,472
	(309,34,903)	-	(309,34,903)
<b>Share of Profit/ -loss</b>			
1. Seguro-INKEL Consortium LLP	(40,37,453)	-	(40,37,453)
	(-1,10,56,996)	-	(-1,10,56,996)

<b>Investments</b>			
1. INKEL KSIDC Projects Limited	1832,34,120	-	1832,34,120
	(1832,34,120)	-	(1832,34,120)
2. INKES Trade Centre Limited	370,00,000	-	370,00,000
	(370,00,000)	-	(370,00,000)
3. INKEL-EKK Roads Private Limited	2016,00,000	-	2016,00,000
	(2016,00,000)	-	(2016,00,000)
4. MIV Logistics Private Limited (Including Preference Shares)	2782,97,140	-	2782,97,140
	(2782,97,140)	-	(2782,97,140)

5. Thalikulam PURA Pvt Ltd (Fully written off in the books of accounts)	- -	- -	- -
6. Tirurangadi PURA Pvt Ltd. (Fully written off in the books of accounts)	- -	- -	- -
7. Seguro-INKEL Consortium LLP (Including share of profit)	25,83,533 (117,93,637)	- -	25,83,533 (117,93,637)
8. Seguro Foundations and Structures Private Limited	1381,50,206 (1381,50,206)	- -	1381,50,206 (1381,50,206)
9. Inkel Infrastructure Development Projects Limited	1,00,000 (1,00,000)	- -	1,00,000 (1,00,000)
<b><u>Guarantee given during the year</u></b>			
1. Calicut Expressway Private Limited	- (8550,00,000)	- -	- (8550,00,000)
1. INKEL-EKK Roads Private Limited	- (18200,00,000)	- -	- (18200,00,000)
<b><u>Guarantee given</u></b>			
1. MIV Logistics Private Limited	1623,29,964 (2040,92,922)	- -	1623,29,964 (2040,92,922)
2. Seguro-INKEL Consortium LLP	295,35,296 (835,08,146)	- -	295,35,296 (835,08,146)
3. INKEL-EKK Roads Private Limited	14659,44,847 (15999,24,231)	- -	14659,44,847 (15999,24,231)
4. Calicut Expressway Private Limited	8550,00,000 (8550,00,000)	- -	8550,00,000 (8550,00,000)
5. INKEL KSIDC Projects Limited	643,54,676 (2554,11,124)	- -	643,54,676 (2554,11,124)
<b><u>Shares pledged during the year</u></b>			
NIL	-	-	-
<b><u>Shares pledged</u></b>			
1. INKEL-EKK Roads Private Limited	1032,00,000 (1032,00,000)	- -	1032,00,000 (1032,00,000)
<b><u>Receivables</u></b>			
1. MIV Logistics Private Limited	28,62,411 (33,41,834)	- -	28,62,411 (33,41,834)
2. INKEL KSIDC Projects Limited	7,35,252 (74,65,721)	- -	7,35,252 (74,65,721)
3. Seguro-INKEL Consortium LLP	1533,38,299 (1010,61,020)	- -	1533,38,299 (1010,61,020)
4. INKES Trade Centre Limited	16,75,207 (16,25,207)	- -	16,75,207 (16,25,207)
5. INKEL-EKK Roads Private Limited	116,04,885 (222,04,142)	- -	116,04,885 (222,04,142)
6. Inkel Infrastructure Development Projects Limited	857,00,407 (499,38,332)	- -	857,00,407 (499,38,332)

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2021**  
*[in Form MR-3,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 the adherence to good corporate practices by **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(f) SEGURO-INKEL Consortium LLP and Associate company viz; MIV Logistics Private Limited and JV Inkel-KMC. 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 hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period'/ 'Period under report') complied with the statutory provisions listed hereunder and also that the company has followed the Board processes and 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, 2021 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;

(III) 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. As per information provided by the company, during the reporting period, 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 Stock Exchanges- 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, as given above and mentioned herein, subject to the following observations;

The company had only one independent Director on its Board from 01.04.2020 to 29.06.2020 during the period under report. As per sub section (4) read with subsection (5) of Section 149 of the Act and Companies (Appointment & Qualification of Directors) Rules 2014, the company shall have two independent Directors. *Therefore, there was noncompliance of Section 149 (4) of the Companies Act, 2013 during the above period of the reporting period.* Mr. Jacob Kovoov Ninan, (DIN:01213357) was appointed by the Board as Additional Director (Non-executive & Independent) of the company on 30.06.2020. *Independent Directors shall have at least 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, inter alia to review the performance of non-independent directors and the Board as whole, but no such meeting was held during the audit period.* 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 had been rolled out by the Indian Institute of Corporate Affairs and the Independent Directors of the Company had registered themselves in the Data Bank.

**(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, 1961 and rules made there

under; The Payment of Gratuity Act, 1972 and rules made there under; The Minimum Wages Act, 1948 and rules made there under; The Payment of Bonus Act, 1965 and rules made there under; Kerala Industrial Establishments (National and Festival Holidays) Act, 1958 and 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; The Factories Act, 1948 and rules made there under; and The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and **other General laws** viz; The Industrial Disputes Act, 1947 and rules made there under; vis-a-vis, Kerala Shops and Commercial Establishments Act, 1960

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 constituted with Executive Director, Non-Executive Directors and Woman Director. Ms. Vidhya Sangeeth is the Woman Director (Independent) of the company, as per second proviso to Section 149(1) of the Companies Act, 2013. As mentioned earlier, there was only one Independent Director during the period 01.04.2020 to 29.06.2020, of the reporting period. 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) Mr. Venugopal Karunakaran Nair (DIN: 06539970) who had been appointed as Managing Director of the company on 04.02.2020 had ceased to be Managing Director of the company w.e.f.25.06.2020.
- b) Mr. Mutteykode Puthen Veetil Dinesh (M.P Dinesh), (DIN:08829835) was appointed as a Managing Director of the Company w.e.f. 26.06.2020 vide GO (Rt) No.490/2020/ID dated 25.06.2020 Mr. MP Dinesen ceased to be Managing Director of the company on 30.10.2020.
- c) Jayakrishnan Krishna Menon (Mr. J K Menon),(DIN:02734324), was appointed as an Additional Director of the company w.e.f. 14.09.2020 by the board in its meeting held on 12.10.2020 pursuant to the provisions of section 161 (1) of Companies Act, 2013 and Companies(Appointment and Qualification of Directors) Rules, 2014. The members at the AGM held on 30.12.2020 appointed Mr. J K Menon as Director of the company liable to retire by rotation.

- d) Mr. Jacob Kovoov Ninan, (DIN:01213357) was appointed as Additional Director (non-executive & Independent) of the company by a circular resolution passed on 30.06.2020 and it was noted by the Board at the Meeting held on 12.10.2020. The Members at the 13<sup>th</sup> AGM held on 30.12.2020 appointed Mr. Jacob Kovoov Ninan as Independent Director of the company for a term upto two consecutive years commencing from 30.12.2020 till the conclusion of the AGM for the financial year ending 31st March 2022.
- e) Mr. Muhammed Althaf, Director of the company had resigned from the Board on 07.12.2020.
- f) Mr. Mohanlal has been appointed as the Managing Director of the company w.e.f 30.03.2021 by the Board at the meeting held on 30.03.2021 pursuant to Article 99(1) of the Articles of Association of the company and Sections 197,198 and 203 read with Schedule V of the Companies Act 2013, after his appointment as Director of the company by the same meeting with effect from that date, pursuant to the provisions of section 161 (1) of Companies Act, 2013.
- g) Mr. Varghese Kurian, Director (DIN:01114947), of the company who was liable to retire by rotation at the 13<sup>th</sup> Annual General Meeting held on 30.12.2020 in terms of Section 152 (6) of Companies Act, 2013 was re-appointed as Director of the Company, at that AGM as recommended by the Board at the meeting held on 04.12.2020.

The company has held Five (5) Board meetings during the period under review respectively on 16.05.2020, 12.10.2020, 21.11.2020, 04.12.2020 and 30.03.2021. In view of COVID-19 Pandemic, the Ministry of Corporate Affairs (MCA) vide Notification dated 19<sup>th</sup> March 2020, by amending Companies (Meetings of Board and its Powers) Rules, 2014 (Rules), had relaxed certain provisions with regard to the requirement of physical presence of the directors at the Board Meeting. Therefore, all the Board Meetings of the company during the reporting period were held through Video Conferencing (VC) or other Audio visual (AV) means. Further Ministry of Corporate Affairs had vide Circular No.11/2020 dated 24.03.2020, for compliance of section 173(1) of the Companies Act, 2013, relaxed the maximum gap between two consecutive board meetings from 120 days to 180 days for the first and second quarters of the financial year 2020-2021 i.e. till 30<sup>th</sup> September 2020.

*The Company had conducted the first Board meeting on 16.05.2020 in the first quarter of the financial year ending on 31.03.2021 and second Board meeting on 12.10.2020, in the third quarter of the financial year. The gap between these two meetings had exceeded 120 days and the exemption as per Circular No. 11/2020 dated 24.03.2020 was not available to the company since the exemption period was over on 30.09.2020 (the second quarter).*

In addition to the general business and statutory matters, the Board at the meeting held on 16.05.2020 (through VC), also noted the disclosure of interest received from the Directors of the Company for the Financial Year 2020-21 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 meeting held on 04.12.2020 considered and approved the draft financial statements (standalone and consolidated) as on 31.03.2020 as well as Auditor's Report and Board's Report thereon. As per recommendation of the Audit committee, the Board at the same meeting engaged M/s. Sridhar & Co; Chartered Accountants for conducting Tax Audit for the financial year 2020-21 and appointed M/s Thomas Maniangan & Associates, Chartered Accountants as the Internal Auditors of the company for the financial year 2020-21 and also M/s Thomas Mathew & Co., Chartered Accountants as GST Auditors for the Financial year 2020-21.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent 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. As per the information received from the company and its representatives the minutes of the Board Meetings were duly recorded and signed by the Chairman and the decisions of the Board including dissenting views of directors have been duly recorded.

The Board at its meeting held on 12.10.2020 reconstituted various statutory committees as per the provisions of Companies Act, 2013. The company has constituted four (4) committees of the Board viz; Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship committee. The Risk management committee and Share Transfer committee were not mandatory for the company and clause 49 of the Listing Agreement was not applicable to the company.

During the reporting period, Audit Committee meetings were held twice on 03.12.2020 and 25.03.2021 respectively. The Audit Committee was reconstituted by a circular resolution passed on 07.07.2020, with three members including two Independent Directors viz. Mr. Jacob Koor as Chairman and Mrs. Vidhya Sangeeth as member. Mr. C V Rappai, Director was the other member and Managing Director of the company is permanent invitee to the committee. The above circular resolution was taken on record by the Board at its meeting held on 12.10.2020 in accordance with section 177 of the Act and Companies (Meeting of Board and its Powers) Rules 2014. The Audit committee held on 03.12.2020, among other matters recommended to the Board to engage M/s. Sridhar & Co; Chartered Accountants for conducting Tax Audit for the financial year 2020-21, who were appointed as Statutory Auditors as envisaged under Section 139 for a period of 5 years from the conclusion of 12<sup>th</sup> Annual General Meeting to 17<sup>th</sup> Annual General Meeting and for the re-appointment of M/s Thomas Maniangan & Associates, Chartered Accountants as the Internal Auditors of the company for the financial year 2020-21 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 Audit committee held on 25.03.2021 recommended to the Board for appointment of M/s Thomas Mathew & Co., Chartered Accountants as GST Auditors for the Financial year 2020-21 and reappointment of Secretarial auditors for the financial year 2021-22.

During the reporting period, Nomination & Remuneration Committee meeting was held Three (3) times on 30.07.2020, 18.11.2020 and 04.02.2021 respectively. The nomination and Remuneration Committee was reconstituted by a circular resolution passed on 07.07.2020 and

noted by the Board at its meeting held on 12.10.2020 with four directors Mr. Jacob Kovoov as Chairman, Mr. Varghese Kurian, Mr. Mohammed Althaf and Mrs. Vidhya Sangeeth as members. The half of the directors in the committee was independent directors and minimum three non-executive directors were in the committee. The Nomination and Remuneration Committee held 30.07.2020 among other things decided to recommend to the Board terms of appointment/salary structure of Key Managerial Personnel (KMP). In the meeting of NRC held on 04<sup>th</sup> February 2021, the committee recommended to the Board appointment of Mr. A Mohanlal as Managing Director of the company and the terms of appointment.

The company at its Board Meeting held on 12.10.2020 has reconstituted CSR committee with three Directors in pursuance of section 135 of the Companies Act, 2013. During the reporting period the company had as part of CSR activities spent an amount of Rs.15,93,400/- for the financial year ending 31.03.2021, for reconstruction of house in the flood affected area in Paravur Taluk, Ernakulam district in continuation of the previous year's CSR activity and also for supply of television to economically backward students as part of CSR Activities. As per the Companies (Corporate Social Responsibility Policy) Rules 2014 the Corporate Responsibility committee shall have at least one meeting in a financial year to discharge its various functions. But there was no such CSR committee meeting held during the audit period.

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. During the reporting period, the company has reconstituted Stakeholders Relationship Committee with Mr. Jacob Kovoov, Smt. Vidhya Sangeeth and INKEL Managing Director as members by a circular resolution passed on 07.07.2020 and noted by the Board at its meeting held on 12.10.2020.

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.

**I further report that:**

- a) on the basis of explanation received the Company has formulated a vigil mechanism policy in compliance with section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.
- b) on the basis of explanation received and on verification of records, the company has on 19.12.2020 re-constituted Internal Complaints Committee under Section 4 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 with four (4) Members for a period of one year.
- c) As per records of the company and explanation received company the Company has accepted deposits and has complied with all rules and regulations in this regard in terms of the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended and the company has not made any default in repayment of deposits or payment of interest thereon. The Company has on 30.06.2020 filed the Return of Deposits and Particulars of transactions by a company not considered as deposits with the Registrar in Form DPT-3, as required to be filed on or before 30.06.2020, in

respect of the financial year ending on 31.03.2020 pursuant to rule 16 and 16A of the Companies (Acceptance of Deposits) Rules, 2014 with the disclosure that information furnished therein were as on 31.03.2020 but audit for the financial year ending 31.03.2020 was not over by then due to covid-19 pandemic.

- d) The company has filed Form No.IEPF-2, with the Registrar of Companies, the statement/details of unclaimed and unpaid amounts lying in the unpaid dividend accounts of the company and No. of underlying shares for the amount in the unpaid dividend account for each of the last seven financial years and the amount refunded by the company from the unpaid dividend account in the financial year ended on 31.03.2020 and AGM held on 30.12.2020.
- e) on the basis of explanation received from the company during the audit period 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<sup>nd</sup> 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) 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 that the 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.
- h) The company has filed E-Form PAS-6 with ROC pursuant to sub-rule (8) of rule 9A Companies (Prospectus and Allotment of Securities Rules, 2014, in respect of Reconciliation of share Capital Audit Report for the half year ended 31.03.2021.

In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”) permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means (“VC / OAVM”),

without physical presence of the Members at a common venue. Accordingly, the 13<sup>th</sup> Annual General Meeting of the company for the financial year ending 31.03.2020 was held on 30.12.2020 through Video Conference via web-ex facility set up by CDSL for shareholders to attend the meeting, adhering to the provisions of MCA Circulars 20/2020 (dated 5th May, 2020), 14/2020 (dated 8th April, 2020) and 17/2020 (dated 13th April, 2020). M/s SEP & Associates was appointed as Scrutinizers for the purpose of conducting e-voting before and during AGM, in fair and transparent manner, as stipulated under the Companies(Management & Administrative)Rules, 2014. The members at the AGM adopted audited consolidated financial statements, reappointed retiring director Mr. Varghese Kurian, regularized appointment of additional directors Mr. Jacob Kovoov and Mr. Jayakrishna Krishna Menon as Directors and accorded consent for the appointment of Mr. K Venugopal as Managing Director from 04.02.2020 to 25.06.2020 and Mr. M.P Dinesh as Managing Director from 26.06.2020 to 30.10.2020. The proceedings of the above meeting was properly recorded and signed by the Chairman. As per records of the company there was no Extra Ordinary General Meeting of the members of the Company during the financial year ending on 31.03.2021.

**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. The Board of Directors by passing a resolution by circulation on 30.03.2020 decided to enter in to "Mining and Quarrying" field by forming a joint venture company with 26% shareholding by INKEL and 74% by others. The circular resolution was taken on record by the Board at its meeting held on 16.05.2020.
- ii. The Board of Directors at their meeting held on 12.10.2020 had decided to mortgage 213.31 Ares of land at Kakoor, Thirumarary Village, Piravom, Ernakulam in the name of the company as collateral security for the credit facilities availed by its subsidiary M/s SeguroInkel Consortium LLP from the Federal Bank Ltd and to offer its Corporate Guarantee to the Federal Bank for the facilities availed by the said subsidiary, substituting the existing corporate guarantee.

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

**UDIN:A009868C001564839**

Place: Kochi-18

Date: 27.11.2021

Signature: Sd/-

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. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. I have based my opinion on the basis of information/records produced by the company during the course of the audit and the reporting is limited to that extent.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**UDIN:A009868C001564839**

Place: Kochi-18  
Date: 27.11.2021

Signature: Sd/-  
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





## **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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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.

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. Further no financial statements of SFS was complied for the year 31/03/2021 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 retained for the investment of Rs.13,81,50,206/- by Inkel in SFS as on 31.03.2021.

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 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 recognized 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 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.

### **Other Matters**

1. The Company at its board meeting held on 12.10.2020 has reconstituted CSR Committee with three Directors in pursuance of section 135 of the Companies Act, 2013. During the reporting period the company has spent an amount of Rs.15,93,400/- for financial year ending 31.03.2021, for reconstruction of houses in flood affected area in Paravur, Ernakulam District in continuation of the previous year's CSR activity and supplied televisions to economically backward students as part of CSR Activities. As per the Companies (Corporate Social Responsibility Policy) Rules, 2014 the Corporate Responsibility committee shall have at least one meeting in a financial year to discharge its various functions. But there was no such CSR committee meeting held during the audit period.
2. The Company had conducted the first board meeting for the period covered under audit on 16.05.2020 in the first quarter and the second board meeting was conducted on 12.10.2020. The gap between these two meetings had exceeded 120 days and the exemption as per Circular No.11/2020 dated 24.03.2020 which was applicable till the period 30.09.2020 was also not available to the company as the second meeting was conducted after the date.
3. The company had only one independent director on the board from 01.04.2020 to 29.06.2020 during the period covered in the audit. Thus there is a violation of provisions of subsection (4) read with subsection (5) of Section 149 of Companies Act, 2013.

4. The exclusive meeting of independent directors of the company to review the performance of the non independent directors and the board as a whole was not conducted during the period covered under audit ,whereby violating the provisions of code of conduct of Independent directors as prescribed under section 149(8) of the Companies Act,2013 .

Our opinion is not modified in respect of these matters.

**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 matter	How our audit addressed the Key audit matter
<p>Documentation of process flow and procedures :</p> <p>The Company’s key financial accounting processes is handled through a file management software, which is working in a well controlled environment. However, there is a lack of 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.</p>	<p>We tested a sample of key controls operating over the financial accounting and reporting systems and design and 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.</p>

**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 2020-21, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (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 31<sup>st</sup> March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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:
  - i. 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

**CA. S. Unnikrishnan**  
**Partner**  
Membership No.218366  
UDIN : 21218366AAAAGM3128

Place: Kochi  
Date: 06.12.2021

**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 2021**

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. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the Company.
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 there is default in repayment of the loan instalment due on 31<sup>st</sup> March 2021 to Kerala Industrial Infrastructure Development Corporation (KINFRA), of Rs.3,00,00,000/-. Other than that 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. 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 : 21218366AAAAGM3128

Place: Kochi  
Date: 06.12.2021

**“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 2021**

**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, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to standalone financial statements reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls system with reference to financial statements reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to Financial Statements reporting**

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

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at 31<sup>st</sup>March, 2021, 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

**CA. S. Unnikrishnan**  
**Partner**  
Membership No.218366  
UDIN : 21218366AAAAGM3128:

Place: Kochi  
Date: 06.12.2021

**INKEL LIMITED**

CIN:U45209KL2007PLC020471

Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30

**BALANCE SHEET AS AT 31st MARCH 2021**

Particulars	Note No.	As at 31.03.2021 (In Rupees)	As at 31.03.2020 (In Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	1,77,81,43,340	1,77,81,43,340
(b) Reserves and Surplus	2.2	21,16,84,902	24,50,36,381
<b>(2) Non - Current Liabilities</b>			
(a) Long - Term Borrowings	2.3	4,03,89,000	15,93,37,000
(b) Deferred Tax Liabilities (Net)	2.4	1,62,00,005	2,38,48,829
(c) Other Long Term Liabilities	2.5	1,62,12,695	1,02,57,090
(d) Long - Term Provisions	2.6	1,13,17,438	1,13,39,185
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	2.7	25,45,91,000	97,35,000
(b) Trade Payables :-	2.8		
i. Total outstanding dues of micro enterprises and small enterprises; and		-	-
ii. Total outstanding dues of creditors other than		25,52,71,300	4,84,29,129
(c) Other Current Liabilities	2.9	29,41,48,811	34,78,28,022
(d) Short - Term Provisions	2.10	9,90,429	35,48,197
<b>TOTAL</b>		<b>2,87,89,48,920</b>	<b>2,63,75,02,173</b>
<b>II. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible Assets	2.11	54,98,25,006	57,60,16,664
(ii) Intangible Assets	2.11	7,42,964	11,19,327
(b) Non - Current Investments	2.12	68,82,20,346	69,22,57,799
(c) Long - Term Loans and Advances	2.13	2,33,51,382	2,84,33,671
(d) Other Non - Current Assets	2.14	34,39,66,145	30,64,78,277
<b>(2) Current Assets</b>			
(a) Inventories	2.15	2,15,46,216	41,26,863
(b) Trade Receivables	2.16	48,82,11,109	22,34,33,415
(c) Cash and Cash Equivalents	2.17	15,99,82,101	19,10,62,641
(d) Short - Term Loans and Advances	2.18	52,91,30,879	50,15,44,822
(e) Other Current Assets	2.19	7,39,72,772	11,30,28,694
<b>TOTAL</b>		<b>2,87,89,48,920</b>	<b>2,63,75,02,173</b>

Significant Accounting Policies and Notes to Accounts 1 & 2

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

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K Ellangovan IAS  
Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

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 : 06-12-2021

**INKEL LIMITED**

CIN:U45209KL2007PLC020471

Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021**

Particulars	Note No.	For the year ended 31.03.2021 (In Rupees)	For the year ended 31.03.2020 (In Rupees)
<b>Revenue</b>			
I. Revenue from Operations	2.20	52,76,24,960	19,09,28,787
II. Other Income	2.21	8,66,42,736	10,64,77,907
<b>III. Total Revenue (I+II)</b>		<b>61,42,67,696</b>	<b>29,74,06,694</b>
<b>IV. Expenses</b>			
i) Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.22	87,08,309	1,63,04,914
ii) Purchases of Stock-in-Trade	2.23	21,93,55,025	3,51,94,733
iii) Changes in inventories of Stock-in-Trade	2.24	37,76,998	(16,49,209)
iv) Employee Benefits Expense	2.25	8,77,22,724	10,26,14,536
v) Finance Costs	2.26	1,40,20,582	2,01,77,422
vi) Depreciation and Amortisation Expense	2.11	1,85,48,331	1,72,75,901
vii) Other Expenses	2.27	28,12,00,945	10,89,45,063
viii) Provisions	2.28	2,03,66,744	13,81,50,205
<b>Total Expenses</b>		<b>65,36,99,658</b>	<b>43,70,13,565</b>
<b>V. Profit Before Tax (III - IV)</b>		<b>(3,94,31,962)</b>	<b>(13,96,06,871)</b>
<b>VI. Tax Expense</b>			
(1) Current Tax		-	25,07,100
(2) Deferred tax		(76,48,824)	(60,97,126)
(3) Taxes relating to prior years		15,68,341	-
<b>VII. Profit for the year (V - VI)</b>		<b>(3,33,51,479)</b>	<b>(13,60,16,845)</b>
<b>VIII. Earnings per Equity Share:</b>	2.29		
Face value of share ₹ 10/- (₹ 10/-)			
(1) Basic		(0.19)	(0.78)
(2) Diluted		(0.19)	(0.78)

Significant Accounting Policies and Notes to Accounts 1 & 2

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

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K Ellangovan IAS  
Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

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 : 06-12-2021

**INKEL LIMITED**

CIN:U45209KL2007PLC020471

Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021**

(In Rupees)

	Particulars	For the Year ended 31.03.2021	For the Year ended 31.03.2020
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit Before Tax</b>	<b>(3,94,31,962)</b>	<b>(13,96,06,871)</b>
	<b>Adjustments for :</b>		
	Depreciation and Amortisation expense	1,85,48,331	1,72,75,901
	Provision for Doubtful Debts	3,66,744	-
	Provision for Doubtful Advances	2,00,00,000	-
	Provision for dimunition in value of investment	-	13,81,50,205
	Loss/(Profit) on sale of Assets(Net)	865	16,860
	Interest Income	(2,00,46,655)	(4,49,32,319)
	Dividend received INKEL EKK Ltd	-	(2,01,60,000)
	Finance costs	1,40,20,582	2,01,77,422
	Share of (Profit)/Loss from Seguro-INKEL Consortium LLP	40,37,453	1,10,56,996
	Conversion of fixed assets to current assets	87,08,309	1,63,04,914
	<b>Operating profit before Working Capital Changes</b>	<b>62,03,667</b>	<b>(17,16,892)</b>
	<b>Changes in Working Capital</b>		
	<b>Adjustments for Increase/Decrease in Operating Assets</b>		
	Trade Receivables	(26,51,44,438)	(5,62,11,331)
	Short term loans and advances	(1,52,77,031)	(2,59,77,874)
	Other Non-Current Assets	(3,74,87,868)	(6,71,91,003)
	Inventories	(1,74,19,353)	(16,49,209)
	Long term Loans and Advances	3,52,523	(10,48,651)
	Other Current Assets	3,59,41,481	(1,58,39,350)
		<b>(29,90,34,686)</b>	<b>(16,79,17,418)</b>
	<b>Adjustments for Increase/ Decrease in Operating Liabilities</b>		
	Trade Payables	20,68,42,171	(1,41,28,916)
	Other Current Liabilities	(7,28,46,115)	6,70,25,176
	Short term Provisions	(50,668)	(16,76,043)
	Long term Provisions	(21,747)	(9,60,914)
	Other Long Term Liabilities	6,99,000	2,74,800
		<b>13,46,22,641</b>	<b>5,05,34,103</b>
	<b>Cash generated from Operations</b>	<b>(15,82,08,378)</b>	<b>(11,91,00,207)</b>
	Taxes Paid	4,60,323	(47,25,015)
	<b>Net Cash Generated from Operating activities - ( A )</b>	<b>(15,77,48,055)</b>	<b>(12,38,25,222)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets including Capital WIP/Capital Advances	(7,74,569)	(1,45,22,902)
	Loans and Advances (given)/repaid	(3,23,09,026)	(13,47,12,685)
	Interest received on loans/deposits	2,31,61,096	4,47,46,675
	Proceeds from sale of Fixed assets	2,07,032	20,383
	Dividend received INKEL EKK	-	2,01,60,000
	<b>Net Cash Used in Investing activities - ( B )</b>	<b>(97,15,467)</b>	<b>(8,43,08,529)</b>

<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from /(Repayment of) Short term borrowings	24,48,56,000	27,10,000
	Proceeds/(Repayment) from Long term borrowings	(9,93,27,000)	(3,87,51,000)
	Finance costs paid	(91,73,545)	(2,56,41,665)
	Dividend paid	27,527	(3,56,48,070)
	Dividend Distribution tax paid	-	(73,10,052)
	<b>Net Cash Generated from/ (Used in) Financing Activities - (C)</b>	<b>13,63,82,982</b>	<b>(10,46,40,787)</b>
	<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>(3,10,80,540)</b>	<b>(31,27,74,538)</b>
	<b>Cash and Cash equivalents at the beginning of the year</b>	<b>19,10,62,641</b>	<b>50,38,37,179</b>
	<b>Cash And Cash Equivalents at the end of the year (See note 2.17)</b>	<b>15,99,82,101</b>	<b>19,10,62,641</b>

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K Ellangovan IAS  
Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

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 : 06-12-2021

**INKEL LIMITED**  
**CIN:U45209KL2007PLC020471**  
**Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30**  
**NOTES FORMING PART OF STATEMENT OF BALANCESHEET FOR THE YEAR ENDED 31st MARCH 2021**

**NOTE - 2.1 SHARE CAPITAL**

**(In Rupees)**

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Equity Share Capital</b>				
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
<b>Issued, Subscribed and Paid up</b>				
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**

**(In Rupees)**

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares</b>				
As at the beginning of the financial year	17,78,14,334	1,77,81,43,340	17,78,14,334	1,77,81,43,340
Shares issued during the financial year	-	-	-	-
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
<b>Particulars of Shareholders holding more than 5% share in the Company</b>				
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 31.03.2021	As at 31.03.2020
<b>(a) Securities Premium</b>		
Opening Balance	7,39,36,670	7,39,36,670
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>7,39,36,670</b>	<b>7,39,36,670</b>
<b>(b) Surplus in statement of profit and loss</b>		
Opening balance	17,10,99,711	34,99,89,475
Add: Profit/Loss for the year	(3,33,51,479)	(13,60,16,845)
Amount available for appropriation	13,77,48,232	21,39,72,630
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
Dividend Distribution Tax	-	73,10,052
<b>Total Appropriations</b>	<b>-</b>	<b>4,28,72,919</b>
Closing Balance	13,77,48,232	17,10,99,711
<b>Total</b>	<b>21,16,84,902</b>	<b>24,50,36,381</b>

**NOTE - 2.3 LONG-TERM BORROWINGS****(In Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Term Loans from Other parties		
Unsecured (See Note 2.3.1)	-	2,00,00,000
(b) Deposits		
Unsecured (See Note 2.3.2)	4,03,89,000	13,93,37,000
	<b>4,03,89,000</b>	<b>15,93,37,000</b>

**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 3 years.

**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	Cumulative basis		Non-Cumulative basis	
	Rate	Amount	Rate	Amount
Within 1 years - Scheme 2	10.84%	2,23,43,000	9.50%	2,80,06,000
Within 1 year - Scheme 3	10.92%	19,96,000	10.00%	1,30,71,000
Within 1 year - Scheme 3	11.49%	1,43,15,000	-	-
Within 2 years - Scheme 3	11.49%	1,88,51,000	10.00%	2,15,38,000
<b>Total</b>		<b>5,75,05,000</b>		<b>6,26,15,000</b>

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 LIABILITIES (NET)****(In Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>A. Deferred Tax Liability</b>		
On excess of net book value over Income tax written down value of Property, Plant & Equipment	2,79,54,724	3,07,87,280
<b>B. Deferred Tax Assets</b>		
On Provisions/other disallowances	1,17,54,719	69,38,451
<b>Net Deferred Tax Assets</b>	<b>1,62,00,005</b>	<b>2,38,48,829</b>

**NOTE - 2.5 OTHER LONG TERM LIABILITIES****(In Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
Security Deposits	35,16,840	28,17,840
Interest accrued but not due on borrowings	1,26,95,855	74,39,250
	<b>1,62,12,695</b>	<b>1,02,57,090</b>

**NOTE - 2.6 LONG-TERM PROVISIONS****(In Rupees)**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Provision for employee benefits (See Note-2.30)		
- Provision for Gratuity	55,44,811	30,62,939
- Provision for Leave Encashment	57,72,627	82,76,246
	<b>1,13,17,438</b>	<b>1,13,39,185</b>

**NOTE - 2.7 SHORT TERM BORROWINGS****(In Rupees)**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Deposits		
ICL - INKEL EKK Roads Pvt Ltd	17,48,60,000	-
Unsecured (See Note 2.3.2)	7,97,31,000	97,35,000
	<b>25,45,91,000</b>	<b>97,35,000</b>

**NOTE - 2.8 TRADE PAYABLES****(In Rupees)**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
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	25,52,71,300	4,84,29,129
	<b>25,52,71,300</b>	<b>4,84,29,129</b>

**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.

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
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.	-	-
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**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Current maturities of Long Term Debt</b>		
- Term Loan (See Note 2.3.1)	-	1,00,00,000
- Public Deposit	-	-
Accounts payable - Capital	-	72,055
Interest accrued but not due on borrowings	-	4,09,568
Unpaid dividend	5,00,874	4,73,347
<b>Current Liabilities</b>		
ASIDE Loan- KINFRA (See Note 2.9.1)	3,00,00,000	-
Deposit matured and payable	-	3,79,000
Advances from Customers		
- for Deposit Work	5,88,73,995	11,42,38,286
- Others	8,24,15,830	13,48,99,324
Retention Money payable	9,85,31,434	6,14,22,804
Statutory Dues	2,05,40,763	2,44,63,638
Security Deposit / Earnest Money Deposit	32,85,915	14,70,000
	<b>29,41,48,811</b>	<b>34,78,28,022</b>

2.9.1 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 2021- Rs 1 Crore for a period of 3 years and 2 Crore for a period of 2 years .**

**NOTE - 2.10 SHORT-TERM PROVISIONS**

(In Rupees)

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for employee benefits		
-Provision for Gratuity (See Note 2.30)	4,57,188	5,72,021
-Provision for Leave Encashment (See Note 2.30)	5,33,241	4,69,076
Provision for Income tax	-	25,07,100
	<b>9,90,429</b>	<b>35,48,197</b>

**NOTE - 2.12 NON-CURRENT INVESTMENTS**

(In Rupees)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>a) Investments in Equity Instruments</b> (Un-quoted, Trade, at cost)		
<b>i) In Subsidiary Companies</b>		
- <b>INKEL- KSIDC Projects Limited</b> 1,83,23,412 (1,83,23,412) Equity Shares of ₹ 10/- each, fully paid up	18,32,34,120	18,32,34,120
- <b>INKES Trade Centre Limited</b> 37,00,000 (37,00,000) Equity Shares of ₹ 10/- each, fully paid up	3,70,00,000	3,70,00,000
- <b>INKEL-EKK Roads Private Limited</b> 2,01,60,000 (2,01,60,000) Equity Shares of ₹ 10/- each, fully paid up	20,16,00,000	20,16,00,000
- <b>Seguro Foundations and Structures Private Limited</b> 62,02,248 (62,02,248) Equity Shares of ₹ 10/- each, fully paid up	13,81,50,206	1
<b>Less: Provision for dimunition in Value</b>	<u>13,81,50,205</u>	
- <b>Inkel Infrastructure Development Projects Limited</b> 10,000 (Nil) Equity Shares of ₹ 10/- each, fully paid up	1,00,000	1,00,000
<b>ii) In Associate Companies</b>		
- <b>MIV Logistics Private Limited</b> 1,18,29,714(1,18,29,714) Equity Shares of ₹ 10/- each, fully paid up	11,82,97,140	11,82,97,140
<b>iii) In Others</b>		
- <b>K V Apartments Private Limited</b> 5,000 (5,000) Equity Shares of ₹ 100/- each, fully paid up	5,00,000	5,00,000
<b>b) Investment in Limited Liability Partnership (LLP)</b> (Un-quoted, Trade, at cost)		
<b>i) In Subsidiary Entity</b>		
- <b>Seguro - INKEL Consortium LLP</b> Investment towards 45% of the capital	4,50,000	4,50,000
Add: Opening balance of Share of Profit from LLP	(89,23,462)	21,33,534
Less: Received during the year	-	-
Add: Share of Profit from LLP	(40,37,453)	(1,10,56,996)
	(1,25,10,915)	(84,73,462)
<b>c) Investment in Preference Instruments</b> (Un-quoted, Trade, at cost)		
<b>i) In Associate Companies</b>		
- <b>MIV Logistics Private Limited</b> 1,60,00,000 (1,60,00,000) optionally convertible preference shares of ₹ 10/- each, fully paid	16,00,00,000	16,00,00,000
<b>Total investments (a) + (b) + (c)</b>	<b>68,82,20,346</b>	<b>69,22,57,799</b>
Aggregate amount of unquoted investments	<b>68,82,20,346</b>	<b>69,22,57,799</b>

**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%
<b>Total</b>	<b>10,00,000</b>	<b>100%</b>	<b>100%</b>

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 31.03.2021	As at 31.03.2020
<b>(Unsecured, Considered good)</b>		
Security Deposits	27,53,704	31,06,227
Advance to Related Parties		
Income Tax (Net)	2,05,97,678	2,53,27,444
	<b>2,33,51,382</b>	<b>2,84,33,671</b>

**NOTE - 2.14 OTHER NON-CURRENT ASSETS****(In Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
Unbilled Revenue		
-Lease Premium Installment	1,35,69,545	39,81,808
Balance with Banks		
-In Fixed Deposit Accounts	33,03,96,600	30,24,96,469
	<b>34,39,66,145</b>	<b>30,64,78,277</b>

**2.14.1** Balance with banks in Deposit Account includes ₹ 33,03,96,600/- (₹ 30,24,96,469/-) 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)**

Particulars	As at 31.03.2021	As at 31.03.2020
Land and Building held on long term finance lease		
Opening Balance		
Add: Additions during the year	87,08,309	1,63,04,914
Less: Disposed during the year	87,08,309	1,63,04,914
Closing Balance	-	-
Stock-in-trade:		
Solar Panel/Inverter	3,49,865	41,26,863
	<b>3,49,865</b>	<b>41,26,863</b>
Capital Work - in - Progress/ Project-In- Progress	1,98,88,008	-
Goods In Transit	13,08,343	-
	<b>2,15,46,216</b>	<b>41,26,863</b>

**NOTE - 2.16 TRADE RECEIVABLES****(In Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>(Unsecured, Considered Doubtful)</b>		
- Outstanding for a period exceeding six months from the date they were due for payment	62,23,238	58,56,494
Less: Provision for Doubtful Debts	(62,23,238)	(58,56,494)
	-	-
- Others	-	-
Less: Provision for Doubtful Debts	-	-
	-	-
<b>(Unsecured, Considered good)</b>		
- Outstanding for a period exceeding six months from the date they were due for payment (See Note 2.18.1)	35,95,64,245	18,77,83,467
- Others (See Note 2.16.1)	12,86,46,864	3,56,49,948
	<b>48,82,11,109</b>	<b>22,34,33,415</b>

**2.16.1 Trade Receivables include debts due from:****(In Rupees)**

Particulars	Description	As at 31.03.2021	As at 31.03.2020
MIV Logistics Private Limited	Private limited company in which a director of INKEL Limited is a director	-	33,41,834
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
Inkel-EKK Roads Private Limited	Private limited company in which a director of INKEL Limited is a director	1,16,04,885	2,22,04,142

**NOTE - 2.17 CASH AND CASH EQUIVALENTS**

Particulars	As at 31.03.2021	As at 31.03.2020
Cash on Hand	8,452	18,771
Balance with Banks		
-In Current Accounts	8,63,478	12,83,997
-In Fixed Deposit Accounts	15,91,10,171	18,97,59,873
	<b>15,99,82,101</b>	<b>19,10,62,641</b>

**2.17.1 Earmarked Balances:**

Balance with banks in current accounts include earmarked balances for unpaid dividend ₹ 5,34,090/- (₹ 5,06,225/-).

Balance with banks in current accounts include earmarked balances of ₹ 53,658/- (₹40,666/-) held for specific projects.

**2.17.2** Balance with banks in Deposit Accounts include ₹ 1,67,34,844/- (₹ 13,19,196/-) held with a maturity period of more than 12 months and ₹ 1,59,57,380/- (₹ 51,67,852/-) held against public deposits in pursuance of the requirements of applicable Rules.

**2.17.3** Balance with banks in Deposit Account includes ₹ 1,65,60,274/- (₹2,83,93,756/-) held under lien.

**2.17.4** Balance with banks in Deposit Account includes ₹12,61,29,897/- (₹13,14,52,290/-) earmarked for specific projects.

**NOTE - 2.18 SHORT-TERM LOANS AND ADVANCES****(In Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>(Unsecured, Considered good)</b>		
<b>-Loans/Advances to related parties:</b>		
INKEL- KSIDC Projects Ltd- Subsidiary Company	-	45,79,576
INKEL Infrastructure Development Projects Limited- Subsidiary Company	44,76,70,512	35,26,55,512
Seguro - INKEL Consortium LLP- Subsidiary Entity	3,99,00,299	9,80,76,697
INKES Trade Centre Limited-Subsidiary Company	5,15,409	4,65,409
<b>-Others:</b>		
Advances recoverable in cash or in kind or for value to be received	8,36,354	5,51,251
Security Deposits/Earnest Money Deposits	91,89,438	55,77,313
Balances with Government Authorities	57,00,420	8,59,634
Advance to Suppliers/Contractors	2,53,14,697	3,83,66,527
Advance to employees	3,750	4,12,903
	<b>52,91,30,879</b>	<b>50,15,44,822</b>
<b>(Unsecured, Considered doubtful)</b>		
Advances recoverable in cash or in kind or for value to be received	2,92,53,126	92,53,126
Less: Provision for doubtful loans/advances	(2,92,53,126)	(92,53,126)
	-	-
	<b>52,91,30,879</b>	<b>50,15,44,822</b>

**NOTE - 2.19 OTHER CURRENT ASSETS****(In Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
Interest accrued on Fixed Deposits	30,88,155	61,11,511
Unbilled Revenue		
-Project Management Consultancy Income	5,82,03,897	9,19,73,552
-Lease Premium Installment	-	21,71,826
Less: Provision for Doubtful Debts	-	-
	-	21,71,826
Interest accrued on Lease Premium Installment	1,44,720	2,35,805
Claims Receivable	1,25,36,000	1,25,36,000
	<b>7,39,72,772</b>	<b>11,30,28,694</b>

**INKEL LIMITED**  
**CIN:U45209KL2007PLC020471**  
**Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30**

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021**

**NOTE - 2.20 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Sale of Services</b>		
Income from disposal of land and building (On long term finance lease)	4,11,68,000	3,15,67,550
Income from operating lease	75,48,815	65,51,582
Income from Common Area Maintenance services	-	40,34,972
Income from Project Management Consultancy services (See Note 2.20.1)	11,12,50,457	7,60,89,940
Share of course fee received	29,95,971	98,41,060
Lighting system commissioning services	10,16,31,555	1,55,75,955
Facility Management Service		
Construction Income	28,35,213	6,70,346
Operation & Maintenance Income	2,00,00,000	1,50,00,000
<b>Sale of Products</b>		
Sale of lighting/security system	23,97,96,050	3,10,47,888
Income from agriculture	3,98,899	5,49,494
	<b>52,76,24,960</b>	<b>19,09,28,787</b>

**2.20.1** Details of Project Management Consultancy services (PMC):

- a. Revenue recognised from PMC contracts :Rs 11,12,50,457/- (Rs.7,60,89,940/- )  
b. Details of cost incurred for PMC contracts : Rs 6,46,34,254/- ( Rs 8,74,28,207/-)  
c. Amount of advances received: Rs 3,46,99,214/- (Rs 13,31,62,990/- )  
d. Amount of retentions: NIL (Rs. NIL )

**NOTE - 2.21 OTHER INCOME**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest income	2,00,46,655	4,49,32,319
Guarantee fee income	1,24,23,923	2,15,50,984
Profit on sale of asset	757	2,592
INKEL EKK - Dividend	-	2,01,60,000
Miscellaneous income	5,41,71,401	1,98,32,012
	<b>8,66,42,736</b>	<b>10,64,77,907</b>

**NOTE - 2.22 COST OF LAND ACQUIRED/BUILDING/AMENITIES CONSTRUCTED AND DISPOSED  
(On long term finance lease agreements)**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Cost of Land	87,08,309	56,30,822
Cost of Building/Amenities	-	1,06,74,092
	<b>87,08,309</b>	<b>1,63,04,914</b>

**NOTE - 2.23 PURCHASES OF STOCK-IN-TRADE**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Solar light	21,93,55,025	3,51,94,733
	<b>21,93,55,025</b>	<b>3,51,94,733</b>

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

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Opening Stock-in-Trade	41,26,863	24,77,654
Closing Stock-in-Trade	3,49,865	41,26,863
	<b>37,76,998</b>	<b>(16,49,209)</b>

**NOTE - 2.25 EMPLOYEE BENEFITS EXPENSE**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Salaries & Wages	8,02,73,281	9,31,67,573
Contribution to Provident and Other funds	48,37,426	62,90,505
Staff Welfare Expenses	26,12,017	31,56,458
	<b>8,77,22,724</b>	<b>10,26,14,536</b>

**NOTE - 2.26 FINANCE COSTS**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Other borrowing costs		
Interest on public deposits	1,37,60,791	1,89,73,645
Other Borrowing costs - Expenses for procurement and administration of Public Deposits	2,59,791	12,03,777
	<b>1,40,20,582</b>	<b>2,01,77,422</b>

**NOTE - 2.27 OTHER EXPENSES**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Expenditure on corporate social responsibility activity (See Note 2.27.2)	15,93,400	20,50,000
Share of Loss from LLP	40,37,453	1,10,56,996
Construction expense	26,93,452	3,51,220
Consultancy expense	2,69,622	-
Lighting system commissioning expenses	7,85,08,829	1,16,08,577
Operation & Maintenance Expense	1,17,18,417	89,41,343
Agricultural expense	8,68,127	11,75,875
Power & Fuel	23,69,856	37,76,195
Rent	51,79,495	52,85,150
Repairs & maintenance		
- Building	-	1,51,768
- Plant	-	4,08,501
- Others	18,07,550	36,76,380
Insurance	4,84,674	2,96,188
Payments to the Auditor		
- as auditor	6,00,000	6,00,000
- for taxation matters	-	-
- for other services	-	19,580
- for reimbursement of expenses	-	-
Bank charges	2,18,49,909	79,46,816
Meeting expense	5,95,480	10,87,741
Sitting fee to directors	9,00,000	9,95,000
Consideration for manpower services	50,80,305	78,79,949
Advertisement & publicity	8,93,188	17,47,267
Printing and stationery	10,26,154	10,27,828
Professional charges	3,75,51,673	2,13,25,376
Legal Fee	14,71,782	28,38,411
Rates & Taxes	4,90,033	13,55,554
Water charges	10,26,344	3,24,629
Software Running Expenses	16,85,784	19,96,438
Travelling & Conveyance	34,74,419	88,18,172
Postages, telephone and internet charges	5,54,422	6,65,663
General Expense	5,40,284	8,58,596
Miscellaneous expenses	4,92,293	6,79,850
Bad Debts Written off (see Note 2.27.1)	9,34,38,000	-
	<b>28,12,00,945</b>	<b>10,89,45,063</b>

**Note -2.27.1** -Out of the outstanding Advance of Rs.15,03,53,976/- and Receivables of Rs.29,84,323/- to Seguro Inkel Consortium LLP. The management considering the current financial position and future receivables of the LLP , has decided to write off Rs.9,34,38,000/- being not realisable as Bad Debts .Further out of the balance amount the management has created a provision of Rs.2,00,00,000/- towards the amount considered as doubtful of realisation

**2.27.2** Note on Expenditure on corporate social responsibility activities

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
i) Gross amount required to be spent during the year	3,27,715	19,33,674
ii) Amount spent during the year		
- Construction/acquisition of any asset	-	-
- on purposes other than above	15,93,400	20,50,000

**NOTE - 2.28 PROVISIONS**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
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
Provision for Doubtful debts	3,66,744	-
Provision for Doubtful advances (Short Term loans and advances to Seguro INKELConsortium LLP considered doubtful and provision made)	2,00,00,000	-
	<b>2,03,66,744</b>	<b>13,81,50,205</b>

**NOTE - 2.29 EARNINGS PER EQUITY SHARE**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Basic:</b>		
Profit after tax for the year as per Statement of Profit and Loss (In ₹)	(3,33,51,479)	(13,60,16,845)
Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each (fully paid up)	17,38,21,778	17,38,21,778
Basic Earnings per Share (In ₹)	<b>(0.19)</b>	<b>(0.78)</b>

<b>Diluted:</b>		
Profit after tax for the year as per Statement of Profit and Loss (In ₹)	(3,33,51,479)	(13,60,16,845)
Weighted average number of equity shares of ₹ 10/- (₹ 10/-) each (fully paid up)	17,38,21,778	17,38,21,778
Diluted Earnings per Share (In ₹)	<b>(0.19)</b>	<b>(0.78)</b>



**INKEL LIMITED**

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**NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2021**

**NOTE - 2.11**

**PROPERTY, PLANT & EQUIPMENT**

**A. TANGIBLE ASSETS**

(In Rupees)

SL. NO.	Particulars	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK AS ON 31.03.2021	NET BLOCK AS ON 31.03.2020
		Opening Balance	Additions/ Adjustments during the year	Deletions/ Adjustments during the year	Closing Balance	Opening Balance	Depreciation/ Amortisation for the year	Deleted during the year	Closing Balance		
1	Freehold Land	34,39,75,816 (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 2.12.1	8,87,50,794 (9,49,27,858)	- -	98,95,837 (61,77,064)	7,88,54,957 (8,87,50,794)	86,18,279 (82,46,712)	26,93,501 (9,17,809)	11,87,528 (5,46,242)	1,01,24,252 (86,18,279)	6,87,30,705 (8,01,32,515)	8,01,32,515 (8,66,81,146)
3	Building- See Note 2.12.1	16,73,22,003 (17,53,11,003)	- (55,46,895)	- (1,35,35,895)	16,73,22,003 (16,73,22,003)	4,14,18,472 (3,64,34,653)	92,42,617 (81,58,655)	- (31,74,836)	5,06,61,088 (4,14,18,472)	11,66,60,915 (12,59,03,531)	12,59,03,532 (13,88,76,350)
4	Plant & Machinery	3,73,75,892 (3,69,77,868)	2,97,701 (10,70,000)	- (6,71,976)	3,76,73,593 (3,73,75,892)	2,45,32,909 (2,10,00,913)	29,85,162 (38,90,939)	- (3,58,943)	2,75,18,071 (2,45,32,909)	1,01,55,522 (1,28,42,983)	1,28,42,983 (1,59,76,955)
5	Furniture and Fittings	2,28,76,342 (1,95,65,406)	52,849 (33,10,936)	- -	2,29,29,191 (2,28,76,342)	1,64,27,869 (1,51,98,182)	8,25,748 (12,29,687)	- -	1,72,53,616 (1,64,27,869)	56,75,575 (64,48,473)	64,48,473 (43,67,224)
6	Office Equipments	43,59,069 (37,48,505)	2,83,229 (6,10,564)	- -	46,42,298 (43,59,069)	34,68,181 (32,91,604)	5,72,371 (1,76,578)	- -	40,40,553 (34,68,181)	6,01,745 (8,90,888)	8,90,888 (4,56,901)
7	Computer	1,12,54,534 (1,04,95,805)	68,735 (10,18,727)	2,07,032 (2,59,998)	1,11,16,237 (1,12,54,534)	95,44,035 (83,71,683)	7,24,899 (13,95,106)	1,93,138 (2,22,754)	1,00,75,796 (95,44,035)	10,40,441 (17,10,499)	17,10,499 (21,24,122)
8	Motor Car	32,57,194 (32,57,194)	- -	- -	32,57,194 (32,57,194)	23,76,756 (19,97,640)	2,74,044 (3,79,116)	- -	26,50,800 (23,76,756)	6,06,394 (8,80,438)	8,80,438 (12,59,554)
9	Electrical Fittings	81,83,091 (65,64,506)	- (16,18,585)	- -	81,83,091 (81,83,091)	49,51,569 (44,08,703)	8,53,627 (5,42,866)	- -	58,05,196 (49,51,569)	23,77,895 (32,31,522)	32,31,522 (21,55,803)
<b>Total (A)</b>		<b>68,73,54,736</b> <b>(69,48,23,962)</b>	<b>7,02,514</b> <b>(1,31,75,707)</b>	<b>1,01,02,869</b> <b>(2,06,44,933)</b>	<b>67,79,54,382</b> <b>(68,73,54,736)</b>	<b>11,13,38,069</b> <b>(9,89,50,089)</b>	<b>1,81,71,968</b> <b>(1,66,90,755)</b>	<b>13,80,666</b> <b>(43,02,775)</b>	<b>12,81,29,372</b> <b>(11,13,38,070)</b>	<b>54,98,25,009</b> <b>(57,60,16,666)</b>	<b>57,60,16,667</b> <b>(59,58,73,872)</b>

**B. INTANGIBLE ASSETS**

1	Computer Software	27,85,420 (12,05,670)	- (15,79,750)	- -	27,85,420 (27,85,420)	16,66,093 (10,80,947)	3,76,363 (5,85,146)	- -	20,42,456 (16,66,093)	7,42,964 (11,19,327)	11,19,327 (1,24,723)
<b>Total (B)</b>		<b>27,85,420</b> <b>(12,05,670)</b>	<b>-</b> <b>(15,79,750)</b>	<b>-</b> <b>-</b>	<b>27,85,420</b> <b>(27,85,420)</b>	<b>16,66,093</b> <b>(10,80,947)</b>	<b>3,76,363</b> <b>(5,85,146)</b>	<b>-</b> <b>-</b>	<b>20,42,456</b> <b>(16,66,093)</b>	<b>7,42,964</b> <b>(11,19,327)</b>	<b>11,19,327</b> <b>(1,24,723)</b>
<b>Grand Total (A) + (B)</b>		<b>69,01,40,156</b> <b>(69,60,29,632)</b>	<b>7,02,514</b> <b>(1,47,55,457)</b>	<b>1,01,02,869</b> <b>(2,06,44,933)</b>	<b>68,07,39,802</b> <b>(69,01,40,156)</b>	<b>11,30,04,163</b> <b>(10,00,31,037)</b>	<b>1,85,48,331</b> <b>(1,72,75,901)</b>	<b>13,80,666</b> <b>(43,02,775)</b>	<b>13,01,71,828</b> <b>(11,30,04,163)</b>	<b>55,05,67,973</b> <b>(57,71,35,992)</b>	<b>57,71,35,993</b> <b>(59,59,98,595)</b>

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.

**Note No. 2.30 EMPLOYEE BENEFITS**

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

**2.31.1 Defined Contribution Plans**

During the year the company has recognised ₹ 35,01,269/- (₹45,06,020/-) as Contribution to Provident Fund, ₹ 7,59,696/- (₹ 10,41,235/-) as Contribution to National Pension Scheme and ₹ 2,88,721/- (₹3,85,496/-) as Contribution to Employee State Insurance in the Statement of Profit and Loss on account of defined contribution plans.

**2.31.2 Defined Benefit Plans****Gratuity (Funded)**

(i)	Actuarial Assumptions	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	7.50% p.a.	7.50% p.a.
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Modified q(x) values under above Mortality Table	Indian Lives Mortality [1994-1996] Ultimate Table

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

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Present value of obligation at the beginning of the year	62,08,196	77,42,985
	Current Service Cost	6,84,741	8,63,751
	Interest Cost	4,91,292	6,31,114
	Actuarial gain/(loss)	11,18,800	(3,40,596)
	Benefits Paid	(33,50,042)	-
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	51,52,987	62,08,196

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Fair value of plan assets at the beginning of the year	25,73,236	27,45,453
	Acquisition Adjustments	-	-
	Expected return on plan assets	2,38,209	2,05,908
	Actuarial gain/(loss)	(3,36,511)	(2,99,598)
	Contributions	-	-
	Benefits paid	(33,50,042)	(26,89,058)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	(4,75,108)	25,73,236

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Present value of obligation	51,52,987	62,08,196
	Fair value of plan assets	(4,75,108)	25,73,236
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(56,28,095)	36,34,960

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Current Service Cost	6,84,741	8,63,751
	Interest Cost	4,91,292	6,31,114
	Expected return on plan assets	(2,38,209)	(2,05,908)
	Acquisition Adjustment of assets	-	-
	Actuarial (gain) /loss recognised in the period	14,55,311	(40,988)
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	23,93,135	12,47,959

### Leave Plan (Unfunded)

(i)	Actuarial Assumptions	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	Not Applicable	Not Applicable
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Assured Lives Mortality [1994-1996] Ultimate Table	Indian Lives Mortality [1994-1996] Ultimate Table

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

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Present value of obligation at the beginning of the year	87,45,322	1,00,19,707
	Current Service Cost	22,50,407	38,16,285
	Interest Cost	7,40,289	8,94,588
	Actuarial (gain)/loss	27,29,804	(56,096)
	Benefits Paid	(81,59,954)	(59,29,162)
	Curtailments		
	Settlements		
	Present value of obligation at the end of the year	63,05,868	87,45,322

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	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 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Present value of obligation	63,05,868	87,45,322
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(63,05,868)	(87,45,322)

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Current Service Cost	22,50,407	38,16,285
	Interest Cost	7,40,289	8,94,588
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	27,29,804	(56,096)
	Past Service Cost	-	-
	Curtailement cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	57,20,500	46,54,777

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)
x. Inkel Infrastructure Development Projects Limited (IIDPL)	Subsidiary Company (w.e.f 27-10-2018 )
xi. INKEL-KMC JV	Joint venture (W.E.F. 12.12.2018)
xii. Key Managerial Personnel	
Mr. K Venugopal	Managing Director (w.e.f. 04-02-2020) (upto 25.06.2020)
Mr M.P Dinesh	Managing Director (w.e.f. 26-06-2020) (up to 30.10.2020)
Mr. Mohanlal A	Managing Director (w.e.f. 31-10-2020)
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
<b>Income</b>			
<b>1. Project Management Services</b>	NIL	NIL	NIL
<b>2. Guarantee Commission Received</b>			
Seguro-INKEL Consortium LLP	-	-	-
INKEL EKK Roads Private Limited	(9,56,702)	-	(9,56,702)
MIV Logistics Private Limited	1,01,57,449	-	1,01,57,449
INKEL KSIDC Projects Limited	(1,59,99,242)	-	(1,59,99,242)
INKEL EKK Roads Private Limited	16,22,927	-	16,22,927
INKEL KSIDC Projects Limited	(20,40,929)	-	(20,40,929)
INKEL KSIDC Projects Limited	6,43,547	-	6,43,547
INKEL KSIDC Projects Limited	(25,54,111)	-	(25,54,111)
<b>3. Interest income from Loans/Debentures</b>			
INKEL KSIDC Projects Limited	73,591	-	73,591
Seguro-INKEL Consortium LLP	(8,18,292)	-	(8,18,292)
INKES Trade Centre Ltd	-	-	-
INKEL EKK Roads Private Limited	(86,30,860)	-	(86,30,860)
INKEL EKK Roads Private Limited	-	-	-
INKEL EKK Roads Private Limited	(44,899)	-	(44,899)
INKEL EKK Roads Private Limited	-	-	-
INKEL EKK Roads Private Limited	(1,521)	-	(1,521)
<b>4. Facility Management Services</b>			
INKEL KSIDC Projects Limited	-	-	-
INKEL KSIDC Projects Limited	(11,79,230)	-	(11,79,230)
<b>5. Expenses Recovered</b>			
MIV Logistics Private Limited	34,26,984	-	34,26,984
INKEL KSIDC Projects Limited	(29,79,849)	-	(29,79,849)
INKEL KSIDC Projects Limited	16,666	-	16,666
Inkel Infrastructure Development Projects Limited	-	-	-
Inkel Infrastructure Development Projects Limited	1,95,58,251	-	1,95,58,251
Inkel Infrastructure Development Projects Limited	-	-	-
<b>6. Operation &amp; Maintenance Income</b>			
INKEL EKK Roads Private Limited	2,00,00,000	-	2,00,00,000
INKEL EKK Roads Private Limited	(1,50,00,000)	-	(1,50,00,000)

<b>Expenses</b>			
1. Remuneration to Managing Director			
Mr. K Venugopal		5,66,667	5,66,667
		(3,79,310)	(3,79,310)
Mr M.P Dinesh		9,09,073	9,09,073
		-	-
Mr. Mohanlal A		9,97,393	9,97,393
		-	-
2. Project Management Services			
Inkel Infrastructure Development Projects Limited	-		
	(6,46,175)		(6,46,175)
INKES Trade Centre Limited		-	-
	(14,84,651)	-	(14,84,651)
3. Consideration for outsource			
Inkel Infrastructure Development Projects Limited	26,27,484		26,27,484
	(37,83,776)		(37,83,776)
<b>Loans and Advances</b>			
1. INKEL KSIDC Projects Limited			
- Loan/Advances given	75,423	-	75,423
	(55,00,000)	-	(55,00,000)
- Loan/Advances recovered	46,54,999	-	46,54,999
	(1,66,30,744)	-	(1,66,30,744)
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	-	-	-
- Loan/Advances recovered	-	-	-
- Investment written off	-	-	-
	(83,57,000)	-	(83,57,000)
4. Seguro-INKEL Consortium LLP			
- Loan/Advances given	5,22,77,279	-	5,22,77,279
	(5,03,42,658)	-	(5,03,42,658)
- Loan/Advances recovered	-	-	-
	(96,21,171)	-	(96,21,171)
5. INKES Trade Centre Limited			
- Advances given	50,000	-	50,000
	(3,85,000)	-	(3,85,000)
- Loan/Advances recovered	-	-	-
	-	-	-
6. INKEL KINFRA Infrastructure Projects Limited			
- Advances given	-	-	-
	-	-	-
- Loan/Advances transferred	-	-	-
	-	-	-
7. INKEL EKK Roads Private Limited			
- Loan/Advances availed	17,48,60,000		17,48,60,000
	-		-
- Loan/Advances given	-	-	-
	(1,04,311)	-	(1,04,311)
- Loan/Advances recovered	-	-	-
	(1,04,311)	-	(1,04,311)

8. Inkel Infrastructure Development Projects Limited			
- Loan/Advances given	9,50,15,000	-	9,50,15,000
	(22,00,00,000)	-	(22,00,00,000)
- Loan/Advances recovered	-	-	-
	-	-	-
- Expenses Recoverable	8,25,63,472	-	8,25,63,472
	(3,09,34,903)	-	(3,09,34,903)
<b>Share of Profit/ -loss</b>			-
1. Seguro-INKEL Consortium LLP	(40,37,453)	-	(40,37,453)
	(-1,10,56,996)	-	(-1,10,56,996)

<b>Investments</b>			
1. INKEL KSIDC Projects Limited	18,32,34,120	-	18,32,34,120
	(18,32,34,120)	-	(18,32,34,120)
2. INKES Trade Centre Limited	3,70,00,000	-	3,70,00,000
	(3,70,00,000)	-	(3,70,00,000)
3. INKEL-EKK Roads Private Limited	20,16,00,000	-	20,16,00,000
	(20,16,00,000)	-	(20,16,00,000)
4. MIV Logistics Private Limited (Including Preference Shares)	27,82,97,140	-	27,82,97,140
	(27,82,97,140)	-	(27,82,97,140)
5. Thalikulam PURA Pvt Ltd (Fully written off in the books of accounts)	-	-	-
	-	-	-
6. Tirurangadi PURA Pvt Ltd. (Fully written off in the books of accounts)	-	-	-
	-	-	-
7. Seguro-INKEL Consortium LLP (Including share of profit)	25,83,533	-	25,83,533
	(1,17,93,637)	-	(1,17,93,637)
8. Seguro Foundations and Structures Private Limited	13,81,50,206	-	13,81,50,206
	(13,81,50,206)	-	(13,81,50,206)
9. Inkel Infrastructure Development Projects Limited	1,00,000	-	1,00,000
	(1,00,000)	-	(1,00,000)
<b>Guarantee given during the year</b>			
1. 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)
<b>Guarantee given</b>			
1. MIV Logistics Private Limited	16,23,29,964	-	16,23,29,964
	(20,40,92,922)	-	(20,40,92,922)
2. Seguro-INKEL Consortium LLP	2,95,35,296	-	2,95,35,296
	(8,35,08,146)	-	(8,35,08,146)
3. INKEL-EKK Roads Private Limited	1,46,59,44,847	-	1,46,59,44,847
	(1,59,99,24,231)	-	(1,59,99,24,231)
4. Calicut Expressway Private Limited	85,50,00,000	-	85,50,00,000
	(85,50,00,000)	-	(85,50,00,000)
5. INKEL KSIDC Projects Limited	6,43,54,676	-	6,43,54,676
	(25,54,11,124)	-	(25,54,11,124)



<b>Shares pledged during the year</b>			
NIL	-	-	-
<b>Shares pledged</b>			
1. INKEL-EKK Roads Private Limited	10,32,00,000 (10,32,00,000)	- -	10,32,00,000 (10,32,00,000)
<b>Receivables</b>			
1. MIV Logistics Private Limited	28,62,411 (33,41,834)	- -	28,62,411 (33,41,834)
2. INKEL KSIDC Projects Limited	7,35,252 (74,65,721)	- -	7,35,252 (74,65,721)
3. Seguro-INKEL Consortium LLP	15,33,38,299 (10,10,61,020)	- -	15,33,38,299 (10,10,61,020)
4. INKES Trade Centre Limited	16,75,207 (16,25,207)	- -	16,75,207 (16,25,207)
5. INKEL-EKK Roads Private Limited	1,16,04,885 (2,22,04,142)	- -	1,16,04,885 (2,22,04,142)
6. Inkel Infrastructure Development Projects Limited	8,57,00,407 (4,99,38,332)	- -	8,57,00,407 (4,99,38,332)

**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 :**

Particulars	(In Rupees)	
	As at 31.03.2021	As at 31.03.2020
a) Corporate guarantee issued in favour of -		
- MIV Logistics Private Limited	16,23,29,964	20,40,92,922
- Seguro-INKEL Consortium LLP	2,95,35,296	8,35,08,146
- INKEL-EKK Roads Private Limited	1,46,59,44,847	1,59,99,24,231
- INKEL KSIDC Projects Limited	6,43,54,676	25,54,11,124
b) Performance Guarantee issued in favour of:	85,50,00,000	85,50,00,000
- 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 or JV's, and is yet to be finalised.		
c) Other Counter Guarantees issued in favour of Banks for the guarantees issued	11,07,77,877	8,13,41,510
-KSEB	6,30,26,800	7,80,92,510
-CSML	-	32,49,000
-KINFRA	2,29,62,500	-
-RDPR KARNATAKA	40,00,000	-
-LETTER OF CREDIT-TELK	1,28,18,886	-
-LETTER OF CREDIT-ABB	79,69,691	-
d) Claims towards Building Tax	1,31,16,348	1,31,16,348
e)M/s Inkel has been impleaded as Additional Corporate Debtor and is directed to file counter to Section 9 application for a debt of Rs. 11 lakhs. INKEL was impleaded to the matter by an order on 26.11.2020		
f) Application filed by Federal Bank for recovery of Rs. 49,78,38,866.21/- (SFS)) along with pendente lite and future interest at 10.58% + 2% penal interest per annum where INKEL is one of the parties		
g) Application filed by Federal Bank for recovery of Rs. 2,70,65,555.78/- along with pendente lite and future interest at 10.58% + 2% penal interest per annum regarding INKEL Seguro Consortium LLP where INKEL is a Partner		

**NOTE - 2.35 Capital Commitments**

Particulars	(In Rupees)	
	As at 31.03.2021	As at 31.03.2020
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)**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Year to which dividend relates	Financial Year 2019-20	Financial Year 2018-19
Amount remitted during the year	-	46,26,790
Number of non resident shareholders	-	4
Number of shares on which dividend was due	-	2,20,00,000

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

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Software Purchase	79,865	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.51,79,495/- (Rs.52,85,150/-).

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

Dr. K Ellangovan IAS  
Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

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 : 06-12-2021

## NOTE - 2.32

2.32.1 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 ₹.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 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 compiled for the year ended 31/03/2020, the net worth of SFS has fully eroded. Further no financial statements of SFS was compiled for the year 31/03/2021 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 retained for the investment of ₹.13,81,50,206/- by INKEL in SFS as on 31.03.2021.

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 31<sup>st</sup> March 2021 continues to be eroded, although not turned negative, which has resulted in value of the shares as per books of the respective

companies having values lower than the cost of investments in equity shares are shown hereunder:

Amount in Rs

Name of Company / Relationship	Carrying Cost of Investment as per books of INKEL		Share of Net Asset Value as per books of the respective Company	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1)INKES Trade Centre Limited (INKES)/ Subsidiary	3,70,00,000	3,70,00,000	3,09,95,351	3,15,16,396
2)MIV Logistics Private Limited (MIV)/ Associates	11,82,97,140	11,82,97,140	2,18,25,749	2,23,04,070

b) Further, as per the financial statements of MIV ((a)(2) referred to above) as at 31st March 2021, 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 31<sup>st</sup> March 2021, as per AS-13 (Accounting for Investments).

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021

### 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.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE  
FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

**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.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE  
FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2021**

**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.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>MARCH 2021

### 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



## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

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.



**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, 2021, 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 of INKEL 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 31.03.2021 have not been drawn up or approved by the Board of Directors of the said company. Further, financial statements for the years ended 31.03.2019 and 31.03.2020 are subject to audit by that company's auditors. Due to the reason the financial statements of SFS was not consolidated for the year ended 31/03/2021.



The auditors of M/s. MIV Logistics Private Limited , in its consolidated audit report where in the accounts are consolidated with unaudited financial statements of its associate M/s . Sea Bird Seaplane Private Limited has made the following qualifications

1.The consolidated financial statements includes the Group's share of the net profit/ (Loss) of (Rs. 0.30 Lacs) for the year ended 31st March 2021, as considered in the consolidated financial statements in respect of the associate company, whose financial statements have not been audited by us. These Financial statements are unaudited and 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 the associate which is material to the group and our reports in terms of subsections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid associate is based solely on such unaudited financial statements.

2. The Associate company/s. Sea Bird sea plane private Limited has not commenced its commercial operations, and as a result the assets of the company are remaining idle. The impairment in the value of assets of the associates company and its impact on the profit/ loss of the group could not be ascertained by us.

Due to the afore stated issues of non consolidation of financial statements of SFS for the financial year 2020-21 and the reason that financial statements of SFS for the financial year 2018-19 as well as 2019-20 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 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. The impact on the share of Loss in the Consolidated Financial Statements of M/s. MIV Logistics Private Limited regarding the impact of the qualification of the statutory auditors in the consolidated financial statements of the subsidiary company.

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 the impact of share of Loss of M/s. MIV Logistics Private Limited ; as well as regarding the impact of further changes, if any, that may be necessary based on the outcome of the independent reviews as stated above, the possible effects of which on the consolidated financial statements could be both material and pervasive and forms the basis for the Disclaimer of Opinion.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates



are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

### **Emphasis of Matter**

We draw attention to Note 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 the unaudited financial statements as on 31.03.2019 provided by SFS and the provisional financial statements of SFS compiled 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 retained for the investment of Rs.13,81,50,206/- by INKEL in SFS as on 31.03.2021 in its standalone financial statement.

We draw attention to Note No 2.39.5 to the Consolidated Financial Statements which states that based on valuation of the assets of the subsidiary companies INKEL-KSIDC Projects Limited and INKES Trade Centre Limited, as well as of the associate company MIV Logistics Private Limited (which includes investments in equity shares in and loans and advances granted to an associate company of MIV Logistics Private Limited, viz. Seabird Seaplane Private Limited (Seabird) which has not commenced any commercial operations since its inception in 2012 and insolvency resolution process has been initiated before National Company Law Tribunal), carried out by independent chartered engineers as at 31st March 2019 engaged by the respective companies and plans for improved future operations as approved by the Board of INKEL Ltd., the management is of the opinion that although there is some erosion in the net worth of these companies as per financial statements, there is no impairment in the carrying value of the Group's share of total assets in these companies to be recognised at this stage.

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, IIDPL and one subsidiary entity viz INKEL Seguro LLP whose financial statements/financial information reflect total assets of Rs.3,26,45,08,311/- and net assets of Rs.76,72,36,896/- as at 31<sup>st</sup> March 2021, total revenues of Rs. 71,98,64,571/- and Total net cash inflow amounting to Rs.(5,70,95,391)/- for the year ended on that date, as considered in the consolidated



- (b) financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.4,78,321/- for the year ended 31<sup>st</sup> March, 2021 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 MIV Logistics Private Limited have stated in their report that the financial statements of Seabird Seaplane Private Limited have not been audited.
- (c) As stated in Note No 1.b.ii to the Consolidated Financial Statements, the Holding Company had written off the book value of investments in certain subsidiary companies viz Thalikulam PURA Private Limited, Tirurangadi PURA Private Limited and Inkel - Kinfra Infrastructure Projects Limited, the effect of which is not considered to be material.
- (d) 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 the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, we are unable to state whether the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matter described in Basis for Disclaimer of Opinion paragraph above, may, in our opinion, have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of four subsidiary companies and the associate company, none of the directors of the Group companies and its associate, is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2) of the Act. In the absence of relevant information regarding the subsidiary company SFS, we are unable to comment on whether the directors of the said company are disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial control over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position in the consolidated financial statements – Refer Note No 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 its associate did not have any material foreseeable losses on long-term contracts including derivative contracts, other than in respect of the subsidiary company INKES Trade Centre Limited which has made provision as required under the applicable law or Accounting Standards in respect of the same. In view of the matters reported in the 'Basis for Disclaimer of Opinion' paragraph above, we are unable to comment on the existence of any material foreseeable losses on long-term contracts including derivative contracts in respect of the subsidiary company SFS;



- iii. Based on our audit of the holding company and the reports issued by statutory auditors of four subsidiaries and the associate company, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate in respect of these companies. In view of the matters reported in the Basis for Disclaimer of Opinion paragraph above, we are unable to comment on whether there were any amounts which were required to be transferred to the Investor Education and Protection Fund in respect of the subsidiary company SFS.

**For Sridhar & Co**  
**Chartered Accountants**  
FRN : 003978S

Place: Kochi  
Date: 06.12.2021

**CA. S. Unnikrishnan**  
**Partner**  
Membership No.218366  
UDIN: 21218366AAAAGN9504





**“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 31<sup>ST</sup> MARCH 2021**

**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, 2021 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 M/s. MIV Logistics Private Limited for the financial year ended 31<sup>st</sup> March 2021 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 31<sup>st</sup> March, 2021.

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: 06.12.2021

**CA. S. Unnikrishnan**  
**Partner**  
Membership No.218366  
UDIN: 21218366AAAAGN9504

**INKEL LIMITED**  
**CIN:U45209KL2007PLC020471**  
**Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30**

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH,2021**

Particulars	Note No.	As at 31-03-2021 (In Rupees)	As at 31-03-2020 (In Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2.1	1,77,81,43,340	1,77,81,43,340
(b) Reserves and surplus	2.2	30,54,09,821	7,86,76,617
<b>(2) Minority Interest</b>			
	2.3	21,52,32,422	15,45,82,449
<b>(3) Share Application Money Pending Allotment</b>			
		-	-
<b>(3) Non - Current Liabilities</b>			
(a) Long -Term borrowings	2.4	1,37,91,34,243	1,85,18,02,968
(b) Deferred Tax Liabilities (Net)	2.5	1,61,99,990	2,38,48,829
(c) Other Long -Term Liabilities	2.6	2,71,62,264	2,49,46,659
(d) Long - Term Provisions	2.7	1,14,18,487	1,29,58,523
<b>(4) Current Liabilities</b>			
(a) Short - Term Borrowings	2.8	32,47,66,296	71,56,80,612
(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		27,17,65,711	6,41,47,740
(c) Other Current Liabilities	2.10	41,81,45,829	44,52,20,218
(d) Short - Term Provisions	2.11	6,10,11,624	44,79,993
<b>TOTAL</b>		<b>4,80,83,90,027</b>	<b>5,15,44,87,948</b>
<b>II. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Property, Plant and Equipment			
i. Tangible Assets	2.12	81,98,78,313	1,02,87,03,903
ii. Intangible Assets	2.12	7,42,964	11,19,327
iii. Capital Work - In - Progress	2.13	6,00,45,747	5,93,38,375
(b) Goodwill on Consolidation	2.38	6,08,941	6,08,941
(c) Non - Current Investments	2.14	17,31,61,164	20,41,08,522
(d) Deferred Tax Assets (Net)	2.15	1,18,93,498	2,13,77,907
(e) Long -Term Loans and Advances	2.16	21,81,85,416	28,09,50,669
(f) Other Non-Current Assets	2.17	1,70,04,38,065	1,41,38,06,733
<b>(2) Current Assets</b>			
(a) Inventories	2.18	64,21,453	2,65,44,661
(b) Trade Receivables	2.19	88,75,57,323	54,13,04,751
(c) Cash and Cash Equivalents	2.20	66,26,19,078	75,92,18,444
(d) Short - Term Loans and Advances	2.21	9,08,99,033	52,20,30,693
(e) Other Current Assets	2.22	17,59,39,032	29,53,75,022
<b>TOTAL</b>		<b>4,80,83,90,027</b>	<b>5,15,44,87,948</b>

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

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K Ellangovan IAS  
Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

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 : 06-12-2021

**INKEL LIMITED**

CIN:U45209KL2007PLC020471

Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH,2021**

Particulars	Note No.	For the year ended 31-03-2021 (In Rupees)	For the year ended 31-03-2020 (In Rupees)
<b>Revenue</b>			
<b>I. Revenue from Operations</b>	2.23	1,12,55,81,849	66,15,16,696
<b>II. Other Income</b>	2.24	12,91,83,717	11,14,88,864
<b>III. Total Revenue (I+II)</b>		<b>1,25,47,65,566</b>	<b>77,30,05,560</b>
<b>IV. Expenses:</b>			
i) Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.25	13,64,58,560	3,83,13,450
ii) Purchases of Stock-in-Trade	2.26	21,92,68,525	4,54,25,333
iii) Changes in Inventories of Stock-in-Trade	2.27	38,63,498	(4,17,19,370)
iv) Operating, Works Contract and Project Expenses	2.28	2,82,21,021	21,17,88,356
v) Employee Benefits Expense	2.29	9,33,63,157	11,82,15,162
vi) Finance costs	2.30	16,46,24,381	25,61,21,827
vii) Depreciation and Amortisation Expense	2.12	3,08,54,210	5,72,64,109
viii) Other Expenses	2.31	21,20,80,763	12,27,84,387
ix) Provisions	2.32	3,66,744	-
<b>Total Expenses</b>		<b>88,91,00,859</b>	<b>80,81,93,254</b>
<b>V. Profit/(Loss) Before Tax (III - IV)</b>		<b>36,56,64,707</b>	<b>(3,51,87,694)</b>
<b>VI. Tax Expense:</b>			
(1) Current tax		6,98,23,224	35,26,424
(2) Tax relating to prior years		15,68,341	-
(3) Deferred tax		(93,71,878)	(79,40,966)
<b>VII. Profit/(Loss) for the year before Minority Interest, Share in Net Profit/ (Loss) of Associate (V-VI)</b>		<b>30,36,45,020</b>	<b>(3,07,73,152)</b>
<b>VIII. Share of Profit/ (Loss) of Associate Company</b>		(4,78,321)	61,31,032
<b>IX. Profit/ (Loss) for the year (VII+VIII)</b>		<b>30,31,66,699</b>	<b>(2,46,42,120)</b>
<b>X. Profit/ (Loss) attributable to</b>			
Owners of the Company		24,25,16,726	(1,97,81,847)
Minority Interest		6,06,49,973	(48,60,273)
		<b>30,31,66,699</b>	<b>(2,46,42,120)</b>
<b>XI. Earnings per Equity Share:</b>	2.33		
Face value of share ₹ 10/- (₹ 10/-)			
(1) Basic		1.36	(0.11)
(2) Diluted		1.36	(0.11)

Significant Accounting Policies and Consolidated Notes to Accounts 1 & 2

The Accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K Ellangovan IAS  
Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

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 : 06-12-2021

**INKEL LIMITED**  
**CIN:U45209KL2007PLC020471**  
**Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2021**

	Particulars	For the Year ended 31-03-2021	For the Year ended 31-03-2020
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit Before Taxation and exceptional items</b>	36,56,64,707	(3,51,87,694)
	<b>Adjustments for :</b>		
	Depreciation and Amortisation	3,08,54,210	5,72,64,109
	Provision for Doubtful Debts	3,66,744	-
	(Profit)/Loss on sale of Assets(Net)	865	-
	Interest Income	(7,36,84,795)	(6,86,13,334)
	Interest Expense	3,98,63,834	25,61,21,827
	Conversion of fixed assets to current assets	13,64,58,560	3,83,13,450
	<b>Operating profit before Working Capital Changes</b>	<b>49,95,24,125</b>	<b>24,78,98,358</b>
	Changes in Working Capital		
	Adjustments for ( Increase )\Decrease in Operating Assets		
	Trade Receivables	(45,56,94,192)	14,77,15,317
	Increase in Inventories	(1,73,32,855)	(1,33,84,672)
	Short term loans and advances	(2,93,94,914)	(17,63,00,238)
	Other Current Assets	(12,51,85,116)	(7,13,71,998)
	Long term Loans and Advances	71,48,917	(18,31,19,298)
	Other Non Current Assets	(3,09,63,167)	11,61,88,164
		<b>(65,14,21,327)</b>	<b>(18,02,72,724)</b>
	Adjustments for increase ( Decrease ) in Operating Liabilities		
	Trade Payables	23,48,60,303	(12,20,30,553)
	Other Current Liabilities	(5,08,47,921)	7,71,05,142
	Short term Provisions	(71,756)	(19,69,696)
	Long term Provisions	1,29,42,187	(19,80,200)
	Long Term Liabilities	(97,92,780)	(2,96,658)
		<b>18,70,90,033</b>	<b>(4,91,71,965)</b>
	<b>Cash generated from Operations</b>	<b>3,51,92,831</b>	<b>1,84,53,669</b>
	Taxes Paid	(4,80,76,724)	(1,65,99,478)
	<b>Net Cash Used in Operating activities - ( A )</b>	<b>(1,28,83,893)</b>	<b>18,54,191</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant and Equipment including Capital WIP	(28,79,536)	(11,28,55,900)
	Loans and Advances (given)/Repaid	(3,23,09,026)	-
	Proceeds from sale of Property, Plant and Equipment	1,97,25,316	20,383
	Dividend Received(Net of Dividend distribution tax)	-	1,60,16,048
	(Investments)/Sale of Equity shares/Preference Shares	-	(16,57,500)
	Interest received on deposits	7,67,99,236	6,49,04,729
	<b>Net Cash Used in Investing activities - ( B )</b>	<b>6,13,35,990</b>	<b>(3,35,72,240)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Dividend paid	27,527	(3,56,48,070)
	Dividend distribution tax paid	-	(73,10,052)
	Interest paid	(3,50,16,797)	(24,04,08,488)
	Proceeds from/(Repayment of ) Short Term Borrowings	4,39,03,766	7,49,19,795
	Proceeds from/ (Repayment of ) Long Term Borrowings	(13,68,29,280)	42,87,73,379
	<b>Net Cash Generated By Financing Activities - ( C )</b>	<b>(12,79,14,784)</b>	<b>22,03,26,564</b>
	<b>Net increase in Cash and Cash equivalents(A+B+C)</b>	<b>(7,94,62,687)</b>	<b>18,86,08,515</b>
	<b>Cash and Cash equivalents at the beginning of the year *</b>	<b>74,20,81,765</b>	<b>57,06,09,928</b>
	<b>Closing Cash And Cash Equivalents at the end of the year (See note 2.20)</b>	<b>66,26,19,078</b>	<b>75,92,18,443</b>

\* The difference in balance of cash and cash equivalents at the end of the year as on 31/03/2020 and the beginning of the year ended 31/03/2021 is due to non consolidation of financial statements of Seguro Foundation Ltd with closing balance as on 31/03/2020 of Rs.1,71,36,678/-

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K Ellangovan IAS  
Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

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 : 06-12-2021

**INKEL LIMITED**

CIN:U45209KL2007PLC020471

Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30

**NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2021**

**NOTE - 2.1 SHARE CAPITAL**

(In Rupees)

Particulars	As at 31-03-2021		As at 31-03-2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>SHARE CAPITAL</b>				
<b>Authorised Equity Share Capital</b>				
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
<b>Issued, Subscribed and Paid up</b>				
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**

(In Rupees)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares</b>				
As at the beginning of the financial year	17,78,14,334	1,77,81,43,340	17,78,14,334	1,77,81,43,340
Shares issued during the financial year	-	-	-	-
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
<b>Particulars of Shareholders holding more than 5% share in the Company</b>				
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**  
**CIN:U45209KL2007PLC020471**  
**Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30**

**NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2021**

**NOTE - 2.2 RESERVES AND SURPLUS**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>(a) Securities Premium</b>		
Opening Balance	7,39,36,670	7,39,36,670
Add: Additions during the year	-	-
Closing balance	<b>7,39,36,670</b>	<b>7,39,36,670</b>
<b>(b) Surplus in statement of profit and loss</b>		
Opening Balance	(2,42,32,436)	4,69,21,150
Share of loss of Seguro foundation limited not consolidated adjusted	(1,57,83,523)	
Add: Profit/(Loss) for the year	24,25,16,726	(1,97,81,847)
Amount available for appropriation	<b>20,25,00,768</b>	<b>2,71,39,303</b>
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
Dividend Distribution Tax	-	73,10,052
<b>Total Appropriations</b>	<b>-</b>	<b>4,28,72,919</b>
	<b>27,64,37,438</b>	<b>5,82,03,054</b>
Less: Minority Interest adjusted (as per contra)		84,98,820
Add: Adjusted against majority interest (as per contra)		
<b>Closing Balance</b>	<b>27,64,37,438</b>	<b>4,97,04,234</b>
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
	<b>30,54,09,821</b>	<b>7,86,76,617</b>

**2.2.1** Considering the loss incurred by the Company during the financial year 2020-21, the Board of Directors decided not to recommend declaration of any dividend to the shareholders

**NOTE - 2.3 MINORITY INTEREST**

Particulars	As at 31-03-2021	As at 31-03-2020
Share Capital	18,94,36,274	18,94,36,274
Add: Share of accumulated reserves	(3,48,53,825)	(2,90,40,835)
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss	6,06,49,973	(48,60,273)
Less: Dividend and Divident tax paid	-	94,51,537
Add: Adjusted against majority interest (as per contra)	-	84,98,820
<b>Closing Balance</b>	<b>21,52,32,422</b>	<b>15,45,82,449</b>

**NOTE - 2.4 LONG TERM BORROWINGS**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Term Loans (Secured)</b>		
From Banks		
Term loan from State Bank of India (See Note 2.4.1 & 2.4.2)	1,33,87,45,243	1,67,91,91,586
From other parties		
Unsecured (See Note 2.4.3)	-	2,00,00,000
<b>Deposits</b>		
Unsecured (See Note 2.4.4)	4,03,89,000	13,93,37,000
<b>Loans and advances from related parties</b>		
From Directors (In case of Seguro Foundations and Structures Private Limited)		
Unsecured	-	1,32,74,382
	<b>1,37,91,34,243</b>	<b>1,85,18,02,968</b>

**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 31-03-2021	As at 31-03-2020
<b>Term loan from bank:</b>			
State Bank of India ( Including current maturites of Long term borrowings )	To be repaid in 72 monthly Installments	6,43,54,676	25,54,11,124

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

Interest rate : 9.50% - MCLR + 0.95%

Repayment Period - 72 Months

**2.4.3.** 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 2021- 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	Cumulative basis		Non-Cumulative basis	
	Rate	Amount	Rate	Amount
Within 1 years - Scheme 2	10.84%	2,23,43,000	9.50%	2,80,06,000
Within 1 year - Scheme 3	10.92%	19,96,000	10.00%	1,30,71,000
Within 1 year - Scheme 3	11.49%	1,43,15,000	-	-
Within 2 years - Scheme 3	11.49%	1,88,51,000	10.00%	2,15,38,000
<b>Total</b>		<b>5,75,05,000</b>		<b>6,26,15,000</b>

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

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

Particulars	As at 31-03-2021	As at 31-03-2020
<b>A. Deferred Tax Liability</b>		
On excess of net book value over Income tax written down value of Property,Plant and Equipment	2,79,54,724	3,07,87,280
<b>B. Deferred Tax Assets</b>		
On Provisions/other disallowances	1,17,54,734	69,38,451
<b>Net Deferred Tax Liability</b>	<b>1,61,99,990</b>	<b>2,38,48,829</b>

**NOTE - 2.6 OTHER LONG TERM LIABILITIES**

Particulars	As at 31-03-2021	As at 31-03-2020
Security Deposits	75,55,276	68,56,276
Interest accrued but not due on borrowings	1,26,95,855	74,39,250
Recovery against Future Expenditure	38,59,023	75,99,023
Retention & Earnest Money Deposit	28,25,874	28,25,874
Performance Guarantee Payable	2,26,236	2,26,236
	<b>2,71,62,264</b>	<b>2,49,46,659</b>



**NOTE - 2.7 LONG TERM PROVISIONS**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Provision for Employee Benefits (See Note 2.33)</b>		
- Provision for Gratuity	55,47,891	45,87,111
- Provision for Leave Encashment	58,70,596	83,71,412
	<b>1,14,18,487</b>	<b>1,29,58,523</b>

**NOTE - 2.8 SHORT TERM BORROWINGS**

Particulars	As at 31-03-2021	As at 31-03-2020
From Banks (Secured)		
Federal Bank Limited (See Note 2.8.1 )	2,95,35,296	52,24,45,612
Term Loan from SBI	14,65,00,000	13,35,00,000
From Related Parties (Unsecured)		
Directors(In case of INKEL IIDPL)	6,90,00,000	5,00,00,000
Unsecured (See Note 2.4.4)	7,97,31,000	97,35,000
	<b>32,47,66,296</b>	<b>71,56,80,612</b>

**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 (Mortgaged Piravom Land) & Corporate Guarantee of INKEL Limited.

**NOTE - 2.9 TRADE PAYABLES**

Particulars	As at 31-03-2021	As at 31-03-2020
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	27,17,65,711	6,41,47,740
	<b>27,17,65,711</b>	<b>6,41,47,740</b>

**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	As at 31-03-2021	As at 31-03-2020
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 group in terms of Section 16 of Micro, Small & Medium Enterprises Development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e. Interest accrued and remaining unpaid as at the year end	-	-
f. Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**NOTE - 2.10 OTHER CURRENT LIABILITIES**

Particulars	As at 31-03-2021	As at 31-03-2020
Current maturities of Long Term Debt		
- Term Loan(See Note 2.4.1, 2.4.2 & 2.4.3)	4,50,54,280	5,26,43,769
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
Unpaid Dividend	5,00,874	4,73,347
Current Liabilities		
ASIDE loan -KINFRA (See Note 2.4.3)	3,00,00,000	-
Deposit matured and payable	-	3,79,000
Advance From Customers/Clients		
- for Deposit Work	5,88,73,995	11,42,38,286
- Others	12,19,15,250	14,86,35,039
Retention Money payable	10,43,86,913	6,72,78,283
Statutory Dues	2,17,04,349	2,94,03,521
Security Deposit / Earnest Money Deposit	33,88,432	14,72,517
Expenses Payable	47,52,205	1,35,961
Performance Bank Gurantee	31,031	31,031
Mobilisation Advance Received	-	25,09,341
	<b>41,81,45,829</b>	<b>44,52,20,218</b>

**NOTE - 2.11 SHORT TERM PROVISIONS**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Provision for employee benefits</b>		
- Provision for Leave Encashment (See Note 2.33)	5,33,241	4,69,076
- Provision for Gratuity(See Note 2.33)	4,57,188	5,72,021
- Provision for Bonus/Exgratia	-	21,088
Provision for Income Tax	6,00,21,195	31,67,808
Provision for Auditor's Fees	-	2,50,000
	<b>6,10,11,624</b>	<b>44,79,993</b>

**NOTE - 2.13 CAPITAL WORK IN PROGRESS**

Particulars	As at 31-03-2021	As at 31-03-2020
Projects under implementation (See Note 2.13.1)	6,00,45,747	5,93,38,375
	<b>6,00,45,747</b>	<b>5,93,38,375</b>

**NOTE - 2.14 NON CURRENT INVESTMENTS**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>a) Investments in Equity Instruments</b>		
<b>i) In Associate companies</b>		
- <b>MIV Logistics Pvt Ltd</b>		
1,18,29,714 (1,18,29,714) Equity Shares of ₹10/-each, Fully Paid up	-	
<b>Opening Balance</b>	98,31,985	37,00,953
Add: Share of Profit/ (Loss) of Associate	(4,78,321)	61,31,032
<b>Closing Balance</b>	<b>93,53,664</b>	<b>98,31,985</b>
- <b>Calicut Expressway Pvt Ltd (CEPL)</b>		
3,30,750 (1,65,000) equity shares of ₹10/- each, Fully paid up	33,07,500	33,07,500
<b>ii) In Others</b>		
- <b>KV Apartments Pvt Ltd</b>		
5,000 (5,000) Equity Shares of ₹100/- each, fully paid up	5,00,000	5,00,000
<b>b) Investments in Preference Instruments</b>		
<b>(Un-quoted, Trade, at cost)</b>		
<b>i) In Associate companies</b>		
- <b>MIV Logistics Pvt Ltd</b>		
1,60,00,000 (1,60,00,000) Optionally Convertible Preference Shares of ₹10/-	16,00,00,000	16,00,00,000
<b>c) Investment in Partnership Firm</b>		
- <b>A.V Associates</b>	-	3,04,69,037
<b>Total investments (a) + (b) + (c)</b>	<b>17,31,61,164</b>	<b>20,41,08,522</b>
Aggregate amount of unquoted investments	<b>17,31,61,164</b>	<b>20,41,08,522</b>

**NOTE - 2.15 DEFERRED TAX ASSETS (NET)**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>A. Deferred Tax Assets</b>		
On Provisions/other disallowances	1,18,93,498	2,13,77,907
<b>B. Deferred Tax Liability</b>		
On excess of net book value over Income tax written down value of Property,Plant and Equipment	-	-
<b>Net Deferred Tax Asset</b>	<b>1,18,93,498</b>	<b>2,13,77,907</b>

**NOTE - 2.16 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>(Unsecured, Considered good)</b>		
Security Deposits	27,53,704	5,44,25,040
EKK Infrastructure Limited	17,51,00,000	17,51,00,000
MAT Credit Entitlement	1,47,45,703	2,45,47,732
Others	34,42,500	-
Income Tax (Net)	2,21,43,509	2,68,77,897
	<b>21,81,85,416</b>	<b>28,09,50,669</b>

**NOTE - 2.17 OTHER NON CURRENT ASSETS**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>(Unsecured, Considered good )</b>		
Balance with banks in Fixed Deposit accounts	33,03,96,600	30,52,33,262
Loans and Advnecs to related parties	44,73,07,482	-
Security Deposits	1,58,98,160	1,48,80,000
Advance Income Tax and TDS	71,92,038	93,76,942
Provision for Gratuity	-	22,640
Income Recievable	88,60,74,240	1,08,03,12,081
Unbilled Revenue	1,35,69,545	39,81,808
	<b>1,70,04,38,065</b>	<b>1,41,38,06,733</b>

**2.17.1** Balance with banks in Deposit Accounts include ₹1,67,34,844/- (₹13,19,196/-) held with a maturity period of more than 12 months.

**2.17.2** Balance with banks in Deposit Account includes ₹33,03,96,600/- (₹30,24,96,469/-) 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 ₹87,13,274) is held under lien against Bank Guarantees. Out of this, ₹27,36,793 (PY ₹ 26,11,240) is of maturity period more than 12 months.

**NOTE - 2.18 INVENTORIES**

Particulars	As at 31-03-2021	As at 31-03-2020
Land and Building held on long term finance lease		
Opening Balance	-	-
Add: Additions during the year	13,40,74,581	2,20,08,536
Less: Disposed during the year	(13,40,74,581)	(2,20,08,536)
Closing Balance	-	-
Raw Materials	47,63,245	2,24,17,798
Stock-in-trade: Solar Panel/Inverter	3,49,865	41,26,863
Goods in Transit	13,08,343	-
	<b>64,21,453</b>	<b>2,65,44,661</b>

In case of the subsidiary company INKEL KSIDC Projects Limited

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

**NOTE - 2.19 TRADE RECEIVABLES**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>(Unsecured Considered good)</b>		
-Outstanding for a period exceeding six months from the date they were due for payment	23,55,96,218	26,52,49,553
-Others (See Note 2.19.1)	65,19,61,105	27,60,55,198
<b>(Unsecured Considered doubtful)</b>		
-Outstanding for a period exceeding six months from the date they were due for payment	62,23,238	58,56,494
Less:Provision for Doubtful Debts	(62,23,238)	(58,56,494)
	-	-
<b>-Others( See Note 2.19.1)</b>		
Less:Provision for Doubtful Debts	-	-
	-	-
	<b>88,75,57,323</b>	<b>54,13,04,751</b>

**2.19.1 Trade Receivables include debts due from:**

Particulars	Description	As at 31-03-2021	As at 31-03-2020
MIV Logistics Private Limited	Private limited company in which a director of INKEL Limited is a director		33,41,834
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
Inkel-EKK Roads Private Limited	Private limited company in which a director of INKEL Limited is a director	1,16,04,885	2,22,04,142

**NOTE - 2.20 CASH AND CASH EQUIVALENTS**

Particulars	As at 31-03-2021	As at 31-03-2020
Cash on Hand	18,923	89,835
Balance with Banks		
In Current Accounts	19,37,722	17,58,149
In Fixed Deposit Accounts	66,06,62,433	75,73,70,460
	<b>66,26,19,078</b>	<b>75,92,18,444</b>

**2.20.1 Earmarked Balances:**

Balance with banks in current accounts include earmarked balances for unpaid dividend ₹ 5,34,090/- (₹ 5,06,225/-).

Balance with banks in current accounts include earmarked balances of ₹ 53,658/- (₹40,666/-) held for specific projects.

**2.20.2** Balance with banks in Deposit Accounts include ₹ 1,67,34,844/- (₹ 13,19,196/-) held with a maturity period of more than 12 months and ₹ 1,59,57,380/- (₹ 51,67,852/-) held against public deposits in pursuance of the requirements of applicable Rules.

**2.20.3** Balance with banks in Deposit Account includes ₹ 1,65,60,274/- (₹ 2,83,93,756/-) held under lien.

**2.20.4** Balance with banks in Deposit Account includes ₹12,61,29,897/- (₹ 13,14,52,290/-) earmarked for specific projects.

**NOTE - 2.21 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>(Unsecured, Considered good)</b>		
Loans/advances to related parties	-	-
Others:		
Advances recoverable in cash or in kind or for value to be received	8,36,354	40,59,96,878
Earnest Money Deposits	91,89,438	55,77,313
Balances with Government Authorities	5,15,91,131	6,76,04,956
Advance to Suppliers/Contractors	2,54,72,848	3,85,24,678
Advance to employees	3,750	5,21,356
Advance to Gratuity	3,05,512	3,05,512
Others	35,00,000	35,00,000
<b>(Unsecured, Considered doubtful)</b>		
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)
	-	-
	<b>9,08,99,033</b>	<b>52,20,30,693</b>

**NOTE - 2.22 OTHER CURRENT ASSETS**

Particulars	As at 31-03-2021	As at 31-03-2020
Interest Receivable	2,13,32,757	1,29,47,729
Tax Deducted at source and Refund claimed	27,691	4,15,36,568
Fixed Deposit Accounts	-	59,76,451
Value of contract work unbilled	-	9,13,00,004
Provision for Bill discounting	6,82,180	7,79,218
KSFE Chitty	-	95,37,570
Unbilled Revenue	5,82,03,897	9,41,45,378
Prepaid expenses	22,494	-
Claims Receivable	1,25,36,000	1,25,36,000
Others	8,31,34,013	2,66,16,104
	<b>17,59,39,032</b>	<b>29,53,75,022</b>

**INKEL LIMITED**  
**CIN:U45209KL2007PLC020471**  
**Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30**

**NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2021**

**NOTE - 2.23 REVENUE FROM OPERATIONS**

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
<b>Sale of Services</b>		
Income from disposal of land and building(On Long Term Finance	47,20,14,700	11,03,19,550
Construction Income (Refer Note 2.23.1)	18,94,26,747	20,24,15,059
Share of Course Fee Received	29,95,971	98,41,060
Income from Operating Lease	80,67,470	70,32,368
Income from Project Management Services (Refer Note 2.23.2)	11,12,50,457	7,60,89,940
Income from Common Area Maintenance Services	-	40,34,972
Lighting system commissioning services	10,16,31,555	1,55,75,955
Contract Revenue	-	20,46,10,410
<b>Sale of Products</b>		
Sale of lighting system/security system	23,97,96,050	3,10,47,888
Income from Agriculture	3,98,899	5,49,494
	<b>1,12,55,81,849</b>	<b>66,15,16,696</b>

**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 37.60% of the Total Contract Revenue, as the percentage of completion of work as on 31st March 2020 was 37.60%. Since the percentage of completion of work as on 31st March 2021 is 41.30% based on the estimate of the project cost, revenue is recognised in the current year at 3.70% so that the cumulative revenue recognised as on 31st March 2021 is 41.30%.

**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**

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Interest Income	4,96,76,276	4,87,97,142
Guarantee Fee Received	16,22,927	20,40,929
Profit on Sale of Assets	757	2,592
INKEL EKK - Dividend (Net of DDT)	-	1,60,16,048
Interest on Fixed Deposit/Bank	2,18,67,065	1,82,46,313
Miscellaneous Income	5,60,16,692	2,08,68,834
Rent	-	8,04,000
Sale of goods	-	47,13,006
	<b>12,91,83,717</b>	<b>11,14,88,864</b>

**2.24.1** In the case of the subsidiary INKEL-KSIDC Projects Ltd, Interest Income includes Interest on Lease Premium for Rs.81,42,656/- (Rs.20,04,520/-) , Bank Interest of Rs.16,31,625/- (Rs.2,79,921/-) , Interest on IT Refund of Rs.Nil (Rs.4,138/-)& Overdue interest on lease premium Rs.19,842/- (Nil).

**NOTE - 2.25 COST OF LAND ACQUIRED/BUILDING/AMENITIES CONSTRUCTED AND DISPOSED****(On long term finance lease agreements)**

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Cost of Land	13,64,58,560	2,76,39,358
Cost of Building/Amenities	-	1,06,74,092
	<b>13,64,58,560</b>	<b>3,83,13,450</b>

**NOTE - 2.26 PURCHASES OF STOCK-IN-TRADE**

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Solar light	21,93,55,025	3,51,94,733
Purchase of Trading goods	(86,500)	1,02,30,600
	<b>21,92,68,525</b>	<b>4,54,25,333</b>

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

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Opening Stock- Raw Materials	48,49,745	1,06,82,335
Closing Stock- Raw Materials	47,63,245	2,24,17,798
	86,500	<b>(1,17,35,463)</b>
	-	
Opening Stock In Trade	3,24,61,561	24,77,654
Closing Stock In Trade	2,86,84,563	3,24,61,561
	37,76,998	<b>(2,99,83,907)</b>
	<b>38,63,498</b>	<b>(4,17,19,370)</b>

**NOTE 2.28 OPERATING, WORKS CONTRACT AND PROJECT EXPENSES**

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Construction and Project Cost	1,24,25,911	18,63,62,762
Consultancy Charges	49,22,748	73,92,474
Finance Cost	98,46,018	1,55,07,206
Power Fuel and Water Charges	10,26,344	20,92,458
Spares and Consumables	-	4,33,456
	<b>2,82,21,021</b>	<b>21,17,88,356</b>

**NOTE - 2.29 EMPLOYEE BENEFITS EXPENSE**

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Salaries & Allowances	8,52,61,207	10,79,89,932
Contribution to Provident and Other Funds	51,32,604	70,53,898
Staff Welfare Expenses	29,69,346	31,71,332
	<b>9,33,63,157</b>	<b>11,82,15,162</b>

**NOTE - 2.30 FINANCE COSTS**

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Interest Expense	13,43,82,363	20,86,28,050
Interest on Term Loan SBI	1,62,21,436	2,63,70,086
Bill Discounting Charges	-	9,46,269
Interest on Public Deposits	1,37,60,791	1,89,73,645
Other Borrowing costs (See Note 2.30.1)	2,59,791	12,03,777
	<b>16,46,24,381</b>	<b>25,61,21,827</b>

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

**NOTE - 2.31 OTHER EXPENSES**

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Expenditure on corporate social responsibility activity (See Note 2.31.1)	15,93,400	20,50,000
Lighting system commissioning expenses	7,85,08,829	1,16,08,577
Operation & Maintenance Expense	1,17,18,417	89,41,343
Agricultural expenses	8,68,127	11,75,875
Power & Fuel	23,72,328	38,56,387
Rent	52,49,495	63,73,560
Repairs & Maintenance:		
- Building	55,084	1,51,768
- Plant	-	4,08,501
- Others	29,20,365	45,59,088
Insurance	4,84,674	6,99,837
Payment to Auditors	-	
- as auditor	9,55,000	9,50,000
- for taxation matters	1,30,000	80,000
- for other services	25,000	2,04,580
- for reimbursement of expenses	-	-
Bank charges & interest	2,55,18,004	1,83,57,505
Meeting expense	5,95,480	11,39,209
Sitting fee to Directors	10,38,500	15,56,600
Consideration for Manpower services	61,78,899	55,58,190
Advertisement & Publicity	8,93,188	17,47,267
Postages, Telephone and internet charges	6,64,449	8,16,779
Printing and Stationery	30,93,534	16,33,406
Professional Charges	3,78,45,624	2,84,87,323
Credit facility renewal charges	31,50,000	-
Legal Fee	14,85,182	28,38,411
Rates & Taxes	10,54,825	18,47,239
Software Running Expenses	16,89,586	19,96,438
Staff Recruitment Expense	34,74,419	-
Travelling & Conveyance	13,349	93,25,802
Guarantee Commission	-	28,79,862
Business Promotion Expense	3,11,663	5,47,988
Office General Expenses	5,43,595	-
Miscellaneous Expenses	4,97,844	27,42,840
Interest on statutory dues	-	2,50,012
Bank guarantee charges	1,61,73,751	-
Land Development expense	3,87,000	-
Road Project Expenses (Refer Note 2.33.2)	25,91,152	-
	<b>21,20,80,763</b>	<b>12,27,84,387</b>

**NOTE - 2.31.1** Note on Expenditure on Corporate Social Responsibility activities

(In Rupees)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
i) Gross amount required to be spent during the year	3,27,715	19,33,674
ii) Amount spent during the year		
- Construction/acquisition of any asset		
- On purposes other than above	15,93,400	20,50,000

**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.

(In Rupees)

<b>Particulars</b>		
Road Project expenses incurred	4,65,58,251	3,97,20,416
Less: Reimbursable from CEPL	4,65,58,251	1,13,85,718
Net expense incurred on behalf of CEPL	-	<b>2,83,34,698</b>

**NOTE - 2.32 PROVISIONS**

<b>Particulars</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Provision for Doubtful debts	3,66,744	-
	<b>3,66,744</b>	-

**NOTE - 2.33 EARNINGS PER EQUITY SHARE**

<b>Particulars</b>	<b>For the year ended 31-03-2021</b>	<b>For the year ended 31-03-2020</b>
<b>Basic:</b>		
Profit/(Loss) after tax for the year as per Statement of Profit and Loss (In ₹)	24,25,16,726	(1,97,81,847)
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)	<b>1.36</b>	<b>(0.11)</b>
<b>Diluted:</b>		
Profit after tax for the year as per Statement of Profit and Loss (In ₹)	24,25,16,726	(1,97,81,847)
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)	<b>1.36</b>	<b>(0.11)</b>



**INKEL LIMITED**  
**CIN:U45209KL2007PLC020471**  
**Door No. 7/473 ZA - 5 & 62nd Floor, Ajiyal ComplexKakkanad, Kochi - 30**  
**NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021**

**NOTE - 2.12 PROPERTY, PLANT & EQUIPMENT**

**A. TANGIBLE ASSETS**

SL. NO.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK AS ON 31.03.2021	NET BLOCK AS ON 31.03.2020
		Opening Balance	Assets transferred on acquisition of subsidiary	Additions during the year	Deletions/ Adjustments during the year	Closing Balance	Opening Balance	Accumulated depreciation transferred on acquisition of subsidiary	For the year	Deleted during the year	Closing Balance		
1	Freehold Land	34,87,06,116 (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	47,31,38,197 (50,39,55,255)	-	23,96,618	20,17,66,419	27,37,68,396 (47,31,38,197)	4,88,55,963 (4,63,26,948)	-	57,66,699 (57,06,715)	1,82,28,472 (31,77,700)	3,63,94,190 (4,88,55,963)	23,73,74,206 (42,42,82,234)	42,42,82,234 (45,76,28,307)
3	Building	24,41,97,602 (25,21,86,602)	-	-	-	24,41,97,602 (24,41,97,602)	10,42,39,869 (9,22,24,693)	-	1,27,12,693 (1,51,90,012)	-	11,69,52,562 (10,42,39,869)	12,72,45,040 (13,99,57,733)	13,99,57,733 (15,99,61,909)
4	Plant & Machinery	30,63,25,585 (30,54,37,071)	-	2,97,701	(1,35,35,895)	30,66,23,286 (30,63,25,585)	22,70,20,170 (20,44,64,357)	-	29,85,162 (2,29,14,757)	-	23,00,05,332 (3,58,943)	7,66,17,953 (7,93,05,414)	7,93,05,414 (10,09,72,714)
5	Furniture and Fittings	2,58,34,496 (2,25,23,560)	-	52,849	-	2,58,87,345 (2,58,34,496)	1,87,99,178 (1,73,85,881)	-	8,82,689 (14,13,297)	-	1,96,81,867 (1,87,99,178)	62,05,478 (70,35,318)	70,35,318 (51,37,679)
6	Office Equipments	43,59,068 (37,48,504)	-	2,83,229	-	46,42,297 (43,59,068)	34,68,181 (32,91,603)	-	5,72,371 (1,76,578)	-	40,40,552 (34,68,181)	6,01,746 (8,90,888)	8,90,888 (4,56,901)
7	Computer	1,30,29,228 (1,18,70,573)	-	68,735	2,07,032	1,28,90,931 (1,30,29,228)	1,10,73,235 (95,84,790)	-	8,10,702 (17,11,199)	1,93,138 (2,22,754)	1,16,90,799 (1,10,73,235)	12,00,132 (19,55,993)	19,55,993 (22,85,783)
8	Motor Car	2,36,10,949 (2,36,10,949)	-	21,04,967	-	2,57,15,916 (2,36,10,949)	1,98,28,899 (1,83,98,144)	-	2,75,595 (14,30,755)	-	2,01,04,494 (1,98,28,899)	56,11,422 (37,82,050)	37,82,050 (52,12,805)
9	Electrical Fittings	3,66,04,288 (3,49,85,703)	-	-	-	3,66,04,288 (3,66,04,288)	1,38,16,131 (56,80,481)	-	64,71,937 (81,35,650)	-	2,02,88,068 (1,38,16,131)	1,63,16,220 (2,27,88,157)	2,27,88,157 (2,93,05,222)
<b>Total (A)</b>		<b>1,47,58,05,529</b>	-	<b>52,04,099</b>	<b>20,19,73,451</b>	<b>1,27,90,36,177</b>	<b>44,71,01,626</b>	-	<b>3,04,77,848</b>	<b>1,84,21,610</b>	<b>45,91,57,864</b>	<b>81,98,78,313</b>	<b>1,02,87,03,903</b>
Previous Year		(1,50,70,24,333)	-	(1,40,66,123)	(4,52,84,927)	(1,47,58,05,529)	(39,73,56,897)	-	(5,66,78,962)	(69,34,233)	(44,71,01,626)	(1,02,87,03,903)	(1,10,96,67,436)
<b>B. INTANGIBLE ASSETS</b>													
1	Computer Software	27,85,420 (12,05,670)	-	-	-	27,85,420 (27,85,420)	16,66,093 (10,80,947)	-	3,76,363 (5,85,146)	-	20,42,456 (16,66,093)	7,42,964 (11,19,327)	11,19,327 (2,26,547)
<b>Total (B)</b>		<b>27,85,420</b>	-	-	-	<b>27,85,420</b>	<b>16,66,093</b>	-	<b>3,76,363</b>	-	<b>20,42,456</b>	<b>7,42,964</b>	<b>11,19,327</b>
Previous Year		(12,05,670)	-	(15,79,750)	-	(27,85,420)	(10,80,947)	-	(5,85,146)	-	(16,66,093)	(11,19,327)	(2,26,547)
<b>Grand Total (A) + (B)</b>		<b>1,47,85,90,949</b>	-	<b>52,04,099</b>	<b>20,19,73,451</b>	<b>1,28,18,21,597</b>	<b>44,87,67,719</b>	-	<b>3,08,54,211</b>	<b>1,84,21,610</b>	<b>46,12,00,320</b>	<b>82,06,21,277</b>	<b>1,02,98,23,230</b>
Previous Year		(1,50,82,30,003)	-	(1,56,45,873)	(4,52,84,927)	(1,47,85,90,949)	(39,84,37,844)	-	(5,72,64,108)	(69,34,233)	(44,87,67,719)	(1,02,98,23,230)	(1,10,98,93,983)

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 No. 2.34 EMPLOYEE BENEFITS**

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

**2.34.1 Defined Contribution Plans****In case of the Holding Company-INKEL Ltd**

During the year the company has recognised ₹35,01,269/- (₹45,06,020/-) as Contribution to Provident Fund, ₹7,59,696/- (₹10,41,235/-) as Contribution to National Pension Scheme and ₹2,88,721/- (₹3,85,496/-) as Contribution to Employee State Insurance in the Statement of Profit and Loss on account of defined contribution plans.

**2.34.2 Defined Benefit Plans****In Case of Holding Company -INKEL Limited****Gratuity (Funded)**

(i)	Actuarial Assumptions	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	7.50% p.a.	7.50% p.a.
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Modified q(x) values under above Mortality Table	Indian Lives Mortality [1994-1996] Ultimate Table

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

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Present value of obligation at the beginning of the year	62,08,196	77,42,985
	Current Service Cost	6,84,741	8,63,751
	Interest Cost	4,91,292	6,31,114
	Actuarial gain/(loss)	11,18,800	(3,40,596)
	Benefits Paid	(33,50,042)	-
	Curtailments	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	51,52,987	62,08,196

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Fair value of plan assets at the beginning of the year	25,73,236	27,45,453
	Acquisition Adjustments	-	-
	Expected return on plan assets	2,38,209	2,05,908
	Actuarial gain/(loss)	(3,36,511)	(2,99,598)
	Contributions	-	-
	Benefits paid	(33,50,042)	(26,89,058)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	(4,75,108)	25,73,236

(In Rupees)

(iv)	Net (Asset)/Liability recognised in the Balance Sheet as at year end:	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Present value of obligation	51,52,987	62,08,196
	Fair value of plan assets	(4,75,108)	25,73,236
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(56,28,095)	36,34,960

(In Rupees)

(v)	Expenses recognised in the Statement of Profit and Loss:	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Current Service Cost	6,84,741	8,63,751
	Interest Cost	4,91,292	6,31,114
	Expected return on plan assets	(2,38,209)	(2,05,908)
	Acquisition Adjustment of assets	-	-
	Actuarial (gain) /loss recognised in the period	14,55,311	(40,988)
	Past Service Cost	-	-
	Curtailement cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	23,93,135	12,47,959

**Leave Plan (Unfunded)**

(i)	Actuarial Assumptions	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Discount Rate	7.50% p.a.	7.50% p.a.
	Rate of return on plan assets	Not Applicable	Not Applicable
	Compensation escalation rate *	5.00% p.a.	5.00% p.a.
	Mortality rate	Indian Assured Lives Mortality [1994-1996] Ultimate Table	Indian Lives Mortality [1994-1996] Ultimate Table

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

(In Rupees)

(ii)	Reconciliation of present value of obligation:	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Present value of obligation at the beginning of the year	87,45,322	1,00,19,707
	Current Service Cost	22,50,407	38,16,285
	Interest Cost	7,40,289	8,94,588
	Actuarial (gain)/loss	27,29,804	(56,096)
	Benefits Paid	(81,59,954)	(59,29,162)
	Curtailments		
	Settlements		
	Present value of obligation at the end of the year	63,05,868	87,45,322

(In Rupees)

(iii)	Reconciliation of fair value of plan assets :	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	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)	<b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	Present value of obligation	63,05,868	87,45,322
	Fair value of plan assets	-	-
	Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(63,05,868)	(87,45,322)

(In Rupees)			
(v)	<b>Expenses recognised in the Statement of Profit and Loss:</b>	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	Current Service Cost	22,50,407	38,16,285
	Interest Cost	7,40,289	8,94,588
	Expected return on plan assets	-	-
	Actuarial (gain) /loss recognised in the period	27,29,804	(56,096)
	Past Service Cost	-	-
	Curtailment cost	-	-
	Settlement cost	-	-
	Total expenses recognised in the Statement of Profit and Loss	57,20,500	46,54,777

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

**Note -2.35**

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

**A. Related parties and nature of relationship**

i. MIV Logistics Private Limited	Associate Company
ii. Calicut Expressway Private Limited (CEPL)	Associate Company
iii. KSIDC Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-KSIDC Projects Limited
iv. EKK Infrastructure Private Limited	Enterprise having substantial interest in the Subsidiary Company - INKEL-EKK Roads Private Limited
v. KSIE Limited	Enterprise having substantial interest in the Subsidiary Company - INKES Trade Centre Limited
vi. AV Associates	Enterprise in which Key Managerial Personnel of the subsidiary Company - Seguro Foundations & Structures Private Limited are able to exercise significant influence
vii. SeaBird Sea Plane Private Limited	Associate Company of MIV Logistics Private Limited
viii. INKEL KSIDC Projects Limited	Subsidiary Company
ix. KMC-INKEL (JV)	Jointly Controlled Operation(w.e.f 12-12-2018)
x. Key Managerial Personnel	
Mr. K Venugopal	Managing Director (w.e.f. 04-02-2020) (upto 25.06.2020)
Mr. M.P Dinesh	Managing Director (w.e.f. 26-06-2020) (up to 30.10.2020)
Mr. Mohanlal A	Managing Director (w.e.f. 31-10-2020)
<b>In subsidiary Seguro Foundations and Structures Pvt Ltd.</b>	
Mr. C V Rajeev	Managing Director of the company
Mrs. Seena Rajeev	Director of the company

**B. Description of Transactions**

(₹)

Nature of Transaction	Subsidiary/ Associate/ Jointly Controlled Entity	Key Managerial Personnel	Total
<b>Income</b>			
<b>1. Guarantee Commission Received</b>			
MIV Logistics Private Limited	16,22,927		16,22,927
	(20,40,929)		(20,40,929)
<b>2. Expenses Recovered</b>			
MIV Logistics Private Limited	34,26,984	-	34,26,984
	(29,79,849)	-	(29,79,849)
<b>Expenses</b>			
<b>1 Remuneration to Managing Director</b>			
Mr. K Venugopal	-	5,66,667	5,66,667
		(3,79,310)	
Mr. M.P Dinesh		9,09,073	
		-	
Mr. Mohanlal A		9,97,393	
	-	-	-
<b>In subsidiary Inkel-EKK Roads Private Limited</b>			
<b>1. EPC Contract Expenses</b>			
EKK Infrastructure Private Limited	-	-	-
	(28,75,000)	-	(28,75,000)
<b>2. Sitting Fees</b>			
	-	88,500	88,500
	-	(1,41,600)	(1,41,600)
<b>In subsidiary Inkel Infrastructure Development Projects Limited</b>			
<b>1. Road project expenses incurred on behalf of:</b>			
Calicut Expressway Private Limited (CEPL)	8,37,66,544	-	8,37,66,544
	(4,99,38,332)	-	(4,99,38,332)
	-	-	-

<b>Loans and Advances</b>			
1. Calicut Expressway Private Limited(CEPL)	44,73,07,482		
- Loan/Advances given	(35,20,64,794)		
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
	(17,51,00,000)		(17,51,00,000)
<b>4 In subsidiary Inkel Infrastructure Development Projects Limited</b>			
<u>Unsecured loan received</u>			
Varghese Kurian	-	3,45,00,000	3,45,00,000
		(2,50,00,000)	(2,50,00,000)
Mohamed Althaf	-	3,45,00,000	3,45,00,000
		(2,50,00,000)	(2,50,00,000)
<b>5 In subsidiary Inkel Infrastructure Development Projects Limited</b>			
Calicut Expressway Private Limited (CEPL)	55,21,84,551	-	55,21,84,551
	(40,20,03,127)		(40,20,03,127)
<b>Investments</b>			
<b>1. In subsidiary Inkel Infrastructure Development Projects Limited</b>			
Calicut Expressway Private Limited	33,07,500	-	33,07,500
	(33,07,500)	-	-
<b>Guarantee given during the year</b>			
1. Calicut Expressway Private Limited	-	-	-
	(85,50,00,000)	-	(85,50,00,000)
<b>Guarantee given</b>			
1. MIV Logistics Private Limited	16,23,29,964	-	16,23,29,964
	(20,40,92,922)	-	(20,40,92,922)
2. Calicut Expressway Private Limited	85,50,00,000	-	85,50,00,000
	(85,50,00,000)	-	(85,50,00,000)
<b>Receivables</b>			
1. MIV Logistics Private Limited	28,62,411	-	28,62,411
	(33,41,834)	-	(33,41,834)
2. KSIDC Limited	18,42,619	-	18,42,619
	(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)
<b>Payables</b>			
1. EKK Infrastructure Private Limited	-	-	-
	-	-	-
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** Transactions in the nature of current account transactions have not been included in the above disclosure.

**2.35.2** 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. 10.24 lakhs (Rs.8.84 lakhs) and Rs 64.00 lakhs (Rs.55.48 lakhs) respectively from Sea Bird Sea Plane Services (P)Ltd is not recognized in the accounts.

Cumulative interest amount receivable from Sea Bird Sea Plane services is Rs 281.38 Lakhs (Rs 217.38 lakhs).Penal Interest due on installments unpaid and interest amounting to Rs.44.94 lakhs (Rs 34.74 lakhs).

**Note - 2.37 Contingent Liabilities not provided for :**

(₹)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>I. In case of the Company</b>		
a) Corporate guarantee issued in favour of - - MIV Logistics Private Limited	16,23,29,964	20,40,92,922
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 or JV's, and is yet to be finalised.	85,50,00,000	85,50,00,000
c) Claims towards Building Tax	1,31,16,348	1,31,16,348
d) Other Counter Guarantees issued in favour of Banks for the guarantees issued by the Banks -KSEB -CSML -KINFRA -RDPR KARNATAKA -LETTER OF CREDIT-TELK -LETTER OF CREDIT-ABB	11,07,77,877 6,30,26,800 - 2,29,62,500 40,00,000 1,28,18,886 79,69,691	8,13,41,510 7,80,92,510 32,49,000 - - - -
<b>II. In case of the subsidiary company INKEL - KSIDC Project Limited</b>		
a) Interest as per the lease agreement entered into with Kerala State Industrial Development Corporation (KSIDC) not provided in the books for the lease premium, being paid on instalments as the matter is under renegotiation by the management with KSIDC and is expected a waiver.	8,05,00,000	8,05,00,000
<b>III. In case of the subsidiary entity SEGURO-INKEL Consortium LLP</b>		
a) Guarantees	3,77,39,950	3,77,39,950
e)M/s Inkel has been impleaded as Additional Corporate Debtor and is directed to file counter to Section 9 application for a debt of Rs. 11 lakhs. INKEL was impleaded to the matter by an order on 26.11.2020		
f) Application filed by Federal Bank for recovery of Rs. 49,78,38,866.21/- (SFS) along with pendente lite and future interest at 10.58% + 2% penal interest per annum where INKEL is one of the parties		
g) Application filed by Federal Bank for recovery of Rs. 2,70,65,555.78/- along with pendente lite and future interest at 10.58% + 2% penal interest per annum regarding INKEL Seguro Consortium LLP where INKEL is a Partner		

**Note 2.38****Computation of goodwill arising on consolidation of Subsidiary Company: INKEL EKK Roads Private Limited**

Particulars	As at 31st March 2021	As at 31st March 2020
Consideration Paid	8,16,00,000	8,16,00,000
Less: Nominal value of share capital held by INKEL Limited in INKEL EKK Roads Private Limited	8,16,00,000	8,16,00,000
Less: Share of INKEL Limited in the accumulated losses as on the date of acquisition	(3,34,381)	(3,34,381)
Add: Transfer from Minority Interest on change in Share Holding in Financial Year 2017-18	2,74,560	2,74,560
<b>Goodwill on consolidation</b>	<b>6,08,941</b>	<b>6,08,941</b>



**Note - 2.40**

<b>Capital Commitments</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

**Note 2.41 Remittances in Foreign Currency****Note - 2.41.1 Dividend**

<b>Particulars</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Year to which dividend relates	Financial Year 2019-20	Financial Year 2018-19
Amount remitted during the year	-	46,26,790
Number of non resident shareholders	-	4
Number of shares on which dividend was due	-	2,20,00,000

**Note - 2.41.2 Other Remittances**

<b>Particulars</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Software Purchase	79,865	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

Dr. K Ellangovan IAS  
Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

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 : 06-12-2021

**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.

Name of the entity	As at 31.03.2021		As at 31.03.2020	
	Net Assets, ie Total Assets - Total liabilities		Net Assets, ie Total Assets - Total liabilities	
	As a % of consolidated net assets	Amount (In Rupees)	As a % of consolidated net assets	Amount (In Rupees)
Parent Company	66.37%	1,52,56,44,483	73.01%	1,46,85,10,856
Subsidiaries:				
INKEL KSIDC Projects Limited	11.39%	26,17,76,399	5.54%	11,14,84,313
INKES Trade Centre Ltd	1.35%	3,09,95,351	1.57%	3,15,16,396
INKEL EKK Roads Private Limited	12.79%	29,40,37,069	13.59%	27,33,94,190
Seguro Foundations & Structures Pvt Ltd	-	-	-0.78%	(1,57,83,523)
Inkel Infrastructure Development Projects Limited	-0.46%	(1,05,19,956)	-0.35%	(70,51,929)
Subsidiary Entity:				
SEGURO-INKEL Consortium LLP	-0.92%	(2,12,09,364)	-0.73%	(1,46,88,878)
Associate Company:				
Equity Investment in MIV Logistics Private Limited		11,82,97,140		11,82,97,140
Less: Share of Loss		11,87,75,461		(11,21,66,108)
	-0.02%	(4,78,321)	0.30%	61,31,032
Equity Investment in Calicut Expressway Private Limited	0.14%	33,07,500	0.16%	33,07,500
Minority Interest	9.36%	21,52,32,422	7.69%	15,45,82,449
<b>Total</b>	<b>100%</b>	<b>2,29,87,85,583</b>	<b>100%</b>	<b>2,08,83,68,983</b>

Name of the entity	For the year ended 31.03.2021		For the year ended 31.03.2020	
	Share in Profit or (Loss)		Share in Profit or (Loss)	
	As a % of consolidated Profit or (Loss)	Amount (In Rupees)	As a % of consolidated Profit or (Loss)	Amount (In Rupees)
Parent Company	27.75%	8,41,24,060	-36.36%	89,59,478
Subsidiaries:				
INKEL KSIDC Projects Limited	49.57%	15,02,92,086	-27.85%	68,62,568
INKES Trade Centre Ltd	-0.17%	(5,21,046)	2.42%	(5,97,022)
INKEL EKK Roads Private Limited	6.81%	2,06,42,879	-7.75%	19,10,705
Seguro Foundations & Structures Private Limited	0.00%	-	58.82%	(1,44,94,505)
Inkel Infrastructure Development Projects Limited	-1.14%	(34,68,027)	26.13%	(64,40,112)
Subsidiary Entity:				
SEGURO-INKEL Consortium LLP	-2.66%	(80,74,905)	89.74%	(2,21,13,991)
Associate Company:				
MIV Logistics Private Limited	-0.16%	(4,78,321)	-24.88%	61,31,032
Minority Interest	20.01%	6,06,49,973	19.72%	(48,60,273)
<b>Total</b>	<b>100%</b>	<b>30,31,66,699</b>	<b>100%</b>	<b>(2,46,42,120)</b>

## Note 2.39

- 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 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.
- 2.39.2 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 compiled 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. Since These financial statements of SFS for the year ended 31.03.2021 is not compiled or audited and hence the financial statements of the subsidiary is not consolidated in the consolidated financial statements prepared. Accordingly the provision is retained and the balances of share of net assets in the company as on 31/03/2020 is adjusted to opening reserves.
- 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.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED  
ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

**1. Significant Accounting Policies**

**a. Principles of Consolidation**

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

Name of the entity	Abbreviation Used	Relationship	% of Holding and voting power either directly or indirectly through subsidiary as at	
			31 March, 2021	31 March, 2020
INKEL KSIDC Projects Limited	INKID	Subsidiary Company	74%	74%
INKES Trade Centre Limited	INKES	Subsidiary Company	74%	74%
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, 2021.
- 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

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED  
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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, , 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

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

another subsidiary INKEL -KINFRA Infrastructure Projects Limited had also been written off by the company in the earlier years and the company has been stricken 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) have been accounted using the Equity Method of accounting as per AS 23 – “Accounting for investment in Associates”, based on the unaudited financial statements of Seabird. The impact of changes in the financial results of Seabird on completion of audit in the consolidated financial statements of INKEL Limited is not expected to be material.
- iv. In the absence of financial statements/ financial information, the consolidated financial statements does not reflect the transactions of the subsidiary Seguro Foundations & Structures Pvt Limited (SFS) .
- v. 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.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED  
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**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.



**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED  
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- 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.

- l. **Revenue Recognition**

- i. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue is recognised net of taxes.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED  
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- 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

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

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.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED  
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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.