

Creating Infrastructure

A PPP INITIATIVE OF GOVERNMENT OF KERALA



# 16<sup>TH</sup> ANNUAL REPORT

## 2022-2023

# INKEL'S NEW LOOK

- ✓ A Public Private Partnership initiative of the Government of Kerala
- ✓ Accredited agency of the Government of Kerala
- ✓ With a proven track record in creating infrastructure such as roads, hospitals, schools
- ✓ Providing EPC services for Infrastructure and Renewable Energy projects
- ✓ One of the largest system integrators for Solar projects in Kerala



A captivating glimpse as we unveil our new logo and website, initiated by the Hon'ble Minister Shri P Rajeeve - Minister for Industries, Law, & Coir Government of Kerala & Chairman of INKEL, in the presence of Dr. K. Ellangovan, Managing Director and other Directors.



**Shri P Rajeeve**  
Chairman

Dear Shareholders,

I am extremely happy to inform you all about the good performance of your Company, with the ever highest turnover. The Company could reach a top line of ₹81.16 Crore, an increase of 37% growth in income. Similarly, the ever best profit posted by INKEL for the FY 2022-23 is ₹12.88 Crore as against a profit of ₹1.16 Crore last fiscal, revealing a growth of 1007% in percentage points. This was made possible as result of a good implementation protocol and close monitoring of the projects.

The Project Management Consultancy executed on behalf of Government of Kerala and projects under the Renewable Energy sector both for KSEB and other agencies have contributed to the growth of the turnover of the Company. INKEL has several issues to handle, mainly related to past investments and the Company has made necessary arrangements to tackle these issues effectively. Now the Company is in its phase of a transition and many efforts are being taken to diversify profit earning streams from a predominantly Project Monitoring Consultant to that of a comprehensive infrastructure consultant.

The Company ventured into implementation of Solar Power Projects and is now recognised as the "Government accredited agency" for implementing Renewable Energy concept. The Renewable Energy division has been revamped and strengthened and INKEL was awarded 'Kerala State Renewable Energy Award 2021. by Government of Kerala. The cumulative capacity of solar projects executed by INKEL till date has crossed 15MWp. With an objective of developing infrastructure in Renewable Energy INKEL has incorporated new subsidiary company - INKEL Renewable Energy (P) Ltd. and this company will be implementing the 14 MW wind energy project for KSEB.

In addition to the improvements in the project monitoring, the Company has adopted new operational strategy and identified new areas for widening its operations in infrastructure development in the State. As part of this, INKEL has been planning to explore the possibility of venturing into Logistics, Green Mobility and Wind Energy sectors. We have also inducted fresh talent to propel this business towards financially sustainable growth in the coming years.

I am sure, in the coming years, INKEL will have a credible place not only among the accredited agencies in Kerala but also as one of the best Project Management Consultant. The entire team of Board of Directors, Managing Director and all the employees have a new found enthusiasm and hope, to improve its operations further in the coming years. With an intention to share its earnings with the owners, the Board has recommended a dividend this year. I wish all of you a successful year 2023-24.

**P Rajeeve**  
Chairman



## Board Of Directors



**Mr. P Rajeeve**  
Chairman



**Dr. K Ellangovan**  
Managing Director



**Mr. Suman Billa IAS**  
Director



**Mr. C V Rappai**  
Director



**Mr. Varghese Kurian**  
Director



**Mr. Mohamed Althaf**  
Director



**Mr. Jacob Kovoov Ninan**  
Independent Director



**Adv. Geethakumary P S**  
Independent Director



**Mr. Jayakrishnan Krishna Menon**  
Director



**INKEL LIMITED**

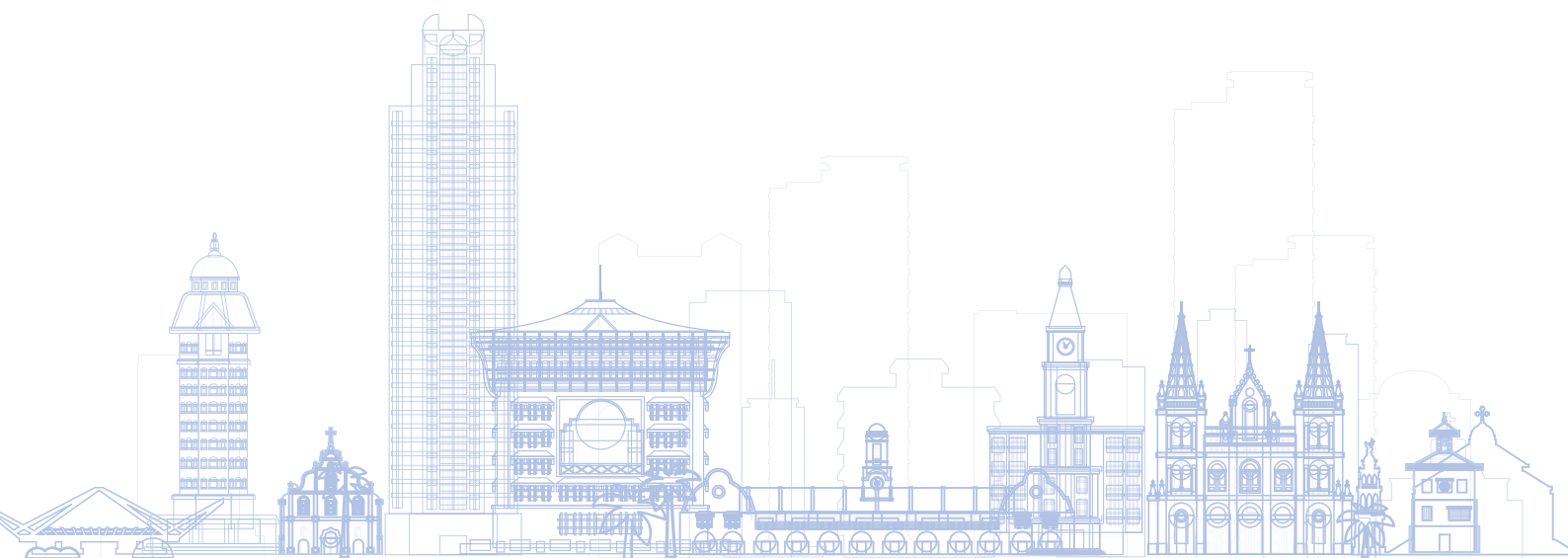
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**Board of Directors**

Chairman	:	Mr. P. Rajeeve
Managing Director	:	Dr. K. Ellangovan
Directors	:	Mr. Suman Billa IAS Mr. Varghese Kurian Mr. C.V. Rappai Mr. Mohamed Althaf Mr. Jayakrishnan Krishna Menon Adv. Geethakumary P.S Mr. Jacob Koor Ninan
Chief Financial Officer	:	CA Vipin P.G
Company Secretary	:	CS Baiju T.
Statutory Auditors	:	M/s Sridhar & Co, Chartered Accountants Thiruvananthapuram
Secretarial Auditors	:	CS Rakesh Rajasekharan Nair M/s. RRV & Associates, Company Secretaries, Thiruvananthapuram
Bankers	:	SBI, CSEZ Branch, Kakkanad
Registrar and Share Transfer Agents	:	Integrated Registry Management Services Pvt Ltd, Bangalore
Registered Office	:	Door No. 14/812 & 813, 1 <sup>st</sup> Floor, Ajiyal Complex, Kakkanad, Cochin, Ernakulam, Kerala – 682030, India
Website	:	<a href="http://www.inkel.in">www.inkel.in</a>
E-mail ID	:	<a href="mailto:deptcs@inkel.in">deptcs@inkel.in</a>
Phone	:	0484 2978101, 2978103

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## INKEl – An Overview

INKEl Limited, a Public Private Partnership (PPP) enterprise of Government of Kerala with significant participation from Non-resident Malayalees and others, has set out a growth trajectory to expand its portfolio investments. INKEl is one of the largest SPV through which Government of Kerala is creating quality infrastructure, notably in health, education, tourism, transport and finance departments. INKEl has emerged as a successful SPV in the assessment of KIIFB for its quality work and timely execution of some of the large projects.

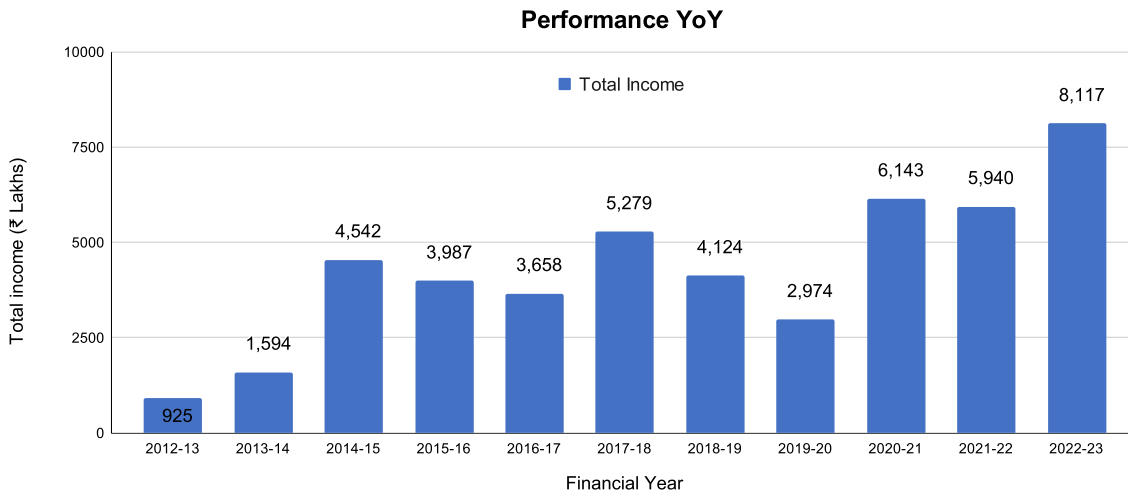
Serving as a vital bridge between the State Government and the private sector, INKEl Limited engages with key players such as public sector banks, institutional investors, and NRI investors. Our mission to channelize substantial private investment and using professional expertise for quality infrastructure development has met with greater degree of success.

Guided by unwavering commitment, INKEl places the highest emphasis on safety and quality in every project

we undertake. Our endeavor to deliver the best to our esteemed clients, leaving an indelible mark on Kerala’s landscape of progress and development, is what INKEl has shown in the past. At INKEl, our expertise spans across diverse domains, encompassing holistic Project Management Consultancy (PMC), and construction services in the EPC (Engineering Procurement and Construction) mode within the civil construction industry. Additionally, we excel in the Renewable Energy sector, specializing in Solar and Wind Energy solutions.

### Performance YoY

In the fiscal year 2022-2023, INKEl achieved a remarkable milestone, surpassing all previous financial years with its best-ever performance. Despite facing macroeconomic uncertainties, the company recorded an impressive top-line growth of 37%, generating a total income of ₹81.17Cr. The most noteworthy achievement was an astounding 1007% growth in net profit, reaching a historical high of ₹12.88 Cr.



### PROJECT MANAGEMENT CONSULTANCY (PMC)

INKEl’s Project Management Consultancy (PMC) department is dedicated to offer comprehensive project management services to clients, covering every aspect from concept to commissioning.

As an ISO 9001:2015 certified Project Management Consultancy, we take pride in providing total solutions for Infrastructure Projects. From super-specialty hospitals and roads to bridges, conservation projects, institutional and industrial buildings, our expertise

ensures innovative and cost-efficient solutions, while implementing effective risk management. Our commitment extends to delivering projects that are not only environmentally and socially sustainable but also financially viable. A significant portion of our projects are funded by the esteemed Kerala Infrastructure Fund Board (KIIFB). INKEl receives about 3 to 7% of the project cost (contracted value) as centage fee for the PMC services. This is the largest division within the organization. The activities within this division can be broadly explained as herein below.

The services of PMC Division begin with detailed feasibility studies, engineering designs, and preparation

of concept notes. With their expertise and dedication, the PMC Division crafts Detailed Project Reports and meticulously prepares preliminary and detailed designs. The in-house team and sub-consultancies work together to create architectural, structural, and MEP drawings, leaving no stone unturned in the pursuit of excellence.

Having completed the planning stage, INKEL's PMC division takes on the responsibility of estimation, tendering, contractor selection, and contract awarding. Their meticulous approach ensures that only the best contractors are chosen to bring these projects to life.

With the groundwork laid, it is time for the crucial Project Execution, Monitoring, and Control Stage. The PMC division becomes the guiding force, overseeing the contractors with exceptional contract management. Regular audits and inspections ensure that the projects stay on track, while cost-effectiveness and scope management are prioritized. Quality control and risk mitigation are at the core of their efforts, ensuring that the projects meet the highest standards. Constant communication among all stakeholders guarantees a harmonious collaboration.

As the projects near completion, the Project Close Out Stage comes into play. The PMC division facilitates

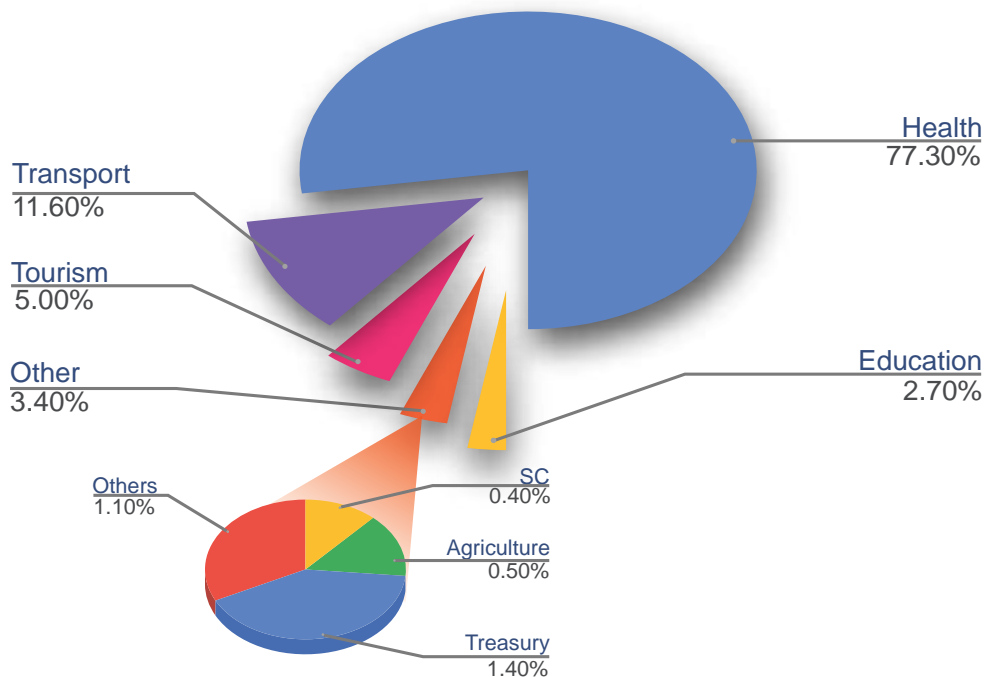
the final settlement and closeout with contractors and other stakeholders, ensuring a smooth handover of the asset to the clients. All the documentations are meticulously organized, leaving no loose ends behind. INKEL takes this opportunity for internal assessment, learning valuable lessons for future success.

Beyond the core project management activities, INKEL's PMC division goes above and beyond, assisting with statutory approvals and offering training sessions for in-house capacity building. They play a vital role in the master planning for the National Health Mission (NHM) and conduct numerous training sessions, webinars, and product presentations to keep everyone updated on the latest trends in construction.

INKEL's portfolio of clients ranges from various government departments like health, tourism, transport, education and finance departments to organizations like the National Health Mission, Smart Mission Limited, KSIDC, and KINFRA.

INKEL efficiently manages a diverse portfolio of 177 projects spanning various sectors, with a total project outlay (Administrative Sanction) of ₹4280 Cr. Out of this, INKEL has received Financial Sanction (FS) of ₹2484 Cr from KIIFB for the KIIFB funded projects, paving way for tendering and execution of projects.

### Distribution of PMC Projects: Sector Based





**RENEWABLE ENERGY DEPARTMENT**

The success story of INKEL does not end with Project Management Consultancy division alone. INKEL has ventured into Renewable Energy projects – notably Solar Power Projects across the state and in the state of Karnataka. INKEL is an accredited agency of ANERT for implementing EV Charging Stations. Besides, INKEL has been awarded solar power projects from District Panchayats, As of now, INKEL is the only company that has implemented projects worth 15 MW capacity in Kerala. Indeed, a 11 MW solar project spread across 22 locations was a serious challenge, considering the remote locations and terrains. INKEL

received number of awards from host of agencies of which, the prestigious State Award - Kerala State Renewable Energy Award in 2022 presented by the Hon. Chief Minister Shri. Pinarayi Vijayan is an outstanding achievement considering the short time in which this award was won by INKEL. The mission is clear – to develop cost-effective and energy-efficient photovoltaic (PV) solar plants of any scale, conquering any terrain with ease. The RE division has expert designers and efficient execution team. Indeed, the RE division immensely contributes to the topline of the company. The range of services provided by INKEL is shown as under:



INKEL's systematic and integrated approach to project execution sets them apart, enabling the flawless delivery of large-scale solar power projects, time and again. They prove their prowess, managing solar energy projects of varying scales across utility sectors, rooftops, and even special projects like floating solar plants, Battery Energy Storage Systems (BESS), and mini and micro-grids.

INKEL's dedication did not go unnoticed – we are the government-accredited agency for installing and maintaining Solar Power Plants in The Local Self-Governing Department and The Department of Co-Operation. INKEL is now pursuing accreditation for

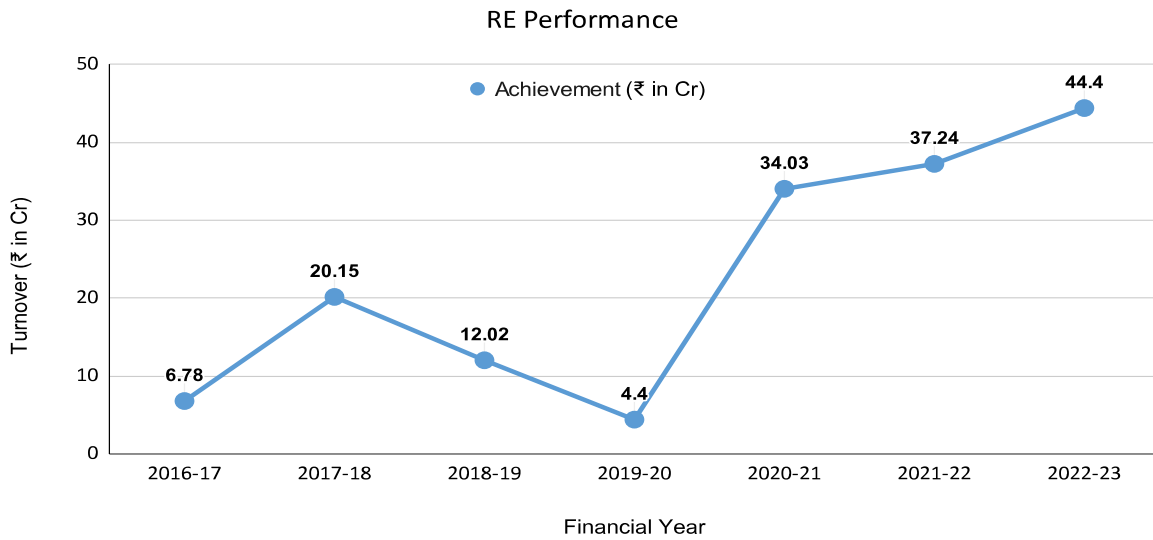
Electric Vehicle (EV) Charging stations, aiming to accelerate the adoption of sustainable transportation.

In a land known for its natural beauty, INKEL stands as the shining example of solar prowess, holding the highest rating of SP1B for Solar System Integrators in Kerala. INKEL's vision reached beyond the borders of Kerala. INKEL ventures into the neighboring state of Karnataka, taking up the challenge of executing Hybrid Rooftop Solar Systems for The Rural Development and Panchayath Raj Department across eight districts. The dedication knows no bounds as INKEL's RE completes over 500 installations, with 250 more sites set to be accomplished soon.

With each solar project executed, INKEL's cumulative capacity soared, crossing an impressive 15.649 MWp. Yet, the RE department didn't rest on their laurels; they had even more ambitious projects in the pipeline, with 15MWp+ projects under execution.

an unwavering commitment to the environment. The RE department ventures into wind farm development and EV charging station installations, broadening its horizons and furthering its impact on sustainability. Their future plans include large-scale BESS (Battery Energy Storage Systems) development, paving the way for a greener and more energy-efficient future.

INKEL's journey is one of resilience, ingenuity, and



**EPC OPERATIONS**

Backed by its dedicated in-house PMC and Engineering & Design Team, INKEL takes immense pride in its track record of successfully completing large-scale building projects in the EPC mode. With a comprehensive expertise encompassing the entire EPC process, our services span Overall Basic and Conceptual Engineering, Detailed Engineering, Life-

Cycle Solutions, Project Management, Procurement, Logistics, Installation, Testing, Commissioning, and Initial Start-Up, catering to a diverse array of projects.

The INKEL snapshot goes beyond achievements and accolades; it is a compelling tale of dedication, passion, and an unwavering commitment to creating a sustainable and brighter future for all.



## Projects At Glance

- 1 Completed Hospital Project FY22-23 (Substantial Completion achieved)



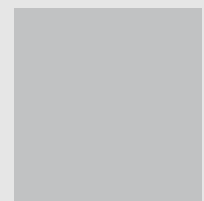
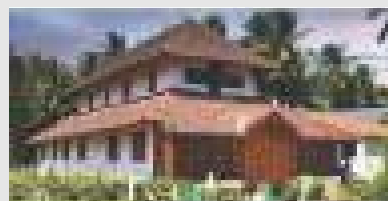
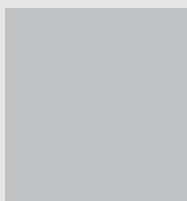
Cancer Block at GH EKM (Funded by CSML)  
(Built-up area: 40,000sqft)

- 2 In addition to the 19 completed school projects reported in the previous annual report, 6 new school buildings have been completed out of the 39 school projects entrusted to INKEL Ltd.



GHSS Kizhakupuram & GHSS Anapara

- 3 Alappuzha Heritage and Muziris Heritage Projects under Tourism Department



Pattanam Interpretation Center, Canal Office, Keezhthali temple, Misri Masjid, Ponnani

4 Completed treasury projects



Stamp Depot Nedumkandam, Sub Treasury Payannur

5 Ongoing major hospital projects nearing completion



Cochin Cancer Research Center - (Built-up area: 6.36 lakhs sqft)



Govt. Medical College Ernakulam - SSB (Built-up area: 8.27 lakhs sqft)



6



2.25 MWp Solar power plant at KSEB BDPP - Brahmapuram

7

0.5 MWp Solar power plant at KSEB BDPP - Brahmapuram



8



250kWp Solar power plant at 66kV KSEB Substation Kozhinjampara, Palakkad

9

100kWp Solar power plant at 110kV KSEB Substation, Pazhayangadi, Kannur





### Major Achievements of FY 2022-23

Kerala State Renewable Energy Award for best company of the year 2021-22. Receiving the Memento & Cash Award from Hon. Chief Minister of Kerala

Receiving Multiple Awards at the Solar Quarter Business Meet 2023

Receiving Rooftop EPC Company of the Year Award at Suryacon Kerala 2022 by EQ Mag International

Appreciated by ANERT and Smart City for 100Kwp completed in 14 days' time. GM and BDO receiving the Memento

ICI- UltraTech Awards 2022: INKEL Ltd. receives the award for OUTSTANDING CONCRETE STRUCTURE CATEGORY - INFRASTRUCTURE being the PMC for Multi-Span Integral RC Road Bridge at Govt. Medical College, Thiruvananthapuram

### Major new assignments

- The major work packages to be commenced this financial year, with INKEL Ltd. as SPV, include the 11 work packages under the Health and Family Welfare Department, Govt. of Kerala, for which current Financial Sanction received from the funding Agency, KIIFB, is to the tune of ₹1100 Cr
- 11MWP Ground mount project is being executed for KSEBL under PMKUSUM at their land in the premises of various locations in Kerala.
- 1MW PMKUSUM agriculture pump Solarisation under ANERT Scheme Kasaragod & Alappuzha.
- RDPR Karnataka: Hybrid rooftop systems are being installed at various Panchayath Buildings in Karnataka.
- 600Kwp Project ANERT Smart City Project Trivandrum.

### NEW VERTICALS

- Wind Energy
- Logistic Parks
- Warehouse Projects
- Green Mobility

## INKEL LIMITED

CIN: U45209KL2007PLC020471

Door No. 14/812&813, 1<sup>st</sup> Floor, Ajiyal Complex,  
Kakkanad, Cochin, Ernakulam, Kerala – 682030

### NOTICE TO THE MEMBERS

NOTICE is hereby given that the 16<sup>th</sup> Annual General Meeting (AGM) of the members of INKEL Limited (the Company/INKEL) will be held on **Saturday, the 19<sup>th</sup> day of August 2023 at 11.30 A.M. (IST) at The Renai Cochin**, Palarivattom, Cochin, Ernakulam, Kerala - 682025, to transact the following businesses.

#### **ORDINARY BUSINESS**

- 1) To receive, consider and adopt:
  - a) The Audited Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March 2023 and the Reports of the Board of Directors and Auditors thereon; and
  - b) The Audited Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March 2023 and the Report of the Auditors thereon.
- 2) To declare dividend on the paid-up equity shares of the Company for the year ended 31<sup>st</sup> March 2023.
- 3) To appoint a Director in the place of Mr. Jayakrishnan Krishna Menon, holding DIN: 02734324 who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS**

- 4) Reappointment of Mr. Jacob Kovoov Ninan, holding DIN: 01213357 as an Independent Director.

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Jacob Kovoov Ninan, holding DIN: 01213357, who was appointed as an Additional Director of the Company in the category of Independent Director by the Board of Directors with effect from 10 November 2022, pursuant to Section 161(1) of the Act, be and is hereby reappointed as an Independent Director of the Company for the second term of two years, from 10<sup>th</sup> November 2022 to 09<sup>th</sup> November 2024, and who is not liable to retire by rotation.”

By order of the Board  
For **INKEL Limited**

Date : **26-06-2023**  
Place : **Cochin**

**Baiju T.**  
**Company Secretary**

#### **Notes:**

1. The Statement pursuant to Section 102 of the Companies Act 2013, in respect of the Special business set out in the notice and the details as required under Secretarial Standard in respect of the Directors seeking appointment/re-appointment at this Annual General Meeting are annexed hereto.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote at the meeting on his behalf and such proxy need not be a member of the Company.** The instrument appointing the proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

A member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable. Members may use the Proxy Form as attached in this Annual Report.

3. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorizations to attend and vote on their behalf at the Meeting.

4. Notice of the AGM, the attendance slip, proxy form along with the Annual Report 2022-23 is being sent through permitted mode including through electronic mode to those members whose email addresses are registered with the Company. Members may please note that the Notice and Annual Report 2022-23 will also be available on the Company's website, [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), [www.evotingindia.com](http://www.evotingindia.com).
5. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, Members are requested to hand over the enclosed attendance slip, duly signed in accordance with their specimen signature (s) registered with the Company for admission to the meeting hall where the Annual General Meeting is proposed to be held.
6. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address either with the company or with the depository. Hence, members are requested to provide their email address to the Company/the Registrar and Transfer Agent or update the same with their depositories to enable the Company to send the documents in electronic form.
7. All documents referred to in the accompanying Notice and the Statement setting out material facts can be obtained for inspection at the Registered Office of the Company during normal business hours (9.30 AM to 5.30 PM) on all working days except Saturdays, by writing to the Company at its email ID [deptcs@inkel.in](mailto:deptcs@inkel.in) till the date of AGM.
8. Members desirous of getting any information on the Annual Accounts at the AGM, are requested to write to the Company at least ten days in advance, so as to enable the Company to keep the information ready.
9. Route map to the Venue of Annual General Meeting is attached herewith.
10. The annual accounts of the subsidiary company are made available on the website of the Company [www.inkel.in](http://www.inkel.in).
11. The dividend on equity shares as recommended by the Board of Directors of the company, if declared in the Annual General Meeting will be paid to the shareholders whose names appear on the Register of Members / who holds shares as per the details furnished by the Depositories as on Friday, 4<sup>th</sup>

August 2023, the Record Date as fixed for the purpose of payment of Dividend

12. 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 (IEPF) of Government of India. The Company has transferred the unclaimed dividend for the FY 2014-15 to IEPF. Details of the unclaimed/unpaid dividend are also uploaded on the company's website [www.inkel.in](http://www.inkel.in). Those members who have so far not encashed their dividend warrants for the following financial years may approach the Company for payment thereof, failing which the same will be transferred to the IEPF on the respective dates mentioned there against.
13. In terms of Section 124(6) of the Companies Act 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, as amended from time to time, members may please note that if the dividends have been unpaid or unclaimed for seven consecutive years or more, the underlying shares shall be transferred to the IEPF Account.

Upon transfer of such shares to IEPF Authority, all benefits accruing on such shares shall also be credited to the IEPF Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Financial year ended	Date of declaration of dividend	Last date for claiming Unpaid	Due date for Transfer to IEPF
31.03.2016	24.09.2016	29.10.2023	30.10.2023
31.03.2017	25.08.2017	29.09.2024	30.09.2024
31.03.2018	20.08.2018	24.09.2025	25.09.2025
31.03.2019	28.12.2019	01.02.2027	02.02.2027

14. Contact details of the official responsible to address the grievances connected with remote e-voting: Company Secretary, INKEL Limited, Door No. 14/812&813, 1<sup>st</sup> Floor, Ajjyal Complex, Kakkanad, Cochin Ernakulam KL 682030, Ph: 0484 2978101/03; email: [deptcs@inkel.in](mailto:deptcs@inkel.in)

#### VOTING THROUGH ELECTRONIC MEANS:

15. 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 will be provided by CDSL.

16. Pursuant to 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 and cast their votes through e-voting.
17. M/s. SEP & Associates, Company Secretaries, First Floor, Building No. CC 56/172, K C Abraham Master Road, Panampilly Nagar, Kochi – 682 036 has been appointed as the Scrutinizer to oversee the voting process in a fair and transparent manner.
18. 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.
19. 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.inxel.in](http://www.inxel.in)) and on the website of Central Depository Services Limited (CDSL).

#### THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (1) The voting period begins **from 09.00 AM (IST) on 15<sup>th</sup> August 2023 and ends at 05.00 PM (IST) on 18<sup>th</sup> August 2023.**

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) **12<sup>th</sup> August 2023** may cast their vote electronically.

The e-voting module shall be disabled by CDSL for voting thereafter.

- (2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (3) Login method for e-Voting **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 <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>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. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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. 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.</li> </ol>



Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</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 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.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<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.</p> <p>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.</p> <p>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</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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

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

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

- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.

f) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. 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.

- (2) After entering these details appropriately, click on "SUBMIT" tab.
- (3) 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.
- (4) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (5) Click on the EVSN for the relevant INKEL Limited on which you choose to vote.
- (6) 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.
- (7) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (8) 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.
- (9) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (10) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (11) 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.
- (12) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (13) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - a) 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.
  - b) 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).
  - c) 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.
  - d) 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).
  - e) 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.
  - f) The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- g) It is Mandatory that, 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.
- h) Alternatively Non Individual shareholders are required mandatory 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@inkel.in](mailto:deptcs@inkel.in) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (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 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 toll free no. 18002255 33

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 at toll free no. 1800225533

**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 **Company/RTA email id.**

by order of the Board  
For **INKEL LIMITED**

Date : **26-06-2023**  
Place : **Cochin**

**Baiju T.**  
**Company Secretary**

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

**Item No 4: Reappointment of Mr. Jacob Kovoov Ninan, having DIN: 01213357 as an Independent Director for Second Term.**

Since the initial period of office of Independent Director expired on 15-09-2022 Mr. Jacob Kovoov Ninan, vacated his office. As recommended by the Nomination and Remuneration Committee, the Board at its meeting held on 10-11-2022 appointed Mr. Jacob Kovoov Ninan as Additional Director in the category of Independent Director with effect from 10-11-2022 subject to the approval of shareholders in the ensuing Annual General Meeting. The Board seek the approval of members for his reappointment as an Independent Director for further period of two years with effect from 10<sup>th</sup> November 2022. As per the provisions of the Companies Act, 2013 his reappointment for second term needs to be regularized by members by way of a Special Resolution.

Mr. Jacob Kovoov Ninan is a Chartered Accountant by profession. He is the founder Chairman of Kovoov Consultants Private Limited and also the founder & Managing partner of CA firm Kovoov & Co. Your Board considered that Mr. Jacob Kovoov Ninan's association

with the company as an Independent Director would immensely benefit the Company. The Company had received his declaration confirming that he meets the criteria of independence as envisaged in section 149 of the Companies Act, 2013 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge his duties with an objective independent judgment and without any external influence and are independent of the management. Board of Directors of the Company recommends the resolution as a special resolution for approval of the members.

Except Mr. Jacob Kovoov Ninan, none of the Directors, key managerial persons or their relatives is interested in the resolution item No 4.

by order of the Board  
For **INKEL Limited**

Date : **26-06-2023**  
Place : **Cochin**

**Baiju T.**  
**Company Secretary**

**INFORMATION REQUIRED TO BE FURNISHED UNDER SECRETARIAL STANDARDS - 2 ON GENERAL MEETINGS**

As required under Secretarial Standards - 2, the particulars of Directors who are proposed to be appointed/re-appointed at this Meeting are given below: -

<b>Name of Director</b>	<b>Mr. Jayakrishnan Krishna Menon (DIN: 02734324)</b>
Age	35 Years
Qualification	Mechatronics Engineer
Experience in functional area	10 years of experience
Directorship in other Companies as on 31.03.2023	<ol style="list-style-type: none"> <li>1. TJSV Steel Fabrication and Galvanizing (India) Limited</li> <li>2. Behzad Steel and Galvanizing Private Limited</li> <li>3. INKEL-EKK Roads Private Limited</li> <li>4. MIV Logistics Private Limited</li> <li>5. Cheraman Financial Services Limited</li> <li>6. Sowparnika Leasing Gold Finance Private Limited</li> <li>7. INKEL Infrastructure Development Projects Limited</li> <li>8. Behzad Bunkering and Shipchandling Private Limited</li> <li>9. Norka-Roots (Sec 25 company)</li> <li>10. INKEL Renewable Energy Private Limited</li> </ol>
Terms & Conditions of appointment	As per resolution No.3
Remuneration	Sitting fee for attending the meetings of Board and Sub-committees of the Board
Date of first appointment	14/09/2020
Shareholding	60,00,000 Shares
Relationship with other directors	NIL
No. of Board Meeting attended	Held during the tenure: 4, Attended: 3
Membership / Chairmanship of Committees	Board's Committee for Evaluation of Wind Energy Projects and Investment subcommittee of the Board

<b>Name of Director</b>	<b>Mr. Jacob Kovoov Ninan (DIN: 01213357)</b>
Age	74 years
Qualification	Chartered Accountant
Experience in functional area	Over Four decades of experience in management
Directorship in other Companies as on 31.03.2023	<ol style="list-style-type: none"> <li>1. INKEL Limited</li> <li>2. Kovoov Consultants Private Limited</li> <li>3. Indo Japan Chamber of Commerce (Kerala)</li> </ol>
Terms & Conditions of appointment	As per resolution No.4
Remuneration	Sitting fee for attending the meetings of Board and Sub-committees of the Board
Date of first appointment	30-06-2020
Shareholding	NIL
Relationship with other directors	NIL
No. of Board Meeting attended	Held during the tenure: 3, Attended: 3
Membership / Chairmanship of Committees	Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Board's Committee for Finalisation of Operational Strategy

## DIRECTOR'S REPORT

Your Directors' have pleasure in submitting the 16<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2023.

### Financial Highlights

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Revenue from Operations	6,732.64	5,531.28	8,258.47	9,293.33
Other Income	1,384.21	408.84	1,840.37	1,008.18
<b>Total Income</b>	<b>8,116.84</b>	<b>5,940.12</b>	<b>10,098.84</b>	<b>10,301.51</b>
<b>Total Expenses</b>	<b>6,646.38</b>	<b>5,817.91</b>	<b>8,292.50</b>	<b>8,782.99</b>
Profit/(Loss) Before Tax	1,470.47	122.21	1,806.34	1,518.52
Tax Expense	182.81	5.87	336.49	716.24
Profit/(Loss) After Tax	1,287.65	116.34	1,469.85	802.28
Share of Profit/ (Loss) of Associate	-	-	(26.49)	85.54
<b>Profit/(Loss) for the year</b>	<b>1,287.65</b>	<b>116.34</b>	<b>1,443.36</b>	<b>887.82</b>

The financial highlights of the Subsidiaries / Joint Venture (JV) & Associates for the Year 2022-23, consolidated with the Financial Statements of the Company are as follows.

(₹ in Lakhs)

Particulars	IIDPL	INKEL EKK	INKES	INKID	MIV
Revenue from Operations	-	1,442.45	-	283.23	1678.79
Other Income	13.83	704.25	-	171.66	51.95
<b>Total Income</b>	<b>13.83</b>	<b>2,146.70</b>	<b>-</b>	<b>454.88</b>	<b>1730.72</b>
<b>Total Expenses</b>	<b>133.07</b>	<b>1,855.39</b>	<b>10.97</b>	<b>272.13</b>	<b>1780.62</b>
Profit/(Loss) Before Tax	(119.24)	291.31	(10.97)	182.75	(49.90)
Tax Expense	-	85.39	-	63.20	16.99
<b>Profit/(Loss) After Tax</b>	<b>(119.24)</b>	<b>205.94</b>	<b>(10.97)</b>	<b>119.55</b>	<b>(66.89)</b>

### Performance & State of Affairs

Your Company, INKEL is able to report a better performance than the last three Financial Years. It has recorded a total income of ₹8,116.84 lakhs and expense of ₹6,646.38 lakhs during the year 2022-23 as against ₹5,940.12 lakhs and ₹5,817.91 lakhs respectively in the previous year. During the year the Company had recorded a profit of ₹1,287.65 lakhs after tax & exceptional items.

On consolidated basis your Company has recorded a total income of ₹10,098.84 lakhs and expense of ₹8,292.50 lakhs during the year 2022-23. During the year the Company had recorded a profit after tax of ₹1,443.36 lakhs, as against profit of ₹887.82 lakhs during the last year.

INKEL is an innovative Public Private Partnership (PPP) company promoted by Government of Kerala and prominent global investors and industrialists of Indian origin with the primary objective of accelerating the pace of Infrastructure Development in Kerala. INKEL intends to bring in large scale private investment in infrastructure development under Government control. Our areas of expertise include providing Holistic Consultancy, Project Management Consultancy (PMC) and construction in

EPC (Engineering Procurement and Construction) mode in the civil construction industry and Renewable Energy Sector (Solar and Wind Energy).

There has been no change in the business of the company or in the nature of business carried by the Company during the financial year under review. With an objective of developing infrastructure in Renewable Energy INKEL has incorporated a Private Limited Company as subsidiary company of its Wholly Owned Subsidiary, INKEL Infrastructure Development Projects Limited (IIDPL).

#### Reserves

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review.

#### Dividend

The Board recommend dividend at the rate of 4.5% (₹0.45 per equity share of ₹ 10/- each) as the final dividend for the financial year ended on 31<sup>st</sup> March, 2023. Subject to the approval of shareholders, the dividend will be paid on or after 19 August 2023 to the

shareholders, whose name appears on the Register of Members / Beneficial Owners as on Friday, 4<sup>th</sup> August 2023, the Record Date as fixed for the purpose of payment of Dividend.

### **Material Changes and Commitments**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

### **Revision of Financial Statement or the Report**

Your company has not revised its Financial Statement or the Report in respect of any of the three preceding financial years.

### **Capital Structure**

The Authorized Capital of the Company is ₹200 crores and the issued, subscribed and paid-up share capital of the Company is ₹177.81 crores. There was no change in the Capital Structure of the Company during the financial year under review.

### **Credit Rating**

The Credit rating agency Acuité Ratings & Research Limited while reporting an improvement in credit rating

assigned short term rating of ACUITE A4+ on the ₹51.30 Cr bank facilities and assigned long-term rating of ACUITE BB on the ₹40.00 Cr fixed deposit programme.

### **Investor Education and Protection Fund**

Pursuant to Section 124 of the Companies Act, 2013 Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the amount of dividends that remain unclaimed/unpaid for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, the Rules mandate that the shares on which dividend has not been claimed / encashed for seven consecutive years or more be transferred to the Investor Education and Protection Fund Authority (IEPFA).

The Company had transferred an amount of ₹50700 being the dividend for the year 2014-15, which remained unpaid or unclaimed dividend for a period of seven years to the IEPF. Further the company has transferred 61,000 equity shares on which dividend is unclaimed for 7 consecutive years or more to Demat account of IEPFA.

The information relating to outstanding dividend accounts and the dates when due for transfer to IEPF are as follows:

Financial year ended	Date of declaration of dividend	Last date for claiming Unpaid	Due date for Transfer to IEPF
31 March 2016	24-09-2016	29-10-2023	30-10-2023
31 March 2017	25-08-2017	29-09-2024	30-09-2024
31 March 2018	20-08-2018	24-09-2025	25-09-2025
31 March 2019	28-12-2019	01-02-2027	02-02-2027

Members are requested to claim the dividend(s), which have remained unclaimed/unpaid, by sending a written request to the Company or to the Company's Registrar and Transfer Agent, Integrated Registry Management Services Private Limited. Members can find the details of Nodal officer appointed by the company under the provisions of IEPF at website of the company, [www.inkel.in](http://www.inkel.in)

### **Directors & Key Managerial Personnel**

#### **Composition of Board**

The Directors are compliant with the applicable provisions of Companies (Appointment and Qualification of Directors) Rules, 2014. The Board of your Company consisted of following Nine Directors as on 31.03.2023.

Name of Director	DIN	Designation / Category
Mr. P. Rajeeve	09239099	Non-Executive Chairman
Dr. Ellangovan K.	05272476	Managing Director
Mr. Suman Billa	00368821	Nominee Director
Mr. Varghese Kurian	01114947	Non-Executive Director
Mr. C.V. Rappai	02011057	Non-Executive Director
Mr. Jayakrishnan Krishna Menon	02734324	Non-Executive Director
Mr. Mohamed Althaf	06409935	Non-Executive Director
Adv. Geethakumary P.S.	08087165	Independent Director
Mr. Jacob Koor Ninan	01213357	Independent Director

Mr. P Rajeeve, Hon'ble Minister (Law, Industries & Coir) as nominated by the Government of Kerala vide G.O(Rt)No.771/2021/ID dated 26/07/2021, was appointed with effect from 11.08.2021.



### **Appointment / Change in Key Managerial Personnel**

As on 31-03-2023 the Company have following Key Managerial Personnel under Section 203 of the Companies Act, 2013:

- (1) Dr. Ellangovan K – Managing Director
- (2) Mr. Prasannakumar V- Chief Financial Officer \*
- (3) CS Baiju T. – Company Secretary

During the year under review, CS Meera C. resigned from the post of Company Secretary of the Company with effect from 16-09-2022 and CS Baiju T. joined with effect from 19-12-2022. \*Mr. Prasannakumar V, has resigned from the post of Chief Financial Officer and he was relived with effect from 29-04-2023. As recommended by the Nomination and Remuneration Committee the Board has appointed and designated Mr. Vipin P.G. as the new Chief Financial Officer of the company with effect from 26-06-2023.

### **Disqualifications of Directors**

The Company has received declarations from all the Directors to the effect that they are not disqualified from being directors under Section 164 of the Companies Act, 2013.

### **Retirement by Rotation**

Mr. Jayakrishnan Krishna Menon, Director, holding DIN: 02734324 retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

### **Independent Directors**

Mr. Jacob Kovoov Ninan, having DIN: 01213357 and Adv. Geethakumary P S having DIN: 08087165 are the Independent Directors of the Company. The Company had received declarations from Independent Directors confirming that they meet the criteria of independence as envisaged in Section 149 of the Companies Act, 2013. Independent Directors further declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any

external influence and that they are independent of the management.

Since the initial period of office of Independent Director expired on 15-09-2022 Mr. Jacob Kovoov Ninan, vacated his office. As recommended by the Nomination and Remuneration Committee, the Board at its meeting held on 10-11-2022 appointed Mr. Jacob Kovoov Ninan as Additional Director in the category of Independent Director with effect from 10-11-2022, subject to the approval of shareholders in the ensuing Annual General meeting. The Board seek the approval of members for his reappointment as an Independent Director for further period of two years with effect from 10-11-2022

The Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

### **Board Meetings**

The Company had conducted four Board meetings during the financial year 2022-23, the details are given as follows:

Sl. No.	Date	No. of Directors entitled to attend the Meeting	No. of Directors Present
1	29-06-2022	9	9
2	15-09-2022	9	6
3	10-11-2022	8	8
4	08-03-2023	9	8

The maximum interval between the two meetings did not exceed 120 days. The Board has also passed resolutions by Circulation dated 12-09-2022, 25-10-2022 and 13-03-2023 taken on record on the date approved by the majority of directors, as per the provisions of Section 175 of the Companies Act, 2013 read with the Rules prescribed thereunder. These circular resolutions were noted at a subsequent meeting of the Board and made part of the minutes of the meeting. Attendances of Directors at the Board Meetings during the year are given below:

Sl. No.	Name of the Director	Category of Director	No of Board Meetings	
			Held During the tenure	Attended
1	Mr. P. Rajeeve	Non-Executive Chairman	4	4
2	Dr Ellangovan K.	Managing Director	4	4
3	Mr. Suman Billa	Nominee Director	4	2
4	Mr. Jacob Kovoov Ninan	Independent Director	3	3
5	Adv. Geethakumary P.S	Independent Director	4	4
6	Mr. C V Rappai	Non-Executive Director	4	4
7	Mr. Varghese Kurian	Non-Executive Director	4	3
8	Mr. Jayakrishnan Krishna Menon	Non-Executive Director	4	3
9	Mr. Mohamed Althaf	Non-Executive Director	4	4

### **Committees of the Board**

The Company is having eight Board Committees, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Board's Subcommittee on Legal Matters, Board's Committee for Finalisation of Operational Strategy, Board's Committee for Evaluation of Wind Energy Projects and Investment Subcommittee. Details of the committees are as follows.

#### **1. Audit Committee**

The Audit Committee of the Board was constituted under the provisions of Section 177 of the Companies

Act, 2013. Five meetings of the Audit Committee of Directors were held during the period under review on 10-06-2022, 28-06-2022, 21-10-2022, 13-01-2023 and 28-02-2023.

The Board has accepted all recommendations of the Audit Committee during the year under review. The Chairman of the Audit Committee was present at the previous Annual General Meeting to answer the shareholders' queries.

The composition of the Committee and category of the Directors along with their attendance at Audit Committee Meetings for the financial year 2022-23 are given below:

Sl. No.	Name of the Director	Category of Director	Position	No of Committee Meetings	
				Held during the tenure	Attended
1	Mr. Jacob Kovoov Ninan	Independent Director	Chairman	2	2
2	Mr. C V Rappai	Non-Executive Director	Member	5	5
3	Adv. Geethakumary PS	Independent Director	Member	5	5

#### **2. Nomination & Remuneration Committee**

Nomination and remuneration Committee was constituted under the provisions of Section 178 of the Companies Act, 2013 and four meetings of the Committee were held during the period under review on 25-05-2022, 28-06-2022, 05-11-2022 and 16-03-2023.

The Chairman of the Nomination and remuneration Committee was present at the previous Annual General Meeting. The composition of the Committee and category of the Directors along with their attendance at the Committee Meetings for the financial year 2022-23 are given below:

Sl. No.	Name of the Director	Category of Director	Position	No of Committee Meetings	
				Held during the tenure	Attended
1	Mr. Jacob Kovoov Ninan	Independent Director	Chairman	3	3
2	Mr. Varghese Kurian	Non-Executive Director	Member	4	4
3	Adv. Geethakumary P.S	Independent Director	Member	4	4
4	Mr. Mohamed Althaf	Non-Executive Director	Member	4	4

#### **3. Stake Holders' Relationship Committee**

The Company had constituted a Stake holders relationship Committee under Section 178 of the Companies Act, 2013, with Mr. C V Rappai as Chairman and Adv. Geethakumary P S and the Managing Director of INKEL Limited, as members. No meeting of the Committee was held during the year. The Chairman of the Stake holder's relationship Committee was present at the previous Annual General Meeting.

#### **4. Corporate Social Responsibility Committee**

The Company had constituted a Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013, with Mr. Jacob Kovoov Ninan Director as Chairman, Adv. Geethakumary P.S. (Independent Director) and Dr. Ellangovan K (Managing Director) as members.

No meeting of the Committee was held during the year as the provisions of CSR is not applicable to the Company for the year 2022-23.

#### **5. Board's Subcommittee on Legal Matters**

The Company constituted a Board's Subcommittee on Legal Matters on 30<sup>th</sup> March 2022 consisting of Dr. Ellangovan K, Managing Director, Mr. C V Rappai, Adv. Geethakumary P.S, Mr. Mohamed Althaf and Mr. Varghese Kurian, Directors as members. The Committee met eleven times during the period under review to discuss and decide on the legal recourse required to be taken by the Company on various matters.

#### **6. Board's Committee for Finalisation of Operational Strategy**

Board's Committee for Finalisation of Operational Strategy was constituted on 29<sup>th</sup> June 2022 with Dr. Ellangovan K, Managing Director, Mr. Jacob Kovoov Ninan, Mr. C V Rappai, Mr. Varghese Kurian and Mr. Mohamed Althaf as the members to discuss and finalise the report on operational strategy for the company. The Committee met two times during the period under review on 14-07-2022 and 01-10-2022.

### **7. Board's Committee for Evaluation of Wind Energy Projects**

A committee comprising of Mr. Varghese Kurian, Mr. Mohamed Althaf, Mr. C V Rappai, Mr. Jayakrishnan Krishna Menon and Dr K Ellangovan, Managing Director was constituted on 29-06-2022. The Committee met on 14-07-2022 for evaluation and finalisation of proposed wind energy project.

### **8. Investment Subcommittee**

Investment subcommittee of the Board was constituted on 08-03-2023 with Mr. Varghese Kurian, Mr. Mohamed Althaf, Mr. C V Rappai, Mr. Jayakrishnan Krishna Menon, Directors and Dr. K. Ellangovan, Managing Director as members to evaluate and recommend various investment options to the Board. The Committee met on 30-03-2023 and evaluated various business proposals.

### **Women Director**

The Company is required to appoint a Woman Director as per Section 149(1) of the Companies Act, 2013. The Company had appointed Adv. Geethakumary P S as the Woman and Independent director to the Board of the Company.

### **Policy on Directors' appointment and remuneration**

The Company is having a Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013. None of the relatives of directors hold any office or place of profit in the Company.

### **Board Evaluation**

The Board has annually evaluated the performance of the Board, its Committees and of individual Directors. Through Board discussions the Board assessed the performance with respect to its composition, diversity its effectiveness in working together to achieve objectives etc. All the Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

### **Directors' Responsibility Statement**

Pursuant to requirement of Section 134(3)(c) and Section 134 (5) of the Companies Act, 2013 and based on the representations received from the Management, your Directors state that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2023 the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit of the company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

### **Reporting of Fraud by Auditors, If any**

There is no fraud in the Company during the F.Y. ended 31<sup>st</sup> March, 2023. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the F.Y. ended 31<sup>st</sup> March, 2023.

### **Subsidiaries, Joint Ventures & Associate Companies**

The Company have the following Joint venture (JV) Companies/LLP, as Subsidiaries and Associates as 31.03.2023

SI No	Name	Category
1	INKEL KSIDC Projects Limited (INKID)	Subsidiary & JV
2	INKEL EKK Roads Private Limited (INKEL EKK)	Subsidiary & JV
3	INKES Trade Centre Limited (INKES)	Subsidiary & JV
4	INKEL Infrastructure Development Projects Limited (IIDPL)	Wholly owned subsidiary
5	Seguro Foundations & Structures Private Limited (SFS)	Subsidiary & JV
6	MIV Logistics Private Limited (MIV)	Associate
7	SEGURO INKEL Consortium LLP (SEGURO LLP)	Associate

Pursuant to Section 129(3) of the Companies Act, 2013 ("Act"), the consolidated financial statements of the Company form part of this Annual Report. Since the financials of the Seguro Foundations and Structures Private Limited and Seguro-Inkel Consortium LLP are not available, it is not consolidated.

INKEL Infrastructure Development Projects Limited (IIDPL), the wholly owned subsidiary company of INKEL Limited had invested 49% in the paid-up capital of Calicut Expressway Private Limited (CEPL). The financials of CEPL are not consolidated with the financials of IIDPL. INKEL Renewable Energy Private Limited (INKEL RE), the wholly owned subsidiary of IIDPL was incorporated on 13<sup>th</sup> March 2023. Since the first financial year of INKEL RE is from the date of incorporation to 31<sup>st</sup> March 2024 its financials are also not consolidated with the financials of IIDPL.

The associate company, MIV Logistics Private Limited had invested 26% in the paid-up capital of Seabird Seaplane Private Limited, being under liquidation.

A statement containing the salient features of the financial statements of the Company's Subsidiaries / Associates Companies / Joint Ventures in Form AOC-1 is given as **Annexure – 1**. Further, the standalone and consolidated financial statements are made available on the website of the Company.

#### **Public Deposits**

The Company has accepted public deposits in compliance with the provisions of Companies Act, 2013. The disclosure required under Rule 8 of The Companies (Accounts) Rules, 2014, the details relating to deposits, covered under Chapter V of the Act are given below:

Accepted during the year	Nil
Remained unpaid or unclaimed as at the end of the year;	₹25000
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved – at the beginning of the year, maximum during the year and at the end of the year;	Nil
Details of deposits which are not in compliance with the requirements of Chapter V of the Act;	Nil

#### **Loans, Guarantees or Investments**

The Company has given Inter Corporate Loans, Advances and Guarantees to its subsidiary companies during the year under review. The Company has not made any investments during the year. Particulars of loans, guarantees or investments are given in the notes

to the Financial Statement. The provisions of Section 186 with respect to loans made, guarantee given or security provided are not applicable to the Company as it is engaged in the business of providing infrastructural facilities.

The entire Performance Bank Guarantee (PBG) provided by INKEL in favour of National Highway Authority of India (NHAI) on behalf of Calicut Expressway Private Limited (CEPL) was released by NHAI on 08.05.2023 and all the properties provided as collateral security against this Bank guarantee stands returned to the Company. KMC Constructions Limited /CEPL has paid the entire bank charges for extension PBG from March 2022 to April 2023.

#### **Contracts or Arrangements with Related Parties**

There are no material related party transactions which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014. Disclosures of related party transactions are as given in notes to the Financial Statement. The details in form AOC 2 is attached as **Annexure 2**.

#### **Corporate Social Responsibility**

Company has generally taken Corporate Social Responsibility (CSR) initiatives. However, the present financial position of the Company does not mandate the implementation of CSR activities pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013. Hence the Company has not developed and implemented any Corporate Social Responsibility initiatives during the year.

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Your Company follows the best practices on aspects including conservation of energy conservation and technology absorption in its operations. No technology has been imported by the Company during the period. There was no foreign exchange inflow or Outflow during the year under review.

#### **Risk Management**

The Company has adequate system for evaluating and resolving the risks associated with its business and the elements of risk threatening the Company's existence are very minimal.

#### **Vigil Mechanism**

A Vigil Mechanism for directors and employees to report genuine concerns has been established as required under the provisions of Section 177 of the Companies

Act, 2013. The Vigil Mechanism Policy has been uploaded on the website of the Company.

#### **Material Orders of Judicial Bodies /Regulators**

No significant and material orders were passed by Courts, Tribunals and other Regulatory Authorities affecting the going concern status of the Company's operations.

#### **Statutory Auditors**

M/s. Sridhar & Co, Firm Registration No. 003978S, Chartered Accountants, Thiruvananthapuram were appointed as the Statutory Auditors of your Company at the Extra Ordinary General Meeting held on 12.03.2020 to hold office from the conclusion of the 12<sup>th</sup> Annual General Meeting till the conclusion of the 17<sup>th</sup> Annual General Meeting. They have submitted resignation letter intimating their wish to resign from the position as Statutory Auditors for FY 2023-24 citing health reasons of the partner, with effect from the date of conclusion of the assignment for the year 2022-23 (including Tax audit for 2022-23), the effective date of resignation.

The Board has initiated steps to comply with the requirement of Section 139 of the Companies Act, 2013 to fill the casual vacancy that arose in the context of acceptance of the resignation of the existing Auditor from the effective date. This appointment in the casual vacancy will be subject to approval of members in General Meeting to be convened within three months of the recommendation of the Board.

#### **Auditor's Reports**

The Auditors' Report on the financial statement of the Company forms part of this Annual Report. The Auditors report on standalone financials does not contain any qualifications, reservations or adverse remarks or disclaimer. The Auditor's observations are suitably explained in notes to the Accounts and are self-explanatory.

The statement of facts, explanations or comments by the Board on qualification, reservation or adverse remark or disclaimer made by the auditor in their report on Consolidated financial statement are as provided in the Note No 2.39.1 & Note No 2.39.2 and Note No 2.14.3 to the consolidated financial statement of the company as mentioned by the Auditors in their report.

Further, considering the possibility of permanent diminution in the value of investments SFS a full provision of ₹1381.50 lakh was made on FY 2019-20. Since, Seabird Seaplane Private Limited, the Associate Company is under liquidation, necessary provisions required if any, will be provided based on the outcome of the liquidation process.

#### **Secretarial Audit Report**

As required under Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Secretarial Audit Report in Form MR-3 is attached as **Annexure 3** to this report and it does not contain any qualifications, reservations or adverse remarks.

#### **Secretarial Standards**

The Company had complied with applicable Secretarial standards issued by Institute of Company Secretaries of India (ICSI).

#### **Internal Audit**

M/s Krishnamoorthy & Krishnamoorthy, (Firm Registration No. 001488S), Chartered Accountants, Cochin, was appointed as the Internal Auditors of the Company. The Audit Committee has reviewed the quarterly Internal Audit reports and the Board has accepted all recommendations of the Audit Committee based on this Internal Audit reports during the year under review.

#### **Details of Legal Cases**

There are a number of litigations pending by or against the Company in various legal forums. Majority of these cases are at pleading stage. The chances of these cases causing financial implication on the Company in near future is highly unlikely. The Board of Directors of your Company is taking every possible step to protect the interest of shareholders of the Company.

#### **Corporate Insolvency Resolution Process**

No application filed for corporate insolvency resolution process, by financial or operational creditor or by the Company under The Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal during the year. Further no corporate insolvency resolution process initiated under the IBC.

The shareholders may note that Mr. Shaji Mathew claiming to be an employee of Seguro Foundations and Structures Private Limited (SFS) had filed a case under of Insolvency and Bankruptcy Code, 2016 alleging that the company SFS has not paid his salary. The case was filed before NCLT Kochi Bench. During hearing of the case, the NCLT Bench has exparte impleaded INKEL as additional corporate debtor. The Bench did not follow the statutory requirement of hearing INKEL in this case.

Therefore, considering the impact of this case on INKEL, an application was moved to NCLAT and stay was obtained on impleading INKEL in this case.



### **Corporate Action**

Company has implemented all corporate actions within the specified time limit during the year under review. The registered office of the Company be and is hereby shifted from Door No. 7/473 ZA – 5 & 6, 2nd Floor, Ajijal Complex, Kakkanad, Cochin, Ernakulam, Kerala - 682030 to Door No. 14 / 812 & 813, 1<sup>st</sup> Floor, Ajijal Complex, Kakkanad, Cochin, Ernakulam, Kerala – 682030 with effect from 15.03.2023”.

### **Annual Return**

In compliance with Section 92 and Section 134 of the Companies Act, 2013 the Annual Return in the prescribed format is available at [www.inxel.in](http://www.inxel.in).

### **Disclosure on Prevention of Sexual Harassment of Women at Workplace.**

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. Your Directors further state that during the year under review, there were no cases filed under this Act.

### **Cost Records**

The Company is not required to maintain cost records as specified by the Central Government under sub-Section (1) of Section 148 of the Companies Act, 2013.

### **Particulars of Employees**

During the financial year 2022-23, no employee of the Company was in receipt of remuneration exceeding the

limits prescribed under the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

- a) Issue of equity shares with differential right as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the company under any scheme.
- c) Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.
- d) Special resolutions which were passed by the shareholders in the previous meeting.
- e) Receipt of any commission by MD / WTD from the Company or for receipt of commission/ remuneration from its Holding or subsidiary.

### **Acknowledgements**

The Directors place on record their appreciation for the support and services rendered by the shareholders, Government of Kerala and its agencies and officials, bankers, business associates and the employees of the company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of the Board of Directors**

Date : **26-06-2023**  
Place : **Cochin**

**P. Rajeeve**  
**DIN: 09239099**  
**Chairman**

## FORM NO. AOC -1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

(Information in respect of each subsidiary amounts ₹ in Lakhs)

Sl No	Name of the subsidiary	Reporting period Ended	% of share holding	Share capital	Reserves & surplus
1	INKEL KSIDC Projects Limited (INKID)	31-03-2023	74.00	2476.14	1,577.85
2	INKEL EKK Roads Private Limited (INKEL -EKK)	31-03-2023	72.00	2800.00	1,771.98
3	INKES Trade Centre Limited (INKES)	31-03-2023	74.00	500.00	(99.30)
4	INKEL Infrastructure Development Projects Limited (IIDPL)	31-03-2023	100.00	1.00	(1,424.59)

Sl No	Name	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
1	INKID	4324.21	4324.21	-	<b>555.05</b>	<b>174.76</b>	63.20	119.55	20%*
2	INKEL -EKK	17421.04	17421.04	-	2,146.70	291.31	85.39	205.94	20%*
3	INKES	707.82	707.82	-	-	(10.97)	-	(10.97)	-
4	IIDPL	4,442.65	4,442.65	33.08	13.83	(119.24)	-	(119.24)	-

\*Interim dividend paid

Note : Financials of Seguro Foundations and Structures Private Limited is not available

**Part "B": Associates and Joint Ventures**

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates and Joint Ventures)

₹ in Lakhs

Name of Associate / Joint venture	MIV Logistics Private Limited
Latest audited Balance Sheet Date	31-03-2023
Share of Associate / Joint venture held by the Company on the year end:	
No:	11829714
Amount of Investment:	1182.97
Extend of holding:	39.43%
Description of how there is significant influence	Controls more than 20% of the total share capital
Reason why associate / joint venture is not consolidated	NA
Net worth attributable to shareholding as per latest audited Balance Sheet	2182.01
Profit / Loss for the year	
a. Considered in consolidation before tax	(49.90)
b. Not considered in consolidation	--

**Note :**

1. Financials of SEGURO INKEL Consortium LLP is not available.
2. Information in respect of following Joint Ventures, (1) INKEL KSIDC Projects Limited (2) INKEL EKK Roads Private Limited and (3) INKES Trade Centre Limited were reported as subsidiaries
3. Names of subsidiaries / associates which are yet to commence operations: NIL
4. Names of subsidiaries/ associate which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors

Date: 26-06-2023

Place : Cochin

P Rajeeve  
DIN: 09239099  
Chairman

## Annexure - 2

**FORM NO. AOC-2**

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties Referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 Including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts, arrangements, or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.

**Details of material contracts or arrangement or transactions at arm's length basis:**

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2023, as required to be reported under Section 134 of the Companies Act, 2013 Rule 8(2) of the Companies (Accounts) Rules, 2014. Other related party transactions u/s 188 are as follows.

(₹ in lakhs)

SI No	Name(s) of the related party & Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts / arrangements / transactions	Salient terms of the contracts or arrangements / transactions including the Value, if any	Date(s) of approval by the Board if any:	Amount paid as advances, if any
1	INKEL EKK Roads Private Limited (Subsidiary Company)	Operations and Maintenance	Ongoing/ FY 2022-23	300.00	-	-
		Guarantee Commission	Ongoing/ FY 2022-23	119.47	29-06-2022 08-03-2023	-
		Interest on Inter-Corporate Loan	Ongoing/ FY 2022-23	286.89	29-06-2022	-
		Sharing of Expenses	Ongoing/ FY 2022-23	13.90	08-03-2023	-
2	MIV Logistics Private Limited (Associate Company)	Guarantee Commission	Ongoing/ FY 2022-23	28.25	29-06-2022	-
		Sharing of Expenses	Ongoing/ FY 2022-23	13.56	08-03-2023	-
3	INKEL Infrastructure Development Projects Ltd. (Wholly Owned Subsidiary)	Interest on loan	Ongoing/ FY 2022-23	131.17	29-06-2022	-
4	INKES Trade Centre Limited (Subsidiary Company)	Receivables	Ongoing/ FY 2022-23	4.24	-	-
5	INKEL KSIDC Projects Ltd. (Subsidiary Company)	Sharing of Expenses & EPC Charge	Ongoing/ FY 2022-23	274.52	08-03-2023	-
6	INKEL Renewable Energy Private Limited (Subsidiary Company)	Receivables	Ongoing/ FY 2022-23	39.00	-	-

For and on behalf of the Board of Directors

Date : 26-06-2023  
Place : Cochin

P Rajeeve  
DIN: 09239099  
Chairman

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023**

**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,  
Door No.14/812 & 813, 1<sup>st</sup> Floor,  
Ajiyal Complex, Kakkanad,  
Ernakulam, Kerala, India, 682 030

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INKEL Limited having CIN: U45209KL2007PLC020471 (hereinafter called the Company) for the financial year ended on 31<sup>st</sup> March, 2023. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the 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 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and proper 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 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – not applicable as the Company is an unlisted public company;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder. - The Company has dematerialized its share certificates and has appointed Integrated Registry Management Services Private Limited, No.30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleswaram, Bengaluru – 560003 as Registrar and Transfer Agents to comply with the provisions of the Act;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. - As per the information provided by the Company there was no Foreign Direct Investment in the Company and the Company has not made any Overseas Direct Investment and also had not availed External Commercial Borrowings during the year under review;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.; and
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Compliance of the provisions of the above-mentioned Statutes are not applicable for the Company during the year under review, as the Company is an unlisted public company.

- (vi) I have also examined compliance with the applicable clauses of:-

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India and report that the Company has complied with the said Standards;

- (b) The Listing Agreements entered into by the Company with Stock Exchanges – not applicable as the Company is an unlisted public company.

- (vii) I have relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance of the following laws applicable specifically to the Company:

1. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
2. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998.
3. The Building and Other Construction Workers' Welfare Cess Act, 1996.
4. Building and Other Construction Workers Welfare Cess Rules, 1998.
5. The Building and Other Construction Workers (RE & CS) Kerala Rules, 1998.
6. The Kerala Building & Other Construction Workers' Welfare Cess Rules.

- (viii) The Company has also identified and informed me that the following Environmental Laws are specifically applicable to the Company viz:-

1. Environment Protection Act, 1986 and rules made there under;
2. Water (Prevention and Control of Pollution) Act, 1974 and rules made there under;
3. Air (Prevention and Control of Pollution) Act, 1981 and rules made there under;
4. Noise Pollution (Regulation and Control) Rules, 2000; and

5. The Hazardous Wastes (Management Handling and Trans boundary Movement) Rules, 2008.

For the purpose of examining the adequacy of compliances with respect to the above-mentioned Legislations, 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 above-mentioned Laws.

Based on the aforesaid information provided by the Company, I report that during the financial year under report, the Company has complied with the provisions of the above-mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have not found material observation or instance of non-compliance in respect of the same.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors about scheduled Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officers explaining to us in respect of internal systems and mechanisms established by the Company which ensures compliances of other, Laws and Regulations applicable to the Company, we 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 applicable laws, rules, regulations and guidelines.

I further report that the compliance by the Company of the financial laws like direct and indirect tax laws and various labour 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 environmental laws, rules, regulations and guidelines.



I further report that during the audit period: -

1. As per the information provided by the Company, the Company has repaid all the deposits accepted by it apart from the deposit pertaining to one deposit holder as he was not traceable.

I further report that based on the review of the compliance mechanism established by the Company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, I am of the opinion 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 applicable laws, rules, regulations and guidelines.

To  
The Members,  
INKEL Limited,  
Door No.14/812 & 813, 1<sup>st</sup> Floor,  
Ajiyal Complex, Kakkanad,  
Ernakulam, Kerala, India, 682 030

#### AUDITOR'S RESPONSIBILITY

Based on audit, my responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. I have conducted the audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. My report of even date is to be read along with this letter.

1. Maintenance of secretarial records 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

This report is to be read with my letter of even date which is annexed as **Annexure-1** and forms an integral part of this report.

**RAKHESH R**

M.No.: **ACS 18717/**

C.P. NO. **10574**

ICSI Unique Code No.:

**I2012KE890000**

Place : Trivandrum

Date : 22<sup>nd</sup> June 2023

Peer Review Certificate No.:

**3511/2023**

#### ANNEXURE I

practices, I have followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
4. Where ever 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. My examination was limited to the verification of procedures on test basis.
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.

**RAKHESH R**

M.No.: **ACS 18717/**

C.P. NO. **10574**

ICSI Unique Code No.:

**I2012KE890000**

Place : Trivandrum

Date : 22<sup>nd</sup> June 2023

Peer Review Certificate No.:

**3511/2023**

## 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, 2023 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, 2023 and its profit 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 2.7.2 as per which, 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 balances 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. The steps followed needs to be improved by the Company.

We draw attention to Note 2.9.1 as per which, The Board meeting dated 10-11-2022 an incentive scheme for employees were considered and approved. A threshold limit of turnover of ₹75 crores and net profit ₹7.5 crores is to be achieved before the scheme can be eligible. With ₹75 crores as turnover and ₹7.5 cores net profit every employee will be eligible for an incentive equal to 30 days of salary, and if the turnover exceeds 75 crores and net profit exceeds 10 crores, incentive will be for 45 days of salary. The management was of the view that the current scheme itself requires a review by the Board to make it as a performance linked incentive scheme. Hence an adhoc provision of ₹34.00 lakhs is provided for the financial year to be finalized after the review of scheme by the Board.

We draw attention to Note 2.12.2 as per which, Inkel Infrastructure Development Projects Limited (IIDPL), a 100 % subsidiary of INKEL Ltd had an accumulated loss of ₹13.05 crores as at 31.03.2022, and accordingly the net worth of IIDPL got fully eroded. INKEL Ltd had made full provision for its investment in the subsidiary considering the eroded net worth. The Board of Directors of INKEL Ltd vide its meeting dt 29.06.2022 has decided to increase its share capital in IIDPL by conversion of advances made to IIDPL to the extent of ₹14 Crores, in order to revive IIDPL and make it financially healthy and credible with a positive net worth and a good equity base. The IIDPL has made rights issue of ₹14 crores to INKEL only on 16-06-2023. Even though the net worth position improved after issue of shares, net worth remains negative due to losses incurred for the financial year 22-23, hence the provision made is retained in the books.

We draw attention to Note 2.12.4 as per which, Since the authorized Signatory representing Seguro Foundations and Structures Private Limited is not available, the financial statements of Seguro- INKEL consortium LLP has not been drawn and audited. The profit/loss of the LLP is not considered in the preparation of the financial statements.

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 1<sup>st</sup> December 2017 and made an investment of ₹1381.50 lakh. SFS has been functioning as a subsidiary of INKEL from such date. During the financial year 2018-19 certain instances of non-adherence with proper corporate governance

systems, as also incompleteness/deficiencies in the financial information furnished by the former management of SFS were noticed, which were prima facie considered material. The committee constituted by the Board of INKEL has found out serious lapses, irregularities, diversion of funds and misappropriations and recommended the Board to consider legal remedies against the erstwhile management of SFS. The forensic audit simultaneously conducted by the management of INKEL by engaging a firm of chartered accountants had also reported that the Managing Director of SFS has perpetrated frauds. Having regard to the report that ‘SFS’s shares were overvalued through misrepresenting its financial positions and the investment made by INKEL was siphoned away by the managing director of SFS’, the Board of INKEL has declared the transaction of investment in SFS as a fraud on INKEL by SFS.

We draw attention to Note 2.32.2 of the standalone financial statements, as per which,

(i) 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 made on FY 2019-20 has been retained for the investment of Rs.1381.50 lakh by INKEL in SFS as on 31.03.2023.

(ii) Based on audited financial statements as on 31/03/2023 provided by INKEL Infrastructure Development Projects Limited, the net worth has fully eroded. In view of the erosion in share value reported above, there is permanent diminution in the value of investments in the subsidiary company, IIDPL 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.1.00 lakh by INKEL in INKEL Infrastructure Development Projects Limited as on 31.03.2023.

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 2.35.5 of the standalone financial statements as per which, There are Certain Legal cases faced by the Company as a party in cases related to its subsidiary Seguro Foundations and Structures Private Limited and Inkel Consortium LLP wherein the company is a majority partner, for which the outcome and potential financial impact cannot be reasonably estimated. Though the company is not the primary accused, it is one of the defendants in certain legal cases with claims for the recovery of money pending before various forums. Management hold the view that those claims are not tenable against the Company; however, due to the inherent uncertainties involved, the contingent liability cannot be quantified at this time

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
Documentation of process flow and procedures : The Company’s key financial accounting processes are 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	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

<p>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>substantive tests were designed to provide us with reasonable assurance that the financial accounting and reporting are free from material misstatements.</p>
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### **Information Other than the Standalone Financial 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 2022-23, 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 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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 A";
- (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 2.35 to the Standalone Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- iii. There has been no delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund (IEPF) by the company;
- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that
- has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 2.2.1 to the standalone financial statements, the Board of Directors of the company has proposed final dividend for the year which is subject to approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to the declaration of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1 April 2023, hence reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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 B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

CA. S. Unnikrishnan  
 Partner

Place: Kochi  
 Date: 26.06.2023

Membership No.218366  
 UDIN : **23218366BGVSL08252**

**“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 STANDALONE FINANCIAL STATEMENTS OF INKEL LIMITED FOR THE YEAR ENDED 31st MARCH 2023**

**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, 2023 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence 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 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.

**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, 2023, 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

Place: Kochi  
 Date: 26.06.2023

Membership No.218366  
 UDIN : 23218366BGVSL08252

### "ANNEXURE B" REFERRED TO IN PARAGRAPH 2 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 31<sup>ST</sup> MARCH 2023

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a) (A) According to the information and explanation given to us and the records produced to us for our verification, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress.
  - (B) According to the information and explanation given to us, the Company has maintained proper records showing full particulars of intangible assets.
  - b) We are informed that Property, Plant and Equipment have been physically verified by the management at reasonable intervals and that no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable and the process of physical verification is to be improved.
  - 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.
  - d) The Company has not revalued any of its Property, Plant and Equipment and Intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. In respect of the Company's Inventories:
  - a) 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. In our opinion, the frequency of verification is a reasonable. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
  - b) According to the information and explanations given to us, the Company has no sanctioned working capital limits in excess of ₹5 crores, in

aggregate, during the year, from banks on the basis of security of current assets.

3. In respect of Investments made, guarantees provided, security given, loans and advances in the nature of loans:

- a) According to the information and explanation given to us, during the year the Company has provided loans and stood guarantee to the Companies, Limited Liability Partnerships or any other parties as follows:

(₹ in lakh)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiary Companies	-	-	8.68	-
- Subsidiary Entity	-	-	270.52	-
- Associates	-	-	-	-
- Others	478.57	-	-	-
Balance Outstanding as at the Balance Sheet date in respect of above cases				
- Subsidiary Companies	18200.00	-	4313.51	-
- Subsidiary Entity	-	-	271.84	-
- Associates	1100.00	-	-	-
- Others	6311.60	-	-	-

- b) In our opinion and according to the information and explanations given to us, investments made, guarantees provided and securities given are, prima facie, not prejudicial to the Company's interest.

- c) 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.

- d) As per the information and explanations given to us and the records of the Company examined by us and read with our comments in

(c) above, there are no overdue amounts in respect of such loans.

- e) As per the information and explanations given to us and the records of the Company examined by us, no loans or advances in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing given to the same parties.

- f) As per the information and explanations given to us and the records of the Company examined by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except,

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (₹. in lakh)	Percentage to the total Loans and Advances in the nature of loans
(i) Related Parties		
- INKEL Infrastructure Development Projects Limited (Wholly Owned Subsidiary)	4299.00	93.62%
- Seguro - INKEL Consortium LLP	271.84	5.92%
- INKES Trade Centre Limited	14.51	0.32%

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 Companies 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, except for Labour Welfare Fund-Karnataka (LWF).

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 except for Labour Welfare Fund-Karnataka (LWF) amounting to ₹7.98 lakh

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 and the records of the Company examined by us, there are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. In respect of loans and borrowings of the Company:

Nature of fund taken	Details of lender entity	Amount involved (₹ in lakh)	Nature of transaction for which funds utilized	Relation
Inter-corporate Loan	INKEL-EKK Roads Private Ltd.	2353.40	Inter-corporate Loan	Subsidiary

g) As per the information and explanations given to us and the records of the Company examined by us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or jointly controlled entities.

10. a) According to the information and explanations given to us and the records of

a) According to the information and explanations given to us and 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. 300.00 lakh.

b) 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.

c) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.

d) According to the information and explanations given to us, the company has not obtained any term loans. Accordingly, requirement to report on clause 3(ix)(c) of the Order is not applicable.

e) According to the information and explanations given to us, and the procedures performed by us and on an overall examination of the Standalone Financial Statements of the Company, we report that, prima facie, no funds raised on short term basis have been used by the Company for long-term purposes.

f) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has taken funds from following entity to meet the obligations of its wholly owned subsidiary as per the details below:

the Company examined by us, no money has been raised by way of initial public offer or further public offer (including debt instruments) by the Company have been applied for the purpose for which the loan was obtained.

b) 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 partially or optionally convertible debentures during the year.
11. a) 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 noticed or reported during the year, nor have been informed of any such case by the Management.
  - b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
  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. a) The Company has an internal audit system commensurate with the size and nature of its business.
  - b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
  15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
  16. According to the information and explanations given to us and the records of the Company examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.
  17. The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
  18. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
  19. On the basis of the financial ratios disclosed in Note 2.33 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
  20. During the year, the company is not required to spend amounts under section 135 of The Companies Act, 2013, hence Clause 3(xx) is not applicable.

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

CA. S. Unnikrishnan  
 Partner

Place: Kochi                      Membership No.218366  
 Date: 26.06.2023                UDIN : 23218366BGSLO8252

**INKEL LIMITED**

CIN: U45209KL2007PLC020471

Door No. 14/812 &amp; 813 - 1st Floor, Ajjyal Complex, Kakkanad, Kochi – 30

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023**

(₹ In Lakh)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	17,781.43	17,781.43
(b) Reserves and Surplus	2.2	2,720.71	2,233.22
<b>(2) Non - Current Liabilities</b>			
(a) Long - Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)	2.3	24.84	86.09
(c) Other Long Term Liabilities	2.4	20.79	34.08
(d) Long - Term Provisions	2.5	150.32	153.04
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	2.6	4,502.00	2,551.99
(b) Trade Payables:-	2.7		
i. Total outstanding dues of micro enterprises and small enterprises;		-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		3,650.59	3,583.27
(c) Other Current Liabilities	2.8	3,998.33	3,196.98
(d) Short - Term Provisions	2.9	452.33	102.93
<b>TOTAL</b>		<b>33,301.34</b>	<b>29,723.03</b>
<b>II. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Property, Plant and Equipment and intangible Assets			
i. Property, Plant and Equipment	2.10	4,999.51	5,242.26
ii. Intangible Assets	2.10	25.53	5.31
iii. Capital Work in Progress	2.11	54.46	1.77
(b) Non - Current Investments	2.12	6,865.71	6,865.71
(c) Long - Term Loans and Advances	2.13	149.76	427.48
(d) Other Non - Current Assets	2.14	5,922.71	4,938.57
<b>(2) Current Assets</b>			
(a) Inventories	2.15	77.18	1.17
(b) Trade Receivables	2.16	8,409.44	5,634.51
(c) Cash and Cash Equivalents	2.17	1,295.29	770.85
(d) Short - Term Loans and Advances	2.18	4,849.64	5,217.95
(e) Other Current Assets	2.19	652.11	617.45
<b>TOTAL</b>		<b>33,301.34</b>	<b>29,723.03</b>

Significant Accounting Policies and Notes to Accounts

1 &amp; 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  
Managing Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

For Sridhar & Co  
Chartered Accountants  
FRN : 003978S

Baiju T  
Company Secretary

Vipin P.G  
Chief Financial Officer

CA. S. Unnikrishnan  
Partner  
Membership No.218366  
UDIN: 23218366BGVSLO8252

Place: Kochi  
Date : 26/06/2023

## INKEL LIMITED

CIN: U45209KL2007PLC020471

Door No. 14/812 & 813 - 1st Floor, Ajiyal Complex, Kakkanad, Kochi – 30

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(₹ In Lakh)

Particulars	Note No.	For the year ended	
		31.03.2023	31.03.2022
<b>Income</b>			
I. Revenue from Operations	2.20	6,732.64	5,531.28
II. Other Income	2.21	1,384.21	408.84
<b>III. Total Income (I+II)</b>		<b>8,116.84</b>	<b>5,940.12</b>
<b>IV. Expenses</b>			
(i) Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.22	116.94	122.64
(ii) Purchases of Stock-in-Trade	2.23	2,815.57	2,805.89
(iii) Changes in inventories of Stock-in-Trade	2.24	(75.36)	2.33
(iv) Employee Benefits Expense	2.25	812.69	755.47
(v) Finance Costs	2.26	176.46	152.96
(vi) Depreciation and Amortisation Expense	2.10	132.05	140.60
(vii) Other Expenses	2.27	2,397.50	1,679.52
(viii) Provisions	2.28	270.52	158.50
<b>Total Expenses</b>		<b>6,646.38</b>	<b>5,817.91</b>
<b>V. Profit Before Tax (III - IV)</b>		<b>1,470.47</b>	<b>122.21</b>
<b>VI. Tax Expense</b>			
(1) Current Tax		242.00	100.42
(2) Deferred Tax		(61.25)	(75.91)
(3) Taxes relating to prior years		2.06	(18.64)
<b>VII. Profit for the year (V - VI)</b>		<b>1,287.65</b>	<b>116.34</b>
<b>VIII. Earnings per Equity Share</b>			
Face value of share ₹ 10/- (₹ 10/-)	2.29		
Basic		0.72	0.07
Diluted		0.72	0.07

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  
Managing Director  
DIN: 05272476

Jacob Koor Ninan  
Director  
DIN: 01213357

For Sridhar & Co  
Chartered Accountants  
FRN : 003978S

Baiju T  
Company Secretary

Vipin P.G  
Chief Financial Officer

CA. S. Unnikrishnan  
Partner  
Membership No.218366

Place: Kochi  
Date : 26/06/2023

UDIN: **23218366BGVSL08252**

## INKEL LIMITED

CIN: U45209KL2007PLC020471

Door No. 14/812 & 813 - 1st Floor, Ajiyal Complex, Kakkanad, Kochi – 30

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	1,470.47	122.21
<b>Adjustments for:</b>		
Depreciation and Amortisation expense	132.05	140.60
Provision for Doubtful Advances	-	157.50
Provision for diminution in value of investment	-	1.00
Loss/(Profit) on sale of Assets (Net)	(0.65)	2.34
Interest Income	(197.00)	(149.75)
Dividend received INKEL EKK Ltd & INKEL KSIDC	(769.67)	-
Finance costs	176.46	152.96
Share of (Profit)/Loss from Seguro-INKEL Consortium LLP	-	15.49
Conversion of fixed assets to current assets	117.41	122.64
<b>Operating profit before Working Capital Changes</b>	<b>929.07</b>	<b>564.99</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for Increase/Decrease in Operating Assets</b>		
Trade Receivables	(2,774.93)	(752.40)
Short term loans and advances	368.31	138.00
Other Non-Current Assets	(984.14)	(509.17)
Inventories	(76.01)	214.29
Long term Loans and Advances	277.72	-
Other Current Assets	(34.66)	140.93
	<b>(3,223.71)</b>	<b>(768.35)</b>
<b>Adjustments for Increase/ Decrease in Operating Liabilities</b>		
Trade Payables	67.32	1030.70
Other Current Liabilities	1.98	184.28
Short term Provisions	349.40	(7.40)
Long term Provisions	(2.72)	39.87
Other Long Term Liabilities	(13.29)	(1.09)
	402.69	1,246.36
<b>Cash generated from Operations</b>	<b>(1,891.95)</b>	<b>1,042.99</b>
Taxes Paid	(244.06)	(203.13)
<b>Net Cash Generated from Operating activities - (A)</b>	<b>(2,136.02)</b>	<b>839.86</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital WIP/Capital Advances	(46.66)	(9.80)
Capital WIP	(52.69)	-
Loans and Advances (given)/repaid	-	(222.14)
Interest received on loans/deposits	197.00	131.10
Proceeds from sale of Fixed assets	20.37	0.61
Dividend received INKEL EKK Ltd & INKEL KSIDC	769.67	0.00
<b>Net Cash Used in Investing activities - (B)</b>	<b>887.69</b>	<b>(100.00)</b>

<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from /(Repayment of) Short term borrowings	1,950.01	6.08
Proceeds/(Repayment) from Long term borrowings	-	(387.14)
Finance costs paid	(176.46)	(224.93)
Dividend paid	(0.80)	(0.67)
Dividend Distribution tax paid	-	-
<b>Net Cash Generated from/ (Used in) Financing Activities - (C)</b>	<b>1,772.76</b>	<b>(606.66)</b>
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>524.43</b>	<b>133.20</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>770.85</b>	<b>637.65</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1,295.28</b>	<b>770.85</b>

For and on behalf of the Board of Directors

Dr. K Ellangovan  
Managing Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

Baiju T  
Company Secretary

Vipin P.G  
Chief Financial Officer

Place: Kochi  
Date : 26/06/2023

As per our separate report of even date attached

For Sridhar & Co  
Chartered Accountants  
FRN : 003978S

CA. S. Unnikrishnan  
Partner  
Membership No.218366  
UDIN: 23218366BGVSLO8252

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

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

Land acquired on long term lease arrangements that are in the nature of financial leases are classified under Fixed Assets and amortised over the lease period. Buildings constructed on such land are capitalised and depreciated as per



company's accounting policy. Such land and building are reclassified and treated as Current Assets (at Net Book Value) when the decision to dispose under long-term finance leases is conclusively taken by the management. The cost of assets not ready for use at the balance sheet date are disclosed under Capital Work in Progress.

**d. Intangible Assets**

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

**e. Depreciation/ Amortisation**

Depreciation on property, plant and equipment is provided on Written Down Value Method on the basis of the useful lives in the manner prescribed as per Schedule II of The Companies Act, 2013 based on a review by the management at the year end. Leasehold land is amortised over the duration of the lease. Cost of software treated as Intangible Assets are amortised over a period of six years.

**f. Government Grant/Subsidies**

Grants and Subsidies in the nature of Promoters contribution or identifiable with non-depreciable assets are credited to capital reserve. Grants and Subsidies, specifically identifiable with capital assets other than depreciable assets, are credited to the carrying cost of the respective asset. Grants/Subsidies in the nature of revenue are recognized as income over the period necessary to match them with the related costs which they are intended to compensate.

**g. Investments**

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

**h. Revenue Recognition**

Revenue arising on disposal of current assets under long-term lease arrangements that are in nature of financial leases is recognised in the year in which the lease agreements are entered into. Proportionate income during the period of license agreement and income from other arrangements which are in the nature of operating leases, are recognized as income in the respective years.

Income from services rendered are recognized based on the stage of completion of the respective contracts/arrangements having regard to the specific milestones wherever specified therein. Other incomes are recognized on accrual basis except when there are significant uncertainties.

**i. Inventories**

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

**j. Employee Benefits**

**i. Short Term Employee Benefits**

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

**ii. Defined Contribution Plans**

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

**iii. Defined Benefit Plans**

Gratuity (Funded) & Long-term employee benefits: Compensated absences (Unfunded).

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

- b) **Compensated absences** - The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.
- iv. **Termination Benefits** - Termination benefits are recognized in the Statement of Profit and Loss for the period in which the same accrue.
- k. **Income Tax**
- Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Deferred Tax assets/liabilities representing timing differences between accounting income and taxable income are recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.
- l. **Foreign Currency Transactions**
- Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities other than forward contracts, outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the said date. The exchange gain/loss arising during the year are adjusted to the Statement of Profit and Loss.
- m. **Borrowing Costs**
- Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. Other borrowing costs are recognized as expenditure for the period in which they are incurred.
- n. **Earnings per share**
- Basic/ diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/ dilutive potential equity shares outstanding as at the end of the year as the case may be.
- o. **Impairment of Assets**
- The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss if any is recognized in the Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
- p. **Provisions, Contingent Liabilities and Contingent Assets**
- Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates.
- Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation.
- Contingent assets are neither recognized nor disclosed in the accounts.

NOTES FORMING PART OF STATEMENT OF BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

## NOTE - 2.1 SHARE CAPITAL

(₹ In Lakh)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Equity Share Capital</b> Equity Shares of ₹ 10/- (₹ 10/-) each	20,00,00,000	20,000.00	20,00,00,000	20,000.00
	20,00,00,000	20,000.00	20,00,00,000	20,000.00
<b>Issued, Subscribed and Paid up</b> Equity Shares of ₹ 10/- (₹ 10/-) each	17,78,14,334	17,781.43	17,78,14,334	17,781.43
	17,78,14,334	17,781.43	17,78,14,334	17,781.43

## 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 Lakh)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares</b>				
As at the beginning of the financial year	17,78,14,334	17,781.43	17,78,14,334	17,781.43
Shares issued during the financial year	-	-	-	-
As at the end of the financial year	17,78,14,334	17,781.43	17,78,14,334	17,781.43

## Particulars of Shareholders holding more than 5% share in the Company

(₹ In Lakh)

Govt. of Kerala - 22.78 % (Previous year 22.78 %)	4,05,00,000	4,050	4,05,00,000	4,050
Bismi Holdings Limited-6.19% (Previous year 6.19%)	1,10,00,000	1,100	1,10,00,000	1,100
Shri.Yusuffali M A - 17.02 % (Previous year 17.02 %)	3,02,60,018	3,026	3,02,60,018	3,026
Shri.Varghese Kurian - 7.59 % (Previous year 7.59%)	1,34,94,697	1,349	1,34,94,697	1,349
Dr.Mohamed Ali - 5.91 % (Previous year 5.91 %)	1,05,00,000	1,050	1,05,00,000	1,050

Shares held by promoters for the year ended 31<sup>st</sup> March 2023

Promoter Name	No of Shares	% of Total Shares	% of Change during the year
Govt. of Kerala	4,05,00,000	22.78%	-
	<b>4,05,00,000</b>	<b>22.78%</b>	

## NOTE - 2.2 RESERVES AND SURPLUS

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) <b>Securities Premium</b>		
Opening Balance	739.37	739.37
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>739.37</b>	<b>739.37</b>
(b) <b>Surplus in statement of profit and loss</b>		
Opening balance	1,493.85	1,377.51
Add: Profit/Loss for the year	1,287.65	116.34
Amount available for appropriation	2,781.50	1,493.85
Less: Proposed Dividend (See Note-2.2.1)	(800.16)	
Closing Balance	1,981.34	1,493.85
<b>Total</b>	<b>2,720.71</b>	<b>2,233.22</b>

**2.2.1** The Board of Directors of the company has proposed a final dividend of Rs 0.45(4.5%) per equity share which is subject to approval by the shareholders at the ensuing Annual general meeting. The total proposed final dividend for the year ended 31-03-2023 amounts to Rs 800.16 lakh.

**NOTE - 2.3 DEFERRED TAX LIABILITIES (NET)** (₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>A. Deferred Tax Liability</b>		
On Property, Plant & Equipment and Intangible asset	275.94	254.96
<b>B. Deferred Tax Assets</b>		
On Provisions/other disallowances	251.10	168.87
<b>Net Deferred Tax Assets</b>	<b>24.84</b>	<b>86.09</b>

**NOTE - 2.4 OTHER LONG TERM LIABILITIES** (₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Security Deposits	20.79	34.08
	<b>20.79</b>	<b>34.08</b>

**NOTE - 2.5 LONG-TERM PROVISIONS** (₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits (See Note-2.30)		
- Provision for Gratuity	76.59	84.04
- Provision for Leave Encashment	73.73	69.00
	<b>150.32</b>	<b>153.04</b>

**NOTE - 2.6 SHORT TERM BORROWINGS** (₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
ICL - INKEL EKK Roads Pvt Ltd	4,502.00	2,148.60
Current Maturities of Long Term borrowings		
- Unsecured- Deposit from Public (See Note 2.6.1)	-	403.39
	<b>4,502.00</b>	<b>2,551.99</b>

**2.6.1** 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 (₹ In Lakh)	Rate	Amount (₹ In Lakh)
Within 1 years - Scheme 2	0.00%	-	0.10	-
Within 1 year - Scheme 3	11.49%	-	0.10	-
<b>Total</b>		-	-	-

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

**NOTE - 2.7 TRADE PAYABLES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Payables due for payment (See Note 2.7.1)		
i. Outstanding dues of trade payables other than micro enterprises and small enterprises	3,650.59	3,583.27
	<b>3,650.59</b>	<b>3,583.27</b>

**Note -2.7.1 Trade Payables Ageing Schedule**

(₹ In Lakh)

Particulars	As at 31.03.2023				Total
	Outstanding for following periods after due date of payment				
	Less than 1 year	1 to 2 years	2 to 3 Years	Above 3 years	
Others	2,407.64	1,039.37	53.24	150.34	<b>3,650.59</b>
Disputed Dues MSME	-	-	-	-	-
Disputed dues Others	-	-	-	-	-

₹ In Lakh)

Particulars	As at 31.03.2022				Total
	Outstanding for following periods after due date of payment				
	Less than 1 year	1 to 2 years	2 to 3 Years	Above 3 years	
MSME*	-	-	-	-	-
Others	3,271.17	47.03	156.33	-	<b>3,474.52</b>
Disputed Dues MSME	-	-	-	-	-
Disputed dues Others	-	-	-	-	-

\* MSME as per Micro, Small and Medium Enterprises Act 2006.

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

**NOTE - 2.8 OTHER CURRENT LIABILITIES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest accrued but not due on borrowings	-	54.99
Unpaid dividend (See Note 2.8.1)	3.54	4.34
<b>Current Liabilities</b>		
ASIDE Loan- KINFRA (See Note 2.8.2)	300.00	300.00
Deposit matured and payable	0.25	16.75
Advances from Customers		
- for Deposit Work	1,140.95	1,170.17
- Others	242.86	404.47
Reimbursement payable to Employees	0.27	2.69
Retention Money payable	991.75	929.00
Statutory Dues	305.85	276.02
Security Deposit / Earnest Money Deposit	15.20	38.56
Solar O&M Income Received in Advance	197.50	-
Proposed Dividend payable	800.16	-
	<b>3,998.33</b>	<b>3,196.98</b>

**2.8.1** Unclaimed dividend, shall be transferred to investor education and Protection Fund as and when it becomes due. As at 31st March 2023, there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund by the company.

**2.8.2** 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 was repayable in three annual instalments of ₹ 100 lakh 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 2023- Rs 3 Crore for a period of 3 years.**

**NOTE - 2.9 SHORT-TERM PROVISIONS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits		
-Provision for Leave Encashment (See Note 2.30)	19.78	2.51
-Provision for Gratuity (See Note 2.30)	10.06	-
-Provision for incentive to employees(See note 2.9.1)	34.00	-
Provision for Income tax	0.00	100.42
Other provisions		
-Solar Expense Payable	388.49	108.75
	<b>452.33</b>	<b>102.93</b>

**2.9.1** The Board meeting dated 10-11-2022 an incentive scheme for employees were considered and approved. A threshold limit of turnover of Rs 75 crores and net profit Rs 7.5 crores is to be achieved before the scheme can be eligible. With Rs 75 crores as turnover and Rs 7.5 cores net profit every employee will be eligible for an incentive equal to 30 days of salary, and if the turnover exceeds 75 crores and net profit exceeds 10 crores, incentive will be for 45 days of salary. The management was of the view that the current scheme itself requires a review by the Board to make it as a performance linked incentive scheme. Hence an adhoc provision of Rs 34.00 lakhs is provided for the financial year to be finalised after the review of scheme by the Board.



**NOTE - 2.10 PROPERTY, PLANT, EQUIPMENT & INTANGIBLE ASSETS**  
**A. PROPERTY, PLANT, EQUIPMENT**

SL. NO.	Particulars	GROSS BLOCK			DEPRECIATION/ AMORTISATION			NET BLOCK AS ON 31.03.2023	NET BLOCK AS ON 31.03.2022
		Opening Balance	Additions/ Adjustments during the year	Deletions/ Adjustments during the year	Closing Balance	Opening Balance	Deleted during the year		
1	Freehold Land	3,439.76 (3,439.76)	-	19.78	3,419.98 (3,439.76)	-	-	3,419.98 (3,439.76)	3,439.76 (3,439.76)
2	Leasehold Land - See Note 2.10.1	726.05 (788.55)	0.47	147.47 (62.50)	579.05 (726.05)	22.64 (27.00)	30.06 (8.94)	467.17 (606.75)	606.75 (687.31)
3	Building- See Note 2.10.1	1,589.44 (1,673.22)	7.19	- (83.78)	1,596.64 (1,589.44)	63.10 (75.19)	0.28 (16.94)	968.96 (1,024.58)	1,024.58 (1,166.61)
4	Plant & Machinery	360.96 (376.74)	0.13 (1.65)	- (17.43)	361.09 (360.96)	15.35 (15.83)	- (12.37)	293.99 (278.64)	82.32 (101.56)
5	Furniture and Fittings	228.19 (229.29)	7.43 (0.94)	- (2.05)	235.62 (228.19)	15.76 (5.92)	- (1.94)	192.27 (176.51)	51.68 (56.75)
6	Office Equipments	48.59 (46.42)	3.88 (2.17)	3.95	48.53 (48.59)	2.75 (3.36)	3.75	42.76 (43.76)	4.83 (6.01)
7	Computer	114.14 (111.16)	3.63 (3.26)	0.57 (0.29)	117.20 (114.14)	2.90 (3.09)	0.54 (0.29)	105.91 (103.55)	10.59 (10.40)
8	Motor Car	32.57 (32.57)	-	-	32.57 (32.57)	1.32 (1.88)	-	29.71 (28.39)	4.18 (6.06)
9	Electrical Fittings	81.83 (81.83)	-	-	81.83 (81.83)	4.53 (6.21)	-	68.79 (64.27)	17.56 (23.78)
	<b>Total (A)</b>	<b>6,621.54 (6,780.54)</b>	<b>22.73 (8.03)</b>	<b>171.77 (166.04)</b>	<b>6,472.50 (6,621.54)</b>	<b>128.34 (138.48)</b>	<b>34.63 (40.49)</b>	<b>1,473.00 (1,379.28)</b>	<b>5,242.26 (5,489.26)</b>

**B. INTANGIBLE ASSETS**

1	Computer Software	27.85 (27.85)	23.93	-	51.78 (27.85)	3.71 (2.12)	-	26.25 (22.54)	5.31 (7.43)
	<b>Total (B)</b>	<b>27.85 (27.85)</b>	<b>23.93</b>	<b>-</b>	<b>51.78 (27.85)</b>	<b>3.71 (2.12)</b>	<b>-</b>	<b>26.25 (22.54)</b>	<b>5.31 (7.43)</b>
	<b>Grand Total (A) + (B)</b>	<b>6,649.39 (6,808.40)</b>	<b>46.66 (8.03)</b>	<b>171.77 (166.04)</b>	<b>6,524.28 (6,649.39)</b>	<b>132.05 (140.60)</b>	<b>34.63 (40.49)</b>	<b>1,499.25 (1,401.82)</b>	<b>5,247.57 (5,505.69)</b>

**2.10.1** 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.

**2.10.2** Compensation of Rs 19.78 lakhs received from Power Grid Corporation for passing HVDC Transmission line over the freehold land towards damages to the land due restriction of any construction has been shown as a reduction from the value of the land asset.

**NOTE - 2.11 Capital Work In Progress**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Computer Software Installation in Progress	4.34	-
Interior Works - Tvm Office	50.12	-
Wind Energy- Palakkad (refer note 2.44)	-	1.77
	<b>54.46</b>	<b>1.77</b>

**NOTE - 2.12 NON-CURRENT INVESTMENTS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>a) Investments in Equity Instruments (Un-quoted, Trade, at cost)</b>		
<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	1,832.34	1,832.34
- <b>INKES Trade Centre Limited</b>		
- 37,00,000 (37,00,000) Equity Shares of ₹ 10/- each, fully paid up	370.00	370.00
- <b>INKEL-EKK Roads Private Limited</b>		
- 2,01,60,000 (2,01,60,000) Equity Shares of ₹ 10/- each, fully paid up	2,016.00	2,016.00
- <b>Seguro Foundations and Structures Private Limited</b>		
- 62,02,248 (62,02,248) Equity Shares of ₹ 10/- each, fully paid up	0.00	0.00
- <b>Less: Provision for diminution in Value</b> 1,381.50		
* After considering provision for diminution, valued @ Re 1/- (Refer note 2.13.1)		
<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	1,182.97	1,182.97
<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	5.00
<b>b) Investment in Limited Liability Partnership (LLP) (Un-quoted, Trade, at cost)</b>		
<b>i) In Subsidiary Entity</b>		
- <b>Seguro - INKEL Consortium LLP( Refer note 2.13.4)</b>		
Investment towards 45% of the capital	4.50	4.50
Add: Opening balance of Share of Profit from LLP	(145.10)	(129.61)
Less: Received during the year	-	-
Add: Share of Profit from LLP		(15.49)
	(140.60)	(140.60)
<b>c) Investment in Preference Instruments (Un-quoted, Trade, at cost)</b>		
<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 up	1,600.00	1,600.00
<b>Total investments (a) + (b) + (c)</b>	<b>6,865.71</b>	<b>6,865.71</b>
Aggregate amount of unquoted investments	<b>6,865.71</b>	<b>6,865.71</b>

**2.12.1-** Considering the erosion of Net-worth as per the audited financial statements (FY 2021-22) of the INKEL Infrastructure Developments Projects Limited, provision for diminution in the value of investments amounting to ₹ 1.00 lakh has been made in the books of accounts.

**2.12.2** Inkel Infrastructure Development Projects Limited (IIDPL), a 100 % subsidiary of INKEL Ltd had an accumulated loss of ₹13.05 crores as at 31.03.2022, and accordingly the net worth of IIDPL got fully eroded. INKEL Ltd had made full provision for its investment in the subsidiary considering the eroded net worth. The Board of Directors of INKEL Ltd vide its meeting dt 29.06.2022 has decided to increase its share capital in IIDPL by conversion of advances made to IIDPL to the extent of ₹14 Crores, in order to revive IIDPL and make it financially healthy and credible with a positive net worth and a good equity base. The IIDPL has made rights issue of ₹14 crores to INKEL only on 16-06-2023. Even though the networth position improved after issue of shares, net worth remains negative due to losses incurred for the financial year 22-23, hence the provision is made is retained in the books.

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

(₹ In Lakh)

Particulars	Capital in LLP	Share of Profit	Share of Capital in LLP
INKEL Limited	4.50	0.50	0.45
Seguro Foundations and Structures Private Limited	5.50	0.50	0.55
<b>Total</b>	<b>10.00</b>	<b>1.00</b>	<b>1.00</b>

Total capital of the LLP is ₹10.00 lakh (₹10.00 lakh)

**2.12.4** Since the authorised Signatory representing Seguro Foundations and Structures Private Limited is not available, the financial statements of Seguro- INKEL consortium LLP has not been drawn and audited. The profit/loss of the LLP is not considered in the preparation of the financial statements.

**NOTE - 2.13 LONG-TERM LOANS AND ADVANCES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(Unsecured, Considered good)</b>		
Income Tax (Net)	149.76	427.48
	<b>149.76</b>	<b>427.48</b>

**NOTE - 2.14 OTHER NON-CURRENT ASSETS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Unbilled Revenue		
-Lease Premium Instalment	106.55	168.14
Security Deposits	77.81	31.66
Balance with Banks		
-In Fixed Deposit Accounts (See note 2.14.1)	5,738.35	4,738.78
	<b>5,922.71</b>	<b>4,938.57</b>

**2.14.1a** Balance with banks in Deposit Account includes ₹ 3523.95 lakh (₹ 3284.78 lakh) held under lien including being cash margin towards Bank Guarantee of (₹5130.00 lakh) provided in favour of National Highway Authority of India on behalf of Calicut Expressway Private Limited.

**2.14.1b** Balance with banks in Deposit Accounts include ₹ NIL (₹ 253.32 lakh) held with a maturity period of more than 12 months and ₹115.50 lakh (₹115.50 lakh) held against public deposits in pursuance of the requirements of applicable Rules.

**2.14.1c** Balance with banks in Deposit Account includes ₹ 2340.47 lakh (₹ 942.09 lakh) earmarked for specific projects.

**NOTE - 2.15 INVENTORIES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Land and Building held on long term finance lease		
Opening Balance	-	-
Add: Additions during the year	116.94	122.64
Less: Disposed during the year	116.94	122.64
Solar Panel/ Inverter / Spares	76.53	1.17
	<b>76.53</b>	<b>1.17</b>
Project-In- Progress	0.66	-
	<b>77.18</b>	<b>1.17</b>

**NOTE - 2.16 TRADE RECEIVABLES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Considered good</b>		
i. Secured	-	-
ii. Unsecured	8,409.44	5,634.51
	<b>8,409.44</b>	<b>5,634.51</b>
<b>Considered Doubtful</b>		
i. Unsecured	154.76	62.23
Less: Provision for doubtful debts	(154.76)	(62.23)
	-	-
	<b>8,409.44</b>	<b>5,634.51</b>

**Note- 2.16.1 Trade Receivables Ageing Schedule**

(₹ In Lakh)

As at 31.03.2023			
Particulars	Outstanding for following periods after due date of payment		
	Less than 6 months	6 Months- 1 year	1-2 years
i. Undisputed Trade Receivables-Considered good	5,000.53	1,891.35	160.72
ii. Undisputed Trade Receivables-Considered doubtful	-	-	-
iii. Disputed Trade Receivables considered good	-	-	-
iv. Disputed Trade Receivables considered doubtful	-	-	-

(₹ In Lakh)

As at 31.03.2023			
Particulars	Outstanding for following periods after due date of payment		
	2 to 3 Years	Above 3 years	Total
i. Undisputed Trade Receivables-Considered good	1,010.88	345.97	8,409.44
ii. Undisputed Trade Receivables-Considered doubtful	0.28	154.49	154.76
iii. Disputed Trade Receivables considered good	-	-	-
iv. Disputed Trade Receivables considered doubtful	-	-	-

(₹ In Lakh)

As at 31.03.2022			
Particulars	Outstanding for following periods after due date of payment		
	Less than 6 months	6 Months- 1 year	1-2 years
i. Undisputed Trade Receivables-Considered good	3,936.42	138.20	1,197.54
ii. Undisputed Trade Receivables-Considered doubtful	-	-	0.44
iii. Disputed Trade Receivables considered good	-	-	-
iv. Disputed Trade Receivables considered doubtful	-	-	-

(₹ In Lakh)

As at 31.03.2022			
Particulars	Outstanding for following periods after due date of payment		
	2 to 3 Years	Above 3 years	Total
i. Undisputed Trade Receivables-Considered good	326.75	35.60	5,634.51
ii. Undisputed Trade Receivables-Considered doubtful	0.05	61.74	62.23
iii. Disputed Trade Receivables considered good	-	-	-
iv. Disputed Trade Receivables considered doubtful	-	-	-

**NOTE - 2.17 CASH AND CASH EQUIVALENTS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash on Hand	0.01	0.06
Balance with Banks		
-In Current Accounts	727.28	29.19
-In Fixed Deposit Accounts	568.00	741.60
	<b>1,295.29</b>	<b>770.85</b>

**2.17.1 Earmarked Balances:**

Balance with banks in current accounts include earmarked balances for unpaid dividend ₹ 3.57 lakh (₹4.52 lakh).  
Balance with banks in current accounts include earmarked balances of ₹0.21 lakh (₹5.48 lakh) held for specific projects.

**NOTE - 2.18 SHORT-TERM LOANS AND ADVANCES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(Unsecured, Considered good)</b>		
- <b>Loans/Advances to related parties:</b>		
INKEL Infrastructure Development Projects Limited- Subsidiary Company	4,299.00	4,667.84
Seguro - INKEL Consortium LLP- Subsidiary Entity	271.84	271.84
INKES Trade Centre Limited-Subsidiary Company	14.51	5.83
- <b>Others:</b>		
Advances recoverable in cash or in kind or for value to be received	6.83	7.16
Security Deposits/Earnest Money Deposits	56.31	54.77
Balances with Government Authorities	184.38	193.75
Advance to Suppliers/Contractors	16.77	16.77
Advance to employees	-	-
	<b>4,849.64</b>	<b>5,217.95</b>
<b>(Unsecured, Considered doubtful)</b>		
Advances recoverable in cash or in kind or for value to be received	628.02	450.03
Less: Provision for doubtful loans/advances	(628.02)	(450.03)
	-	-
	<b>4,849.64</b>	<b>5,217.95</b>

**NOTE - 2.19 OTHER CURRENT ASSETS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest accrued on Fixed Deposits	78.74	45.85
Unbilled Revenue		
-Project Management Consultancy Income	572.89	566.47
Interest accrued on Lease Premium Instalment	0.48	5.13
	<b>652.11</b>	<b>617.45</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023****NOTE - 2.20 INCOME FROM OPERATIONS**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>Sale of Services</b>		
Income from disposal of land and building (On long term finance lease)	846.10	351.73
Income from operating lease	79.34	78.01
Income from Common Area Maintenance services	31.98	-
Income from Project Management Consultancy services (See Note 2.20.1)	698.70	811.42
Share of course fee received	15.67	8.55
Lighting system commissioning services	1,333.29	628.09
Construction Income	314.19	304.35
Operation & Maintenance Income	300.00	250.00
<b>Sale of Products</b>		
Sale of lighting/security system	3,111.02	3,095.80
Income from agriculture	2.34	3.33
	<b>6,732.64</b>	<b>5,531.28</b>

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

- Revenue recognised from PMC contracts: ₹698.70 lakh (₹811 lakh )
- Details of cost incurred for PMC contracts: ₹491.39 lakh (₹587.70 Lakh)
- Amount of advances received: ₹214.69 lakh (₹388 lakh)
- Amount of retentions: ₹NIL (₹NIL )



**NOTE - 2.21 OTHER INCOME**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Interest income	197.00	149.75
Guarantee fee income	147.72	93.82
Profit on sale of asset	0.65	0.04
Dividend	769.67	-
Miscellaneous income	269.17	165.23
	<b>1,384.21</b>	<b>408.84</b>

Other Note:- Undisclosed income- No Undisclosed income.

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

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Cost of Land	116.94	53.56
Cost of Building/Amenities	-	69.08
	<b>116.94</b>	<b>122.64</b>

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

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Solar light	2,815.57	2,805.89
	<b>2,815.57</b>	<b>2,805.89</b>

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

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Opening Stock-in-Trade	1.17	3.50
Closing Stock-in-Trade	76.53	1.17
	<b>(75.36)</b>	<b>2.33</b>

**NOTE - 2.25 EMPLOYEE BENEFITS EXPENSE**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Salaries & Wages	752.93	693.65
Contribution to Provident and Other funds	34.13	40.44
Staff Welfare Expenses	25.63	21.38
	<b>812.69</b>	<b>755.47</b>

**NOTE - 2.26 FINANCE COSTS**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Interest on Intercompany Loan	155.72	63.52
Interest on public deposits	18.55	86.70
Expenses for procurement and administration of Public Deposits	2.18	2.75
	<b>176.46</b>	<b>152.96</b>

**NOTE - 2.27 OTHER EXPENSES**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Share of Loss from LLP (Refer note 2.12.4)	-	15.49
Construction expense	228.43	307.88
Consultancy expense	2.47	1.08
Lighting system commissioning expenses	1,282.04	599.79
Operation & Maintenance Expense	179.01	154.36
Agricultural expense	4.39	4.01
Power & Fuel	20.63	18.54
Rent	58.88	47.81
Repairs & maintenance - Others	29.62	9.32
Insurance	2.19	2.58
Payments to the Auditor		
- as auditor	7.00	7.00
- for taxation matters	1.00	1.00
Bank charges	154.27	157.65
Meeting expense	4.79	3.78
Sitting fee to directors	19.80	13.75
Consideration for manpower services	25.37	35.73
Advertisement & publicity	27.15	13.62
Printing and stationery	6.85	8.58
Professional charges	168.49	115.86
Legal Fee	57.41	64.19
Rates & Taxes	13.54	10.46
Water line charges	14.69	14.33
Software Running Expenses	11.29	12.58
Travelling & Conveyance	25.67	30.03
Postages, telephone and internet charges	6.30	4.09
Contribution to P M Relief Fund	0.10	-
General Expense	6.63	4.53
Miscellaneous expenses	39.78	17.40
Prior Period Expense (See note 2.27.1)	(0.28)	4.09
	<b>2,397.50</b>	<b>1,679.52</b>

**2.27.1** Excess depreciation claimed in 2021-22 written back Rs. (0.28)(Interest expense not charged in FY 2020-21 Rs. 4.09)

**NOTE - 2.28 PROVISIONS**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Provision for diminution in value of Investment (Inkel Infrastructure Development Projects Limited 10,000 Equity Shares of ₹ 10/- each, fully paid up)	-	1.00
Provision for Doubtful advances (Short Term loans and advances to Seguro INKEL Consortium LLP considered doubtful and provision made) (Refer note 2.28.1)	270.52	157.50
	<b>270.52</b>	<b>158.50</b>

**Note -2.28.1**-INKEL has an outstanding of Rs 899.85 Lakh from Seguro INKEL consortium LLP. Out of which Rs 357.50 lakh have been provided in the previous years. Considering the amount spend on behalf of LLP to meet its financial obligations and considering the possible recovery from the LLP, additional provision of Rs 270.52 lakh is created in the books of INKEL Limited for the financial year 2022-23.

**NOTE - 2.29 EARNINGS PER EQUITY SHARE**

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>Basic:</b>		
Profit after tax for the year as per Statement of Profit and Loss (In ₹)	12,87,65,267.63	1,16,34,411.50
Weighted average number of equity shares of ₹10/- (₹10/-) each (fully paid up)	17,78,14,334.00	17,78,14,334.00
Basic Earnings per Share (In ₹)	<b>0.72</b>	<b>0.07</b>
<b>Diluted:</b>		
Profit after tax for the year as per Statement of Profit and Loss (In ₹)	12,87,65,267.63	1,16,34,411.50
Weighted average number of equity shares of ₹10/- (₹10/-) each (fully paid up)	17,78,14,334.00	17,78,14,334.00
Diluted Earnings per Share (In ₹)	<b>0.72</b>	<b>0.07</b>

**Note No. 2.30 EMPLOYEE BENEFITS**

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

**2.30.1 Defined Contribution Plans**

During the year the company has recognised ₹25.55 lakh (₹35.01 lakh) as Contribution to Provident Fund, ₹4.35 lakh (₹5.25 lakh) as Contribution to National Pension Scheme and ₹2.10 lakh (₹2.89 lakh) as Contribution to Employee State Insurance in the Statement of Profit and Loss on account of defined contribution plans.

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

(₹in Lakh)

(i)	Actuarial Assumptions	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
	Discount Rate	7.25% p.a.	7.37% 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**	IALM 2012-14	IALM 2012-14

\*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.

\*\*IAL: India Assured Lives Mortality modified Ult.

(₹in Lakh)

(ii)	Reconciliation of present value of obligation:	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
	Present value of obligation at the beginning of the year	86.88	51.53
	Current Service Cost	21.27	19.12
	Interest Cost	5.89	3.60
	Actuarial gain/(loss)	(13.56)	19.6
	Benefits Paid	(13.72)	(7.00)
	Curtailements	-	-
	Settlements	-	-
	Present value of obligation at the end of the year	86.76	86.88

(₹in Lakh)

(iii)	Reconciliation of fair value of plan assets :	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
	Fair value of plan assets at the beginning of the year	(2.84)	(4.75)
	Acquisition Adjustments	-	-
	Expected return on plan assets	(0.15)	(0.24)
	Actuarial gain/(loss)	1.17	4.84
	Contributions	12.00	10.00
	Benefits paid	(13.72)	(7.00)
	Assets distributed on settlement	-	-
	Fair value of plan assets at the end of the year	(.10)	(2.84)

(₹ in Lakh)

(iv) <b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Present value of obligation	84.04	86.88
Fair value of plan assets	2.61	(2.84)
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	86.65	84.04

(₹ in Lakh)

(v) <b>Expenses recognised in the Statement of Profit and Loss:</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Current Service Cost	21.27	19.12
Interest Cost	5.89	3.60
Expected return on plan assets	0.15	0.24
Acquisition Adjustment of assets	-	-
Actuarial (gain) /loss recognised in the period	13.56	14.80
Past Service Cost	-	-
Curtailement cost	-	-
Settlement cost	-	-
Total expenses recognised in the Statement of Profit and Loss	40.87	37.76

**Leave Plan (Unfunded)**

(₹ in Lakh)

(i) <b>Actuarial Assumptions</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Discount Rate	7.25% p.a.	7.37% 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 [2012-2014] Ultimate Table	Indian Assured Lives Mortality [2012-2014] 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 Lakh)

(ii) <b>Reconciliation of present value of obligation:</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Present value of obligation at the beginning of the year	71.51	63.06
Current Service Cost	20.20	18.47
Interest Cost	4.55	3.76
Actuarial (gain)/loss	16.79	12.05
Benefits Paid	(19.54)	(25.83)
Curtailements	-	-
Settlements	-	-
Present value of obligation at the end of the year	93.51	71.51

(₹ in Lakh)

(iii) <b>Reconciliation of fair value of plan assets :</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
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 Lakh)

(iv) <b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Present value of obligation	93.51	71.51
Fair value of plan assets	-	-
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	93.51	71.51

(₹ in Lakh)

(v) Expenses recognised in the Statement of Profit and Loss:	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Current Service Cost	20.20	18.47
Interest Cost	4.55	3.76
Expected return on plan assets	-	-
Actuarial (gain) /loss recognised in the period	16.79	12.05
Past Service Cost	-	-
Curtailement cost	-	-
Settlement cost	-	-
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>41.54</b>	<b>34.28</b>

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. INKES Trade Centre Limited	Subsidiary Company
iii. INKEL- EKK Roads Private Limited	Subsidiary Company
iv. Thalikulam PURA Private Limited	Subsidiary Company
v. Tirurangadi PURA Private Limited	Subsidiary Company
vi. Seguro Foundations and Structures Private Limited	Subsidiary Company (w.e.f 01-12-2017) Associate Company (w.e.f. 8-11-2017) (up to 30-11-2017)
vii. MIV Logistics Private Limited	Associate Company
viii. Seguro - INKEL Consortium LLP	Subsidiary Entity (w.e.f 01-12-2017 ) Jointly Controlled Entity (up to 30-11-2017)
ix. INKEL Infrastructure Development Projects Limited (IIDPL)	Subsidiary Company (w.e.f 27-10-2018 )
x. INKEL-KMC JV	Joint venture (w.e.f. 12.12.2018)
xi. Key Managerial Personnel Mr. Mohanlal A Mr. Ellangovan K	Managing Director (w.e.f. 01-04-2021) (upto 31.01.2022) Managing Director (w.e.f. 24-02-2022)
xii. Calicut Expressway Private Limited	Enterprise in which the company has significant influence indirectly through an intermediary (IIDPL)
xiii. INKEL Renewable Energy Private Limited	100% subsidiary of IIDPL

##### B. Description of Transactions

(₹ In Lakh)

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>			
INKEL EKK Roads Private Limited	119.47 (83.63)	- -	119.47 (83.63)
MIV Logistics Private Limited	28.25 (10.19)	- -	28.25 (10.19)
<b>3. Interest income from Loans/Debentures</b>			
INKEL Infrastructure Development Projects Limited	131.17 (141.80)	- -	131.17 (141.80)
<b>4. Expenses Recovered</b>			
MIV Logistics Private Limited	13.56 (9.69)	- -	13.56 (9.69)
INKEL KSIDC Projects Limited	274.52 -	- -	274.52 -
INKEL EKK Roads Private Limited	13.90 -	- -	13.90 -
<b>5. Operation &amp; Maintenance Income</b>			
INKEL EKK Roads Private Limited	300.00 (250.00)	- -	300.00 (250.00)



(₹ In Lakh)

<b>Expenses</b>			
1. Remuneration to Managing Director Mr. Mohanlal A	-	-	-
	-	(8.63)	(8.63)
Mr. Ellangovan K	-	66.44	66.44
	-	(5.99)	(5.99)
2. Consideration for outsource Inkel Infrastructure Development Projects Limited	-	-	-
	(14.65)	-	(14.65)
3. Interest on Intercompany loan INKEL EKK Roads Private Limited	286.89	-	286.89
	(209.41)	-	(209.41)
<b>Loans and Advances</b>			
1. INKEL KSIDC Projects Limited Loan/Advances given	-	-	-
	(0.33)	-	(0.33)
Loan/Advances recovered	-	-	-
	(0.33)	-	(0.33)
2. Seguro-INKEL Consortium LLP Loan/Advances given	270.52	-	270.52
	(30.33)	-	(30.33)
Loan/Advances recovered	-	-	-
	-	-	-
3. INKES Trade Centre Limited Loan/Advances given	8.68	-	8.68
	(0.67)	-	(0.67)
Loan/Advances recovered	-	-	-
	-	-	-
4. INKEL EKK Roads Private Limited Loan/Advances availed	2,354.40	-	2,354.40
	(400.00)	-	(400.00)
5. INKEL Infrastructure Development Projects Ltd. Loan/Advances given	131.17	-	131.17
	(161.13)	-	(161.13)
Loan/Advances recovered	500.00	-	500.00
	-	-	-
<b>Share of Profit/ -loss</b>			
1. Seguro-INKEL Consortium LLP	-	-	-
	(15.49)	-	(15.49)
<b>Investments</b>			
1. INKEL KSIDC Projects Limited	-	-	1,832.34
	-	-	(1,832.34)
2. INKES Trade Centre Limited	-	-	370.00
	-	-	(370.00)
3. INKEL-EKK Roads Private Limited	-	-	2,016.00
	-	-	(2,016.00)
4. MIV Logistics Private Limited (Including Preference Shares)	-	-	2,782.97
	-	-	(2,782.97)
5. Seguro-INKEL Consortium LLP (Refer note 2.13.4) (Including share of profit)	-	-	(140.60)
	-	-	(140.60)
<b>Guarantee given</b>			
1. MIV Logistics Private Limited	1,100.00	-	1,100.00
	-	-	(4,550.00)
2. Seguro-INKEL Consortium LLP	-	-	5,750.00
	-	-	(5,750.00)
3. INKEL-EKK Roads Private Limited	-	-	18,200.00
	-	-	(18,200.00)
4. Calicut Expressway Private Limited	5,130.00	-	5,130.00
	-	-	(8,500.00)
5. INKEL KSIDC Projects Limited	-	-	-
	-	-	-
<b>Shares pledged during the year</b>			
NIL	-	-	-
<b>Shares pledged</b>			
INKEL-EKK Roads Private Limited	-	-	1,032.00
	-	-	(1,032.00)

(₹ In Lakh)

<b>Dividend Received</b>			
1. INKEL-EKK Roads Private Limited	403.20	-	403.20
	-	-	-
2. INKEL KSIDC Projects Limited	366.47	-	366.47
	-	-	-
<b>Receivables</b>			
1. MIV Logistics Private Limited	28.04	-	47.16
	(9.50)	-	(19.12)
2. INKEL KSIDC Projects Limited	196.97	-	196.97
	-	-	-
3. INKES Trade Centre Limited	4.24	-	15.83
	-	-	(11.59)
4. INKEL-EKK Roads Private Limited	141.55	-	236.04
	(21.55)	-	(94.50)
5. INKEL Infrastructure Development Projects Limited	-	-	837.67
	-	-	-
6. INKEL Renewable Energy Private Limited	39.00	-	39.00
	-	-	-
<b>Payables</b>			
1. INKEL-EKK Roads Private Limited	258.20	-	277.09
	(18.89)	-	(18.89)
2. INKEL Infrastructure Development Projects Limited	1.50	-	15.22
	(14.65)	-	(16.72)

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

#### 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 ₹1381.50 lakh. 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 years 31/03/2021, 31/03/2022 and 31/03/2023. 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 made on FY 2019-20 has been retained for the investment of ₹ 1381.50 lakh by INKEL in SFS as on 31.03.2023.
- Based on audited financial statements as on 31/03/2023 provided by INKEL Infrastructure Development Projects Limited, the net worth has fully eroded. In view of the erosion in share value reported above, there is permanent diminution in the value of investments in the subsidiary company, IIDPL 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 ₹1.00 lakh by INKEL in INKEL Infrastructure Development Projects Limited as on 31.03.2023.

### 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 2023 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:

(₹ in Lakh)

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 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
1) INKES Trade Centre Limited (INKES) - Subsidiary	370.00	370.00	304.63	304.63
2) MIV Logistics Private Limited (MIV) - Associates	1182.97	1182.97	303.80	303.80

- b) Further, as per the financial statements of MIV ((a)(2) referred to above) as at 31<sup>st</sup> March 2023, the said company is holding investments in equity shares amounting to ₹269.13 lakh 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 ₹301.84 lakh (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 ₹570.98 lakh, 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 2023, as per AS-13 (Accounting for Investments).

### Note 2.33 FINANCIAL RATIOS

Sl No.	Particulars	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	% of Variance
1	Current ratio	Current Assets	Current Liabilities	1.29	1.36	-5%
2	Debt Equity Ratio	Total Debt	Shareholder's Equity	0.22	0.13	65%
3	Debt Service Coverage Ratio	Earnings available for debt service	Repayment of Instalment and interest	NA	NA	NA
4	Return on Equity	Net Profit after Tax	Shareholder's Equity	0.07	0.01	1007%
5	Inventory Turn Over Ratio	Cost of Goods Sold	Average Inventory	70.54	1,202.66	-94%
6	Trade Receivable turnover Ratio	Revenue from operations	Trade Receivables	0.80	0.98	-18%
7	Trade Payable Turnover Ratio	Operating Expenses	Trade Payables	1.36	1.19	15%
8	Net Capital Turn Over Ratio	Revenue from Operations	Average Working Capital	3.96	3.45	15%
9	Net Profit Ratio	Net Profit after Tax	Revenue from Operations	0.19	0.02	876%
10	Return on Capital Employed	Earnings before Interest & Tax	Capital employed	0.06	0.01	425%
11	Return on Investment	Interest Income + Dividend	Non-Current Investment + Fixed deposit + Loan given	0.06	0.01	606%

**Reason for Variance in excess of 25%**

1) Debt Equity Ratio	-
2) Return on Equity	- Improvement is mainly on account of increase in PAT during the current year.
3) Inventory Turn Over Ratio	-
4) Net Capital Turn Over Ratio	-
5) Net Profit Ratio	- Improvement is mainly on account of increase in turnover and profit during the current year.
6) Return on Capital Employed	- Improvement is mainly on account of increase in profit during the current year.
7) Return on Investment	- The increase was mainly on account of dividend received.

**NOTE - 2.34**

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

**NOTE - 2.35 Contingent Liabilities not provided for :**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
a) Corporate guarantee issued in favour of –		
- MIV Logistics Private Limited	1,100.00	4,550.00
- Seguro-INKEL Consortium LLP	-	5,750.00
- INKEL-EKK Roads Private Limited	18,200.00	18,200.00
- INKEL KSIDC Projects Limited	-	-
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	5,130.00	8,550.00
c) Other Counter Guarantees issued in favour of Banks for the guarantees issued	1,181.60	942.67
- KSEB	890.51	677.94
- LSGD-Kerala	10.26	4.69
- PWD	2.00	3.03
- CSML	-	5.00
- KINFRA	230.74	230.00
- RDPR KARNATAKA	26.59	26.59
- KMML	21.50	-
d) Claims towards Building Tax	117.36	131.16

- 1) Federal bank has filed an application before the Debt Recovery Tribunal (OA 149/2021) under S.19 of the Recovery of Debts and Bankruptcy Act,1993 against M/s Seguro Foundations and Structures Pvt Ltd in which INKEL is arrayed as the 5th defendant. The application is filed for recovery of Rs.4978.39 lakh along with pendente lite and future interest @ 10.58% + 2% penal interest per annum. The bank has also prayed for a direction from the DRT in the same petition for payment of ₹52.01 lakh along with pendente lite and future interest @10.48% +2% penal interest. The case is being defended by INKEL as there is no corporate guarantee extended by INKEL.
- 2) Federal bank has filed an application before the Debt Recovery Tribunal (OA 158/2021) under S.19 of the Recovery of Debts and Bankruptcy Act,1993 against M/s Seguro-INKEL Consortium LLP in which INKEL is the 4<sup>th</sup> defendant. Inkel is a partner in the said LLP with 50% shareholding. The application is filed for recovery of ₹270.66 Lakh along with pendente lite and future interest @ 10.58% + 2% penal interest per annum. INKEL has remitted the payment ₹267.91, thus Federal Bank has withdrawn the case and disposed off.

- 3) One Mr. Shaji Mathew has filed a case before the NCLT, Kochi bench against M/s Seguro Foundations and Structures Pvt Ltd claiming an amount of ₹11.02 Lakh. INKEL has been exparte impleaded as Additional Corporate Debtor in this case by virtue of NCLT order dated 26.11.2020. INKEL has obtained an indefinite stay from NCLAT against this order
- 4) M/s CEMEX has raised a Demand under rule 5 of Insolvency and Bankruptcy Code jointly against Seguro Foundations and Structures Pvt Ltd and INKEL for the dues claimed to be payable by Seguro Foundations and Structures Pvt Ltd. The claimed amount is ₹41.52 lakh as per RA bill and profitability statement, rent bill and other heads is ₹114.46 lakh, interest at the rate of 12% amounting to ₹23.00 lakh, totalling to an amount of ₹178.97 lakh INKEL has replied to this disputing the claim raised. No litigation initiated as on 24.06.2022.
- 5) There are Certain Legal cases faced by the Company as a party in cases related to its subsidiary Seguro Foundations and Structures Private Limited and Inkel Consortium LLP wherein the company is a majority partner, for which the outcome and potential financial impact cannot be reasonably estimated. Though the company is not the primary accused, it is one of the defendants in certain legal cases with claims for the recovery of money pending before various forums. Management holds the view that those claims are not tenable against the Company; however, due to the inherent uncertainties involved, the contingent liability cannot be quantified at this time.

