



# 2019

ANNUAL REPORT

# **ANNUAL REPORT 2019**

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## **BOARD OF DIRECTORS**

1. Shri. M K Raveesha, Chairman (from 20.12.2018)
2. Shri. Rakesh Rewari, Chairman (upto 06.08.2018)
3. Shri. Tanuku Balaji (from 20.06.2019)
4. Shri. Ajith Thankappan Nair Saraladeviamma (upto 20.06.2019)
5. Shri. K R Jyothilal, IAS
6. Dr. Sharmila Mary Joseph IAS (from 15.03.2019 to 15.07.2019)
7. Dr. M Beena, IAS (upto 15.03.2019)
8. Shri. P M Francis, IAS (upto 31.05.2018)
9. Shri. Samik Dasgupta (from 20.06.2019)
10. Shri. Sanjeev Kumar Jain (upto 15.04.2019)
11. Shri. Suryanarayanan K
12. Shri. A. Krishnaswamy
13. Shri. Ciccu Mukhopadhaya (upto 15.03.2019)
14. Shri. Cyriac Davies (upto 31.03.2019)

### **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

### **Regional Office:**

KITCO Ltd., 1<sup>st</sup> 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 No.16/839-1, Kochar Road, Jagathy P.O, **Trivandrum - 695014**

Ph/Fax: 0471 2324543/2324462

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

KITCO Ltd., Flat No.B-2/92, 9<sup>th</sup> Floor  
Himalaya House-23, K.G.Marg, Connaught Place,

**New Delhi-110001**

Ph: 011 41030081/91-9999876997

email: delhi@kitco.in



## **STATUTORY AUDITORS**

M/s. CM Joseph & Associates  
Chartered Accountants  
38/3916, MRA 5A, Mount Carmel Church Road  
SAN Clinic Building, Mamangalam, Palarivattom PO  
Kochi - 682025

## **INTERNAL AUDITORS FOR F.Y. 2018-19**

M/s. TJ & Associates  
Chartered Accountants  
29/1132B, JK Villa, Major Road,  
Vyttila, Kochi - 682019

## **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-682032
6. HDFC Bank Ltd.  
Kochi-682016

## **SENIOR EXECUTIVES**

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

KITCO Limited  
Regd.Office: Femith's, P.B.No.4407, Puthiya Road, NH Bypass, Vennala,  
Kochi-682028.

CIN: U74140KL1972GOI002425

Email id: [mail@kitco.in](mailto:mail@kitco.in). website: [www.kitco.in](http://www.kitco.in)

Phone: 0484- 4129000, Fax: 04842805066

## NOTICE

Notice is hereby given that the 47th Annual General Meeting of the members of KITCO Ltd., will be held on **Tuesday November 12, 2019 at 3.30 p.m.** at Registered office of the Company- Femith's, P.B.No.4407, Puthiya Road, NH Bypass, Vennala, Kochi- 682028 to transact the following business:

### A. Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019 and the reports of the Auditors' and Boards' thereon.
2. To appoint a Director in place of Shri K R Jyothislal IAS (DIN: 01650017), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment
3. To appoint a Director in place of Shri. A. Krishnaswamy (DIN: 08077609), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment
4. To fix remuneration of the Statutory Auditors of the Company for the financial year 2019-20 in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary resolution:

"RESOLVED that pursuant to the provisions of Sections 139(5) and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor of the Company appointed by Comptroller and Auditor General of India (CAG) for the Financial Year 2019-20, as may be deemed fit."

### B. Special Business

5. To appoint Shri. Samik Dasgupta (DIN: 02763211), Additional director, as Director in the Company (representative of IFCI Limited):

*To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.*



“RESOLVED THAT pursuant to Section 152, 160, 161 and other applicable sections of the Companies Act, 2013 read with applicable rules made thereunder subject to re-enactment and modifications, consent of members be and is hereby accorded for appointment of Shri. Samik Dasgupta (DIN: 02763211), additional Director in the Company, as Director (representative of IFCI Limited) in the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby accorded to do all such acts, deeds and documentations in order to give effect to the above resolution.”

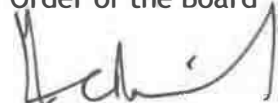
6. Decision on remuneration of erstwhile Managing Director Shri. Cyriac Davies upon occurrence of inadequate profit:  
*To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution:*

“RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013(“the Act”) or any other applicable provisions, consent of shareholders of the Company is hereby accorded for payment of remuneration to the erstwhile Managing Director for the financial year 2018-19 not exceeding 5% of the adjusted net profits of the Company for the financial year 2018-19 calculated as per Section 198 of the Act.

RESOLVED FURTHER THAT any of the Directors be and is hereby authorized to do all such acts, deeds and documents in order to give effect to the above resolution.”



By Order of the Board



M.K. Raveesha  
Chairman  
DIN: 03113608

KITCO Ltd.,  
Date:12.10.2019

**Notes:**

- a. *The relevant explanatory statement in respect of the above special businesses pursuant to the provisions of Section 102 of Companies Act 2013 is annexed hereto.*
- b. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.*
- c. *Instrument of proxies, in order to be effective, must be deposited at the company's registered office not less than 48 hours before the commencement of the meeting*
- d. *Corporate Members, Financial Institutions, Banks intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the appropriate resolution or authorization letter authorizing their representative to attend and vote on their behalf at the Meeting.*

- e. *Members are requested to:*
- (i) *bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting*
  - (ii) *quote their Folio / Client ID & DP ID Nos. in all correspondence.*
  - (iii) *deliver duly completed and signed Attendance Slip at the entrance of the meeting venue*
  - (iv) *update their e-mail addresses with RTA or with the Company to ensure receipt of receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., without delay or loss in postal transit.*
  - (v) *avail the depository services with any of the Depository Participant registered with CDSL.*
- f. *Brief profile of the Directors seeking appointment or re-appointment at Annual General Meeting (AGM), as per the requirement of the Secretarial Standard 2, is annexed hereto and forms part of the Notice.*
- g. *Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on November 5, 2019("cut-off date"). The Register of Members and Share Transfer Books of the Company will remain closed from November 6, 2019 to November 12, 2019 (both days inclusive).*
- h. *The Register of Directors and Key Managerial Personnel and Register of Members will be available for inspection by the members at the venue of the AGM.*
- i. *During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of Notice in writing is given to the Company*
- j. *This Notice of AGM comprises of an Explanatory Statement as per Section 102 of the Companies Act, 2013, form of proxy (MGT-11), route map and an attendance slip.*
- k. *Members desirous of getting any information on any items of business proposed to be transacted at this Meeting are requested to address their queries to Company Secretary of the Company at the registered office of the company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.*
- l. *All documents referred to in the accompanying notice are available and are open for inspection in physical or electronic form at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting and copies thereof shall also be made available for inspection in physical or electronic form.*
- m. *Route Map for venue of the meeting is enclosed.*



**EXPLANATORY STATEMENT**  
*(Pursuant To section 102 of the Companies act 2013)*

**Item 5:**

**Appointment of Shri. Samik Dasgupta (DIN: 02763211), Additional director, as Director in the Company (representative of IFCI Limited):**

Shri. Samik Dasgupta was appointed as Additional Director as representative of IFCI Limited in place of the existing representative Shri Sanjeev Kumar Jain on 20.06.2019. As per the provisions of Section 161 of the Companies Act, 2013, tenure of an Additional Director is upto the date of the next Annual General Meeting.

Therefore, the Board has recommended to the shareholders his appointment as Director in the forthcoming Annual General Meeting to be held on November 8, 2019

The shareholders are requested to pass the resolution as Ordinary Resolution.

*As the resolution pertains to the appointment of Shri. Samik Dasgupta is deemed to be concerned/interested in the agenda.*

**Item 6:**

**Approval of remuneration paid to the Managing Director**

The members may note that KITCO's erstwhile Managing Director was drawing remuneration as per approval taken through special resolution in the 46<sup>th</sup> Annual General Meeting held on September 28, 2018. The remuneration structure of Managing Director was as follows:

227000-23000-250000-23000-273000-23000-296000-23000-319000-23000-342000-  
23000- 365000- 23000 - 388000 - 23000 - 411000

At the time of obtaining the approval from the shareholders, the remuneration as approved in the 46<sup>th</sup> Annual General Meeting was well within the limit as per the provisions of Section 197 of the Companies Act, 2013 read with the calculation of net profit mentioned in Section 198 of the Act.

However, after the finalization of accounts for the financial year 2018-19, it is reckoned that the Company has incurred inadequate profits during the year as it has paid remuneration to Managing Director beyond 5% of the adjusted net profits and that the Company has incurred operating losses during the year as against operating profit more than 9 crores in the year 2017-18. As per the provisions of Section 197(3) of the Act read with applicable rules and Schedule V of the Act, the remuneration can only be paid in accordance with the slab provided under Part II of Schedule V (as provided below) subject to the approval of shareholders in the ensuing Annual General Meeting. The limit as provided in the slab are calculated on the basis of effective capital.

The effective capital of the Company falls under the slab (ii) as mentioned below:



Where the effective capital is	Limit of yearly remuneration payable shall not exceed (Rupees)
(i) Negative or less than Rs.5 crore	Rs.60 Lakh
(ii) Rs.5 crore and above but less than Rs.100 crore	Rs.84 Lakh
(iii) Rs.100 crore and above but less than 250 crores	Rs.120 Lakh
(iv) Rs.250 crore and above	Rs.120 lakh plus 0.01% of the effective capital in excess of Rs. 250 crore

The shareholders may further note that the Directors in their 226<sup>th</sup> Meeting held on July 23, 2019 considering the financial position of the Company have recommended to limit the managerial remuneration to the maximum extent of 5% of the adjusted net profits of the Company which were the norms of payment of remuneration when the Company was incurring adequate profits. It is further clarified to the shareholders that the remuneration to the erstwhile Managing Director has already been paid beyond 5% of the adjusted net profits during the year 2018-19 and the excess amount paid beyond such limit shall be recovered from him if the agenda item is approved by the shareholders in the meeting.

The shareholders' approval on the same is required by passing an Ordinary Resolution as the payment is within the slab limit of effective capital calculation as provided in Part II of Schedule V of the Act.

Disclosure as per the requirement of Schedule V of the Act:

#### I. General Information

- (1) Nature of Industry : Consulting
- (2) Date or expected date of commencement of commercial production: Not Applicable as the commercial activities were carried out through - out the year. It is to be noted that the Company was previously occurring profits and only in the financial year 2018-19, it has incurred inadequate profits and the remuneration paid to the concerned has crossed the threshold of 5% of adjusted net profits.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators: Financial performance can be measured against the financial performances of the previous years.

(in Rs. Lakh)		
Particulars	2018-19	2017-18
Income	5001.47	5986.60
Expenditures	4613.09	4696.59
Profit before tax (as per financial statements)	388.38	1290.00

- (5) Foreign investments or collaborations, if any: Nil





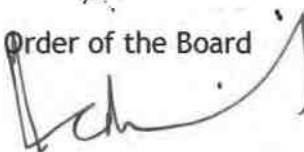
- II. Information about the appointee: Not Applicable as there is no fresh appointment of Managing Director. The approval is proposed only because of incurring inadequate profits in the financial year 2018-19 and the previous approval for revision of remuneration was obtained when the Company was incurring adequate profits for paying remuneration to the Managing Director.
- III. Other Information:
1. Reasons of loss or inadequate profits: Shareholders may note that major client base of the Company includes Government/ semi government/ local bodies of Kerala. Business of the Company has adversely affected in the financial year 2018-19 due to floods in the state of Kerala during August 2018 due to which Company suffered delays in payments from Government and other departments, delayed approvals for projects and also adverse effect of weather on the progress of ongoing projects.
  2. Steps taken or proposed to be taken for improvement: The financial year 2018-19 can be considered as an exceptional year for lower revenues as the business was affected due to natural calamity. The Company is expected to carry on its activities in the normal working environment. The Company has set high targets for the financial year 2019-20 and making its earnest efforts to achieve them. Further, Shri. Cyriac Davies has already retired as Managing Director of the Company and there shall not be further payment to him as remuneration in the next financial year.
  3. Expected increase in productivity and profits in measurable terms: The Company has set higher targets for the financial year 2019-20 and as mentioned above, the business was affected due to the climate changes in the state and now, the Company is expected to carry on its activities in the normal working environment. Productivity and Profits for the year can be measured with the previous years say 2017-18, 2016-17.
- IV. Disclosures: Not Applicable as the Company is not required to prepare "Corporate Governance Report"

Therefore, it is proposed to obtain approval of shareholders in the forthcoming Annual General Meeting.

*The shareholders are requested to pass the resolution as Ordinary Resolution as the recommendation for payment to managing director to the maximum extent of 5% is within the slab limit of effective capital calculation as provided in Part II of Schedule V of the Act.*



By Order of the Board



M.K. Raveesha  
Chairman  
DIN: 03113608

KITCO Ltd.,  
Date:12.10.2019

**A brief profile of Directors to be appointed/ re-appointed / fixation of remuneration of Directors as per the requirement of Secretarial Standard - 2 (1.2.5):**

Name of the Director	Shri. K R Jyothilal	Shri A. Krishnaswamy
Director Identification Number	01650017	08077609
Date of first appointment on the Board	June 27, 2015	March 3, 2018
Designation	Nominee Director (Government of India)	Director (representing Union Bank of India)
Age	50 years	56 years
Qualification	B.Tech -IIT Chennai, MBA, IAS	B.Sc. (Agri), CAIIB, management execution programme (banking)
Experience	Principal Secretary to Government of Kerala Transport and Fisheries Dept.	More than 30 years of experience in Banking sector.
Terms and conditions for appointment/ reappointment	As per the applicable provisions of the Companies Act, 2013	As per the applicable provisions of the Companies Act, 2013
Details of remuneration sought to be paid	Nil	Nil
Details of remuneration last drawn	Nil	Nil
Shareholding in the Company	Nil	Nil
Relationship with other directors/KMP	-	-
Number of board meetings attended during the year 2018-19 (out of 5)	1	4
Number of board meetings attended during the year 2019-20 (out of 2)	Nil	2
Other directorship, membership/ chairmanship of committees of other boards	a. Konkan Railway Corporation Limited - Director b. Kerala Rapid Transit Corporation Limited- Nominee Director c. Kerala Rail Development Corporation Limited - Director d. Cochin Shipyard Limited- Nominee Director e. Kerala Transport Development Finance Corpn Ltd - Director f. Azhikkal Port Limited - Nominee Director	Nil



	g. Pratheeksha Bus Shelters Kerala Limited - Nominee Director h. Kerala Oceanic And Marine Park Limited - Director i. Kerala Aqua Ventures International Limited - Director j. Kerala State Coastal Area Development Corporation Limited - Director k. Kerala Infrastructure Fund Management Limited - Director l. Kochi Metro Rail Limited - Nominee Director m. Thiruvananthapuram International Airport Limited - Nominee Director	
Purpose for which details are being furnished	Liable to retire by rotation	Liable to retire by rotation

<b>Name of the Director</b>	<b>Shri Samik Dasgupta</b>
Director Identification Number	02763211
Date of first appointment on the Board	June 20, 2019
Designation	Additional Director (representing IFCI Ltd)
Age	46 years
Qualification	MBA (Finance) from Guru Jambheshwar Technical University, Hissar, PGDM (-MBA) from Amity Business School, Noida, Appraisal of Hydro Projects by IIT Roorkee etc.
Experience	Vast experience in finance sector and restructuring with leading organisations.
Terms and conditions for appointment/reappointment	As per the applicable provisions of the Companies Act, 2013
Details of remuneration sought to be paid	Nil
Details of remuneration last drawn	Nil
Shareholding in the company	Nil
Relationship with other directors/KMP	-
Number of board meetings attended during the year 2018-19	Nil (Not eligible to attend in 2018-19)
Number of board meetings attended during the year 2019-20 (out of 2)	2
Other directorship, membership/ chairmanship of committees of other boards	Nil
Purpose for which details are being furnished	Change in designation from Additional Director to Director



<b>Name of the Director</b>	<b>Shri Cyriac Davies</b>
<b>Director Identification Number</b>	03489436
<b>Date of first appointment on the Board</b>	April 1, 2011
<b>Designation</b>	Erstwhile Managing Director (term expired on 31.03.2019)
<b>Age</b>	60 years
<b>Qualification</b>	M. Tech, Structural Engineering
<b>Experience</b>	Associated with KITCO Limited since 1984 and providing expertise and guidance at various levels
<b>Details of remuneration sought to be paid</b>	The remuneration has already been paid to the erstwhile Managing Director. However, due to occurrence of inadequate profits, the Directors recommended to limit the remuneration paid to him to the maximum extent of 5% of the net profits calculated as per section 198 of the Companies Act, 2013 and recover the excess paid to him
<b>Details of remuneration last drawn</b>	<p>(i) Basic: Rs. 4,11,000/-</p> <p>(ii) DA: As per Central Govt. formula</p> <p>(iii) HRA: 30% of Basic Pay., Alternatively may avail Company leased accommodation, against surrender of entire HRA, on rentals to be decided by the Board of Directors of the Company</p> <p>(iv) CCA: @ Rs.100/- per month</p> <p>(v) Perquisites:</p> <ol style="list-style-type: none"> <li>Productivity Linked incentive scheme : As per Company's Rules (certain % or quantum as per the Productivity Linked Incentive Scheme approved by the Board of Directors)</li> <li>Conveyance: Entitled to use Company's Car for official purposes (reimbursement of Rs.1750/- if using own car). Use for personal purposes may be made on payment to the Company at such rate as applicable or decided by the Board</li> <li>P.F.: As per Company's Rules - (Contributory provident fund @ 12% of basic pay + DA )</li> <li>Gratuity: As per Company's Rules- (one month basic pay for each year of service)</li> <li>Travelling &amp; Halting allowances: Travelling &amp; halting allowances in respect of journeys for official business for the Company will be payable as under:  <u>Travelling allowance:</u> <ol style="list-style-type: none"> <li>For journey by air - actual air fare by business class.</li> <li>For journey by rail - cost of one first class air-conditioned berth.</li> <li>Actual conveyance and mazdoor charges.</li> </ol> </li> </ol>

	<p><u>Halting allowance:</u></p> <ol style="list-style-type: none"> <li>Normal - Rs. 2500/- per day for number of days of absence from HO.</li> <li>When only lodging facility is availed, Rs.2000/- per diem (no incidentals will be payable in such cases).</li> </ol> <p><u>Reimbursement of lodging &amp; boarding expenses:</u></p> <ol style="list-style-type: none"> <li>Lodging - Reimbursement of a maximum of Rs.18,000/- per day exclusive of taxes subject to production of vouchers.</li> <li>Boarding - Reimbursement of Rs.2,500/- per diem on production of vouchers.</li> </ol> <p><u>Incidentals:</u></p> <p>Where both lodging and boarding facilities are availed of as above, or free lodging and boarding are available at the place of halting, incidentals at 1/4th of the normal per diem halting will be admissible.</p> <p><u>Personal accident insurance cover:</u> <u>Rs.5,00,000/-.</u></p> <p>(vi) Leave:</p> <ol style="list-style-type: none"> <li>Casual Leave: 12 days in a calendar year.</li> <li>Ordinary Leave: 30 days per year.</li> <li>Sick Leave: 15 days per year- upto a maximum of 45 days</li> </ol> <p>vii) Leave Fare Concession: Air fare-business class or rail way fare by air conditioned first class by the shortest route for visit to any place accessible by air from the headquarters of the Company, limited to a distance equivalent to any place in India, provided he proceeds on leave other than casual leave for not less than 7 days.</p> <p>Once during the tenure of 3 years-the first availment to be after one year</p> <p>viii) Medical reimbursement: Reimbursement of medical expenses equivalent to one month's salary in a year or 3 months' salary in a block of 3years. The Group Medi-claim Policy with Insurance Company to cover hospitalization expenses as per Company rules is extended. The maximum amount of reimbursement including premium payable is equivalent to one month salary in a year. Salary means Basic pay plus Dearness Allowance</p> <p>ix) Residential telephone: Residential telephone is provided at the expense of the Company. The telephone bills including STD and trunk calls for official business will be paid by the Company. One Cell phone on the same terms will be provided.</p>
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	<p>x) Newspaper/ Books reimbursement: Upto Rs.1000/- p.m.</p> <p>xi) Laptop : One Laptop with unlimited internet usage shall be provided</p> <p>xii) Leave encashment facility : As per Company's Rules- (Maximum 30 days a year)</p> <p>xiii) Club membership : Corporate memberships approved by the Board</p>
Shareholding in the Company	Nil
Relationship with other directors/KMP	Nil
Number of board meetings attended during the year 2018-19	5 (all meetings)
Number of board meetings attended during the year 2019-20 (out of 2)	Not Applicable. Retired on 31.03.2019s
Other directorship, membership/ chairmanship of committees of other boards	CD Infra Consulting Private Limited - Appointed on June 4, 2019
Purpose for which details are being furnished	Decision on the payment already made to him as Managing Director during the year 2018-19



## Directors' Report

To the Members,

Your Directors take pleasure in presenting the 47<sup>th</sup> Annual Report together with the Statement of Profit and Loss for the year ended March 31, 2019 and the Balance Sheet as on that date.

The Financial Statements of KITCO are prepared in accordance with Indian Accounting Standards (IND- AS) which have been applicable with effect from 01.04.2018 being associate company of IFCI Limited. Accordingly, accounts of the Company have been regrouped for the financial years 2016-17 and 2017-18 (comparative years for the current financial year) as per the requirements of IND-AS.

### 1. Financial Results

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

(Rs.in lakhs)		
Particulars	2018-19	2017-18
Revenue from operations	4600.62	5670.12
Other Income	400.85	316.47
Gross earnings	<b>5001.47</b>	<b>5986.60</b>
Expenditure	4544.47	4621.93
Profit before depreciation and tax	<b>457.00</b>	<b>1364.67</b>
Depreciation	68.62	74.65
Profit for the year before income tax	388.38	1290.02
Tax expenses	95.46	275.34
Net profit after income tax & other taxes	292.92	1014.67
Other Comprehensive Income/ (Expenses)	79.56	(60.68)
Total Comprehensive Income / (Expenses)	372.48	953.99
Balance brought forward from previous year	5011.98	4282.47
Balance carried to Balance Sheet	5206.72	5011.98
EPS- Basic and Diluted	298	1031.00
Amount proposed to be transferred to reserves	Nil	46.75

### 2. Performance Review 2018-19

The Company has recorded total revenue (including other income) of Rs. 5001.47 lakhs as compared to Rs. 5986.60 lakhs in the previous year. There has been a reduction in the profit of KITCO to the extent of Rs. 901.63 Lakhs as compared to the previous financial year 2017-18. The Profit after Tax reported by KITCO for the financial year 2018-19 is Rs. 292.92 as compared to Rs. 1014.67 Lakhs in the previous year.

The drop in the revenue was mainly due to the catastrophe caused due to flood and deluge during the August 2018 in the state of Kerala which resulted in poor progress of various infrastructure development works which adversely affected many new projects. This further resulted in delay of approval for new and ongoing projects, payment realization of on-going projects & release of outstanding amount. Nevertheless, KITCO managed to tide over these challenges.

### 3. Dividend

Considering the operational loss incurred by the Company during the financial year 2018-19, the Board of Directors decided not to declare final dividend to the shareholders.

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

### 4. Highlights of Operations

During the current year, KITCO has bagged orders worth nearly Rs. 40 crore through competitive bidding. These works are expected to continue to contribute to the revenue in the coming year as well, to the extent of Rs. 20 crore.

Focus on business activities has helped in bagging assignments outside Kerala also.

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, 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 the State mainly:

- Project Development Consultancy Services for "Gorakhpur Link Expressway" Project under Uttar Pradesh Industrial Expressways Development Authority (UPEIDA).
- Roads and Bridges Development Corporation of Kerala Ltd. (RBDCK) has awarded Project Management Consultancy services in the following projects.
  - Road Over Bridge at Kanhangad, Kasargod
  - Flyover at Edappal, Malappuram
  - Road Over Bridge at Carithas, Kottayam
  - River Bridge at Azhimavukadavu
- Architectural Design and Project Management Consultancy Services including interior/ exterior designing and allied works for construction of new Area Office/Divisional Office Complex at Chitrapuzha, Cochin, Kerala for Indian Oil Corporation (IOCL).
- Development of Comprehensive development plan and DPR for augmenting the facilities and modernization of various works for the five universities in Kerala, viz. Mahatma Gandhi University Various works for the five **universities** in Kerala, viz. Mahatma Gandhi University, Kerala University, Calicut University, Kannur University and Sree Sankaracharya University. The fee for the projects comes to the order of Rs. 800 lakhs.

- Development of Comprehensive development plan and DPR for augmenting the facilities and modernization of Government Colleges, Polytechnics etc in Kerala.
- Standard Design Factories for **Directorate of Industries and Commerce** at Perambra, Kozhikode and Varavoor, Thrissur. Augmentation of infrastructure in Government Colleges, Polytechnics etc.

The shareholders may further note that the statutory auditors have mentioned in their report about Project Management Services for the construction of Flyover at Palarivattom Bypass junction in NH 66 connecting Edappally Junction to Vyttila Junction on which a vigilance enquiry has been initiated by the State Vigilance Court Muvattupuzha and an FIR has been registered. It was further mentioned that as per the agreement clause between Roads and Bridges Development Corporation Kerala (RBDCK) and Kitco Ltd, 10% of the fees will be withheld and will be released on completion and expiry of the defect liability period. The Company may incur financial liability, in the event of court adjudication is not in favor of the Company

Explanation on the remark: KITCO was appointed as PMC Project of Design and Constructions for the flyover at Palarivattom Project. The DPR was submitted and the work was tendered by the client based on that. The work was awarded as design and Construct bid. The structural design was submitted by the contractor and it was scrutinized by experienced structural Engineer at KITCO office and then released for execution. It may please be noted that KITCO had posted qualified and experienced engineers at site for supervising and monitoring the quality of construction activities. All the stipulated quality control measures like concrete cube strength test, site analysis and other laboratory tests were carried out at the site of Palarivattom flyover in accordance with the provisions of the Agreement and ISO codes. Proper workmanship and compaction during concreting and curing post concreting was also ensured. The quality control wing of KITCO had conducted regular site-visits and ensured the quality of works. We confirm that no lapse has occurred on the part of the supervision and quality control checks of the flyover at Palarivattom. KITCO fulfilled to the best of its ability and the responsibilities and duties assigned as the engineer in Charge of the project. It is expected that the 10% of the fee withheld, will be released on completion of defects liability period.

## ii. **Aviation and Mobility Hubs**

The Aviation Division has given a remarkable performance during the year mainly:

- Modification works of Terminal-1 in Cochin International Airport was successfully commissioned in December 2018.
- 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 – Import and Export Cargo Complex for a total outlay of Rs.40 crore. and Flood Mitigation works with total outlay of Rs.30 crore. The PMC works of Star Hotel for CIAL was also started.
- Kannur International Airport, another highlight project of the Company was commissioned in December 2018. The PMC works of additional works for the construction of Cargo Complex, Barrack, Administration Building, Landscape and Allied works was started in November 2018.

- The PMC work of 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 was started.
- The Division has bagged the “Construction of New Integrated Terminal Building, Control Tower Cum Technical Block, Apron, Link Taxiway and associated works at Imphal International Airport, Imphal (Manipur) India” from Airports Authority of India. The total outlay of the project is around Rs.562 crore.
- And also Airports Authority of India was entrusted to KITCO the work of Post Award Project Management Consultancy for supervision of Modification/Expansion of existing Integrated Terminal Building at Mangaluru International Airport, Mangaluru. The total fee for the project is around Rs.2.42 crore.

### **iii. Tourism, Leisure, Sports and Railway**

- In the Tourism and Leisure Division, the Company continues to be the consultants of Department of Tourism (Government of Kerala) for their various developments.
- In the Sports Division, the Company continues to be the consultants of Department of Sports and Youth Affairs for their various developments through KIIFB funding. Recently the scope has been enhanced from Rs. 700 crore to Rs. 800 crore by adding on new project locations. Out of 57 Projects, 37 projects have been approved by KIIFB and the tenders of 29 projects have been awarded to various contractors and works are in progress.
- In Railway division, which is one of the focus areas of Government of India, focused business promotion activities are being taken up for bagging new assignments. Specific clients like IRSDC, RITES, IRCON, NBCC etc., are being focused for getting assignments. We have also submitted the credentials for getting empanelled with some of these agencies which are assigned with the development of railway stations by Indian Railways.

### **iv. Ports and Logistics**

During the year, the Ports and Logistics department of KITCO which is empaneled with the Indian Port Association has undertaken the following major Projects

- Design activity towards Consultancy assignment for ‘Restructuring and augmentation of Shipbuilding and Ship Repair facility at Kolkata. for M/s. Cochin Shipyard Ltd., for development of Brown field shipyard Project was majorly completed and PMC for the construction has started from Feb 2019 with planned completion in Apr 2020. The Project has enabled your



company to acquire Pre-qualification to bid for Shipyard consultancy projects

- Detailed design and Project management consultancy services for setting up of International cruise terminal for M/s. Cochin Port Trust, for which the detailed engineering has been completed and PMC is in progress for the construction phase with planned completion in April 2020.
- Your company is also undertaking detailed engineering for 19 terminals for Kochi water metro Project. The order is likely to be extended for another 19 terminals under Phase II on nomination basis.
- Your Company is engaged in preparing DPR for Dredging Projects at Kollam, Beypore and Azhikal for which the orders were placed by Directorate of Ports Government of Kerala during FY 18-19.
- The company also received an order for detailed design for extension of wharf at Kollam port during FY 18-19.
- Your company is also carrying out consultancy services for “Preparation of detailed project report for the development of inland waterway between Mahe River and Valapattanam River” order placed by KWIL a fully owned subsidiary arm of CIAL.

**v. Environmental Services**

Your Company is a Category A accredited EIA Consultant by QCI- NABET for 8 sectors viz:

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

Your Company has been empanelled with reputed organization for various services as under:

- As Consultants for Feasibility Study on Oil Pollution and Mitigation in Major Ports under Category by Indian Port Association (IPA) under Ministry of Shipping (MoS) under Government of India.
- As Environmental Expert Organization for carrying out Environmental Management Studies” with Indian Council of Forestry Research and Education (ICFRE), Dehradun under Ministry of Environment, Forests and Climate Change (MoEF&CC) under Government of India.

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

- Preparation of Oil Spill Disaster Contingency Plan for Adani Vizhinjam Port Private Limited for Adani Vizhinjam Port Private Limited, Thiruvananthapuram.
- Consultancy Services for EIA Study towards Obtaining Statutory Clearances (Environmental Clearance, CRZ Clearance, Forests and Wildlife Clearance (As Applicable) From KCZMA and MoEF&CC for Development of Azhikkal Port, Kannur District, Kerala for M/s. HOWE Engineering Projects (I) Pvt. Ltd, Ahmedabad.
- Consultancy Services for Study and design of scrubber to control smell during NRMP production for Bharat Petroleum Corporation Limited – Kochi Refinery (BPCL-KR).
- Consultancy Services towards Obtaining Coastal Regulation Zone(CRZ) Clearance for Proposed Construction of Ponnani Nila Theeram Indoor and Aquatic Sports Complex and Children Park for Directorate of Sports & Youth Affairs, Government of Kerala.
- Consultancy Services for obtaining MoEF clearance for construction of new IT Building at Techno park Phase 3, Trivandrum for Kerala State Information Technology Infrastructure Ltd.(KSITIL) under Government of Kerala.
- Preparation of Compliance reports to statutory authorities for Kannur International Airport Limited (KIAL), Kerala and Technopark Technology Business Incubator (TTBI), Kerala.

**vi. Process Engineering**

Your Company has successfully bagged the following assignments in the last financial year:

- Consultancy order from M/s. Hindustan Petroleum Corporation Limited (HPCL) for Engineering, Project Management and Site Supervision Consultancy for Expansion project of HPCL Madurai New Depot.
- Division was successful in bagging expansion and modernization of the plant and allied facilities of Pharmaceutical Corporation (I.M) Kerala Ltd.
- Foam mattings (India) Ltd entrusted division with the project of setting up of fully automatic Latex/ PVC tufted coir mat manufacturing unit.
- Services were offered seamlessly for the ongoing projects of Bharat Electronics Ltd, Hindustan Petroleum Corporation Limited, Kerala Metals and Minerals, Travancore Titanium Products Ltd, Spices Board, Meat Products of India, Kerala Feeds Ltd etc. for the ongoing projects.
- Group has conducted various business development meetings for project sponsored by private sector. These efforts are expected to bring business opportunities in the year 2019-20.

**vii. Health Infrastructure**

- Setting up of three Medical Colleges at Manjeri, Idukki and Kasaragod for Health and Family Welfare Dept. of Government of Kerala is progressing at fast pace. Some of the components under different packages of the project have already completed and handed over.
- Setting up of the Pain and Palliative Care Unit at Kalamassery Medical College Campus is another important project under implementation.
- The division extended service for the study conducted for the revival and conversion of the Medical Centre Project into a Super Specialty Tertiary Hospital in Seychelles for EXIM Bank.
- For the year 2019-20, division is expected to receive orders from the Health and Family Welfare Dept. of Government of Kerala for up gradation of some of the key Hospitals with modern amenities.
- Group is aggressively pursuing business development activities at PAN India level.

**viii. Water & Waste Water**

Recent highlights of the projects completed by the division are, Preparation of Detailed Project Report for distribution system of the multi GP water supply scheme to Nedumbassery and adjoining GPs in Ernakulam district for Jananidhi (KRWSA),Thiruvananthapuram, Technical Performance and Service Level Assessment of 10 Multi GP Water Supply Scheme in the state of Kerala for Jananidhi(KRWSA),Thiruvananthapuram, Water Supply System for Cyber Park, Kozhikode, Modification CETP and Zero Effluent Discharge System for Kinfra Textile Centre ,Kannur,etc.

**b. Human Resources Development Division**

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

On behalf of NSTEDB, DST, GoI and EDII, your Company has organized a total of 4 training programmes comprising General EDP, Women EDP, Technology based EDP and FDP benefitting nearly 517 persons. KITCO has imparted 12 Skill Development Training Programmes for 390 Kudumbasree members on various skills.

KITCO has conducted Robotics Workshops and sessions for 30 students of Vidyodaya School, of grades III to IX, for the academic year 2018 – 19. This is the 4th consecutive

season of the programme being implemented as part of the VINS Robotics Programme at Vidyodaya.

Manpower Recruitment Services has been another activity of the HR Services division in the previous year, which processed 12312 applications for the recruitment of 71 personnel for Kannur International Airport (KIAL) and Kerala State Coir Machinery Manufacturing Corporation Ltd ( KCMMC).

The shareholders may further note that Statutory Auditors of the Company in their report have also mentioned that recruitment of 3500+ Contractual Healthcare Workforce for National Health Mission, Uttar Pradesh (NHM,UP) at a fees of Rs.97,00,000/- (Excluding GST). The recruitment process was carried out in two phases. The written test for Phase-2 was conducted on 9th September 2018 and the provisional results were submitted to NHM. NHM observed certain discrepancies in the provisional result submitted by Kitco and subsequently they have cancelled the written test and lodged an FIR against Kitco. The FIR was challenged by Kitco in Lucknow Bench of Hon'ble High Court of Uttar Pradesh. The High Court directed Kitco to approach the Principal Secretary, Health & Family Welfare Department, UP for dispute resolution as per the agreement clause. Kitco has requested the Principal Secretary for an appointment. Meanwhile a Police Investigation is also underway.

Explanation by KITCO on the remark: The Higher officials from KITCO had attended the meeting on 10.05.2019 convened by the Principal Secretary. The Principal Secretary and the NHM authorities were not in favour of an amicable settlement. Subsequent to the receipt of the letter (order) from the Principal Secretary, KITCO has again approached the Hon'ble High Court of UP (Lucknow Bench) for proper relief as the order from the Principal Secretary was not for in favour for amicable settlement as directed by the court. The Hon'ble High Court has taken up the matter and the arguments are going on. Regarding Police investigation, the final report is awaited. KITCO is making regular visits and follow-ups for the same and ensures an early resolution of the matter.

**c. Technical Services**

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

Your Company has been selected as the Consultant for the Structural Valuation of assets in the proposed land to be acquired by Bharat Petroleum Corporation Ltd at Ernakulam. Also Bharat Petroleum Corporation Ltd has awarded the commercial valuation of lands to be acquired in connection with the establishment of company operated retail outlets.

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 Roads and Bridges Development Corporation of Kerala Ltd. (RBDCK), Goshree Islands Development Authority, Kerala State Industrial Development Corporation etc.

The Division was also assigned with the 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:-

- Preparation of Project Formulation Report for Revival and Conversion of Medical Centre Project into a Super-specialty Tertiary Hospital in Seychelles- Export Import Bank of India
- Consultancy Services for Feasibility Study of Bhiwani-Loharu New Railway Line Project in the state of Haryana
- Consultancy Services for Feasibility Study of Karnal Yamunanagar New Railway Line Project in the state of Haryana - Haryana Rail Infrastructure Development Corporation Limited
- Traffic Survey and Financial Analysis for Nagpur-Nagbhir (Gauge Conversion) about 106 km: Maharashtra Rail Infrastructure Development Ltd
- Advisory services for the selection of an agency for the preparation of master plan and DPR for developing the Institute of Mental Health (IMH) Kozhikode - District Collector and District Magistrate - Calicut
- Techno-Economic feasibility report: For setting up a convention center facility at Cochin International Airport Ltd.
- DPR for pharmaceutical manufacturing unit at Vietnam (CLMV region) for Exim Bank / MOCI
- Preparation of Corporate Plan (2025) for Foam Mattings India Ltd

**5. Introduction of Technology Cell:**

The technology cell was formed to look for opportunities in Technology and IT sector in Aug 2018 by pooling in resources from other existing departments. Targeted opportunities in areas like ERP, Digitalisation, e-Commerce, IT security and associated services. Being a new sector, experience of KITCO Ltd in these areas was very minimal. JV option is also being explored for participating in consultancy tenders.

The cell has visited few prospective clients like various Kerala Govt departments and few District Corporation offices and have submitted EOIs to provide consultancy services in areas like digitalisation, ERP implementation and IT security.

**6. Outlook for the Financial Year 2019-20**

As part of the Company's vision to grab additional business and sustainable growth PAN India, we have recast our operating strategy by exclusive business development cell at Head Office.

This cell shall be responsible for participation in all eligible open tenders right up to collection of work orders. In addition the cell is slated to generate leads / opportunities in the major sectors outside the ambit of tendering. Also focus on overseas business is high on agenda.

Since, JV/Consortium bidding in all large projects has become the norm for bagging assignments we have to necessarily associate with reputed consultancy firms while participation in various sectors for all our consultancy & PMC services who may operate either as consortium partner or sub consultant.

Accordingly we have planned an order book of Rs.100 crores and efforts are being put to convert Rs.30-35 crore to FY 2019-20's revenue stream.

Relentless & focused monitoring of all the on-going projects shall be the major thrust resulting in reduction in actual costs against our tender estimates thereby enhancing the net contribution.

Objectives for FY 2019-20

- Risk assessment of critical processes and implement strong process controls.
- Develop capabilities, build-up strategy to compete the leading consultants in next 3 years
- