



Annual Report 2018

KITCO Limited

Cochin - 682 028

CONTENTS

	Page
Board of Directors	1
Directors' Report	3
Auditors' Report	23
Balance Sheet	34
Profit & Loss Account	35
Notes Forming Part of the Financial Statements	36
Cash Flow Statement	58
Comments of the Comptroller & Auditor General of India	59

BOARD OF DIRECTORS

1. Shri. Rakesh Rewari
2. Shri. Kallat Vatsa Kumar (upto 29.06.2018)
3. Shri. Ajith Thankappan Nair Saraladeviamma (from 29.06.2018)
4. Shri. K.R. Jyothilal, IAS
5. Dr. M. Beena, IAS
6. Shri. P.M. Francis, IAS (upto .06.2018)
7. Shri. Perumal G. Jayashankar (upto 29.06.2018)
8. Shri. Sanjeev Kumar Jain (from 29.06.2018)
9. Shri. Suryanarayanan K.
10. Shri. P.S. Rajan (upto 03.03.2018)
11. Shri. A. Krishnaswamy (from 03.03.2018)
12. Shri. Ciccu Mukhopadhaya (from 03.03.2018)
13. Shri. Cyriac Davies

Registered Office:

KITCO Ltd., Femith's, P.B. No. 4407, Puthiya Road, NH Bypass, Vennala,
Kochi-682028

Ph: 0484 4129000/6129000/2805033 (MD) Fax: 0484 2805066

email: mail@kitco.in | website: www.kitco.in

CIN : U74140KL1972GOI002425

Regional Office:

KITCO Ltd., 1st Phase, Main Road, MEPZ-SEZ, GST Road, Tambaram Sanatorium,
Chennai - 600045

Ph: 044 45118383/84

email: chennai@kitco.in | kitco_mepz@yahoo.com

Branch Offices:

KITCO Ltd., TC 4/1687, 42, Bel Haven Garden, Kowdiar P.O, **Trivandrum - 695003**

Ph/Fax: 0471 2728543/2724462

email: tvn@kitco.in; kitcoplacementpark@gmail.com

KITCO Ltd., Flat No. B-2/92, 9th Floor, Himalaya House-23,

K.G. Marg, Connaught Place, **New Delhi-110001**

Ph: 011 41030081/91-9999876997/9667430236/9891016590

email: delhi@kitco.in

AUDITORS

M/s. Gopan & Syam
Chartered Accountants
37/3980, Opp. Renewal Centre
Azad Road, Kaloor,
Kochi-682 017

INTERNAL AUDITORS

M/s. TJ & Associates
Chartered Accountants
29/1132B, JK Villa, Major Road,
Vytilla, Kochi-682 019

BANKERS

1. IDBI Bank Ltd.
Kochi-682035
2. Union Bank of India
Kochi-682015
3. Indian Bank
Kochi-682016
4. Bank of India
Kochi-682016
5. State Bank of India
Kochi-682015
6. HDFC Bank Ltd.
Kochi-682016

LEGAL ADVISORS

M/s. Menon & Pai
Advocates
I.S. Press Road, Kochi-682 018

SENIOR EXECUTIVES

1. Jose Davis
2. G. Pramod
3. Sasidharan K. Nair
4. Benny Paul
5. Gils K. Jose
6. Nisha Thankachi M.S.
7. Sreelatha J. Nair
8. Suresh Jacob

Directors' Report

To the Members,

Your Directors have great satisfaction and happiness in presenting the 46th Annual Report together with the Statement of Profit and Loss for the year ended March 31, 2018 and the Balance Sheet as on that date.

The Company continued to register impressive growth during this year also. The gross income of the Company is ₹ 6002.53 lakhs and profit after tax is ₹ 934.95 Lakhs

1. Financial Results

The financial highlights for the year under review are given below:

(₹ in lakhs)

Particulars	2017-18	2016-17
Gross earnings	6002.53	5035.96
Expenditure	4717.58	3597.42
Profit before depreciation and tax	1284.95	1438.54
Depreciation	74.65	112.27
Profit for the year before income tax	1210.30	1326.26
Provision for Income Tax	417.60	477.04
Deferred Tax	(142.27)	11.59
Net profit after income tax & other taxes	934.95	837.63
Balance brought forward from previous year	4104.74	3486.72
Total Surplus	5039.68	4324.36
Transfer to general reserve	46.75	41.88
Balance available for dividend	4992.94	4282.47
Proposed dividend (including dividend tax)	177.73	177.73
Balance carried to Balance Sheet	4815.20	4104.74
EPS- Basic and Diluted	950	851
Amount proposed to be transferred to reserves	46.75	41.88

2. Dividend

The Board of Directors propose a dividend of 15% for the consideration of members. The dividend if approved and declared in the forthcoming Annual General Meeting would result a total Dividend outflow of ₹ 1,47,67,500.00 and Dividend Distribution Tax of ₹ 30,06,309.00 aggregating a total outflow of ₹ 1,77,73,809.00

3. Performance Review 2017-18

The Company has recorded total revenue (including other income) of ₹ 6002.53 lakhs as compared to ₹ 5035.96 lakhs in the previous year. The growth in income in 2017-18 is 19.19% compared to that of the previous financial year. The Profit after Tax reported by the Company for the financial year 2017-18 is ₹ 934.95 lakhs as compared to ₹ 837.63 Lakhs in the previous year. The growth rate in profit is 11.62%.

4. Operations during the Year

For the year 2017-18, Company has completed a total of 138 assignments of varied nature (Previous Year: 113 assignments). During this year also, the Company deliberately targeted higher value assignments. The number of assignments completed under major categories is as follows:

	2017-18	2016-17
Detailed Project Reports/Market/Other Surveys	64	24
Asset Valuation	1	0
Human Resources Development Programs	17	13
Energy Conservation Studies	0	3
Industrial Projects	4	12
Infrastructure Projects	51	22
Tourism Projects	1	39
Total	138	113

5. Highlights of Operations

During the year, the various divisions of your Company continued efforts towards providing optimized and value enhancing services for all ongoing projects consistent with the Client requirements and objectives of the Company. Your Company put special focus on quality of deliverables and timely completion of assignments.

Your Company's vision of becoming one of the top five consultancies in India, is well on its way. In pursuance of this goal, your Company could secure many prestigious assignments from various public sector organizations in India like Airports Authority of India (AAI), Airports Economic Regulatory Authority (AERA), Bharat Electronics Ltd (BEL), Hindustan Aeronautics Ltd. (HAL), Hindustan Petroleum Corporation Ltd. (HPCL), Inland Waterways Authority of India (IWAI) (Ministry of Shipping), Ministry of Road Transport and Highways (MORTH) etc.

Your Company could demonstrate a stellar performance in Government of Kerala's flagship mission - "Protection of Public Education Mission" (PPE Mission) for upgrading 1000 Government schools to international standards. The Company successfully completed Detailed Review of Master Plans and submitted Detailed Project Reports (DPR) for 141 Schools (under ₹ 5 Cr. category of project outlay) and 240 Schools (each with a ₹ 3 Cr. outlay). In acknowledgment of the Company's performance in the school project, Government of Kerala awarded additional assignments for the preparation of Detailed Project Reports and creation of Master plans for 75 Colleges during the year under review. Following this, your Company has also been assigned preparation of Detailed Project Reports for development in Infrastructure and Research facilities for various Universities in Kerala viz., Cochin University of Science and Technology, Mahatma Gandhi University and Kannur University during the year.

The achievements of various divisions for the year under review are enumerated below:

a. Engineering Division

i. Infrastructure and Urban Planning

During the Financial Year under review, Infrastructure and Urban Planning Division has continued to provide its services to both the Central and State Governments for the various infrastructure developments in the Country and State.

- As continued support to the development of Highways and Roads, your company could secure certain prestigious projects from Ministry of Road Transport and Highways, such as:
 - Preparation of feasibility report cum Detailed Project Report (DPR) for the Capacity Augmentation to 2 lane with paved shoulder configuration for NH Corridors and four lane bypasses in Kerala:
 - Two lane with paved shoulder configuration for newly in principle declared NH corridors in Kerala - from Bharanikavu near Adur in NH 183A up to Titanium, Chavara at NH 47 (new NH 66).
 - Two lane with paved shoulder configuration for newly in principle declared NH corridors in Kerala - road connecting NH 183A at Elavumkal near Laha with Pampa.
 - Preparation of feasibility report cum Detailed Project Report (DPR) for the Capacity Augmentation to 2 lane with paved shoulder configuration for NH Corridors and four lane bypasses in Kerala.
 - Two lane with paved shoulder development of in-principle declared new NH stretch connecting Vadakkenchery - Pollachi (stretch in Kerala).
 - For four laning Makkaraparambu bypass between km 53/000 and km 63/000 of NH 966 (old NH 213).
- Roads and Bridges Development Corporation of Kerala Ltd. (RBDCK) has awarded the Detailed Project Reports for 13 ROB, 11 bypasses, 8 Flyovers and 1 underpass, for a total outlay of ₹ 2350 crores.
- The 110kV Air Insulated Digital Substation for M/s. Technocity, Trivandrum, Kerala which is the first of its kind in India with a total capacity of 40 MVA has been completed during the period under review, for which the total consultancy was provided by the Company. The total outlay of the project is around ₹ 16 crore.
- Your Company could also able to bag the following projects during the year under review:
 - Detailed Project Reports for Storm water drainage, Urban Transport development in Thiruvananthapuram, Kochi, Thrissur and Kannur Municipal Corporations and Alappuzha Municipality under Atal Mission for Rejuvenation and Urban Transformation (AMRUT), for a total outlay of ₹ 300 crores.
 - Detailed Project report for the development and construction of 17 theatre complexes at multiple locations in the State of Kerala for Kerala State Film Development Corporation (KSFDK) for a total outlay of ₹ 100 crores.
 - Consultancy Services for the Comprehensive Development at Aralam Farm under Tribal Resettlement Development Mission Project for Government of Kerala with the financial assistance from NABARD, for a total outlay of ₹ 42 crores.

- Consultancy services for the Advance Technology Park for KINFRA at Ramanattukara, Kozhikode which is intended to create business space for entrepreneurs, for a total outlay of ₹ 30.00 crores.

ii. Aviation and Mobility Hubs

The Aviation and Mobility Hubs Division has given a remarkable performance during the year under review:

- In recognition to our outstanding performance and continued support to Cochin International Airport Ltd. (CIAL), the Company was able to bag additional works from CIAL - Convention Centre (13 halls of varying seating capacity including main hall of capacity of 2400 pax) and a 5 Star Boutique Hotel (77 keys), for a total outlay of ₹150 crores.
- Kannur International Airport, another highlight project of the Company, is nearing completion. The scope of project has been revised with additional works for the construction of Cargo Complex, Barrack, Administration Building, Landscape and Allied works for a total outlay of ₹ 115 crores.
- As an empanelled Consultant of Airport Economic Regulatory Authority of India, New Delhi, the Company was awarded with the Analysis of Capital Expenditure on expansion of Delhi International Airport Ltd. (Phase 3A package).
- The Division could also bag the Design & Consultancy services for establishing infrastructure facilities for new Aero Engine Research and Design Centre (AERDC) Complex at Bengaluru for M/s. Hindustan Aeronautics Limited (HAL) under Ministry of Defence, Government of India, intended to establish Infrastructure facilities for the new AERDC Complex inside the Engine Division of HAL, Bengaluru. The project comes under "Make in India" and the total outlay is ₹ 100 crores.
- The Detailed Project Report for Development of Moradabad Airport in Uttar Pradesh, for Civil Operations for Airports Authority of India, as part of RCAS scheme in Phase I & bigger aircrafts like Airbus 321 in Phase II, was also entrusted during the period under review.
- Your Company also secured the Consultancy services for Design of International Express Cargo Terminal and Related Services at Kempegowda International Airport, Bengaluru from M/s. Bengaluru International Airport Ltd. The total outlay for the project is around ₹ 65 crores.

iii. Tourism, Leisure and Sports

In the Tourism, Leisure and Sports Division, the Company continues to be the consultants of Department of Tourism for their various developments.