**NOTE - 2.36 Capital Commitments**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Estimated amount of contracts remaining to be executed on capital account and not provided for Interior work at TVM office	5.90	Nil

**NOTE - 2.37 Remittances in foreign currency 2.37.1. Dividend**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Year to which dividend relates	Financial Year 2022-23	Financial Year 2021-22
Amount remitted during the year	-	-
Number of non-resident shareholders	-	-
Number of shares on which dividend was due	-	-

**2.37.2. Other Remittances**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Software Purchase	0.83	0.79

**NOTE - 2.38 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 - 2.39 Operating Lease: Company as Lessee**

The Company has acquired assets under the operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses are those expenses under those leases debited to statement of profit and loss was ₹58.88 lakh (₹47.81 lakh). The company has only entered into cancellable lease arrangements.

**NOTE - 2.40**

Previous year figures unless otherwise stated are given within brackets and have been regrouped and recast wherever necessary.

**NOTE - 2.41**

Title deeds of Immovable Property not held in name of the Company- NIL

**NOTE - 2.42**

The Company has not revalued its Property, Plant and Equipment during the year by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.



**NOTE – 2.43**

The Company has no Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

**NOTE - 2.44 Capital-Work-in Progress (CWIP)****CWIP Ageing schedule**

(₹ In Lakh)

Amount in CWIP for the period of	CWIP	Project In Progress	Projects Temporarily Suspended
	Less than 1 year		54.46
1 to 2 years		-	-
2 to 3 years		-	-
3 years and above		-	-
Total		54.46	-

**NOTE - 2.45**

The Company has no Intangible Assets under Development as on 31.03.2023, whose completion is overdue or has exceeded its cost compared to its original plan.

**NOTE - 2.46**

The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**NOTE - 2.47**

The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or government authority

**NOTE - 2.48**

The Company does not have any transactions with companies struck off.

**NOTE - 2.49**

The Company does not have any charges or satisfaction which is yet to be registered with ROC (Registrar of Companies) beyond the statutory period.

**NOTE - 2.50**

The Company has complied with number of layers of companies are as per clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

**NOTE - 2.51**

The company was not required to comply with Sec 135 as the company has not made profit in the previous three years.

For and on behalf of the Board of Directors

As per our separate report of even date attached

Dr. K Ellangovan  
Managing Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

For Sridhar & Co  
Chartered Accountants  
FRN : 003978S

Baiju T  
Company Secretary

Vipin P.G  
Chief Financial Officer

CA. S. Unnikrishnan  
Partner  
Membership No.218366  
UDIN: 23218366BGVSL08252

Place: Kochi  
Date : 26/06/2023

## 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, 2023, 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 have not reached finality. Pending resolution of the matter the financial statement for the year ended 31.03.2020 have not been drawn up or approved by the Board of Directors of the said company. Further, no financial statements of SFS were compiled for the years 31/03/2021, 31/03/2022 and 31/03/2023. Due to the reason the financial statements of SFS was not consolidated for the year ended 31.03.2023.

As stated in Note No 2.14.3 to the consolidated financial statements of INKEL Limited (INKEL), Since the

authorised Signatory representing Seguro Foundations and Structures Private Limited is not available, the financial statements of Seguro-INKEL consortium LLP has not been drawn and audited. The profit/loss of the LLP is not considered in the preparation of the financial statements.

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:

- Investment by the Company in the equity shares of M/s. Sea Bird Sea Plane Private Limited, its associate amounting to ₹2.70 Crores, is valued at cost without any impairment loss. The associate company has not commenced commercial operations since 2nd November 2012, being its date of incorporation. We also understand that its creditors have approached the National Company Law Tribunal (NCLT) for liquidation of the associate company. On the basis of these facts, it is construed that the associate company is no longer a 'Going Concern' and hence the assets of the associate company are to be valued at the net realizable value (NRV). In the absence of any audited financial statements or the liquidation report, impairment in the value of this investment of the Company cannot be ascertained by us. The Company had also advanced a loan of ₹3.02 Crores to M/s. Sea Bird Sea Plane Private Limited for which no repayment of principal is seen. The Company has not made any provision for the realizability of the loan advanced. Further the Company has not accounted for the interest due on the said loan. Therefore, since the workout for impairment of the equity investment has not been provided for audit, we are not in a position to comment on the impact of such impairment or realizability on the Consolidated Financial Statements in this regard.

Due to the aforesaid issues of non-consolidation of financial statements of SFS for the financial years 2020-21, 2021-22 and 2022-23 and the reason that financial statements of SFS for the financial years 2018-19 and 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 2023, as well as in relation to the preceding year ended 31st March 2019, 31st March 2020, 31st March 2021 and 31st March 2022 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. Further the financial statements of Seguro INKEL consortium

LLP has not been consolidated for the financial year 2022-23 and 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 associate 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 Subsidiaries and Associate, Seguro Foundations and Structures Private Limited, Seguro-INKEL Consortium LLP 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.

#### **Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report including Annexures thereon but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

#### **Responsibility of Management and Those Charged with Governance for the 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 1<sup>st</sup> December 2017 and made an investment of ₹1381.50 lakh. 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,

- (i) 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. Further no financial statements of SFS was compiled for the year 31/03/2021, 31/03/2022 and 31/03/2023, 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 made on FY 2019-20 has been retained for the investment of ₹1381.50 lakh by INKEL in SFS as on 31.03.2023 in its standalone financial statement.
- (ii) Based on audited financial statements as on 31/03/2023 provided by INKEL Infrastructure Development Projects Limited (IIDPL), the net worth has fully eroded. In view of the erosion in share value reported above, there is permanent diminution in the value of investments in the subsidiary company, IIDPL 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 1.00 lakh by INKEL in IIDPL as on 31.03.2023 in its standalone financial statement.

We draw attention to Note No.2.39.3 to the Consolidated Financial Statements which states that based on valuation of the assets of the subsidiary company, 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 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.

The auditors of INKEL EKK Ltd have drawn attention to the following notes Without qualifying their opinion,

- The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date except the following loans advanced to the following companies from the FY 2019-20 onwards
  - a) INKEL Limited - ₹4502.00 lakh
  - b) EKK-Infrastructure Limited - ₹1751.00 lakh
- Equity shares for ₹1032.00 lakh held by INKEL Limited and ₹396.00 lakh held by EKK-Infrastructure Limited respectively have been pledged with the State Bank of India as per the terms and conditions of the Facility Agreement dated 16.05.2019.
- During the financial year 2022-23 the company has further advanced an amount of ₹2353.40 lakh to INKEL Limited as Inter-corporate Loan.
- As per the Notification No.15/2022 dated 30<sup>th</sup> December 2022, annuity fee became a taxable service with effect from 01.01.2023. As a result, statutory dues include GST payable amounting to Rs 316.19 lakh against the invoice no.INKEKK2223/001 to Road Infrastructure Company Kerala Limited (RICK) dated 14.03.2023. The company have not remitted the GST dues to government as it is not recovered from RICK and not provided the interest and delayed payment of GST in the books.

The auditors of INKEL Infrastructure Development Projects Ltd. (IIDPL) have drawn attention to the following, without qualifying their opinion,

- The Company has accumulated loss amounting to ₹1424.59 lakh (Previous Year ₹1305.34 lakh), exceeding share capital and reserves with a negative net worth of ₹1423.59 lakh (Previous Year ₹1304.34 lakh). These conditions indicate the existence of uncertainty which may cast considerable doubt as to the Company's ability to continue as a going concern. The management has represented that the company is a fully owned subsidiary of INKEL Limited and that the impact of accumulated loss and the resultant negative net worth would not have any bearing on the ability to continue as a going concern. Further, as per the information and explanations provided, the company is in the process of enhancing its paid-up capital by the way of right issue of equity shares to its holding company. The management is of the view that the financial statements are to be prepared on going concern basis.
- The balances of Long-term Loans & Advances provided to M/s Calicut Expressway Private Limited (CEPL) as on 31.03.2023 amount to ₹4300.00 lakh. However, this balance differs from the ₹4975.86 lakh reported in the books of M/s CEPL. The difference is attributed to:
  - In the financial year 2021-22, ₹721.85 lakh was written off as bad debts in the books of M/s IIDPL. However, this write off was not duly recorded in the books of M/s CEPL.
  - M/s CEPL has recognized a liability for TDS (Tax Deducted at Source) payable amounting to ₹46.30 lakh. However, this has not been accounted for in the books of IIDPL.
  - Furthermore, an amount of ₹0.32 lakh remains outstanding and un-reconciled between the two sets of books.

The auditors of MIV Logistics Private Limited have drawn attention to the following, without qualifying their opinion,

- Trade Receivables having balances more than 3 years amount to ₹0.34 Crores as on 31<sup>st</sup> March 2023 of which the top 10 account for ₹0.27 Crores. Neither are there any transactions with these parties during the financial year nor has any balance confirmations been received for the year. The break-up is as below:

Party	Balance as at 31 <sup>st</sup> March 2023 (₹ in Crores)
M&B Associates	0.07
Jetz Global Logistics	0.06
Tenny Jose And Associates Limited	0.03

Omega Agencies	0.03
Omsfree International Private Limited	0.02
Bon Freight	0.02
Blue Axis Shipping	0.01
Berrio Logistics India Private Limited	0.01
Flyjac Logistics Pvt. Ltd. (CSL Limited)	0.01
C Exim Logistics	0.01
<b>Total</b>	<b>0.27</b>

No provision has been made in respect of the above balances by the Company.

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

- We did not audit the financial statements/financial information of the four subsidiaries viz. INKID, INKES, INKEL-EKK, IIDPL whose financial statements/financial information reflect total assets of ₹26895.72 lakh and net assets of ₹7603.69 lakh as at 31<sup>st</sup> March 2022, total revenues of ₹2715.58 lakh and Total net cash outflow amounting to ₹2560.52 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹182.18 lakh for the year ended 31<sup>st</sup> March, 2023 as considered in the consolidated financial statements
- Further the financial statements/ information of subsidiary company Seguro Foundation and Structures private Limited and Subsidiary entity Seguro INKEL consortium LLP is not drawn up and audited and hence not included in the consolidation of financial statements, in respect of one associate company viz. MIV Logistics Private Limited (which includes its share of results of operations in an associate viz. Seabird Seaplane Private Limited) as stated in the Consolidated Financial Statements, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors. The auditors of the associate enterprise MIV Logistics Private Limited have stated in their report that the financial statements of Seabird Seaplane Private Limited have not been audited.



- (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. 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, 2023 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, 2023 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, 2023 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 the requirements of Section 197(16) of the Act, as amended, for the reasons stated in the Basis for Disclaimer of Opinion paragraph above, we are unable to state whether the remuneration paid by the Group to its directors during the year is in accordance with the provision of Section 197 of the Act;
- (j) 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 No2.37. 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.
- (j) a) The respective managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group, associates and joint ventures to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the Group, associates and joint ventures from any person or entity, including foreign entities ("Funding Parties"), with the

understanding, whether recorded in writing or otherwise, that the Group, associates and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (k) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding company, its subsidiaries and associate company only w.e.f. 1<sup>st</sup> April 2023, hence reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
2. With respect to the matters specified in paragraphs 3(xi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company, and CARO reports issued by other auditors in case of subsidiaries and associate included in the consolidated financial statements of the Company, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

CA. S. Unnikrishnan  
**Partner**

Place: Kochi  
 Date: 26.06.2023

Membership No. 218366  
 UDIN: **23218366BGVSLP7177**

**“ANNEXURE A” REFERRED TO IN PARAGRAPH 1(h) 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 SUBSIDIARY COMPANIES AND ASSOCIATE COMPANY INCORPORATED IN INDIA FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**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 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, 2023 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 2.39.1 of the consolidated financial statements, the financial statements of a material component of the Group - Seguro Foundations and Structures Private Limited (SFS) for the financial year ended 31<sup>st</sup> March 2019 have not been approved by the Board of Directors of the said company and are subject to audit by that company’s auditors.

Further, no financial statement of SFS was compiled for the years 31/03/2021, 31/03/2022 and 31/03/2023. And also the financial statements of Seguro-INKEL consortium LLP for the financial year ended 31<sup>st</sup> March 2023 has not been drawn and audited.

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, 2023.

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

CA. S. Unnikrishnan  
**Partner**

Place: **Kochi**  
Date: **26.06.2023**

Membership No.218366  
UDIN: **23218366BGVSLP7177**

**"ANNEXURE B" REFERRED TO IN PARAGRAPH 2 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 SUBSIDIARY COMPANIES AND ASSOCIATE COMPANY INCORPORATED IN INDIA FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the Consolidated Financial Statements, have unfavorable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sl. no	Name of companies	Clause number of the CARO report which is unfavorable or qualified or adverse
1.	INKEL-EKK Roads Private Ltd	Clause ix(c)
2.	INKES Trade Centre Limited	Clause i(b)

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

CA. S. Unnikrishnan  
**Partner**

Place: **Kochi**  
Date: **26.06.2023**

Membership No.218366  
UDIN: **23218366BGVSLP7177**

## INKEL LIMITED

CIN: U45209KL2007PLC020471

Door No. 14/812 & 813 - 1st Floor, Ajiyal Complex, Kakkanad, Kochi – 30

### CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023

(₹ In Lakh)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	2.1	17,781.43	17,781.43
Reserves and Surplus	2.2	2,718.71	3,472.61
<b>(2) Minority Interest</b>	2.3	2,438.38	2,621.64
<b>(3) Share Application Money Pending Allotment</b>			
<b>(4) Non - Current Liabilities</b>			
Long - Term Borrowings	2.4	12,269.18	13,601.20
Deferred Tax Liabilities	2.5	275.94	254.96
Other Long-Term Liabilities	2.6	91.69	104.99
Long - Term Provisions	2.7	150.56	153.54
<b>(5) Current Liabilities</b>			
Short Term Borrowings	2.8	713.74	1,294.92
Trade Payables :-	2.9		
Total outstanding dues of micro enterprises and small enterprises;		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,380.59	3,649.47
Other Current Liabilities	2.10	4,800.05	3,739.31
Short - Term Provisions	2.11	503.91	316.46
<b>TOTAL</b>		<b>45,124.18</b>	<b>46,990.54</b>
<b>II. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
Property, Plant and Equipment and intangible Assets			
Property, Plant and Equipment	2.12	7,316.21	7,466.75
Intangible Assets	2.12	25.53	5.31
Capital Work in Progress	2.13	179.53	120.00
Goodwill on Consolidation	2.39	6.09	6.09
Non - Current Investments	2.14	1,726.96	1,784.08
Deferred Tax Assets	2.15	386.59	295.86
Long - Term Loans and Advances	2.16	6,222.97	6,711.63
Other Non - Current Assets	2.17	11,061.41	12,533.75
<b>(2) Current Assets</b>			
Inventories	2.18	77.19	48.80
Trade Receivables	2.19	10,018.34	7,644.72
Cash and Cash Equivalents	2.20	6,112.51	8,148.59
Short - Term Loans and Advances	2.21	886.93	651.85
Other Current Assets	2.22	1,103.89	1,573.11
<b>TOTAL</b>		<b>45,124.18</b>	<b>46,990.54</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  
Managing Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

For Sridhar & Co  
Chartered Accountants  
FRN : 003978S

Baiju T  
Company Secretary  
Place: Kochi  
Date : 26/06/2023

Vipin P.G  
Chief Financial Officer

CA. S. Unnikrishnan  
Partner  
Membership No.218366  
UDIN: 23218366BGVSLP7177



## INKEL LIMITED

CIN: U45209KL2007PLC020471

Door No. 14/812 & 813 - 1st Floor, Ajiyal Complex, Kakkanad, Kochi – 30

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(₹ In Lakh)

Particulars	Note No.	For the year ended	
		31.03.2023	31.03.2022
<b>Income</b>			
I. Revenue from Operations	2.23	8,258.47	9,293.33
II. Other Income	2.24	1,840.37	1,008.18
<b>III. Total Income (I+II)</b>		<b>10,098.84</b>	<b>10,301.51</b>
<b>IV. Expenses</b>			
(i) Cost of land acquired/building/amenities constructed and disposed (on Long Term Finance Lease Agreements)	2.25	224.29	615.33
(ii) Purchases of Stock-in-Trade	2.26	2,815.57	2,805.89
(iii) Changes in inventories of Stock-in-Trade	2.27	(75.36)	285.68
(iv) Operating, Works Contract and Project Expenses	2.28	384.75	486.33
(v) Employee Benefits Expense	2.29	819.52	763.32
(vi) Finance Costs	2.30	1,227.14	1,371.46
(vii) Depreciation and Amortisation Expense	2.12	322.92	248.20
(viii) Other Expenses	2.31	2,303.15	2,206.77
(ix) Provisions	2.32	270.52	-
<b>Total Expenses</b>		<b>8,292.50</b>	<b>8,782.98</b>
<b>V. Profit Before Tax (III - IV)</b>		<b>1,806.34</b>	<b>1,518.82</b>
<b>VI. Tax Expense</b>			
(1) Current Tax		404.18	818.85
(2) Taxes relating to prior years		2.06	(18.64)
(3) Deferred Tax		(69.75)	(83.97)
<b>VII. Profit/(Loss) for the year before Minority Interest, Share in Net Profit/(Loss) of Associate (V-VI)</b>		<b>1,469.85</b>	<b>802.29</b>
VIII. Share of Profit/ (Loss) of Associate Company		(26.49)	85.54
<b>IX. Profit/(Loss) for the year (VII+VIII)</b>		<b>1,443.36</b>	<b>887.82</b>
<b>X. Profit/(Loss) attributable to</b>			
Owners of the Company		1,360.87	418.51
Minority Interest		82.49	469.31
		<b>1,443.36</b>	<b>887.82</b>
<b>XI. Earnings per Equity Share</b>	2.33		
Face value of share ₹ 10/- (₹ 10/-)			
Basic		0.77	0.24
Diluted		0.77	0.24

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  
Managing Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

For Sridhar & Co  
Chartered Accountants  
FRN : 003978S

Baiju T  
Company Secretary

Vipin P.G  
Chief Financial Officer

CA. S. Unnikrishnan  
Partner  
Membership No.218366  
UDIN: 23218366BGVSLP7177

Place: Kochi  
Date : 26/06/2023

## INKEL LIMITED

CIN: U45209KL2007PLC020471

Door No. 14/812 & 813 - 1st Floor, Ajjal Complex, Kakkanad, Kochi – 30

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Taxation and exceptional items</b>	1,806.34	1,518.52
<b>Adjustments for:</b>		
Depreciation and Amortisation	322.92	248.20
Dividend	(769.67)	-
(Profit)/Loss on sale of Assets (Net)	-	2.58
Profit on sale of Fixed Assets	(0.65)	-
Interest Income	(799.60)	(820.86)
Interest Expense	1,227.14	1,371.46
Conversion of fixed assets to current assets	224.76	615.34
<b>Operating profit before Working Capital Changes</b>	<b>2,011.24</b>	<b>2,935.24</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (Increase)/Decrease in Operating Assets</b>		
Trade Receivables	(2,373.62)	1,264.30
Inventories	(28.39)	(495.87)
Short term loans and advances	(235.08)	131.47
Other Current Assets	469.22	500.72
Long term Loans and Advances	488.66	121.81
Deferred Tax	(90.73)	-
Other Non-Current Assets	1,472.34	987.64
	<b>(297.60)</b>	<b>2,510.07</b>
<b>Adjustments for Increase/ Decrease in Operating Liabilities</b>		
Trade Payables	(268.88)	933.13
Non-Current Liabilities	-	-
Other Current Liabilities	261.37	(58.56)
Deferred Tax Liabilities	20.98	-
Short term Provisions	187.45	(7.39)
Long term Provisions	(2.98)	39.35
Long Term Liabilities	(13.30)	(39.68)
Short term Borrowings	(581.18)	-
	<b>(396.55)</b>	<b>866.85</b>
<b>Cash generated from Operations</b>	<b>1,317.09</b>	<b>6,312.16</b>
Taxes Paid	(336.49)	(479.71)
<b>Net Cash Generated from Operating activities - (A)</b>	<b>980.60</b>	<b>5,832.45</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment including Capital WIP	(651.15)	(142.70)
Intangible assets	(23.93)	-
Proceeds from sale of Property, Plant and Equipment	179.06	(10.72)
Dividend Received (Net of Dividend distribution tax)	769.67	-
Share of loss/Gain in Subsidiary not consolidated	(1,587.06)	-
(Investments)/Sale of Equity shares/Preference Shares	57.11	33.08
<b>Net Cash Used in Investing activities - (B)</b>	<b>(1,256.29)</b>	<b>(120.34)</b>

<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(0.80)	(0.67)
Interest received	799.60	620.70
Interest paid	(1,227.14)	(1,270.94)
Proceeds from /(Repayment of) Short term borrowings	-	(1,696.53)
Proceeds/(Repayment) from Long term borrowings	(1,332.02)	(880.14)
<b>Net Cash Generated from/ (Used in) Financing Activities - (C)</b>	<b>(1,760.35)</b>	<b>(3,227.58)</b>
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>(2,036.05)</b>	<b>2,484.53</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	8,148.59	5,663.98
<b>Cash and Cash Equivalents at the end of the year</b>	<b>6,112.54</b>	<b>8,148.51</b>

For and on behalf of the Board of Directors

Dr. K Ellangovan  
Managing Director  
DIN: 05272476

Jacob Kovoov Ninan  
Director  
DIN: 01213357

Baiju T  
Company Secretary

Vipin P.G  
Chief Financial Officer

Place: Kochi  
Date : 26/06/2023

As per our separate report of even date attached

For Sridhar & Co  
Chartered Accountants  
FRN : 003978S

CA. S. Unnikrishnan  
Partner  
Membership No.218366

UDIN: 23218366BGVSLP7177

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

### 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	
			31-03-2023	31-03-2022
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 up to the same reporting date as that of the Company, i.e., 31 March, 2023.
- ii. The financial statements of the Company and its subsidiaries (including subsidiary entity) have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered, as per AS 21 'Consolidated Financial Statements'.
- iii. The consolidated financial statements include the share of results in operations in an associate entity (which includes its share of profits/losses in an associate) which has been accounted for using 'equity method' as per AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements'. Accordingly, the share of profit / loss of the associate entity (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.
- iv. The difference between the cost of investment in the subsidiary company and the net assets at the time of acquisition of shares in the subsidiary company is recognised in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be and where two or more investments are made over a period of time, Goodwill/Capital Reserve is calculated on a step by step basis.
- v. Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- vi. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements and if a member of the group uses accounting policies other than those adopted in the consolidated financial statements for such transactions and events, appropriate adjustments are made to its financial statements when they are used in preparing the consolidated financial statements.

**b. Basis of Preparation**

- i. The Consolidated Financial Statements of Inkel Limited (the Company) and its subsidiaries, INKID, INKES, INKEL- EKK, IIDPL and SIC LLP collectively referred to as the 'group' and its associate MIV (which includes its share of results of operation in an associate viz Seabird) have been prepared in accordance with Accounting Standard - 21 (AS 21), "Consolidated Financial Statements" and Accounting Standard – 23 (AS 23) "Accounting for Investments in Associates in Consolidated Financial Statements"
- ii. The company had in earlier years written off the book value of investments in subsidiary companies Thalikulam PURA Private Limited and Tirurangadi PURA Private Limited as these companies had not commenced any commercial activities and there are no management plans for revival. Current financial statements / financial information in relation to these companies is not available, although both of these companies has any significant assets or liabilities and hence these entities have been excluded for the purpose of consolidation, the effect of which is not material. The investment value in another subsidiary INKEL - KINFRA Infrastructure Projects Limited had also been written off by the company in the earlier years and the company has been 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.

**e. Property, Plant and Equipment**

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



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

**f. Intangible Assets**

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

**g. Project Development Expense**

**In case of the INKES:** Expense incurred in connection with Project Development are treated as project development expense pending capitalisation/ adjustment. These expenses are shown under capital work in progress.

**h. Depreciation/ Amortisation**

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

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

**k. Investments**

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

**l. Revenue Recognition**

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

**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 recognised in the period in which the employee renders the related service.

**ii. 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.

**iii. Defined Benefit Plans: Gratuity (Funded)**

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

**iv. 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.

**v. Termination Benefits**

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

**o. Income Tax**

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Deferred Tax assets/ liabilities representing timing differences between accounting income and taxable income are recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

**p. Foreign Currency Transactions**

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

**q. Borrowing Costs**

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

costs are recognised as expenditure for the period in which they are incurred.

**r. Earnings per share**

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

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

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined

based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates. Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation. Contingent assets are neither recognised nor disclosed in the accounts

**t. Cash and Cash Equivalents**

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

**NOTES FORMING PART OF STATEMENT OF BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**NOTE - 2.1 SHARE CAPITAL**

(₹ In Lakh)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Equity Share Capital</b> Equity Shares of ₹ 10/- (₹ 10/-) each	20,00,00,000	20,000.00	20,00,00,000	20,000.00
	20,00,00,000	20,000.00	20,00,00,000	20,000.00
<b>Issued, Subscribed and Paid up</b> Equity Shares of ₹ 10/- (₹ 10/-) each	17,78,14,334	17,781.43	17,78,14,334	17,781.43
	17,78,14,334	17,781.43	17,78,14,334	17,781.43

**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 Lakh)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares</b>				
As at the beginning of the financial year	17,78,14,334	17,781.43	17,78,14,334	17,781.43
Shares issued during the financial year	-	-	-	-
As at the end of the financial year	17,78,14,334	17,781.43	17,78,14,334	17,781.43

**Particulars of Shareholders holding more than 5% share in the Company**

(₹ In Lakh)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of Shares	Amount	Number of Shares	Amount
Govt. of Kerala - 22.78 % (Previous year 22.78 %)	4,05,00,000	4,050.00	4,05,00,000	4,050.00
Bismi Holdings Limited-6.19% (Previous year 6.19%)	1,10,00,000	1,100.00	1,10,00,000	1,100.00
Shri.Yusuffali M A - 17.02 % (Previous year 17.02 %)	3,02,60,018	3,026.00	3,02,60,018	3,026.00
Shri.Varghese Kurian - 7.59 % (Previous year 7.59%)	1,34,94,697	1,349.47	1,34,94,697	1,349.47
Dr.Mohamed Ali - 5.91 % (Previous year 5.91 %)	1,05,00,000	1,050.00	1,05,00,000	1,050.00

**Shares held by promoters for the year ended 31<sup>st</sup> March 2023**

Promoter Name	No of Shares	% of Total Shares	% of Change during the year
Govt. of Kerala	4,05,00,000	22.78%	-
	<b>4,05,00,000</b>	<b>22.78%</b>	-

**NOTE - 2.2 RESERVES AND SURPLUS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(a) Securities Premium</b>		
Opening Balance	739.37	739.37
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>739.37</b>	<b>739.37</b>
<b>(b) Surplus in statement of profit and loss</b>		
Opening balance	2,127.38	2,025.01
Add: Profit/Loss for the year	1,360.87	418.51
Amount available for appropriation	<b>3,488.25</b>	<b>2,443.52</b>
Less: Appropriation		
Dividend for 2022-23 paid by subsidiary companies	769.67	-
Proposed Dividend (See Note-2.2.2)	800.16	-
<b>Total Appropriations</b>	<b>1,569.83</b>	<b>-</b>
	<b>2,657.78</b>	<b>3,182.89</b>
Less: Minority Interest adjusted (as per contra)	-	-
Add: Adjusted against majority interest (as per contra)	-	-
Closing Balance	<b>2,657.78</b>	<b>3,182.89</b>
Capital Reserve (transfer of intercompany loan receivable from KINFRA)	-	151.38
Capital Reserve on Consolidation	60.93	138.35
	<b>2,718.71</b>	<b>3,472.61</b>

**2.2.1 a.)** INKEL-KSIDC PROJECTS LIMITED, has declared dividend at the rate of 20% of each fully paid-up equity shares (24761367 equity shares of ₹10 each.) for the financial year 2022-23, which has been paid out of the accumulated profits.

**b.)** INKEL-EKK has declared dividend at the rate of 20% of each fully paid-up equity shares (28000000 equity shares of ₹10 each.) for the financial year 2022-23, which has been paid out of the accumulated profits.

**2.2.2** The Board of Directors of the Holding Company has proposed a final dividend of ₹0.45 (4.5%) per equity share which is subject to approval by the shareholders at the ensuing Annual general meeting. The total proposed final dividend for the year ended 31-03-2023 amounts to ₹800.16 lakh.

**NOTE - 2.3 MINORITY INTEREST**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Share Capital	1,557.80	1,894.36
Add: Share of accumulated reserves	1,083.65	257.96
Add: Profit/(Loss) for the year transferred from Statement of Profit and Loss	82.49	469.31
Less: Dividend and Dividend tax paid	285.56	-
Add: Adjusted against majority interest (as per contra)	-	-
<b>Closing Balance</b>	<b>2,438.38</b>	<b>2,621.64</b>

**NOTE - 2.4 LONG TERM BORROWINGS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Term Loans (Secured)</b>		
From Banks - Term loan from State Bank of India (See Note 2.4.1)	11,546.10	12,224.79
From other parties - Unsecured	723.08	1,376.41
	<b>12,269.18</b>	<b>13,601.20</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** INKEL-EKK subsidiary company Equity shares of ₹10,32,00,000/- held by INKEL Ltd and ₹4,96,00,000/- held by EKK Infrastructures Limited respectively have been pledged with State Bank of India as per the terms and condition of the facility arrangement dated 16-05-2019.

**NOTE - 2.5 DEFERRED TAX LIABILITIES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
On Property, Plant & Equipment and Intangible asset	275.94	254.96
	<b>275.94</b>	<b>254.96</b>

**NOTE - 2.6 OTHER LONG TERM LIABILITIES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Security Deposits	61.17	74.46
Retention & Earnest Money Deposit	28.26	28.26
Performance Guarantee Payable	2.26	2.26
	<b>91.69</b>	<b>104.98</b>

**NOTE - 2.7 LONG-TERM PROVISIONS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Provision for employee benefits (See Note-2.34)</b>		
- Provision for Gratuity	76.71	84.32
- Provision for Leave Encashment	73.85	69.22
	<b>150.56</b>	<b>153.44</b>

**NOTE - 2.8 SHORT TERM BORROWINGS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
From Banks (Secured)		
- Federal Bank Limited	-	251.53
Current Maturities of Long Term Debt		
- Term Loan (See Note 2.4.1)	713.74	640.00
- Unsecured- Deposit from Public (See Note 2.8.1)	-	403.39
	<b>713.74</b>	<b>1,294.92</b>

**2.8.1** 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 (₹ In Lakh)	Rate	Amount (₹ In Lakh)
Within 1 years - Scheme 2	0.00%	-	10%	-
Within 1 year - Scheme 3	11.49%	-	10%	-
<b>Total</b>		-	-	-

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

**NOTE - 2.9 TRADE PAYABLES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Payables due for payment (See Note 2.9.1)		
i. Outstanding dues of micro enterprises and small enterprises (See Note 2.9.2)	-	-
ii. Outstanding dues of trade payables other than micro enterprises and small enterprises	3,380.59	3,649.47
	<b>3,380.59</b>	<b>3,649.47</b>

**Note -2.9.1 TRADE PAYABLES AGEING SCHEDULE**

(₹ In Lakh)

Particulars	Outstanding for following periods after due date of payment				Total
	As at 31.03.2023				
	Less than 1 year	1 to 2 years	2 to 3 Years	Above 3 years	
MSME*	-	-	-	-	-
Others	2,152.13	1,039.37	38.01	151.08	3,380.59
Disputed Dues MSME	-	-	-	-	-
Disputed dues Others	-	-	-	-	-



₹ In Lakh)

Particulars	Outstanding for following periods after due date of payment				As at 31.03.2022
	Less than 1 year	1 to 2 years	2 to 3 Years	Above 3 years	Total
MSME*	-	-	-	-	-
Others	3,383.01	79.56	186.17	365.03	3,649.47
Disputed Dues MSME	-	-	-	-	-
Disputed dues Others	-	-	-	-	-

\* MSME as per Micro, Small and Medium Enterprises Act 2006.

**2.9.2** 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.

**NOTE - 2.10 OTHER CURRENT LIABILITIES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Other Payables	277.87	278.24
Interest accrued but not due on borrowings	-	54.99
Unpaid dividend	3.54	4.34
<b>Current Liabilities</b>		
ASIDE Loan- KINFRA (See Note 2.10.1)	300.00	300.00
Deposit matured and payable	0.25	16.75
Advances from Customers / Clients		
- for Deposit Work	1,140.95	1,170.17
- Others	296.67	577.70
Retention Money payable	999.63	980.95
Statutory Dues	740.01	282.17
Security Deposit / Earnest Money Deposit	15.23	38.59
Advance from employees	0.27	2.69
Solar O&M Income Received in Advance	197.50	-
Proposed Dividend payable	800.16	-
<b>Provision</b>		
Expense Payable	27.96	6.23
Interest on Loan	-	26.50
	<b>4,800.05</b>	<b>3,739.31</b>

**2.10.1** 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 was repayable in three annual instalments of ₹100 lakh each starting from the fourth year of disbursement, to be paid before 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2020 & 31<sup>st</sup> March 2021 respectively. **Overdue details as on 31<sup>st</sup> March 2023- ₹3 Crore for a period of 3 years.**

**NOTE - 2.11 SHORT-TERM PROVISIONS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits		
-Provision for Leave Encashment (See Note 2.34)	19.78	2.51
-Provision for Gratuity (See Note 2.34)	10.06	-
-Provision for incentive to employees (See note 2.11.1)	34.00	-
Provision for Income tax	50.58	313.95
Solar Expense Payable	388.49	108.75
Provision on IIDPL investment	1.00	-
	<b>503.91</b>	<b>316.46</b>

**2.11.1** The Board meeting dated 10-11-2022 an incentive scheme for employees were considered and approved. A threshold limit of turnover of ₹75 crores and net profit ₹7.5 crores is to be achieved before the scheme can be eligible. With ₹75 crores as turnover and ₹7.5 cores net profit every employee will be eligible for an incentive equal to 30 days of salary, and if the turnover exceeds ₹75 crores and net profit exceeds ₹10 crores, incentive will be for 45 days of salary. The management was of the view that the current scheme itself requires a review by the Board to make it as a performance linked incentive scheme. Hence an adhoc provision of ₹34.00 lakhs is provided for the financial year to be finalised after the review of scheme by the Board.

## NOTE - 2.12 PROPERTY, PLANT, EQUIPMENT &amp; INTANGIBLE ASSETS

## A. PROPERTY, PLANT, EQUIPMENT

SL. NO.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK AS ON 31.03.2022	NET BLOCK AS ON 31.03.2023	
		Opening Balance	Additions/ during the year	Deletions/ Adjustments during the year	Closing Balance	Opening Balance	Depreciation/ Amortisation for the year			Deleted during the year
1	Freehold Land	3,439.76	-	19.78	3,419.98	-	-	-	3,419.98	3,487.06
2	Leasehold Land	2,678.89	0.47	271.80	2,407.56	45.07	47.04	340.94	2,066.62	1,776.69
3	Building	2,486.47	556.05	-	3,042.52	185.30	0.28	1,500.72	1,541.80	1,184.09
4	Plant & Machinery	360.96	0.13	-	361.09	15.35	-	293.99	67.10	746.94
5	Furniture and Fittings	230.71	7.43	-	238.14	16.01	-	194.09	44.05	56.66
6	Office Equipments	48.59	3.88	3.95	48.53	2.75	3.75	42.76	5.77	4.83
7	Computer	119.06	3.63	0.57	122.12	3.00	0.54	110.58	11.54	11.60
8	Motor Car	92.65	5.84	-	98.49	16.38	-	54.53	43.96	83.51
9	Electrical Fittings	374.51	14.19	-	388.70	35.37	-	273.30	115.40	115.37
	<b>Total (A)</b> (Previous Year)	<b>9,831.59</b> <b>(12,790.36)</b>	<b>591.62</b> <b>(142.70)</b>	<b>296.09</b> <b>(740.56)</b>	<b>10,127.12</b> <b>(12,192.50)</b>	<b>319.21</b> <b>(246.08)</b>	<b>51.61</b> <b>(111.91)</b>	<b>2,810.91</b> <b>(4,725.74)</b>	<b>7,316.21</b> <b>(7,466.76)</b>	<b>7,466.75</b> <b>(8,198.78)</b>

## B. INTANGIBLE ASSETS

SL. NO.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK AS ON 31.03.2022	NET BLOCK AS ON 31.03.2023	
		Opening Balance	Additions/ during the year	Deletions/ Adjustments during the year	Closing Balance	Opening Balance	Depreciation/ Amortisation for the year			Deleted during the year
1	Computer Software	27.85	23.93	-	51.78	3.71	-	26.25	25.53	5.31
		(27.85)	-	-	(27.85)	(2.12)	-	(22.54)	(5.31)	(7.43)
	<b>Total (B)</b> (Previous Year)	<b>27.85</b> <b>(27.85)</b>	<b>23.93</b> <b>-</b>	<b>-</b> <b>-</b>	<b>51.78</b> <b>(27.85)</b>	<b>3.71</b> <b>(2.12)</b>	<b>-</b> <b>-</b>	<b>26.25</b> <b>(22.54)</b>	<b>25.53</b> <b>(5.31)</b>	<b>5.31</b> <b>(7.43)</b>
	<b>Grand Total (A) + (B)</b> (Previous Year)	<b>9,859.45</b> <b>(12,818.21)</b>	<b>615.54</b> <b>(142.70)</b>	<b>296.09</b> <b>(740.56)</b>	<b>10,178.90</b> <b>(12,220.35)</b>	<b>322.92</b> <b>(248.20)</b>	<b>51.61</b> <b>(111.91)</b>	<b>2,837.17</b> <b>(4,748.28)</b>	<b>7,341.73</b> <b>(7,472.07)</b>	<b>7,472.06</b> <b>(8,206.2)</b>

**NOTE - 2.13 CAPITAL WORK IN PROGRESS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Computer Software Installation	129.41	120.00
Interior Works - Tvm Office	50.12	-
	<b>179.53</b>	<b>120.00</b>

**NOTE - 2.14 NON-CURRENT INVESTMENTS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>a) Investments in Equity Instruments (Un-quoted, Trade, at cost)</b>		
<b>- Seguro - INKEL Consortium LLP</b>		
Investment towards 45% of the capital	4.50	
Add: Opening balance of Share of Profit from LLP	(145.10)	
<b>i) 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		
Opening Balance	255.98	93.54
Add: Share of Profit/ (Loss) of Associate	(26.49)	85.54
Closing Balance	<b>229.49</b>	<b>179.08</b>
<b>- Calicut Expressway Pvt Ltd (CEPL)</b>		
3,30,750 (1,65,000) equity shares of ₹10/- each, Fully paid up	<b>33.08</b>	-
<b>ii) In Others</b>		
<b>- K V Apartments Private Limited</b>		
5,000 (5,000) Equity Shares of ₹ 100/- each, fully paid up	5.00	
<b>b) Investment in Preference Instruments (Un-quoted, Trade, at cost)</b>		
<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 up	1,600.00	1,600.00
<b>Total investments (a) + (b)</b>	<b>1,726.96</b>	<b>1,784.08</b>
Aggregate amount of unquoted investments	<b>1,726.96</b>	<b>1,784.08</b>

**2.14.1** Inkel Infrastructure Development Projects Limited (IIDPL), a 100 % subsidiary of INKEL Ltd had an accumulated loss of ₹13.05 crores as at 31.03.2022, and accordingly the net worth of IIDPL got fully eroded. INKEL Ltd had made full provision for its investment in the subsidiary considering the eroded net worth. The Board of Directors of INKEL Ltd vide its meeting dt 29.06.2022 has decided to increase its share capital in IIDPL by conversion of advances made to IIDPL to the extent of Rs.14 Crores, in order to revive IIDPL and make it financially healthy and credible with a positive net worth and a good equity base. The IIDPL has made rights issue of ₹14 crores to INKEL only on 16-06-2023. Even though the networth position improved after issue of shares, net worth remains negative due to losses incurred for the financial year 22-23, hence the provision is made is retained in the books.

**2.14.2** Considering the erosion of Networth as per the audited financial statements (FY 2021-22) of the INKEL Infrastructure Developments Projects Limited, provision for diminution in the value of investments amounting to ₹1.00 lakh has been made in the books of accounts.

**2.14.3** Since the authorised Signatory representing Seguro Foundations and Structures Private Limited is not available, the financial statements of Seguro- INKEL consortium LLP has not been drawn and audited. The profit/loss of the LLP is not considered in the preparation of the financial statements

**NOTE - 2.15 DEFERRED TAX ASSETS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
On Provisions/other disallowances	386.59	295.86
	<b>386.59</b>	<b>295.86</b>

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

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(Unsecured, Considered good)</b>		
EKK Infrastructure Limited	1,751.00	1,751.00
MAT Credit Entitlement	22.21	60.08
Loans and Advances to related parties	-	4,473.07
CEPL (Calicut Express Way Pvt Ltd)	4,300.00	-
Income Tax (Net)	149.76	427.48
	<b>6222.97</b>	<b>6,711.63</b>

**NOTE - 2.17 OTHER NON-CURRENT ASSETS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Unsecured, Considered good)</b>		
Balance with banks in Fixed Deposit accounts	5,738.35	4,738.78
Security Deposits	78.96	124.11
Advance Income Tax and TDS	-	67.63
Income Receivable	5,137.55	7,435.10
Unbilled Revenue	106.55	168.14
	<b>11,061.41</b>	<b>12,533.75</b>

**2.17.1** Balance with banks in Deposit Account includes ₹ 3523.95 lakh (₹ 3284.78 lakh) held under lien including being cash margin towards Bank Guarantee of (₹ 5130.00 lakh) provided in favour of National Highway Authority of India on behalf of Calicut Expressway Private Limited.

**NOTE - 2.18 INVENTORIES**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Land and Building held on long term finance lease		
Opening Balance	-	-
Add: Additions during the year	116.94	615.33
Less: Disposed during the year	(116.94)	(615.33)
Closing Balance	-	-
Raw Materials	-	47.63
Stock in Trade : Solar Panel/Inverter	76.53	1.17
Project-In- Progress	0.66	-
	<b>77.19</b>	<b>48.80</b>

**2.18.1** 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 prospective 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**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
i. Unsecured, Considered good	10,018.34	7,644.72
ii. Unsecured, Considered doubtful	154.76	62.23
Less: Provision for doubtful debts	(154.76)	(62.23)
	<b>10,018.34</b>	<b>7,644.72</b>

**Note- 2.19.1 Trade Receivables Ageing Schedule**

(₹ In Lakh)

Particulars	As at 31.03.2023		
	Outstanding for following periods after due date of payment		
	Less than 6 months	6 Months- 1 year	1-2 years
i. Undisputed Trade Receivables-Considered good	7,142.65	1,992.30	375.72
ii. Undisputed Trade Receivables-Considered doubtful	-	-	-
iii. Disputed Trade Receivables considered good	-	-	-
iv. Disputed Trade Receivables considered doubtful	-	-	-

(₹ In Lakh)

Particulars	2 to 3 Years	Above 3 years	Total
i. Undisputed Trade Receivables-Considered good	442.15	65.43	<b>10,018.23</b>
ii. Undisputed Trade Receivables-Considered doubtful	0.28	154.48	<b>154.76</b>
iii. Disputed Trade Receivables considered good	-	-	-
iv. Disputed Trade Receivables considered doubtful	-	-	-

(₹ In Lakh)

Particulars	As at 31.03.2022		
	Outstanding for following periods after due date of payment		
	Less than 6 months	6 Months- 1 year	1-2 years
i. Undisputed Trade Receivables-Considered good	4,205.79	220.84	984.10
ii. Undisputed Trade Receivables-Considered doubtful	-	-	0.44
iii. Disputed Trade Receivables considered good	-	-	-
iv. Disputed Trade Receivables considered doubtful	-	-	-

(₹ In Lakh)

Particulars	2 to 3 Years	Above 3 years	Total
i. Undisputed Trade Receivables-Considered good	944.75	208.51	<b>6,563.99</b>
ii. Undisputed Trade Receivables-Considered doubtful	0.05	61.74	<b>62.23</b>
iii. Disputed Trade Receivables considered good	-	-	-
iv. Disputed Trade Receivables considered doubtful	-	-	-

**NOTE - 2.20 CASH AND CASH EQUIVALENTS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash on Hand	0.12	0.15
Balance with Banks		
-In Current Accounts	743.96	40.24
-In Fixed Deposit Accounts	5,368.43	8,108.20
	<b>6,112.51</b>	<b>8,148.59</b>

**2.20.1 Earmarked Balances:** Balance with banks in current accounts include earmarked balances for unpaid dividend ₹ 3.56 lakh (₹ 4.52 lakh). Balance with banks in current accounts include earmarked balances of ₹ 5.48 lakh (₹0.53 lakh) held for specific projects.

**2.20.2** Balance with banks in Deposit Accounts include ₹ NIL (₹ 253.32 lakh) held with a maturity period of more than 12 months and ₹ 115.50 lakh (115.50 lakh) held against public deposits in pursuance of the requirements of applicable Rules.

**2.20.3** Balance with banks in Deposit Account includes ₹ 3523.95 lakh (₹ 3284.78 lakh) held under lien including being cash margin towards Bank Guarantee of (₹ 5130.00 lakh) provided in favour of National Highway Authority of India on behalf of Calicut Expressway Private Limited.

**2.20.4** Balance with banks in Deposit Account includes ₹ 2340.47 lakh (₹ 942.09 lakh) earmarked for specific projects.

**2.20.5** In case of Subsidiary company INKEL-EKK Roads Private Ltd. Term Deposit Lien marked for Rs.2697.62 lakh.



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

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(Unsecured, Considered good)</b>		
<b>Loans/Advances to related parties:</b>		
INKES Trade Centre Limited	-	0.15
INKEL Infrastructure Development Projects Limited	-	-
Seguro - INKEL Consortium LLP	271.84	-
Kerala State Industrial Enterprises Ltd	35.00	35.00
<b>Others:</b>		
Advances recoverable in cash or in kind or for value to be received		
Earnest Money Deposits	9.07	9.67
Balances with Government Authorities	56.31	54.77
Advance to Suppliers/Contractors	497.94	529.75
Advance to employees	16.77	22.52
<b>(Unsecured, Considered doubtful)</b>		
Advances recoverable in cash or in kind or for value to be received	357.50	92.53
Less: Provision for doubtful loans/advances	(357.50)	(92.53)
	<b>886.93</b>	<b>651.85</b>

**NOTE - 2.22 OTHER CURRENT ASSETS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest Receivable	179.85	413.49
Mobilisation Advance	-	148.58
Provision for Bill discounting	-	6.82
Unbilled Revenue	572.89	566.47
Interest Accrued on Lease Premium Instalments	0.48	-
Others	350.67	437.75
	<b>1,103.89</b>	<b>1,573.11</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023****NOTE - 2.23 INCOME FROM OPERATIONS**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>Sale of Services</b>		
Income from disposal of land and building (On long term finance lease)	1,223.12	2,042.87
Construction Income (Refer Note 2.23.2)	1,756.64	2,618.70
Share of course fee received	15.67	8.55
Income from Operating Lease	85.71	84.57
Income from Project Management services (Refer Note 2.23.2)	698.70	811.42
Income from Common Area Maintenance services	31.98	-
Lighting system commissioning services	1,333.29	628.09
<b>Sale of Products</b>		
Sale of lighting System / security system	3,111.02	3,095.80
Income from agriculture	2.34	3.33
	<b>8,258.47</b>	<b>9,293.33</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 46.06% of the Total Contract Revenue, as the percentage of completion of work as on 31st March 2022 was 46.06%. Since the percentage of completion of work as on 31st March 2023 is 49.03% based on the estimate of the project cost, revenue is recognised in the current year at 2.97% so that the cumulative revenue recognised as on 31st March 2023 is 49.03%.

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

- Revenue recognised from PMC contracts: ₹698.7 lakh (₹811 lakh )
- Details of cost incurred for PMC contracts: ₹491.39 lakh (₹587.88 Lakh)
- Amount of advances received: ₹214.69 lakh (₹388.54 lakh)
- Amount of retentions: NIL (₹. NIL )

**NOTE - 2.24 OTHER INCOME**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Interest income	563.28	557.38
Guarantee fee received	28.25	10.19
Profit on sale of asset	0.65	0.04
Dividend (Net of DDT)	769.67	-
Interest on Fixed Deposit/Bank	236.32	263.48
Miscellaneous income	242.20	177.09
	<b>1840.27</b>	<b>1008.18</b>

**2.24.1** In the case of the subsidiary INKEL-KSIDC Projects Ltd, Interest Income includes Interest on Lease Premium for ₹63.44 lakh (₹152.19 lakh), Overdue interest on lease premium ₹20.69 lakh (₹0.14 lakh) & Bank Interest of ₹81.79 lakh (₹52.26 lakh). Other Note:- Undisclosed income- No Undisclosed income.

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

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Cost of Land	224.29	546.25
Cost of Building/Amenities	-	69.08
	<b>224.29</b>	<b>615.33</b>

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

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Solar light	2,815.57	2,805.89
	<b>2,815.57</b>	<b>2,805.89</b>

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

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Opening Stock- Raw Materials	-	47.63
Closing Stock- Raw Materials	-	47.63
Opening Stock-in-Trade	1.17	286.85
Closing Stock-in-Trade	76.53	1.17
	(75.36)	285.68
	<b>(75.36)</b>	<b>285.68</b>

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

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Construction and Project Cost	374.08	360.03
Consultancy Charges	10.67	48.28
Finance Cost	-	78.02
	<b>384.75</b>	<b>486.33</b>

**NOTE - 2.29 EMPLOYEE BENEFITS EXPENSE**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Salaries & Allowances	758.99	698.01
Gratuity	0.44	3.06
Contribution to Provident and Other funds	34.46	40.87
Staff Welfare Expenses	25.63	21.38
	<b>819.52</b>	<b>763.32</b>

**NOTE - 2.30 FINANCE COSTS**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Interest Expense	1,206.41	1,256.88
Interest on Income tax	-	0.06
Interest on Term Loan SBI	-	25.08
Interest on Public Deposits	18.55	86.70
Other Borrowing costs	2.18	2.75
	<b>1,227.14</b>	<b>1,371.46</b>

**NOTE - 2.31 OTHER EXPENSES**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Share of Loss from LLP	-	-
Lighting system commissioning expenses	1,282.03	599.79
Operation & Maintenance Expense	179.01	154.36
Agricultural expense	4.39	4.01
Power & Fuel	20.63	18.56
Rent	58.88	71.89
Repairs & maintenance - Others	33.73	10.32
Insurance	2.96	2.58
Payments to the Auditor - as auditor	10.15	10.55
- for taxation matters	1.90	1.90
- For other services	0.15	0.15
Bank charges & interest	175.87	189.59
Meeting expense	4.79	3.78
Sitting fee to directors	25.58	16.04
Consideration for manpower services	36.34	46.67
Advertisement & publicity	27.15	13.82
Postages, telephone and internet charges	6.30	4.35
Printing and stationery	6.85	29.25
Professional charges	182.72	118.57
Licensing/ Renewal Charges	0.45	-
Legal Fee	57.41	64.76
Rates & Taxes	14.58	41.21
Software Running Expenses	11.33	12.58
Water line charges	14.69	14.33
Travelling & Conveyance	25.84	30.04
Business Promotion Expense	0.40	2.88
Office General Expenses	7.36	4.60
Miscellaneous Expenses	42.35	17.43
Contribution to P M Relief Fund	0.10	-
Loss on sale of fixed assets	-	0.24
Interest on statutory dues	4.52	-
Bad debts written off	-	721.85
Land Development expense	4.94	-
CSR Activity	60.03	-
Prior Period Expenses	(0.28)	0.69
	<b>2,303.15</b>	<b>2,206.77</b>

**NOTE - 2.32 PROVISIONS**

(₹ In Lakh)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Provision for diminution in value of Investment	-	-
Provision for Doubtful advances	270.52	-
	<b>270.52</b>	-

**NOTE - 2.33 EARNINGS PER EQUITY SHARE**

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>Basic:</b>		
Profit after tax for the year as per Statement of Profit and Loss (₹ in Lakhs)	1,360.87	418.51
Weighted average number of equity shares of ₹10/- (₹10/-) each (fully paid up)	17,78,14,334.00	17,78,14,334.00
Basic Earnings per Equity Share in ₹ (Face Value of Share- ₹ 10 each)	<b>0.77</b>	<b>0.24</b>
<b>Diluted:</b>		
Profit after tax for the year as per Statement of Profit and Loss (₹ in Lakhs)	1,360.87	418.51
Weighted average number of equity shares of ₹10/- (₹10/-) each (fully paid up)	17,78,14,334.00	17,78,14,334.00
Diluted Earnings per Equity Share in ₹ (Face Value of Share- ₹ 10 each)	<b>0.77</b>	<b>0.24</b>

**Note No. 2.34 EMPLOYEE BENEFITS** (Disclosure under Accounting Standard 15 – ‘Employee Benefits’, Revised 2005)

**2.34.1 Defined Contribution Plans**

During the year the company has recognised ₹25.55 lakh (₹35.01 lakh) as Contribution to Provident Fund, ₹4.35 lakh (₹5.25 lakh) as Contribution to National Pension Scheme and ₹2.10 lakh (₹2.89 lakh) 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****Gratuity (Funded)**

(₹ in Lakh)

(i) Actuarial Assumptions	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Discount Rate	7.25% p.a.	7.37% 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**	IALM 2012-14	IALM 2012-14

\*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. \*\*IAL: India Assured Lives Mortality modified Ult.

(₹ in Lakh)

(ii) Reconciliation of present value of obligation:	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Present value of obligation at the beginning of the year	86.88	51.53
Current Service Cost	21.27	19.12
Interest Cost	5.89	3.60
Actuarial gain/(loss)	(13.56)	19.6
Benefits Paid	(13.72)	(7.00)
Curtailments	-	-
Settlements	-	-
Present value of obligation at the end of the year	86.76	86.88

(₹ in Lakh)

(iii) Reconciliation of fair value of plan assets :	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Fair value of plan assets at the beginning of the year	(2.84)	(4.75)
Acquisition Adjustments	-	-
Expected return on plan assets	(0.15)	(0.24)
Actuarial gain/(loss)	1.17	4.84
Contributions	12.00	10.00
Benefits paid	(13.72)	(7.00)
Assets distributed on settlement	-	-
Fair value of plan assets at the end of the year	(.10)	(2.84)

(₹ in Lakh)

(iv) <b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Present value of obligation	84.04	86.88
Fair value of plan assets	2.61	(2.84)
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	86.65	84.04

(₹ in Lakh)

(v) <b>Expenses recognised in the Statement of Profit and Loss:</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Current Service Cost	21.27	19.12
Interest Cost	5.89	3.60
Expected return on plan assets	0.15	0.24
Acquisition Adjustment of assets	-	-
Actuarial (gain) /loss recognised in the period	13.56	14.80
Past Service Cost	-	-
Curtailment cost	-	-
Settlement cost	-	-
Total expenses recognised in the Statement of Profit and Loss	40.87	37.76

**Leave Plan (Unfunded)**

(₹ in Lakh)

(i) <b>Actuarial Assumptions</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Discount Rate	7.25% p.a.	7.37% 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 [2012-2014] Ultimate Table	Indian Assured Lives Mortality [2012-2014] 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 Lakh)

(ii) <b>Reconciliation of present value of obligation:</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Present value of obligation at the beginning of the year	71.51	63.06
Current Service Cost	20.20	18.47
Interest Cost	4.55	3.76
Actuarial (gain)/loss	16.79	12.05
Benefits Paid	(19.54)	(25.83)
Curtailments	-	-
Settlements	-	-
Present value of obligation at the end of the year	93.51	71.51

(₹ in Lakh)

(iii) <b>Reconciliation of fair value of plan assets :</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
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 Lakh)

(iv) <b>Net (Asset)/Liability recognised in the Balance Sheet as at year end:</b>	<b>31<sup>st</sup> March 2023</b>	<b>31<sup>st</sup> March 2022</b>
Present value of obligation	93.51	71.51
Fair value of plan assets	-	-
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	93.51	71.51



(₹ in Lakh)

(v) Expenses recognised in the Statement of Profit and Loss:	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Current Service Cost	20.20	18.47
Interest Cost	4.55	3.76
Expected return on plan assets	-	-
Actuarial (gain) /loss recognised in the period	16.79	12.05
Past Service Cost	-	-
Curtailment cost	-	-
Settlement cost	-	-
Total expenses recognised in the Statement of Profit and Loss	41.54	34.28

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

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<br>- INKEL-KSIDC Projects Limited  |
| iv. EKK Infrastructure Private Limited        | Enterprise having substantial interest in the Subsidiary Company<br>- INKEL-EKK Roads Private Limited   |
| v. KSIE Limited                               | Enterprise having substantial interest in the Subsidiary Company<br>- 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. INKEL-KMC JV                              | Jointly Controlled Operation (w.e.f 12-12-2018)   |
| x. Key Managerial Personnel                   |   |
| Mr. Mohanlal A                                | Managing Director (w.e.f. 31-10-2020) (up to 31.01.2022)  |
| Mr. Ellangovan K                              | Managing Director (w.e.f. 24-02-2022)   |
| In subsidiary                                 |   |
| Seguro Foundations and Structures Pvt Ltd     |   |
| Mr. C V Rajeev                                | Managing Director of the company  |
| Mrs. Seena Rajeev                             | Director of the company   |

##### B. Description of Transactions

(₹ In Lakh)

Nature of Transaction	Subsidiary/ Associate/ Jointly Controlled Entity	Key Managerial Personnel	Total
<b>Income</b>			
1. <b>Guarantee Commission Received</b>			
MIV Logistics Private Limited	28.25 (10.19)	- -	28.25 (10.19)
2. <b>Expenses Recovered</b>			
MIV Logistics Private Limited	13.56 (9.69)	- -	13.56 (9.69)
<b>Expenses</b>			
Remuneration to Managing Director			
Mr. Mohanlal A	-	-	-
Mr. Ellangovan K	-	(8.63) 66.44 (5.99)	(8.63) 66.44 (5.99)
In subsidiary Inkel-EKK Roads Private Limited			
Sitting Fees	-	1.30 (0.88)	1.30 (0.88)

<b>Loans and Advances</b>			
1. KSIE Limited Loan/Advances given	35 (35)	- -	35 (35)
2. In subsidiary INKEL Infrastructure Development Projects Limited <u>Un secured Loan received</u> Varghese Kurian	345.00 (345.00)	- -	345.00 (345.00)
Mohamed Althaf	345.00 (345.00)	- -	345.00 (345.00)
3. In subsidiary INKEL Infrastructure Development Projects Limited Calicut Expressway Private Limited (CEPL)	4,300.00 (4,800.00)	- -	4,300.00 (4,800.00)
<b>Investments</b>			
1. In subsidiary Inkel Infrastructure Development Projects Limited Calicut Expressway Private Limited (CEPL)	33.07 (33.07)	- -	33.07 (33.07)
<b>Guarantee given</b>			
1. MIV Logistics Private Limited	1,100.00 (4,550.00)	- -	1,100.00 (4,550.00)
2. Calicut Expressway Private Limited	5,130.00 (8,550.00)	- -	5,130.00 (8,550.00)
<b>Receivables</b>			
MIV Logistics Private Limited	47.16 (19.12)	- -	47.16 (19.12)
KSIDC Limited	42.39 (42.39)	- -	42.39 (42.39)
SeaBird Sea Plane Private Limited	301.85 (301.85)	- -	301.85 (301.85)
<b>Payables</b>			
EKK Infrastructure Private Limited	-	-	-
KSIE Limited (Payable against lease premium)	275 (275)	- -	275 (275)

**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 2.37 FINANCIAL RATIOS**

Sl No.	Particulars	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	% of Variance
1	Current ratio	Current Assets	Current Liabilities	2.11	2.00	5%
2	Debt Equity Ratio	Total Debt	Shareholder's Equity	0.61	0.70	-13%
3	Debt Service Coverage Ratio	Net Profit before Tax + interest + depreciation	Repayment of Instalment and interest	1.57	0.85	84%
4	Return on Equity	Net Profit after Tax	Equity Capital	0.08	0.05	63%
5	Inventory Turn Over Ratio	Cost of Goods Sold	Average Inventory	70.54	16.13	337%
6	Trade Receivable turnover Ratio	Revenue from operations	Trade Receivables	0.82	1.22	-32%
7	Trade Payable Turnover Ratio	Operating Expenses	Trade Payables	1.01	1.07	-5%
8	Net Capital Turn Over Ratio	Revenue from Operations	Average Working Capital	1.73	2.06	-16%
9	Net Profit Ratio	Net Profit after Tax	Revenue from Operations	0.17	0.10	83%
10	Return on Capital Employed	Earnings before Interest & Tax	Capital employed	0.09	0.08	11%
11	Return on Investment	Interest Income	Non Current Investment + Fixed deposit	0.11	0.13	-15%

**Reason for Variance in excess of 25%**

1) Debt Service Coverage Ratio	- Increase in profit and reduction in outstanding loan has contributed to improved ratio.
2) Return on Equity	- Increase in profit has contributed to an improved ratio.
3) Inventory Turn Over Ratio	- The said inventory pertains to Solar Projects and maintaining stock is not under the scope of INKEL Limited, however a negligible amount of Inventory for Rs 1.17 lakh is maintained due to the same being Unbilled to the Customer. In case of IIDPL, entire Inventories has been written off during the year and Revenue from operations reported as NIL
4) Trade Receivable turnover Ratio	- Most of the orders materialised in the last quarter leading to corresponding increase in revenue and receivables. Hence ratio has come down compared to previous year
5) Net Profit Ratio	- Increase in net profit has resulted into improvement in ratio compared to previous year.

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

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>I. In case of the Company</b>		
a) Corporate guarantee issued in favour of –		
- MIV Logistics Private Limited	1,100.00	4,550.00
- INKEL-EKK Roads Private Limited	18,200.00	18,200.00
- INKEL KSIDC Projects Limited	-	-
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	5,130.00	8,550.00
c) Other Counter Guarantees issued in favour of Banks for the guarantees issued by the Banks	1,181.60	942.67
- KSEB	890.51	677.94
- LSGD-Kerala	10.26	4.69
- PWD	2.00	3.03
- CSML	-	5.00
- KINFRA	230.74	230.00
- RDPR KARNATAKA	26.59	22.01
- KMML	21.50	-
d) Claims towards Building Tax	117.36	131.16

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
<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	805.00	805.00
<b>III. In case of the subsidiary entity SEGURO-INKEL Consortium LLP</b>		
Guarantees	-	5,750

- 1) Federal bank has filed an application before the Debt Recovery Tribunal (OA 149/2021) under S.19 of the Recovery of Debts and Bankruptcy Act, 1993 against M/s Seguro Foundations and Structures Pvt Ltd in which INKEL is arrayed as the 5th defendant. The application is filed for recovery of Rs.4978.39 lakh along with pendente lite and future interest @ 10.58% + 2% penal interest per annum. The bank has also prayed for a direction from the DRT in the same petition for payment of ₹52.01 lakh along with pendente lite and future interest @ 10.48% + 2% penal interest. The case is being defended by INKEL as there is no corporate guarantee extended by INKEL.
- 2) Federal bank has filed an application before the Debt Recovery Tribunal (OA 158/2021) under S.19 of the Recovery of Debts and Bankruptcy Act, 1993 against M/s Seguro-INKEL Consortium LLP in which INKEL is the 4<sup>th</sup> defendant. Inkel is a partner in the said LLP with 50% shareholding. The application is filed for recovery of ₹270.66 Lakh along with pendente lite and future interest @ 10.58% + 2% penal interest per annum. INKEL has remitted the payment ₹267.91, thus Federal Bank has withdrawn the case and disposed off.
- 3) One Mr. Shaji Mathew has filed a case before the NCLT, Kochi bench against M/s Seguro Foundations and Structures Pvt Ltd claiming an amount of ₹11.02 Lakh. INKEL has been exparte impleaded as Additional Corporate Debtor in this case by virtue of NCLT order dated 26.11.2020. INKEL has obtained an indefinite stay from NCLAT against this order
- 4) There are Certain Legal cases faced by the Company as a party in cases related to its subsidiary Seguro Foundations and Structures Private Limited and Inkel Consortium LLP wherein the company is a majority partner, for which the outcome and potential financial impact cannot be reasonably estimated. Though the company is not the primary accused, it is one of the defendants in certain legal cases with claims for the recovery of money pending before various forums. Management holds the view that those claims are not tenable against the Company; however, due to the inherent uncertainties involved, the contingent liability cannot be quantified at this time

**NOTE - 2.38 COMPUTATION OF GOODWILL ARISING ON CONSOLIDATION OF SUBSIDIARY COMPANY:  
INKEL EKK Roads Private Limited**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Consideration Paid	816.00	816.00
Less: Nominal value of share capital held by INKEL Limited in INKEL EKK Roads Private Limited	816.00	816.00
Less: Share of INKEL Limited in the accumulated losses as on the date of acquisition	(3.34)	(3.34)
Add: Transfer from Minority Interest on change in Share Holding in Financial Year 2017-18	2.75	2.75
<b>Goodwill on consolidation</b>	<b>6.09</b>	<b>6.09</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 ₹1381.50 lakh. 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:

- i) 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 years 31/03/2021, 31/03/2022 and 31/03/2023. 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 made on FY 2019-20 has been retained for the investment of ₹ 1381.50 lakh by INKEL in SFS as on 31.03.2023.
- ii) Based on audited financial statements as on 31/03/2023 provided by INKEL Infrastructure Development Projects Limited, the net worth has fully eroded. In view of the erosion in share value reported above, there is permanent diminution in the value of investments in the subsidiary company, IIDPL 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 ₹1.00 lakh by INKEL in INKEL Infrastructure Development Projects Limited as on 31.03.2023.

### 2.39.3 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 2023 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:

(₹ in Lakh)

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 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
1) INKES Trade Centre Limited (INKES)/ Subsidiary	370.00	370.00	304.63	304.63
2) MIV Logistics Private Limited (MIV)/ Associates	1182.97	1182.97	303.80	303.80

- b) Further, as per the financial statements of MIV ((a)(2) referred to above) as at 31<sup>st</sup> March 2023, the said company is holding investments in equity shares amounting to ₹269.13 lakh 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 ₹301.84 lakh (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 ₹570.98 lakh, 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 2023, as per AS-13 (Accounting for Investments).

**NOTE - 2.40 CAPITAL COMMITMENTS**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Estimated amount of contracts remaining to be executed on capital account and not provided for Interior work at TVM office	5.90	Nil

**NOTE - 2.41 REMITTANCES IN FOREIGN CURRENCY****2.41.1. Dividend**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Year to which dividend relates	Financial Year 2022-23	Financial Year 2021-22
Amount remitted during the year	-	-
Number of non-resident shareholders	-	-
Number of shares on which dividend was due	-	-

**2.41.2. Other Remittances**

(₹ In Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Software Purchase	0.83	0.79

**NOTE - 2.42****In case of the Company - 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 ₹58.88 lakh (₹47.81 lakh). The company has only entered into cancellable lease arrangements.

**NOTE - 2.44**

Previous year figures unless otherwise stated are given within brackets and have been regrouped and recast wherever necessary.

**NOTE - 2.45**

Title deeds of Immovable Property not held in name of the Company and its subsidiaries - NIL

**NOTE - 2.46**

The Company and its subsidiaries have not revalued its Property, Plant and Equipment during the year by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

**NOTE - 2.47**

The Company and its subsidiaries have not granted Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) except - INKEL EKK Projects Private Limited granted Loan to M/s EKK Projects Limited- Outstanding amount as on 31.03.2023 - ₹1751.00 lakh

**NOTE - 2.48 CAPITAL-WORK-IN PROGRESS (CWIP)****CWIP Ageing schedule**

(₹ In Lakh)

Amount in CWIP for the period of	CWIP	Project In Progress	Projects Temporarily Suspended
	Less than 1 year		61.15
1 to 2 years		-	-
2 to 3 years		-	-
3 years and above		118.38	-
Total		179.53	-

**NOTE - 2.49**

The Company and its subsidiaries have no Intangible Assets under Development as on 31.03.2023, whose completion is overdue or has exceeded its cost compared to its original plan.

**NOTE - 2.50**

The Company and its subsidiaries do not have any benami property held in its name.

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**NOTE - 2.51**

The Company and its subsidiaries have not been declared wilful defaulter by any bank or financial institution or other lender or Government

**NOTE - 2.52**

The Company and its subsidiaries do not have any transactions with companies struck off.

**NOTE - 2.53**

The Company and its subsidiaries do not have any charges or satisfaction which is yet to be registered with ROC (Registrar of Companies) beyond the statutory period.

**NOTE - 2.54**

The Company and its subsidiaries have complied with number of layers of companies are as per clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

**NOTE - 2.55**

The company INKEL Ltd was not required comply with Sec 135, spend CSR expenditure as the company has not made profit in the previous three years.

The Subsidiary Company INKEL-EKK complied with Sec 135 of The Companies Act, regarding the applicability of CSR and the amount paid under CSR is ₹10.91 lakhs.

For Subsidiary company INKID, CSR amount as per AS for the FY 2022-23 is ₹17.94 Lakhs, whereas the amount booked and actually spent is ₹49.12 Lakhs

**NOTE - 2.56**

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 31.03.2023		As at 31.03.2022	
	Net Assets, ie Total Assets - Total liabilities		Net Assets, ie Total Assets - Total liabilities	
	As a % of consolidated net assets	Amount (₹ In Lakh)	As a % of consolidated net assets	Amount (₹ In Lakh)
Parent Company	67.48%	16,019.20	64.82%	15,475.84
Subsidiaries:				
INKEL KSIDC Projects Limited	12.64%	3,000.40	13.77%	3,287.21
INKEL KINFRA Infrastructure Projects Limited	-	-	-	-
INKES Trade Centre Ltd	1.25%	296.52	1.28%	304.64
INKEL EKK Roads Private Limited	13.87%	3,291.83	14.86%	3,546.73
Seguro Foundations & Structures Pvt Ltd	0.00%	-	0.00%	-
INKEL Infrastructure Development Projects Ltd	-6.00%	(1,423.59)	-5.45%	(1,302.35)
Subsidiary Entity:				
SEGURO-INKEL Consortium LLP	-0.48%	(113.54)	-0.99%	(237.11)
Associate Company:				
Equity Investment in MIV Logistics Private Ltd	0.97%	255.98	0.75%	93.54
Add: Share of Profit/(Loss)		(26.49)		85.54
		229.49		179.08
Minority Interest	10.27%	2,438.38	10.98%	2,621.64
<b>Total</b>	<b>100%</b>	<b>23,738.69</b>	<b>100%</b>	<b>23,875.68</b>

Name of the entity	For the year ended 31.03.2023		For the year ended 31.03.2022	
	Share in Profit or (Loss)		Share in Profit or (Loss)	
	As a % of consolidated Profit or (Loss)	Amount (₹ In Lakh)	As a % of consolidated Profit or (Loss)	Amount (₹ In Lakh)
Parent Company	89.21%	1,287.68	25.93%	230.18
INKEL KSIDC Projects Limited	5.46%	78.77	75.45%	669.89
INKEL KINFRA Infrastructure Projects Limited	0.00%	-	0.00%	-
INKES Trade Centre Ltd	-0.56%	(8.12)	-0.60%	(5.32)
INKEL EKK Roads Private Limited	10.27%	148.28	68.30%	606.38
Seguro Foundations & Structures Pvt Ltd	0.00%	-	0.00%	-
INKEL Infrastructure Development Projects Ltd	-8.26%	(119.24)	-135.07%	(1,199.15)
Subsidiary Entity:				
SEGURO-INKEL Consortium LLP	0.00%	-	3.49%	30.98
Associate Company: MIV Logistics Private Ltd	-1.84%	(26.49)	9.63%	85.54
Minority Interest	5.71%	82.49	52.86%	469.31
<b>Total</b>	<b>100%</b>	<b>1,443.36</b>	<b>100%</b>	<b>887.82</b>

For and on behalf of the Board of Directors

Dr. K Ellangovan  
Managing Director  
DIN: 05272476

Baiju T.  
Company Secretary

Place: Kochi  
Date : 26/06/2023

Jacob Kovoov Ninan  
Director  
DIN: 01213357

Vipin P.G.  
Chief Financial Officer

As per our separate report of even date attached

For Sridhar & Co  
Chartered Accountants  
FRN : 003978S

CA. S. Unnikrishnan  
Partner  
Membership No.218366  
UDIN: 23218366BGVSLP7177

**INKEL LIMITED**

CIN: U45209KL2007PLC020471

Door No. 14/812&813, 1<sup>st</sup> Floor, Ajiyal Complex, Kakkanad, Cochin, Ernakulam, Kerala – 682030, India  
 Ph: + 91 0484 2978101, 2978103, E mail: deptcs@inkel.in, www.inkel.in

**ATTENDANCE SLIP**

**16<sup>TH</sup> ANNUAL GENERAL MEETING**

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

I/We hereby record my/our presence at the 16<sup>th</sup> Annual General Meeting of INKEL Limited held on Saturday, the 19<sup>th</sup> day of August 2023 at 11.30 A.M. (IST) at **The Renai Cochin**, Palarivattom, Cochin, Ernakulam, Kerala – 682025.

Full Name of the Member (s) :

Folio No. :

No. of shares :

Registered address :

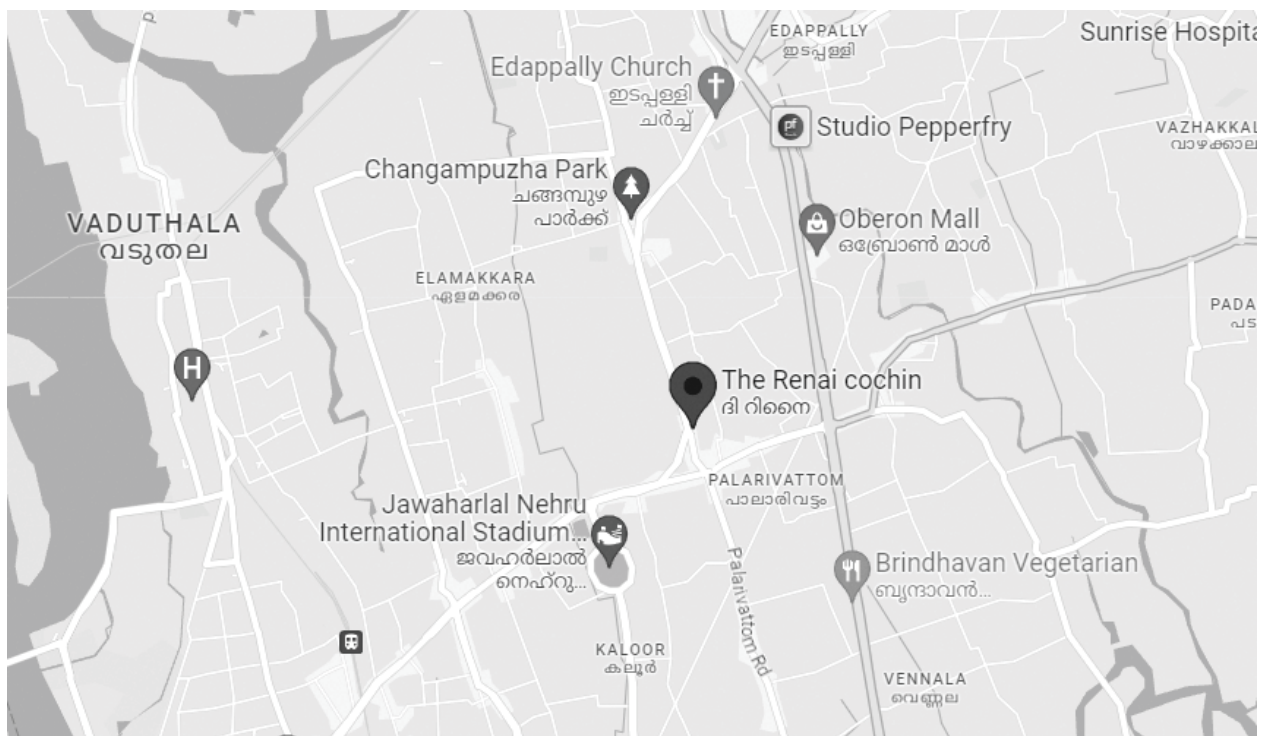
Name of Proxy :

Member's/Proxy's Signature :

**ROUTE MAP**

**16<sup>th</sup> ANNUAL GENERAL MEETING**

Venue: **The Renai Cochin**, Palarivattom, Cochin, Ernakulam, Kerala – 682025



Notes

**INKEL LIMITED**

CIN: U45209KL2007PLC020471

Door No. 14/812&813, 1<sup>st</sup> Floor, Ajiyal Complex, Kakkanad, Cochin, Ernakulam, Kerala – 682030, India  
Ph: + 91 0484 2978101, 2978103, E mail: [deptcs@inkel.in](mailto:deptcs@inkel.in), [www.inkel.in](http://www.inkel.in)

**Form No. MGT-11****PROXY FORM**

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

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id, DP ID :

No. of Shares held :

I/We, being the member (s) of INKEL Limited, hereby appoint

1. Name :

Address :

E-mail Id :

Signature :

or failing him,

2. Name :

Address :

E-mail Id :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16<sup>th</sup> Annual General Meeting of the INKEL Limited, to be held on Saturday, the 19<sup>th</sup> day of August 2023 at 11.30 A.M. (IST) at **The Renai Cochin**, Palarivattom, Cochin, Ernakulam, Kerala – 682025 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Standalone and Consolidated Financial Statements for the year ended 31/03/2023
2. Declaration of dividend for the year ended 31<sup>st</sup> March 2023
3. Reappointment of Mr. Jayakrishnan Krishna Menon (holding DIN: 02734324), as Director
4. Re-appointment of Mr. Jacob Kovoov Ninan (holding DIN: 01213357) as an Independent Director

Signed this..... day of.....2023

Affix ₹1 Revenue Stamp
---------------------------------

Signature of shareholder

Signature of Proxy holder

**Note:**

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



Notes



Kerala State Renewable Energy Award for best company of the year 2021-22. Receiving the Memento & Cash Award from Hon. Chief Minister of Kerala



Hon. Minister of Industry P. Rajeeve and INKEL MD Dr. K Ellangovan visited the site to assess the Medical College Super Specialty Block's construction progress.




**Creating Infrastructure**  
A PPP INITIATIVE OF GOVERNMENT OF KERALA

## INKEL Limited

Door No. 14/812 & 813, 1<sup>st</sup> Floor, Ajiyal Complex,  
Kakkanad, Cochin, Ernakulam, Kerala - 682030

 [info@inkel.in](mailto:info@inkel.in) | [deptcs@inkel.in](mailto:deptcs@inkel.in)

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

 +91 484 2978101/103