Government of Kerala is in its efforts to bring qualitative as well as quantitative advancements in the domain of sports in the State. The company has been accredited as the Special Purpose Vehicle for the development of various sports infrastructure facilities across the state which is funded by KIIFB. With this development, the sports facilities present in the urban areas will be upgraded to national level and new facilities will be created in the rural areas. The total outlay of the project is around ₹ 700 crores.

iv. Ports and Logistics

Your Company has bagged the following assignments during the year under review:

- Consultancy assignment for 'Restructuring and augmentation of Shipbuilding and Ship Repair facility' at Kolkata for M/s. Cochin Shipyard Ltd., for a total outlay of ₹ 140 crores.
- Detailed design and Project management consultancy services for setting up of International cruise terminal for M/s. Cochin Port Trust, for a total outlay of ₹ 25 crores.
- Your Company has been successful in empanelling with the Indian Port Association for carrying out various consultancy services in major ports in the coming years.

v. Environmental Services

Your Company is an accredited EIA Consultant by QCI- NABET for 8 sectors viz.

- Category A - Airports 7(a), Common Hazardous Waste Treatment, Storage and Disposal Facilities (TSDFs) 7 (d), Ports, Harbours, Breakwaters and Dredging 7(e), Highways 7(f) & Townships and Area Development Projects 8(b).
- Category B - Common Effluent Treatment Plants 7 (h), Common Municipal Solid Waste Management Facility 7(i) & Building and Construction Projects 8 (a).

The Group has also been entrusted with the following assignments in the Environmental sector during the year:

- Risk Assessment and Disaster Management Plan for National Waterway-1 between Haldia in West Bengal and Allahabad in Uttar Pradesh (1600 km) for Inland Waterways Authority of India (Ministry of Shipping), Noida, Delhi.
- Consultancy Services for the Study and Engineering for the Spillage of Hydro Carbons and Fire Fighting foam into Storm Water Harvesting Pond at BPCL KR for Bharat Petroleum Corporation Limited, Ambalamugal, Kerala.
- Environmental and Social Audit for Projects under Tamil Nadu Sustainable Urban Development Project, for Project Development Grant Fund, managed by Tamil Nadu Urban Infrastructure Financial Services Limited., Chennai, Tamil Nadu.
- Environmental Impact Assessment (EIA) for:
 - Proposed Extension of Inland Waterways from Mahe River to Valapattanam River (51 km) for Kerala Waterways and Infrastructure Ltd., Kochi, Kerala.
 - Proposed Tourism Development Projects of Dharmadam Beach, Kottathuruth, Sand bank at Azhithala, Muzhappilangad Beach and Craft Village at Iringal, Department of Tourism, Government of Kerala, Thiruvananthapuram, Kerala.
 - Environmental Clearance for the post graduate institute of Oncology Sciences and Research at Malabar Cancer Centre and development of District Hospital for Bharat Sanchar Nigam Limited (Special Purpose Vehicle), Kannur, Kerala.
 - Obtaining CRZ Clearance and other activities for "Modernization of water transport" in Alappuzha Canal System, for Kerala Irrigation Infrastructure Development Corporation Limited (KIIDC), Thiruvananthapuram, Kerala.
 - Obtaining Environmental Coastal Regulation Zone (CRZ) Clearance for the proposed development of Chethy Beach at Alappuzha for Department of Tourism, Government of Kerala, Thiruvananthapuram, Kerala.
 - Proposed Expansion of Ernakulam Medical College and establishment of Cancer Hospital Ernakulam for INKEL Ltd, Kochi, Kerala.

vi. Process Engineering

Your Company has successfully bagged the consultancy order from M/s. Bharat Electronics Ltd (BEL) for their ambitious Defense System Integration Complex (DSIC) project to be set up in Andhra Pradesh amidst tough competitive bidding, with a total outlay of ₹ 170 crores.

Your company has also successfully completed the assessment studies for Fuel filling capacity augmentation for HPCL at 11 locations spanning all over India. The execution works are slated to start progressively, with a total outlay of ₹ 90 crores.

The commissioning of 300 TPD Cattle Feed Plant at Calicut has been completed and 500 TPD Cattle Feed Plant at Thodupuzha for M/s. Kerala Feeds Ltd. is nearing completion. The total outlay for these projects is around ₹ 180 crores.

The Group has also been entrusted with the following assignments in the Process Engineering sector during the year:

- Modernization work for the Copperas Recovery Plant, Fibre Grade Pigment Plant and Neutralization Plant for M/s. Travancore Titanium Products Ltd. (TTPL).
- Preparation of Detailed Project Reports (DPR) for Effluent management studies for M/s. Kerala Minerals and Metals Ltd (KMML).

vii. Health Infrastructure

Your Company is providing Total Consultancy services for setting up of three Medical Colleges at Manjeri, Idukki and Kasaragod for Health and Family Welfare Dept. Government of Kerala for a total outlay of ₹ 1000 Crores in a phased manner is progressing as per the schedule. Further, the Company has bagged Total Consultancy Services for Pain and Palliative Care Unit at Kalamassery Medical College Campus, and has completed the preliminary stages.

The Group is also engaged in Business Promotion activities in different parts of the country, and also utilizing the empanelment that it has gained with Military Engineering Services for Hospitals, to expand its base in the sector there.

viii. Water & Waste Water

During the year under review, the Company has successfully completed the study on Technical Performance and Service Delivery assessment of 10 Multi GP Water Supply Schemes for various Grama Panchayats in the State of Kerala.

The Group also entrusted with the project for the Design and Detailed Engineering Services for 3 MLD Water Treatment Plant at Smart City Kochi, which can be integrated to the BMS in the building of Smart City Kochi.

b. Human Resources Development Division

Entrepreneurship Development Programmes (EDP), Skill development Programmes, Management Development Programmes, Faculty Development Programmes (FDP), etc. were the main Training programmes imparted under HRD Services by the Company during the year under review.

On behalf of NSTEDB, DST, GoI and EDII, your Company has organized a total of 32 training programmes comprising General EDPs, Women EDPs, Technology based EDP, FDP, Entrepreneurship Awareness Camps, etc. benefitting nearly 2000 persons. KITCO has imparted nearly 21 Skill Development Training Programmes for 666 Kudumbasree members on various skills. 21st Century Skills based Training programmes were conducted in school level. In association with Kerala Management Association, PMI (Kerala), your Company has conducted skill development public programmes for professionals, on industry relevant topics like Project Management, Contracts Management, etc.

Your Company could support 37 families attached to BUDS school, the students of which were victims of use of Endosulfan in Kasaragod District of Kerala, by conducting EDP-cum-Skill Development Training Programmes under Malayala Manorama initiative, to aide their economic development.

Manpower Recruitment Services has been another major activity of the HR Services division in the previous year, which processed 32,566 applications for the recruitment of 162 personnel for various Public Sector Undertakings like Kannur International Airport (KIAL), Vizhinjam International Seaport Ltd. (VISL), Kerala Infrastructure Investment Fund Board (KIIFB), Kerala State Co-operative Coir Marketing Federation Ltd. (COIRFED), Bhavanam Foundation Kerala and Malabar Regional Co-operative Milk Producers' Union Ltd. (MILMA).

c. Technical Services

The Technical Services Division offered various services in Asset Valuation, Renewable Energy Consultancy, Energy Audits, Third party inspections, and Lender's Independent Engineer services, Revival Studies, Plant Betterment Studies and Operations & Management during the year under review.

Your Company has been selected as the Consultant for the Motor Vehicles Department (MVD), Government of Kerala for setting up automated driver testing yards and vehicle testing stations at various locations of Kerala adopting Public-Private Partnership (PPP) mode. The total outlay of the project comes to around ₹ 20 Crores.

The division continued to extend Operations and Maintenance (O&M) services to the Madras Export Processing Zone. The Company continues to offer valuation services for industrial restructuring of various organizations like Southern Railway, Bharat Petroleum Corporation Ltd., Roads and Bridges Development Corporation of Kerala Ltd. (RBDCK), Goshree Islands Development Authority, etc.

The Division also assigned with the following works during the year under review:

- Energy Audit services for RUBCO, Kottayam.
- Third Party Inspections and Bill verifications for Kerala State Industrial Development Corporation Ltd., Kerala and Bhavanam Foundation Kerala.

d. Management and Financial Consultancy Division

The Company has provided the following Project Consultancy Services during the year under review:

- Detailed Project Report: Study undertaken across the market, resources & regulatory landscape in Vietnam for setting up a mid-size pharmaceutical unit under the PDF initiative of EXIM Bank, Department of Commerce, Ministry of Commerce & Industry. EXIM Bank shall utilize this report for marketing this project to potential Indian investors.
- Mergers and Acquisitions: Valuation of the business of subsidiary companies, recommend a financial structure for proposed merged entity, Study on restructuring of subsidiaries of INKEL & Consolidation to the parent holding company.
- Subsidy modelling: Formulation of schemes for creation of telecom infrastructure & mobile services in uncovered villages along national highways of Andaman & Nicobar islands for Universal Service Obligation Fund (USOF) - under Departments of Telecommunications, Ministry of Communications.
- Private Equity advisory services, identification of investors & fund raising for M/s Careon Health Care Solutions & Central Travancore Specialist Hospital Ltd.
- Advisory services for sale of property of LIS (regd) entrusted by Hon'ble High Court of Kerala - Valuation of property & Bid process management.
- Techno-Economic feasibility report: For expansion of air cargo infrastructure at CIAL for M/s. Cochin International Airport Ltd.

- Detailed Project Report: Submission of Techno-Commercial feasibility study for setting up a Balloon manufacturing facility including market assessment, review of government schemes, cost estimates, risk assessment, financial analysis including means of funding for M/s. RUBEK Balloons.
- Detailed project report: Demand analysis, financial estimates & cost projections and funding for procurement of busses for M/s. Kerala State Road Transport Corporation.
- The Group was successful in being empanelled with various organizations as follows:
 - EXIM Bank - Preparation of project formulation report for overseas governments
 - Nashik Municipal Corporation - Transaction advisory services
 - Andhra Pradesh Urban Infrastructure Asset Management Limited - Transaction advisory services
 - South Indian Bank - Techno-economic viability services

e. "My enterprise"

Startups under the "myenterprise" programme, Valmeeki Books Pvt. Ltd and Tripp Deals Online Services Pvt. Ltd have matured out of the incubation and commenced their commercial operation. Both the units are actively trying to obtain funding to accelerate the growth.

Your Company conducted the "Creativity and Innovation Lab" programme successfully this year at Vidyodaya School (Kochi) and the programme was conducted at one more school in the city, Bhavan's Vidya Mandir. This unique programme at school level aimed at nurturing the creative thinking among students at their young age is receiving good appreciation from parents and teachers.

Under MSME-Nurture service, handholding and business advisory services were provided to 20 MSME units. The advisory services were extended for early stage enterprises on various aspects of funding and market expansion.

6. Leading Initiatives for Sustaining Growth

Your Company is making continuous efforts to secure more projects at PAN INDIA and at international levels. The Business Development Strategy has been pursued with focus on geographical and sectoral expansion, obtaining repeated assignments from the existing clients. Greater participation in networking meetings, interactions with targeted major organizations and business houses was the thrust of the strategy. Company is keen to augment the resources to make itself ready to offer services in emerging areas.

At organization level, company is continuing with its efforts of developing talent through a systematic programme started a year back. The mid-level leadership team is nurtured through training programmes, and mentoring. At all levels of the organization, quality improvement programmes are undertaken which has demonstrated results through enhanced quality and timely delivery of services.

7. Outlook for the Current Year

Your company is fully geared up to capitalize on strengths gained through past operations, while exploring new opportunities in emerging sectors with greater technology focus and rigorous business development initiatives. Sectoral networking meetings and focused efforts are planned to enhance the spread of services and geographical reach to establish PAN INDIA presence in true spirit.

Joint bidding along with organizations with complementary strengths are envisaged as a strategy for specialized projects in the Oil and Gas sector, marine infrastructure etc. It is proposed to exploit existing MoUs with diverse partners to the extent possible for mutual benefits.

The opportunities in the infrastructure sector are massive and many projects are initiated under "Make In India" programme also. Special focus is envisaged for the opportunities in these sector. Further to augment the credentials and range of offerings in the area of planning, architectural and design services, efforts are underway to collaborate with international specialist organizations.

8. Sundry Debtors

During 2017- 18, there has been a significant increase in revenue from consultancy services. Consequently, there is also a surge in the amount of such outstanding debts for the year. One of the key contributing reasons for this rise is that majority of its clients belongs to government/ government departments, where actual release of due payments often have several hierarchical layers of formal approvals. Hence, to recover such debts, rigorous follow-up mechanism has been devised by the Company, whereby Officers are assigned due responsibility in the same. All earnest efforts are being made by the Officers, in the form of meetings, client e-mails, client letters, etc. aimed at the earliest release of such outstanding payments. On a regular basis, status of outstanding amounts is reviewed, monitored and evaluated and suitable forward actions are planned. Strategical approach on minimizing similar risks from future projects of the same clients is also being taken.

9. Manpower & Human Resource Development

The staff strength of KITCO at the end of the year under review was 226 including qualified professionals in different engineering discipline, finance, Management Reinforcing the need for building up core competence and professionalism, consultants are being deputed to various training programmes. The employees are suitably trained to utilize the emerging opportunities.

10. Conservation of Energy, Technology Absorption and Foreign Exchange Inflow and Outflow

The Company's operations do not involve any manufacturing or processing activities. The operations of the Company require normal consumption of electricity. Therefore, the provisions of Section 134(3) (m) of the Companies Act, 2013 do not apply to your Company.

The Company continues to adopt and use the latest technologies to improve quality of its services. The Company's operations do not require significant import of technology.

There was no Foreign Exchange inflow or outflow during the year under review.

11. Statement concerning development and implementation of Risk Management Policy of the Company

The company has adequate system of business risk evaluation and management to ensure stable and sustainable business growth and to promote pro-active approach in evaluating and resolving the risk associated with the business. At present, the company has not identified any element of risk which may threaten the existence of the company.

12. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

13. Particulars of Contracts or Arrangements made with Related Parties

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

14. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. The Company has duly constituted the Internal Complaints Committee as per the requirement of the Act.

During the Financial Year 2017-18, the Company has not received any complaints of sexual harassment.

15. Auditors and Auditors report

M/s. Gopan & Syam, Chartered Accountants, FRN: 000977S were appointed by the Comptroller and Auditor General of India for the financial year 2017-18 as per the provisions of Section 139(5) of the Companies Act, 2013. There was no qualifications, reservations or adverse remarks made by the Statutory Auditors and the Comptroller and Auditor General of India in their reports.

Also, there were no frauds reported by the Auditors under Section 143(12) of the Companies Act, 2013.

16. Number of Board Meetings:

The Board met four times during the year i.e. 20.06.2017, 29.07.2017, 17.11.2017, 03.03.2018. The gap between two board meetings was within the period mentioned in the Companies Act 2013.

17. Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Form MGT -9 as Annexure I to this Report.

18. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:-

- a) that in the preparation of annual accounts for the year ended 31st March 2018, applicable accounting standards have been followed along with proper explanation relating to material departures, wherever necessary.
- b) that the Company has 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 the end of the financial year and of the profit of the Company for the year ended 31st March, 2018.
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts on an on-going concern basis.
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. Change in Board of Directors and KMP

The company has ten directors as on the closure of the financial year 2017-18. The company is not obligated to constitute Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013. However, in order to maintain good corporate governance practices, the company has constituted an internal committee of board of directors to advise the board on appointment and remuneration of regular employees, review / advise on employee related policies including appointment and remuneration of contract employees. The committee of the board also advises the Board on recommendation of matters relating to Appointment and fixing of remuneration of Managing Director and advising the board on sitting fees payable to directors from time to time.

Following is the change in the Directors during the financial year:

- (i) The tenure of Shri. Cyriac Davies(DIN: 03489436), Managing Director, was extended by Small Industries Development Bank of India for a term of 2 years upto March 31, 2019.
- (ii) Designation of Shri. Rakesh Rewari (DIN: 00286853) was changed from Whole-Time Director to Non-Executive Chairman on July 29, 2017.

- (iii) Shri. Krishnamurthy Suryanarayanan(DIN: 07893128), being representative of Indian Bank, was appointed as Nominee Director on the Board of the Company in place of Shri. Srinivasan Parthasarathy (DIN: 06949403) on July 29, 2017.
- (iv) Shri. Aiyappan Krishnaswamy (DIN: 08077609), being representative of Union Bank of India, was appointed as Additional Director in the Company on March 3, 2018 in place of Shri. Rajan Puthenpurayil Sankarapillai (DIN: 07664974).
- (v) Shri. Ciccu Mukhopadhaya (DIN: 00299923) has been appointed as Additional Director on the Board of the Company on March 3, 2018.

Changes in the constitution of the Board after the end of financial year:

- (i) Shri. Ajith Thankappan Nair Saraladeviamma (DIN: 08150821), nominee on behalf of SIDBI was appointed in the Board Meeting held on June 29, 2018 in place of the existing nominee Shri. Kallat Vatsa Kumar (DIN: 07321786).
- (ii) Shri. Sanjeev Kumar Jain (DIN: 06658695), representative of IFCI Limited was appointed in the Board Meeting held on June 29, 2018 in place of the existing representative Shri. P.G. Jayashankar (DIN: 06452795).

The Board of Directors recommend appointment of Shri. Ciccu Mukhopadhaya, Shri. Aiyappan Krishnaswamy and Shri. Sanjeev Kumar Jain, additional directors of the Company, as Directors in the forthcoming Annual General Meeting.

Shri. K. Suryanarayanan (DIN: 07893128), Shri. K R Jyothilal IAS (DIN: 01650017), and Dr. Beena Mahadevan IAS (DIN: 03483417), are liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, seek re-appointment.

The Company was not required to appoint any Independent Director as per Section 149 of the Companies Act, 2013. Therefore, the requirement of obtaining declaration from the independent directors doesn't arise.

The Board of Directors appointed Ms. Swati Srivastava as Company Secretary in full-time employment on November 17, 2017.

20. Shares

The Company has not bought back shares during the year under review.

The Company has not issued any bonus shares, Sweat Equity Shares, Stock option scheme to the employees during the year under review.

We are pleased to inform you that our esteemed members can avail the depository services with any of the Depository Participants registered with CDSL

21. Disclosure of Composition of Audit Committee

The provisions of Section 177 and the rules made there under are not applicable to your company. However, for better governance, your Board has constituted an internal Audit Committee with the following Directors as members as on March 31, 2018:

1. Shri. Kallat Vatsa Kumar, Director
2. Shri. Perumal G. Jayashankar, Director
3. Shri. Krishnamurthy Suryanarayanan

Three meetings of the Audit committee were held during the period under report.

22. CSR Committee

The Board of Directors in accordance with the provisions of Section 135 of the Companies Act 2013 constituted a Sub Committee of Board of Directors called as CSR Committee. Following Directors are members as on March 31, 2018:

1. Shri. Kallat Vatsa Kumar, Director
2. Shri. Perumal G Jayashankar, Director
3. Shri. Cyriac Davies, Managing Director

The CSR committee meetings were held on July 28, 2017, November 16, 2017 and March 2, 2018.

There was no change in the CSR policy during the year.

Annual Report on CSR activities as per the requirement of Section 135 is attached as Annexure II.

23. Adherence to applicable Secretarial Standards

The Company has complied with applicable Secretarial Standards during the year being SS-1 towards meetings of the Board of Directors and SS-2 towards General meetings.

24. General:

- (i) There was no change in the nature of business during the financial year 2017-18.
- (ii) The Company does not have any Subsidiary, Joint venture or Associate Company.
- (iii) The Company has not accepted or renewed any deposits, during the financial year.
- (iv) No material changes and commitments affecting the financial position of the Company occurred during the financial year to which this financial statements relate and up to the date of this report
- (v) There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- (vi) KITCO has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively.
- (vii) As per provisions of Section 125 of the Companies Act, 2013, there was no unpaid or unclaimed Dividend pending for transfer to Investor Education and Protection Fund.
- (viii) The Company is not a listed company. Therefore, provisions of drawing remuneration in excess of the limits specified under Rule 5(2) of Companies (Appointment and Remuneration) Rules, 2014 are not applicable.
- (ix) Provisions of formal annual evaluation by the Board of its own performance and that of its committees and individual directors are not applicable to the Company.
- (x) KITCO doesn't fall within the purview of Secretarial Audit as per the requirement of Section 204 of the Companies Act, 2013. Therefore, the said clause is not applicable.

25. Acknowledgements

The Directors profusely thank all clients, vendors, bankers and shareholders for their confidence and trust reposed in the Company. The Company looks forward to their continued co-operation, support and encouragement in the years to come.

The Board of Directors place on record its appreciation to all employees for their dedicated service and contribution towards the Company's achievements.

For and on behalf of the Board of Directors,

Sd/-

Shri. Rakesh Rewari
Chairman
DIN: 00286853

KITCO Ltd.

Date : July 29, 2018

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

Annexure-I

As on Financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U74140KL1972GOI002425
2	Registration Date	03/06/1972
3	Name of the Company	KITCO Limited
4	Category/Sub-Category of the company	Limited by Shares Public Limited Company
5	Address of the Registered Office & Contact Details	Femith's, P.B. No. 4407, Puthiya Road, NH Bypass, Vennala, Kochi-682 028. Ph: 0484-4129000, Email: mail@kitco.in
6	Whether listed company	No
7	Name, Address & Contact details of the Registrar & Transfer Agent	S.K.D.C. Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore-641 006. Phone: +91 422 4958995, 2539835-836 Fax: +91 422 2539837 E-mail: info@skdc-consultants.com Website: www.skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10% or more of the total turnover of the company shall be stated)			
S.No.	Name and Description of main products/services	NIC Code of the Product/ service (NIC 2008)	% to total turnover of the company
1	Architectural and Engineering Consultancy and related technical consultancy	71100	95.56%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary Associate	% of shares held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (As on 31 March 2017)				No. of Shares held at the end of the year (As on 31 March 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF			-	0.00%			-	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)		-	-	0.00%		-	-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%

Category of Shareholders	No. of shares held at the beginning of the year (As on 31 March 2017)				No. of Shares held at the end of the year (As on 31 March 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI		84,150	84,150	85.47%		84,150	84,150	85.47%	0.00%
f) Company			-	0.00%		-	-	0.00%	0.00%
Sub Total (A) (1)	-	84,150	84,150	85.47%		84,150	84,150	85.47%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	84,150	84,150	85.47%		84,150	84,150	85.47%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI		11,350	11,350	11.53%	9,900	1,450	11,350	11.53%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)		2,950	2,950	3.00%		2,950	2,950	3.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FII's			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others -State Financial Corporation			-	0.00%		-	-	0.00%	0.00%
Sub-total (B)(1):-	-	14,300	14,300	14.53%	9,900	4,400	14,300	14.53%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%		-	-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	14,300	14,300	14.53%	9,900	4,400	14,300	14.53%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	98,450	98,450	100.00%	9,900	88,550	98,450	100.00%	0.00%

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	Small Industries Development Bank of India	49,000	49.77%	-	49,000	49.77%	-	0.00%
2	IFCI Ltd.	19,950	20.26%	-	19,950	20.26%	-	0.00%
3	KSIDC Ltd.	3,950	4.01%	-	3,950	4.01%	-	0.00%
4	Indian Overseas Bank	2,250	2.29%	-	2,250	2.29%	-	0.00%
5	Indian Bank	2,250	2.29%	-	2,250	2.29%	-	0.00%
6	Canara Bank	2,250	2.29%	-	2,250	2.29%	-	0.00%
7	Syndicate Bank	2,250	2.29%	-	2,250	2.29%	-	0.00%
8	Union Bank of India	2,250	2.29%	-	2,250	2.29%	-	0.00%

(iii) Change in Promoter's shareholding (please specify, if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	All the beginning of the year			No Change	0.00%	No Change	0.00%
	Changes during the year				0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year				0.00%		0.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	ICICI Bank Ltd.						
	At the beginning of the year			5700	5.79%	5700	5.79%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			5700	5.79%	5700	5.79%
2	Secretary to Government of Kerala						
	At the beginning of the year			2950	3.00%	2950	3.00%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			2950	3.00%	2950	3.00%
3	State Bank of Travancore*						
	At the beginning of the year			2500	2.54%	-	2.54%
	Changes during the year Shares transmitted to State Bank of India (29.07.2017)			(2500)	0.00%	(2500)	0.00%
	At the end of the year			0	0.00%	0	0.00%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4	State Bank of India*						
	At the beginning of the year			1700	1.73%		
	Changes during the year			2500	2.54%	4200	4.27%
	At the end of the year			4200	4.27%	4200	4.27%
5	Kerala Financial Corporation						
	At the beginning of the year			1450	1.47%	1450	1.47%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			1450	1.47%	1450	1.47%

* Change in shareholding in State Bank of Travancore and State Bank of India is due to amalgamation of State Bank of Travancore with State Bank of India w.e.f. 01.04.2017.

(v) Shareholding of Directors and Key Managerial Personnel: (NIL)

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year			Nil	0.00%	Nil	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name						
	At the beginning of the year			Nil	0.00%	Nil	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

V. INDEBTEDNESS: NIL

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Addition				-
* Reduction				-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
	Name	Cyriac Davies		(Rs.)
	Designation	MD		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	72,56,444.00	-	- - -
2	Stock Option			-
3	Sweat Equity			-
4	Commission - as % of profit - others, specify			- - -
5	Others, please specify			-
	Total (A)	72,56,444.00	-	-
	Ceiling as per the Act	76,41,509.00		

B. Remuneration to other Directors

S.No.	Particulars of Remuneration	Name of Directors					Total Amount
							(Rs.)
1.	Independent Directors						
	Fee for attending board/committee meetings						
	Commission						
	Others						
	Total (1)						
2.	Other Non-Executive Directors	Rakesh Rewari Chairman	Kallat Vatsa Kumar (SIDBI)	Perumal Jayashankar (IFCI)	Dr. Beena Mahadevan (KSIDC)	Mr. P.S. Rajan (UBI)	
	Fee for attending board/committee meetings	65,000		80,000	15,000	68,000	
	Commission						

S.No.	Particulars of Remuneration	Name of Directors					Total Amount
	Others, please specify Honorarium	1,86,750					
	Total (2)	-	-	-	-	-	
	Total (B) = (1+2)	2,51,750		80,000	15,000	68,000	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs.)
	Designation	CEO	CFO	Swati Srivastava CS (w.e.f. 17.11.2017)	
1	Gross salary (a) Salary as per provisions contained in Sec 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961			3,58,939.00	3,58,939.00
2	Stock Option				-
3	Sweat Equity				-
4	Commission - as % of profit - others, specify				-
5	Others, please specify				-
	Total	-	-	3,58,939.00	3,58,939.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Sd/-

KITCO Ltd.

Date : July 29, 2018

Shri. Rakesh Rewari
Chairman
DIN: 00286853

Annexure-II

Annual Report on CSR activities as per the requirement of Section 135 of the Act read with relevant rules

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken:

As per the CSR Policy of KITCO, dated March 5, 2015, one of the focus areas was **Education, Skill Development Initiatives and Women Empowerment programmes to make them employable.**

In line with the above focus areas under KITCO CSR Policy, 30 tribal women from Panthapra, Kunjipara and Thalavechapara of Kuttumpuzha Grama Panchayat were assessed and identified as the potential beneficiaries to the programme. Skill Development in the areas of Bee keeping and Reed crafting were imparted with an objective of empowering them, through self-employment.

In Api-Culture, each beneficiary was supported with the necessary training by subject expert, followed by regular field visits and monitoring. During the financial year, 150 additional boxes were supplied to the group, in addition to the 300 honey bee boxes which were supplied during the past FY.

A produce of nearly 1500 kg of pure honey was achieved. This product which meets all quality requirements under FSSAI regulation, has been registered successfully with FSSAI. 100 percent product has been sold, and each beneficiary earned approximately ₹ 15000/- through the same.

In reed crafting, the beneficiaries have been trained to make popular products for household purposes. These products have been successfully sold through Govt. and Private organized fairs and melas in the district. Beneficiaries have generated an average income of ₹ 6000/- per person through the same.

Another achievement in this area is that all beneficiaries have successfully passed the assessments, and have obtained Indian Handicrafts- Artisan Identity Card in the field of Reed Crafting, issued by Ministry of Textiles, Govt. of India.

There has been tremendous improvement in the areas of socialization, support from family members and self- esteem among these beneficiaries, compared to the levels at the beginning of the project. And the activities planned for the next financial year is expected to make the group self-sustained, and enhance their income level significantly, with due importance to product quality and consumer satisfaction.

- a. web-link for CSR policy and projects and programs. www.kitco.in
- b. Composition of CSR Committee as on 31.03.2018:
 - i. Mr. KallatVatsa Kumar, Director
 - ii. Mr. Perumal G Jayashankar, Director
 - iii. Mr. Cyriac Davies, Managing Director
- c. Average net profit of the company for last three financial years : ₹ 1367.00 Lakhs
- d. Prescribed CSR Expenditure: ₹ 27.34 Lakhs
- e. Details of CSR spent during the financial year:
 - i. Total amount to be spent for the financial year; ₹ 19.12 Lakhs
 - ii. Amount unspent: ₹ 8.22 Lakhs
 - iii. Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
	Tribal women empowerment through self-employment by facilitating skill development in the areas of Reed Crafting and Api culture	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	1) Kuttampuzha Grama Panchayat, Ernakulam District 2) Kerala, Ernakulam	Rs. 27.34 Lakhs	(1) Direct Expenditure: Rs. 19,11,574 (2) Overheads: NIL	—	Implementing Agency: RAJAGIRI OUTreach

f. **Reason for not spending:**

CSR activities for the Financial Year were carried out with respect to a three year plan with clearly laid milestones and key deliverables. They were regularly monitored with respect to progress, delivery and expenses.

Budget or the amount outlay had been set based on this plan. Since changes in climatic conditions affect honey production and the extent of mending activities on bee hives, the amount outlay comprised margin to take care of any unforeseen expenses on account of the same.

All activities planned for the FY 2017- 18 have been completed, and the milestones have been achieved successfully. Since there were no major unanticipated fluctuations in climatic conditions, the overall expenses did not meet the budgeted amount, but was lesser at Rs. 19.12 Lakhs

g. The CSR committee ensures that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of the Board of Directors,

Place : Ernakulam
Date : July 29, 2018

Sd/-
Shri. Cyriac Davies
Managing Director
DIN: 03489436

Sd/-
Shri. Rakesh Rewari
Chairman
DIN: 00286853

Independent Auditor's Report

To

The Members of KITCO Ltd, Kochi

Report on the Financial Statements

We have audited the accompanying financial statements of **KITCO LIMITED ("the Company")** which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on auditing specified under section 143 (10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure -A**' a statement on the matters specified in paragraph 3 and 4 of the Order.
2. We give in the '**Annexure -B**' a supplementary report on the matters in accordance with the directions given by the C & AG as per the provisions of the section 143 (5) of the Companies Act 2013, the action taken thereon and its impact on the accounts and financial statements of the company to the extent applicable.
3. 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 and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - 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 and with the returns received from the branches not visited by us.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 from being appointed as a Director in terms of Sec. 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
 - g) 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S
Sd/-
K.K. Syam
(Partner)
(M.No. 21365)

Place : Ernakulam
Date : June 29, 2018

“Annexure-A” to the Independent Auditors’ Report

The “Annexure -A” referred to in our Independent Auditors’ Report to the members of KITCO Ltd. (‘The Company’) for the year ended 31st March 2018, We report that:

1. a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. The Company is not holding any immovable properties in the name of the Company.
2. The company is a service company, primarily rendering consultancy services. Accordingly, it does not hold any physical inventories. Thus, clause 3 (ii) of the Order is not applicable to the Company and hence not commented upon.
3. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company, and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence 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 Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company, and hence not commented upon.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. According to the information and explanations given to us and on the basis of our examination of the records, 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, duty of customs, value added tax (VAT), cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2018 for a period of more than six months from the date on when they became payable.

However, according to information and explanations given to us, the following dues of income tax and service tax have not been deposited by the company on account of disputes:

Name of the statute	Nature of dues	Amount in dispute (₹)	Period to which the amount relates	Forum where the dispute is pending
Finance Act 1994	Service tax on Franchise Service	2,04,419	2006-2007	Appellate Tribunal, South Zone Branch, Bengaluru
Finance Act 1994	Service tax on Works Contract	2,39,44,042	2010-2011	Appellate Tribunal, South Zone Branch Bengaluru

Name of the statute	Nature of dues	Amount in dispute (₹)	Period to which the amount relates	Forum where the dispute is pending
Finance Act 1994	Service tax on Interest Income earned from funds for deposit works	36,26,775	2006-2007 & 2007-2008	Appellate Tribunal, South Zone Branch Bengaluru
Finance Act 1994	Service tax on Interest Income earned from funds for deposit works	45,21,010	2008-2009	Appellate Tribunal, South Zone Branch Bengaluru
Finance Act 1994	Service tax on Works Contract	10,01,07,499	2011-2012, 2012-2013 & 2013-2014	Appellate Tribunal, South Zone Branch Bengaluru

There is an aggregate demand of ₹ 6,71,502/- towards income tax for the Assessment years 2004-05, 2008-09, 2013-14 and 2014-2015 as per the records of CPC, Bengaluru. We are informed that the refund claimed by the Company is ₹ 23,36,939/-. Further it is informed that the difference is due to the mismatch of TDS in Form 26AS in certain cases. It is pointed out that the Company is continuing efforts to get rectified the errors and to get refund.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instrument and term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.

Place : Ernakulam
Date : June 29, 2018

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S
Sd/-
K.K. Syam
(Partner)
(M.No. 21365)

“Annexure-B” to the Independent Auditors’ Report

Supplementary Report u/s. 143 (5) of the Companies Act, 2013 in “Annexure -B” referred to in our Independent Auditors’ Report to the members of KITCO Ltd. (‘The Company’) for the year ended 31st March 2018.

Sl.No.	Subject	Remarks
01	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and lease hold land for which title/lease deeds are not available	Company does not own any free hold land. Company is operating in lease hold premises, for which there is lease deed between the company and the owner of the property.
02	Waiver/write off of debts/loans/interest etc.	Separate statement attached.
03	Records for inventory laying with third parties and assets received as gifts from Government or other authorities.	Not applicable since this is a service oriented company.

Statement showing details of Waiver/write off of debts/loans/interest etc. attached to “Annexure-B”

Name of the Client	Age Wise	Amount	Reason
Cochin International Airport (CIAL)	1100	2,73,371.00	The amount relates to service tax elements of the consultancy bills. Due to change in tax regime from Service tax to GST wef 01st July 2017, clients hesitated to pay service tax element of the bill, despite of forwarding the proof of remittance of service tax. Hence recommended for written off.
	368	61,961.00	
	369	1,85,247.00	
Cochin Port Trust	548	21,000.00	
Kerala State IT Infrastructure Limited (KSITIL)	731	76,702.00	
Gujarat Ecology Commission	736	3,30,778.00	
PWD Ernakulam	1465	2,59,560.00	
SC/ST Development Department	321	1,828.00	
Roads & Bridges Development Corporation of Kerala	374	18,875.00	
Kandla Port Trust	1737	83,430.00	
Roads & Bridges Development Corporation of Kerala	1917	32,044.00	
	374	8,153.00	
	935	8,579.00	

Name of the Client	Age Wise	Amount	Reason
Corporation of Chennai	3644	66,000.00	KITCO quoted these work along with the lead partner. EMDs were en-cashed by the Clients and in their books of accounts, it was not traceable and no response received even after several follow-ups. Therefore, recommended to write-off.
	3644	34,000.00	
Divisional Enggr (NH), Madurai	3751	25,000.00	
Southern Railway Ernakulam	1473	15,730.00	EMD forfeited by the client due to delay in submission of the performance guarantee in the required format by the Client
Kerala Feeds Limited	1343	3,90,099.00	The amount relates to consultancy fees on certification of final invoice of the contractor for the work "Implementation of 300TPD cattle feed plant at Karunagapally". As there is reduction in the contractor's bill at the time of final settlement, the corresponding fees was not paid hence it is proposed to be written-off.
Kerala Shipping and Inland Navigation Corporation Ltd.	1219	6,22,500.00	Relates to balance 50% of the fee due on submission of the final report for the project "Feasibility Study on establishing Dry Dock at Kodungallur". KSINC could not get land to them for the project. As the project was discontinued fee had not been paid and hence proposed to write off.
KINFRA (Kerala Industrial Infrastructure Development Corporation Limited)	1156	2,32,790.00	Fee is proportionate to the contractor's bill, for the work "Project Management Consultancy for KINFRA Industrial Parks at Punalur". Reduction in the contractor's bill has caused reduction in the consultancy fee. As there is no income / billing in this project during the year it was proposed to write off.
KSIDC	366	57,500.00	Fee relates to balance 10% due on submission of final report for the project "need assessment study on Coconut Business Incubators". KSIDC has decided not to go ahead with the project and hence short closed the assignment at the draft report stage. Hence written off.
Al Mumayaz Engineering Consultancy	370	3,47,000.00	The project, "Consultancy services for design of bridge Saidat Swalha" was dropped as the client didn't get requisite approvals from the higher authorities. Even after several follow up fee was not released and hence proposed to write off.

Name of the Client	Age Wise	Amount	Reason
MEPZ - Special Economic Zone	1006	8,19,399.00	The fees related to submission of Estimated Report on "Consultancy services for setting up of 1.2MLD modified sewage treatment plant for MEPZ". However, it was understood that after submission of estimate report to Development Commissioner, the work was awarded to another consultant. Hence, the amount remained unpaid.
Nehru College of Educational and Charitable Trust Limited	1006	91,200.00	The amount relates to the fees due on obtaining the environmental clearance. In connection with "EIA for Medical College". Due to change in legislation, educational institutions were made exempted from prior environmental clearance. Hence, the amount remained unpaid.
Regal Realtors and Projects Pvt. Ltd.	372	2,75,000.00	The amount represents the balance fee due on submission of draft "feasibility report for setting up of 3MW Solar Power Project" after settlement of the advance amount paid by the client. As the company is wound up the amount remains unpaid and hence proposed to write off.
Spices Board	2412	9,58,561.00	Fee for the assignment "Construction of Laboratory Building" at Guntur was 8% at the time of execution of the agreement. Later on the fee was reduced to 6% by mutual negotiation. Hence it is proposed to write off the difference in the fees.
The Travancore Cements Limited	792	3,09,600.00	The invoice relates to consultancy fee due on submission of Interim Report. As the client decided to drop the project, the consultancy fees was not released even after several follow-ups. Hence, decided to write off.
United Sports Academy	377	2,62,500.00	
SC/ST Development Department	722	48,352.00	Fees relate to submission of tender document / award of work for SITC of networking & Telecommunication system in working women's hostel at Nandavanam. As there is reduction in the scope of the work, the pro-rata consultancy fee is not released by the client and hence written off.
Southern Railway Ernakulam	1128	1,68,540.00	The fee relates to preparation of GADs for Southern Railways. The contract was cancelled by the client and fresh quotations were invited. So the amount billed was proposed to be written off
	1830	86,484.00	

Name of the Client	Age Wise	Amount	Reason
Roads & Bridges Development Corporation of Kerala	266	80,803.00	The invoices pertain to consultancy fees proportionate to the Certified value of contractor's bills of various works. However, due to several reasons, the client reduced payment to be made to the contractors. Reduction in the contractor's bill resulted in proportionate reduction in the consultancy fee. As there is no income / billing in these assignments during the year it was proposed to write off.
	1613	7,641.00	
	1401	89,509.00	
	904	86,773.00	
	1858	26,693.00	
	660	22,057.00	
	752	2,97,724.00	
	1899	68,042.00	
	935	1,99,226.00	
	935	2,37,405.00	
	935	2,48,165.00	
	1465	2,51,267.00	
	1864	1,62,901.00	
	935	1,98,842.00	
	1583	53,660.00	
	1674	1,28,436.00	
	1705	99,931.00	
	1737	83,640.00	
	2375	1,18,986.00	
	1252	1,28,409.00	
	1128		
	1128		
	1739	84,529.00	
	1737	3,35,619.00	
	1310		
	853		
TOTAL		91,82,041.00	

“Annexure-C” to the Independent Auditors’ Report

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) in “Annexure -C” referred to in our Independent Auditors’ Report to the members of KITCO Ltd. (‘The Company’) for the year ended 31st March 2018.

We have audited the internal financial controls over financial reporting of **KITCO Limited** (“the Company”) as of 31st March, 2018 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 control over financial 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.

Auditors’ Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial 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 over financial 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial 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 M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S
Sd/-
K.K. Syam
(Partner)
(M.No. 21365)

Place : Ernakulam
Date : June 29, 2018

KITCO LIMITED

Registered Office: Femith's PB No. 4407, Puthiya Road, NH Bypass, Vennala, Kochi-682 028

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	Figures as at March 31, 2018		Figures as at March 31, 2017	
		(₹)	(₹)	(₹)	(₹)
I EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	3	9,84,50,000		9,84,50,000	
(b) Reserves & Surplus	4	52,28,56,802	62,13,06,802	44,71,35,547	54,55,85,547
2 Current Liabilities					
(a) Trade Payables	5	9,01,39,004		3,96,95,457	
(b) Other Current Liabilities	6	72,94,73,027		67,69,80,419	
(c) Short Term Provisions	7	5,95,34,142	87,91,46,173	6,54,77,990	78,21,53,866
Total			1,50,04,52,975		1,32,77,39,413
II ASSETS					
1 Non- Current Assets					
(a) Fixed assets	8				
(i) Tangible assets		1,26,68,291		1,39,49,478	
(ii) Intangible assets		13,97,589		20,23,958	
(b) Non-current investments	9	10,27,29,013		10,75,80,965	
(c) Deferred tax asset (net)	10	1,56,63,916		14,37,208	
(d) Long-term loans and advances	11	53,19,617		76,27,807	
(e) Other Non-current assets	12	4,73,58,816	18,51,37,242	2,72,92,299	15,99,11,715
2 Current assets					
(a) Unbilled Revenue	13	4,62,00,983		4,23,02,568	
(b) Trade receivables	14	41,12,11,788		33,95,88,670	
(c) Cash and cash equivalents	15	62,92,46,030		55,32,04,207	
(d) Short-term loans and advances	16	21,62,30,478		22,12,27,351	
(e) Other current assets	17	1,24,26,454	1,31,53,15,733	1,15,04,902	1,16,78,27,698
Total			1,50,04,52,975		1,32,77,39,413
Notes forming part of the Financial Statements	1-27				

For and on behalf of the Board

Sd/-
Cyriac Davies
(Managing Director)
(DIN: 03489436)

Sd/-
Ajith Thankappan Nair Saraladeviamma
(Director)
(DIN: 08150821)

Kochi-682 028
June 29, 2018

Sd/-
Swati Srivastava
(Company Secretary)

As per our report of even date attached

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S

Sd/-
K.K. Syam
(Partner)
(M.No. 21365)
June 29, 2018

KITCO LIMITED

Registered Office: Femith's PB No. 4407, Puthiya Road, NH Bypass, Vennala, Kochi-682 028

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	Figures for the year ended March 31, 2018	Figures for the year ended March 31, 2017
		(₹)	(₹)
I. Revenue from Operations	18	56,70,12,241	45,92,44,364
II. Other income	19	3,32,40,183	4,43,51,827
III. Total Revenue		60,02,52,424	50,35,96,191
IV. Expenses:			
(a) Employee benefits expense	20	29,91,04,380	24,33,38,154
(b) Operation & Other expenses	21	17,26,50,021	11,64,01,624
(c) Finance Cost	22	3,964	2,462
(d) Depreciation and other amortization expense	8	74,65,370	1,12,27,456
Total expenses		47,92,23,735	37,09,69,696
V. Profit before tax		12,10,28,689	13,26,26,495
VI. Tax expense:			
(a) Current tax		4,17,60,333	4,77,04,174
(b) Deferred tax		(1,42,26,708)	11,59,321
		2,75,33,625	4,88,63,495
Profit for the year from continuing operations		9,34,95,064	8,37,63,000
VII. Earnings per equity share :- Basic, diluted & adjusted (Face value - ₹ 1000/-)		950	851

For and on behalf of the Board

Sd/-
Cyriac Davies
(Managing Director)
(DIN: 03489436)

Sd/-
Ajith Thankappan Nair Saraladeviamma
(Director)
(DIN: 08150821)

Sd/-
Swati Srivastava
(Company Secretary)

Kochi-682 028
June 29, 2018

As per our report of even date attached

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S

Sd/-
K.K. Syam
(Partner)
(M.No. 21365)
June 29, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

- 1.1. KITCO Limited (formerly Kerala Industrial and Technical Consultancy Organization Ltd.), the first technical Consultancy Organisation (TCO) in India, established in 1972, jointly by Industrial Development Bank of India, Government of Kerala and public sector banks is one of the premier Engineering, Management & Project consultancy firm in India. The Company is a multi-disciplinary, multi-dimensional organisation offering its services from concept to successful completion of the project. At present KITCO is having 10 divisions viz., Infrastructure, Tourism, Aviation, Urban Planning, Process Engineering, Human Resource Development, Management and Financial Consultancy, Technical Services, Seaports and Environmental Engineering. Our wide spectrum of services include Techno Economic Feasibility Studies, Detailed Project Reports, Project Consultancy, Master planning, Detailed Design and Engineering, Contract Management, Project Management Consultancy (PMC), Environmental Engineering Studies, Asset Valuation, Facility Management Services, Fund Facilitation, Project Appraisal, Corporate Debt Restructuring (CDR), Transaction Advisory, Recruitment, Training & Development etc. KITCO is the first consultancy organization in the state having EIA accreditation. The strength of KITCO is a core team of well qualified and experienced professionals in various branches of engineering and in management, media, marketing, economics, finance etc numbering more than 260.
- 1.2. Small Industries Development Bank of India (SIDBI) is the major shareholder and owns 49.77% of company's equity share capital. The company's registered office is at Cochin and has branches at Trivandrum, Chennai and Delhi.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation of financial statements

These financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3. Revenue recognition

Revenue is primarily derived from consultancy services provided to clients either on a 'estimated project cost/executed works' basis, or on a 'fixed-price' or on a 'fixed-time frame' basis.

Revenue on 'estimated project cost/executed works' basis contracts which are directly related to construction of assets, are recognized on the basis of performance of the related services. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues estimated under percentage of completion method in accordance with Accounting Standard - 7. Revenue from 'fixed-price' and 'fixed-timeframe' contracts is recognized based upon the percentage of completion method in accordance with

Accounting Standard - 9. When there is uncertainty as to measurement or ultimate collectability of consideration, revenue recognition is postponed until such uncertainty is resolved.

Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

The Company presents revenues net of value-added taxes/service tax in its statement of profit and loss.

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment. Interest is recognized using the time-proportion method, based on rates implicit in the transaction. Dividend income is recognized when the Company's right to receive dividend is established.

2.4. Provisions and Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.5. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

2.6. Property plant & equipment, capital work-in-progress and intangible assets

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are amortised.

2.7. Depreciation and amortization

Depreciation on fixed assets is provided on the written down value method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for ₹ 5,000/- or less) and cost of library books and other reference materials are fully depreciated during the year of acquisition.

The Management estimates the useful lives for the fixed assets as follows:

Category of assets	Useful life (Yrs)
Furniture and fixtures	10 years
Office equipment	5 years
Electrical Fittings	10 years
Vehicles	8 years
Computer & Data Processing Units - End user Devices - Desk Tops & Laptops	3 Years
Computer & Data Processing Units - Servers & Networks	6 Years
Energy Audit equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Intangible assets are amortized over a period of three years commencing from the date the asset is available to the Company for its use.

2.8. Impairment

At the Balance Sheet date, an assessment is done to determine whether there is any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount less its residual value, if any over its remaining useful life.

2.9. Retirement benefits to employees

2.9.a. As Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity payable to eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The Company fully contributes all ascertained liabilities to the KITCO Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trust and the Gratuity Trust has covered the liability to employees under the approved Group Gratuity cum Life Assurance Scheme of Life Insurance Corporation of India. Contribution paid under the scheme is charged to revenue. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date based on the valuation made by LIC. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

2.9.b. As Provident fund and Pension fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the KITCO Employees' Provident Fund Trust. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

2.9.c. Compensated absence

The employees of the Company are entitled to encashment of un-availed earned leave which are accumulating subject to limits. The liability for encashment of earned leave has been covered under group leave encashment scheme of LIC of India and the contribution paid under the scheme is charged to revenue. The expected cost of accumulated encashment entitlement of un-availed earned leave is determined by actuarial valuation carried out by LIC based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

2.9.d. Post Employment Medical Benefits

The Employees (including his/her spouse) who are on the rolls of the Company on or after 01.04.2011 are covered under Group Medical Insurance Schemes. The premium paid is charged off to the Profit and Loss Account in the same year.

2.9.e. Productivity Linked Incentive Scheme

The payment of productivity linked incentive to the employees as per the Integrated Performance Appraisal 2015 scheme, who have completed minimum six months of service during the assessment period, to motivate them to increase operational efficiency is considered as remuneration to employees.

2.10. Foreign currency transactions

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of profit and loss.

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

2.11. Income taxes

Income taxes are accrued in the same period that the related revenue and expenses arise. Current Tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favourable judicial pronouncements /Legal opinion.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations.

2.12. Earnings per share

The company has not issued any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are same. Earnings per share are calculated in accordance with AS 20 by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2.13. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

2.14. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.15. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16. Leases

Operating leases on rentals of buildings are recognised as an expense on time basis in the statement of profit and loss over the lease term.

2.17. Prior period adjustments

All prior period adjustments, which are significant considering the nature of the business of the Company, including those ascertained and determined during the year are accounted for and shown separately.

2.18. Corporate Social Responsibility (CSR)

As per section 135 of the companies Act, 2013, detailed CSR Policy was framed by the Company with approvals of the CSR Committee and the Board. All projects/ Programs/ activities will be in the areas of

1. Education, Skill development initiatives, Women empowerment programs to make them employable.
2. Ensuring environmental sustainability.
3. Protection of national heritage, art and culture.
4. Rural development projects.
5. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

The utilization of CSR funds is done by the company as per the recommendation of the CSR committee.

3. SHARE CAPITAL

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(i) Authorised: 100000 equity shares of ₹ 1,000.00 each	10,00,00,000	10,00,00,000
(ii) Issued: 98481 equity shares of ₹ 1,000.00 each	9,84,81,000	9,84,81,000
(iii) Subscribed and called up: 98450 equity shares of ₹ 1,000.00 each subscribed and fully paid up	9,84,50,000	9,84,50,000

3.01 Reconciliation of Number of Shares

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Equity Shares				
Opening Balance	98,450	9,84,50,000	98,450	9,84,50,000
Closing Balance	98,450	9,84,50,000	98,450	9,84,50,000

3.02 The details of Shareholders holding more than 5% of the aggregate shares in the company:

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% held	No. of Shares	% held
Equity Shares				
(i) Small Industries Development Bank of India	49,000	49.77	49,000	49.77
(ii) IFCI Ltd.	19,950	20.26	19,950	20.26
(iii) ICICI Bank Ltd.	5,700	5.79	5,700	5.79

3.03 The company has only one class of shares referred to as Equity shares having a par value of ₹ 1,000.00 each and each holder of equity shares is entitled to one vote per share.

4 RESERVES AND SURPLUS

Reserves and Surplus consist of the following reserves:

	(₹)		(₹)	
	As at March 31, 2018		As at March 31, 2017	
(a) General Reserve				
(i) Balance at the beginning of the year	3,66,61,989		3,24,73,839	
(ii) Add: Transferred from Statement of Profit and Loss	46,74,753	4,13,36,742	41,88,150	3,66,61,989
(b) Surplus in Statement of Profit and Loss				
(i) Opening Balance	41,04,73,558		34,86,72,524	
(ii) Add: Profit for the year	9,34,95,064		8,37,63,000	
		50,39,68,622		43,24,35,523
Less: Appropriations				
(a) Transferred to General Reserve	46,74,753		41,88,150	
(b) Proposed Dividend on Equity Shares	1,47,67,500		1,47,67,500	
(c) Tax on dividend	30,06,309	2,24,48,562	30,06,316	2,19,61,966
TOTAL		52,28,56,802		44,71,35,547

4.01 Dividend of ₹ 150.00 per equity share.

4.02 The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

5 TRADE PAYABLES

Trade Payables consists of the following

	(₹)		(₹)	
	As at March 31, 2018		As at March 31, 2017	
(a) Micro, Small and Medium Enterprises	0		0	
(b) Others	9,01,39,004		3,96,95,457	
TOTAL		9,01,39,004		3,96,95,457

5.01 The company has not received any intimation from suppliers on their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence no disclosures have been made in this regard.

6 OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(a) Advance against fees	2,25,11,483	40,05,441
(b) Advance from clients against projects	42,44,72,994	46,72,04,962
(c) Security deposits	15,07,57,957	14,69,07,778
(d) Other Payables	13,17,30,593	5,88,62,238
TOTAL	72,94,73,027	67,69,80,419

7 SHORT TERM PROVISIONS

Short Term Provisions consist of the following

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(a) Proposed Dividend (Net)	1,47,67,500	1,47,67,500
(b) Tax on Dividend	30,06,309	30,06,316
(c) Provision for taxation	4,17,60,333	4,77,04,174
TOTAL	5,95,34,142	6,54,77,990

8.0 FIXED ASSETS

Fixed Assets consist of the following:

(₹)

Description	Gross Block			Depreciation				Net Block	
	As at April 01, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	For the year	Deductions/ Adjustments	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
Tangible Assets:									
Furniture & Fixtures	1,84,89,982 (1,81,04,305)	3,40,500 (4,79,498)	19,663 (93,821)	1,88,10,819 (1,84,89,982)	15,71,110 (27,16,303)	17,102 (90,202)	1,42,58,787 (1,27,04,779)	45,52,032 (57,85,203)	57,85,203 (80,25,627)
Office Equipment	54,18,456 (53,61,332)	2,38,484 (83,240)	91,346 (26,116)	55,65,594 (54,18,456)	7,57,999 (4,52,302)	73,041 (26,116)	47,51,853 (40,66,895)	8,13,741 (13,51,561)	13,51,561 (17,20,623)
Electrical Fittings	1,05,59,000 (1,05,06,650)	12,288 (52,350)	0 (0)	1,05,71,288 (1,05,59,000)	9,18,460 (12,00,402)	0 (0)	82,17,860 (72,99,400)	23,53,428 (32,59,600)	32,59,600 (44,07,652)
Vehicles	26,70,362 (37,26,319)	26,78,519 (0)	15,04,440 (10,55,957)	38,44,441 (26,70,362)	5,76,736 (2,16,546)	12,83,898 (9,80,445)	15,43,189 (22,50,351)	23,01,252 (4,20,011)	4,20,011 (7,12,069)
Computer	2,43,80,253 (2,37,20,231)	14,47,484 (17,32,262)	3,95,710 (10,72,240)	2,54,32,027 (2,43,80,253)	19,13,227 (34,72,915)	3,76,188 (10,67,862)	2,28,07,846 (2,12,70,807)	26,24,181 (31,09,446)	31,09,446 (48,54,477)
Energy Audit Equipments	3,94,421 (3,94,421)	0 (0)	0 (0)	3,94,421 (3,94,421)	0 (0)	0 (0)	3,70,764 (3,70,764)	23,657 (23,657)	23,657 (23,657)
Library Books	7,37,225 (2,96,209)	11,327 (4,41,016)	0 (0)	7,48,552 (7,37,225)	11,327 (4,41,016)	0 (0)	7,48,552 (7,37,225)	0 (0)	0 (0)
Total (A)	6,26,49,699 (6,21,09,467)	47,28,602 (27,88,366)	20,11,159 (2,75,773)	6,53,67,142 (6,26,49,699)	57,48,859 (84,99,484)	17,50,229 (21,64,625)	5,26,98,851 (4,87,00,221)	1,26,68,291 (1,39,49,478)	1,39,49,478 (1,97,44,105)
Intangible Asset:									
Computer Software	1,80,31,065 (1,60,22,761)	10,90,142 (20,08,304)	0 (0)	1,91,21,207 (1,80,31,065)	17,16,511 (27,27,972)	0 (0)	1,77,23,618 (1,60,07,107)	13,97,589 (20,23,958)	20,23,958 (27,43,626)
Total (B)	1,80,31,065 (1,60,22,761)	10,90,142 (20,08,304)	0 (0)	1,91,21,207 (1,80,31,065)	17,16,511 (27,27,972)	0 (0)	1,77,23,618 (1,60,07,107)	13,97,589 (20,23,958)	20,23,958 (27,43,626)
Total (A+B)	8,06,80,764 (7,81,32,228)	58,18,744 (47,96,670)	20,11,159 (2,75,773)	8,44,88,349 (8,06,80,764)	74,65,370 (1,12,27,456)	17,50,229 (21,64,625)	7,04,22,469 (6,47,07,328)	1,40,65,880 (1,59,73,436)	1,59,73,436 (2,24,87,731)

The Figures in brackets are for the previous years

8.01 The existing useful life of the fixed assets are as below:

Category of assets	Useful life (Years)
Furniture and Fixtures	10
Office equipments	5
Electrical fittings	10
Vehicle	8
Computer & Data processing units - End user devices- Desktops and Laptops	3
Computer & Data processing units - Servers and Networks	6
Energy Audit equipments	5

8.02 Intangible Assets (Accounting Standard-26)

Computer software development expense incurred has been amortised over a period of three years. During this year

- (1) ₹ 6,83,732.00 being the third installment of the aggregate amount of ₹ 20,52,024.00 and
- (2) ₹ 6,69,435.00 being the second installment of the aggregate amount of ₹ 20,08,304.00 have been written off.
- (3) ₹ 3,63,344.00 being the first installment of the aggregate amount of ₹ 10,90,142.00 have been written off.

8.03 Impairment of Assets (Accounting Standard – 28)

The assets were reviewed by the management and it was found that during the year there was no need for providing for impairment of assets.

9. NON-CURRENT INVESTMENTS

Non Current Investments consist of the following

	(₹) As at March 31, 2018	(₹) As at March 31, 2017
Long Term Investments - At cost		
a) Investment in Equity :		
2500 Fully paid up unquoted equity shares in Cochin International Airport Ltd of ₹10 each	25,000	25,000
b) Investment in mutual funds (Quoted) :		
i. 17,52,509.735 units of ICICI Prudential MIP 25 Plan - Quarterly Dividend - (NAV as on 31.03.2018 @ ₹ 12.6230 each - ₹ 2,21,21,930.38)	2,04,76,612	0
ii. 9,73,909.825 units of ICICI Prudential Regular income fund - Quarterly Dividend - (NAV as on 31.03.2018 @ ₹ 10.5879 each - ₹ 1,03,11,659.84)	1,03,05,785	0
iii. 73,211.580 units of ICICI Prudential Regular income fund - Monthly Dividend - (NAV as on 31.03.2018 @ ₹ 10.7113 each - ₹ 7,84,191.20)	7,79,536	0

iv. 29,22,363.925 units of ICICI Prudential Regular Savings fund - Quarterly Dividend - (NAV as on 31.03.2018 @ ₹ 10.4680 each - ₹ 3,05,91,305.57)	3,06,90,481	0
v. 29,749.970 units of ICICI Prudential Savings fund - Weekly Dividend - (NAV as on 31.03.2018 @ ₹ 101.6485 each - ₹ 30,24,039.83)	30,16,524	0
vi. 171422.029 units of ICICI Prudential Savings fund - Growth @ ₹ 236.60	0	4,05,58,730
vii. 11,05,233.600 units of ABSL ST Opportunities fund - Growth - (NAV as on 31.03.2018 @ ₹ 28.8553 each - ₹ 3,18,91,847.10)	3,09,17,584	0
viii. 103263.114 units of ABSL Balanced Advantage fund - Growth - (NAV as on 31.03.2018 @ ₹ 49.73 each - ₹ 51,35,274.66)	50,00,000	0
ix. 150785.771 units of SBI Savings fund- Reg Daily Dividend - (NAV as on 31.03.2018 @ ₹ 10.080 each - ₹ 15,19,920.57)	15,17,491	4,75,99,481
x. 17,49,621.708 units of Axis income saver quarterly dividend re-investment plan	0	1,93,97,754

TOTAL
10,27,29,013
10,75,80,965
10. DEFERRED TAX ASSET (NET)

Major Components of deferred tax balances consist of the following:

Deferred Tax Asset

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(a) Timing difference on Account of Depreciation	34,40,960	14,37,208
(b) Timing difference on Account of Provision for Doubtful Debts	1,22,22,956	0

TOTAL
1,56,63,916
14,37,208
10.01 Accounting for Taxes on Income (Accounting Standard-22)

The break up of net deferred tax Assets as on March 31, 2018 as against March 31, 2017 is detailed below:

Particulars	(₹)	(₹)	(₹)
	Deferred Tax Asset as at March 31, 2017	Current Year	Deferred Tax Asset as at March 31, 2018
Timing difference on account of Depreciation	14,37,208	20,03,752	34,40,960
Timing difference on account of Provision for doubtful debts	0	1,22,22,956	1,22,22,956
Deferred Tax Asset	14,37,208	1,42,26,708	1,56,63,916

10.02 During the previous year, Provision for Doubtful debts was not considered for calculating timing difference in Deferred Tax. During the current year, same has been included in calculating Deferred tax.

11. LONG TERM LOANS AND ADVANCES

(Unsecured and considered Good)

Long Term Loans and advances consist of the following

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(a) Advance Income Tax (refunds receivable previous years - net)	23,36,939	46,45,129
(b) Other Loans and Advances	29,82,678	29,82,678
TOTAL	53,19,617	76,27,807

12. OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(a) Balance with Banks Margin Money for Bank Guarantee	4,73,58,816	2,72,92,299
TOTAL	4,73,58,816	2,72,92,299

13 UNBILLED REVENUE

Unbilled revenue as at March 31, 2018 amounting to ₹ 4,62,00,983.00 (as on March 31, 2017 ₹ 4,23,02,568.00) comprises of the revenue recognised in relation to efforts incurred on contracts.

14 TRADE RECEIVABLES

(Unsecured and considered Good)

Trade Receivables consist of the following:

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(a) Over six months	23,27,25,988	17,99,85,246
(b) Others	22,08,67,754	17,59,70,208
(c) Provision for doubtful debts	(4,23,81,954)	(1,63,66,784)
TOTAL	41,12,11,788	33,95,88,670

15. CASH AND CASH EQUIVALENTS

Cash and Cash equivalents consist of the following:

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(a) Balance with Banks		
(i) in current accounts	14,70,47,197	10,46,28,233
(ii) in Special Treasury Savings Bank account with District Treasury Trivandrum	17,64,10,652	13,74,51,152
(iii) in Fixed deposit Account	30,57,75,558	31,10,89,004
(b) Cash on hand	12,623	35,818
TOTAL	62,92,46,030	55,32,04,207

15.01 Balances with banks in deposit accounts includes time deposits maturity period of more than 12 months ₹ 15,19,41,726.00 (previous year ₹ 12,81,61,437.00) and maturity period of more than 3 months but less than 12 months ₹ 11,88,76,943.00 (previous year ₹ 10,20,60,509.00) which can be withdrawn by the company at any point without prior notice or penalty on the principal

15.02 Balance with banks in deposit account to include ₹ 8,23,15,705.00 (previous year ₹ 3,02,63,655.00) which are held under lien, out of which ₹ 4,73,58,816.00 (previous year ₹ 2,72,92,299.00) is disclosed under Other Non current assets in Note No. 12.

16. SHORT TERM LOANS AND ADVANCES

(Unsecured and considered Good)

Short Term Loans and Advances consist of the following:

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(a) Advance Income Tax	5,61,85,075	4,71,76,125
(b) Loans and Advances		
(i) Employees	2,98,600	1,55,000
(ii) Others	45,56,511	40,10,518
(c) Deposits	4,47,44,786	4,01,30,179
(d) Others	11,04,45,506	12,97,55,529
TOTAL	21,62,30,478	22,12,27,351

16.01 Loans and Advances - "Others" includes advance ₹ 38,85,518.00 paid for implementation of ERP software in the company. As ERP was not implemented within the time frame specified in the agreement, the company instructed the vendors to refund the advance amount, which they refused to repay. The Company has approached the Hon. High Court of Kerala for seeking appointment of sole arbitrator to adjudicate between the parties as per the clause of the agreement.

16.02 Others include advance against projects paid on behalf of the clients, and prepaid expenses. It also includes ₹ 99.26 lakhs receivable from Cochin Special Economic Zone (CSEZ) for the work of augmentation of zero effluent discharge system in CSEZ area. An amount of ₹ 84.10 lakhs was paid to M/s Green method Engineering (P) Ltd,

Contractors, in compliance with the judgment of Hon. High Court of Kerala and balance ₹ 15.16 lakhs in respect of legal and Other expenses incurred for the project. The claim is under arbitration and award is pending. The company is confident of establishing its right for the claim.

17 OTHER CURRENT ASSETS

Other current assets consist of the following

	(₹)	(₹)
	As at March 31, 2018	As at March 31, 2017
(a) Interest accrued on bank deposits	1,24,26,454	1,15,04,902
TOTAL	1,24,26,454	1,15,04,902

18 REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Management & Financial Consultancy services	1,17,46,727	1,02,08,848
b) Human Resource Development Services	1,32,63,424	1,46,70,537
c) Engineering Consultancy Services	50,08,92,671	39,46,07,014
d) Technical services	4,11,09,419	3,97,57,965
TOTAL	56,70,12,241	45,92,44,364

18.01 Foreign Exchange Earnings during the year

	In Foreign Currency	Equivalent INR (₹)	In Foreign Currency	Equivalent INR (₹)
	For the year ended March 31, 2018		For the year ended March 31, 2017	
1 Consultancy fee - US\$	0	0	5,298	3,55,600
2 Consultancy fee - Saudi Riyal	0	0	20,000	3,55,600
TOTAL	0	0	7,11,200	

18.02 Accounting for Construction Contracts (Accounting Standard-7)

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
A) Details of Revenue from Ongoing contracts		
a. The amount of contract revenue recognized as revenue in the period	50,08,92,671	39,46,07,014
b. The method used to determine the contract revenue recognized in the period	Percentage of completion method	Percentage of completion method
c. The methods used to determine the stage of completion of contracts in progress	Cost of the work performed to total cost	Cost of the work performed to total cost
B) Details of the Contracts in progress at the reporting date		
a. The aggregate amount of costs incurred and recognized profits (less recognized losses) upto the reporting date	90,19,68,084	98,57,65,803
b. The Amount of Advances received	0	0
c. Amount of retention	1,40,62,360	80,83,266
C) Gross Amount due from / due to customers		
a. The Gross amount due from customers for contract work as an asset	34,20,46,285	24,68,56,246
b. The Gross amount due to customers for a contract work as a liability	0	0

18.03 The Company has been providing incubation services through a SPV. The Company is eligible to receive its remuneration on sale of the shares by the SPV. The SPV is yet to sell the shares and realize the cash. Since the shares do not have a ready market, income has not been recognized for the current financial year. As per the agreement with the SPV an amount of ₹ 31,28,589.00 is due from the SPV as cost of manpower support to the administration and rent for sharing of office premises, however, since the SPV does not have financial resources, these cost will be accounted on receipt basis.

19 OTHER INCOME

Other Income consist of the following:

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest on bank deposits	2,25,32,729	3,14,62,068
(b) Dividend on investments	52,72,255	70,28,621
(c) Profit on Sale of Investment	15,92,889	14,47,522
(d) Miscellaneous receipts	38,42,310	44,13,616
TOTAL	3,32,40,183	4,43,51,827

19.01 The effect of changes in Foreign Exchange Rates (Accounting Standard-11)

Miscellaneous receipt includes the profit/ (Loss) on account of exchange variation as given below

	(₹)	(₹)
	Profit/Loss For the year ended March 31, 2018	Profit/Loss For the year ended March 31, 2017
(a) In Saudi Riyal	0	(3,813)
TOTAL	0	(3,813)

20 **EMPLOYEE BENEFITS EXPENSE**

Employee Benefits Expense consist of the following:

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Salaries, Wages and Incentives	24,70,29,436	21,37,06,455
(b) Contribution to Provident and Other Funds	3,66,28,786	1,88,56,855
(c) Staff Welfare Expense	1,54,46,158	1,07,74,844
TOTAL	29,91,04,380	24,33,38,154

20.01 Accounting for Retirement Benefits in the Financial Statements of Employers (Accounting Standard – 15). Contribution to Provident Fund and other funds ₹ 3,66,28,786 (Previous year ₹ 1,88,56,855) includes the following.

(a) Defined Contribution Plans

During the year the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plan

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund	1,81,95,498	1,86,98,320

(b) Defined Benefit Plans - Funded Obligations

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Group Leave encashment per the actuarial Valuation	43,71,680	(22,14,581)
Group Gratuity-cum-Life Assurance premium as per the actuarial Valuation	1,27,60,900	5,61,964
Risk Premium	44,473	47,317

The Actuarial have been carried out the actuarial valuation on the basis of following assumptions/ estimates

Actuarial Assumptions	Financial Year			
	2017-18		2016-17	
	Leave Encashment Scheme	Group Gratuity Scheme	Leave Encashment Scheme	Group Gratuity Scheme
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary escalation rate	7.00%	7.00%	9.00%	9.00%
Expected rate of return on plan assets	8.00%	8.00%	8.00%	8.00%

Reconciliation of present value of obligation	Financial Year			
	2017-18		2016-17	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Present Value of obligation as at the beginning of the year	6,08,71,512	2,52,21,198	5,82,78,006	2,10,43,249
Interest cost	48,69,721	19,88,992	45,23,653	15,81,837
Current service cost	59,23,019	23,08,271	70,81,491	11,18,458
Benefits paid	0	(7,17,600)	(13,03,709)	(15,26,573)
Actuarial (gain)/loss on obligations	(19,38,139)	1,03,34,465	(77,07,929)	30,04,227
Present value of obligation as at the end of the year	6,97,26,113	3,91,35,326	6,08,71,512	2,52,21,198

Reconciliation of fair value of plan assets	Financial Year			
	2017-18		2016-17	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Fair Value of plan asset at the beginning of the year	5,65,49,459	2,51,16,182	4,89,98,701	2,39,70,817
Adjustment to Opening Balance	0	17	0	0
Expected return on Plan assets	45,23,957	19,80,591	38,67,748	18,56,602
Actuarial (gain)/loss	(41,110)	(79,857)	89,986	77,954
Contributions:	68,67,374	51,65,372	48,96,733	7,37,382
Benefits paid 0	(7,17,600)	(13,03,709)	(15,26,573)	
Fair Value of plan assets at the end of the year	6,78,99,680	3,14,64,704	5,65,49,459	2,51,16,182

Description of Plan Assets	Financial Year			
	2017-18		2016-17	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Insurer Managed Funds				
LIC of India	5,95,86,720	2,60,86,570	5,38,64,987	2,41,74,053
SBI Life	83,12,960	53,78,134	26,84,472	9,42,129
Total	6,78,99,680	3,14,64,704	5,65,49,459	2,51,16,182

Expenses recognized in the statement of Profit and Loss	Financial Year			
	2017-18		2016-17	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Current service cost	59,23,019	23,08,271	70,81,491	11,18,458
Interest cost	48,69,721	19,88,992	45,23,653	15,81,837
Expected return on Plan assets	(45,23,957)	(19,80,591)	(38,67,748)	(18,56,602)
Net actuarial (gain)/loss recognized in the year	(18,97,029)	1,04,14,322	(77,97,915)	29,26,273
Expenses recognized in the statement of Profit & Loss A/c	43,71,754	1,27,30,994	(60,519)	37,69,966

Net (Asset)/Liability recognized in the Balance Sheet as at the year end	Financial Year			
	2017-18		2016-17	
	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)	Leave Encashment Scheme (₹)	Group Gratuity Scheme (₹)
Present value of obligations as at the end of year	6,97,26,112	3,91,35,325	6,08,71,512	2,52,21,198
Fair value of plan assets as at the end of the year	6,78,99,680	3,14,64,704	5,65,49,549	2,51,16,182
Funded status	18,26,432	76,70,621	43,22,053	1,05,016
Net (Asset)/Liability recognized in the Balance sheet	18,26,432	76,70,621	43,22,053	1,05,016

(c) Compensated absences (Non Vesting) - Unfunded Obligation

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Sick Leave Compensation Liability as per Actuarial Valuation	30,20,070	17,63,835

Actuarial Assumptions	Financial Year	
	2017-18	2016-17
Discount Rate	8.00%	8.00%
Salary escalation rate	7.00%	9.00%
Expected rate of return on plan assets	0.00%	0.00%

Reconciliation of present value of obligation	Financial Year	
	2017-18 ₹	2016-17 ₹
Present Value of obligation as at the beginning of the year	17,63,835	14,97,090
Current service cost	67,376	3,63,521
Past Service Cost	0	0
Interest Cost	1,41,107	1,19,767
Actuarial Loss / (Gain) on Obligation	10,47,752	(2,16,543)
Present value of obligation as at the end of the year	30,20,070	17,63,835

Net (Asset)/Liability recognized in the Balance Sheet as at the year end	Financial Year	
	2017-18 ₹	2016-17 ₹
Present value of obligations as at the end of year	30,20,070	17,63,835
Net (Asset)/Liability recognized in the Balance sheet	30,20,070	17,63,835

Expenses recognized in the statement of Profit and Loss	Financial Year	
	2017-18 ₹	2016-17 ₹
Current service cost	67,376	3,63,521
Interest cost on obligation	1,41,107	1,19,767
Past Service Cost	0	0
Net actuarial (gain)/loss recognized in the year	10,47,752	(2,16,543)
Expenses recognized in the statement of Profit & Loss A/c	12,56,235	2,66,745

(d) **Provident Fund**

The company makes contribution towards provident fund which is administered by KITCO Ltd P.F Trust. The rules of the company's provident fund administered by a trust, requires that if the trust is unable to pay interest at the rate declared by the government under Paragraph 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investments is less or for any other reason, then the deficiency shall be made good by the company making interest shortfall a defined benefit plan. Accordingly, the company has obtained actuarial valuation and based on the below provided assumption there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contribution only.

Assumptions:

Particulars	As at March 31, 2018	As at March 31, 2017
Expected Average Remaining service life time (EARS L)	20.82 Years	25.15 Years
Interest rate for discount per Annum	7.63%	7.17%
Estimated rate of return on plan assets - Per Annum	8.55%	8.65%
Salary Increase	6.50%	6.50%
Attrition rate	4.00%	4.00%
Retirement age	58 Years	58 Years

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

21 OPERATION & OTHER EXPENSES

Operation & Other Expenses consist of the following:

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Rent	1,18,17,776	1,22,91,149
(b) Electricity charges	26,19,920	23,25,752
(c) Repairs & maintenance to equipt & other assets	38,29,065	39,27,461
(d) Insurance	58,088	57,104
(e) Rates & Taxes	98,609	99,085
(f) Travelling expenses	2,41,89,663	2,00,40,524
(g) Telephones & other communication expenses	33,84,613	40,01,474
(h) Printing & stationary	50,12,695	32,71,060
(i) Advertisement & publicity expenses	19,85,846	20,86,991
(j) Training / development expenses	5,28,394	2,81,579
(k) External consultancy & professional services	4,44,37,262	2,57,52,071
(l) Direct Expenses on projects	3,00,08,211	2,59,03,316
(m) Miscellaneous expenses	50,64,458	47,31,488
(n) Legal expenses	16,23,600	3,01,845
(o) Auditors remuneration	1,75,000	2,02,125
(p) Discounts and Rebates	7,08,036	3,18,274
(q) Bad debts	91,82,041	13,12,710
(r) Provision for doubtful debts	2,60,15,170	71,20,394
(s) CSR Expenditure	19,11,574	23,77,222
TOTAL	17,26,50,021	11,64,01,624

21.01 Accounting Standard - 19 (Leases)

The Company has taken building premises on operating lease and the lease rent paid amounting to ₹ 1,18,17,776.00 (previous year - ₹ 1,22,91,149.00) has been debited to Profit and Loss Account.

21.02 Travelling expenses ₹ 2,41,89,663.00 (previous year ₹ 2,00,40,524.00) include ₹ 2,03,235.00 (previous year ₹ 4,15,546.00) paid to the Managing Director.

21.03 Miscellaneous expenses ₹ 50,64,458.00 (previous year ₹ 47,31,488.00) include Loss on sale of fixed asset ₹ 23,762.00 (previous year ₹ 0.00), Directors sitting fees ₹ 2,28,000.00 (previous year ₹ 1,10,400.00), Directors travelling expenses ₹ 1,49,724.00 (previous year ₹ 92,870.00), honararium to the Chairman ₹ 1,86,750.00 (previous Year ₹ 2,06,850.00) and ₹ 9,64,432.00 (previous year ₹ 0.00) as Contribution to Chief Minister's Ockhi cyclone relief fund.

21.04 Auditor's Remuneration:

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Statutory Audit Fees	1,50,000	1,50,000
(b) Tax Audit Fees	25,000	25,000
(c) Service tax	0	26,250
(d) Enhanced fees and service tax for previous year	0	875
TOTAL	1,75,000	2,02,125

21.05 Corporate Social Responsibility (CSR)

The activities during the year relates to empowerment of tribal women in Kuttumpuzha grama panchayath, Kerala by providing training on reed crafting and api culture. The details of amount required to be spend and the amount utilized are given below.

(a) Gross amount required to be spent by the company during the year:-

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Annual CSR allocation	27,34,171	25,33,952
(b) Amount spent during the year:-		
By Construction/ Acquisition of any asset	0	0
By other than above	19,11,574	23,77,222

22 FINANCE COST

Finance Cost consists of the following:

	(₹)	(₹)
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on bank overdraft	3,964	2,462
TOTAL	3,964	2,462

23 Outstandings balances in payables, receivables and loans and advances accounts are subject to confirmation.

24 Figures relating to previous year have been regrouped and reclassified where ever necessary to confirm to current year layout.

25 Accounting Standard-17 with respect to segment reporting does not apply to the company.

26 Related party disclosures (Accounting Standard 18)

Key Management Personnel:

Sri. Cyriac Davies, Managing Director

Transactions with related parties for the year ended March 31, 2018

Particulars	SIDBI (₹)	IFCI (₹)	Managing Director (₹)	Chairman (₹)
1 Fixed Deposit				
Deposits as at the beginning of the year	0			
	(21,19,061)			
Add: Deposits during the year	0			
	(0)			
Add: Interest accrued on investments(net)	0			
	(1,87,015)			
Less: Redemptions during the year	0			
	(23,06,076)			
Deposits at the close of the year	0	0		
	(0)	(0)		
2 Sitting fee paid to the Directors	0	80,000	0	65,000
	(0)	(59,800)	(0)	(32,200)
3 Travelling Expenses	0	67,871	2,03,235	81,853
	(0)	(5,310)	(4,15,546)	(87,560)
4 Salaries and allowances			71,76,395	
			(69,48,069)	
5 Contribution to PF			5,90,073	
			(5,81,245)	
6 Other benefits			38,131	
			(63,914)	
7 Honararium	0	0	0	1,86,750
	(0)	(0)	(0)	(2,06,850)

- (a) The Figures in brackets are for the previous years.
- (b) Figures are inclusive of service tax wherever applicable.

Contributions made towards Group Gratuity cum Life Assurance Scheme, Group Leave Encashment Scheme of LIC of India and group Personal Accident Insurance Premium in respect of the Managing Director have not been shown since the payment was made in lumpsum for all employees.

27 Provisions, Contingent Liability and Contingent Asset (Accounting Standard – 29)

- a Bankers have issued Bank Guarantees aggregating to ₹ 4,73,58,816.00 in connection with execution of assignments undertaken by the company for which the company has issued counter guarantee for equivalent amounts and authorized the bankers to create lien on fixed deposits ₹ 4,73,58,816.00 with them.
- b Claims against company not acknowledged as debt Income tax is deducted at source by the clients and other parties at the time of receipt of income or credit in their books of accounts. Claims are for refunds of the amounts in excess of the actual liability of the company while filing returns of income tax on the basis of tax deduction certificate received from them. As per the latest orders under sections 154/156 of The Income Tax Act, there is an aggregate demand of ₹ 6,71,502.00 in respect of the Assessment years 2004-05, 2008-09, 2013-14 & 2014-15 where as there is aggregate claims for refund of ₹ 23,36,939.00 as per the return of income filed. The difference is due to the mismatch of large number of entries relating to remittance of tax deductions and inaccuracies in the returns filed/certificates issued by the deductors and errors in data migration in the computerised records of Income tax Department. Efforts are continuing for rectification of errors and getting refund of the excess tax credits.
- c Central Excise, Customs and Service Tax Department have raised following demands for payment of service tax, interest and penalty under the Finance Act, 1994, which are disputed by the Company in appeals.

Sl No	Name of the statute	Nature of dues	Amount in dispute	Period in which the amount relates	Forum where dispute is pending
1	Finance Act 1994	Service Tax on Franchise Service	2,04,419	2006-07	Appellate Tribunal, South zone branch, Bengaluru
2	Finance Act 1994	Service Tax on Works contract	2,39,44,042	2010-11	Appellate Tribunal, South zone branch, Bengaluru
3	Finance Act 1994	Service Tax on Interest income earned from funds for deposit works	36,26,775	2006-07 & 2007-08	Appellate Tribunal, South zone branch, Bengaluru
4	Finance Act 1994		45,21,010	2008-09	Appellate Tribunal, South zone branch, Bengaluru
5	Finance Act 1994	Service Tax on Works contract	10,01,07,499	2011-12, 2012-13, 2013-14	Appellate Tribunal, South zone branch, Bengaluru

For and on behalf of the Board

Sd/-
Cyriac Davies
(Managing Director)
(DIN: 03489436)

Sd/-
Ajith Thankappan Nair Saraladeviamma
(Director)
(DIN: 08150821)

Sd/-
Swati Srivastava
(Company Secretary)

Kochi-682 028
June 29, 2018

As per our report of even date attached

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S

Sd/-
K.K. Syam
(Partner)
(M.No. 21365)
June 29, 2018

KITCO LIMITED

Registered Office: Femith's PB No. 4407, Puthiya Road, NH Bypass, Vennala, Kochi-682 028

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	(₹)	(₹)	(₹)	(₹)
Cash Flows from operating activities				
Net profit before taxation and extraordinary items	12,10,28,689		13,26,26,495	
Adjustments for :				
Depreciation	74,65,370		1,12,27,456	
Profit on sale of fixed asset	(1,34,458)		(58,394)	
Profit on sale of investments	(15,92,889)		(14,47,522)	
Loss on sale of fixed assets	23,762		0	
Interest and dividend income	(2,78,04,984)		(3,84,90,689)	
Operating profit before working capital changes	9,89,85,490		10,38,57,346	
Increase in other current assets	(9,21,552)		43,44,398	
Increase in amount due from sundry debtors	(7,16,23,118)		(5,96,05,641)	
Increase in unbilled revenue	(38,98,415)		(85,34,017)	
Decrease in loans and advances	1,34,61,414		(11,18,02,756)	
Increase in current liabilities	9,66,09,936		18,61,53,982	
Decrease in provision for leave encashment	(24,95,621)		(71,11,270)	
Increase in provision for sick leave compensation	12,56,235		17,63,835	
Increase in provision for gratuity fund	75,65,605		(1,75,342)	
Cash generated from operations	13,89,39,974		10,88,90,535	
Income tax paid for the year	(5,61,85,075)		(5,16,79,699)	
Net cash from operating activities		8,27,54,899		5,72,10,836
Cash flows from investing activities				
Interest and dividend income	2,78,04,984		3,84,90,689	
Purchase of fixed assets	(58,18,744)		(47,96,670)	
Decrease in Loans and Advances to third parties	0		8,33,018	
(Investment)/Redemption in other non current asset	(2,00,66,517)		26,40,322	
(Investment)/Redemption in mutual funds (net)	48,51,952		(8,40,66,664)	
Acquisition of other investment	0		0	
Refund of TDS for previous years	23,24,550		0	
Profit on sale of investments	15,92,889		14,47,522	
Sale of fixed assets	3,71,626		1,41,903	
Net cash from investing activities		1,10,60,740		(4,53,09,880)
Cash flows from financing activities				
Dividends and dividend tax paid	(1,77,73,816)		(1,77,73,816)	
Net cash from financing activities		(1,77,73,816)		(1,77,73,816)
Net increase in cash and cash equivalents		7,60,41,823		(58,72,860)
Cash and cash equivalents at beginning of period		55,32,04,207		55,90,77,067
Cash and cash equivalents at end of period		62,92,46,030		55,32,04,207

1. Negative figures represents deductions or outflow and are indicated in brackets.

2. Cash and bank balances include cash balance plus deposits with banks.

For and on behalf of the Board

Sd/-

Cyriac Davies
(Managing Director)
(DIN: 03489436)

Sd/-

Ajith Thankappan Nair Saraladeviamma
(Director)
(DIN: 08150821)

Sd/-

Swati Srivastava
(Company Secretary)

Kochi-682 028
June 29, 2018

As per our report of even date attached

For M/s. GOPAN & SYAM
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000977S

Sd/-

K.K. Syam
(Partner)
(M.No. 21365)
June 29, 2018

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF KITCO LIMITED, KOCHI FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of **KITCO LTD., KOCHI** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 June 2018.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statement of Kitco Limited, Kochi for the year ended 31 March 2018 under sec 143(6)(a) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-
(R. AMBALAVANAN)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND
EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI

Place : Chennai
Date : 26 July 2018



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Tel: 91-471-2728543, Fax: 91-471-2724462, E-mail: tvn@kitco.in

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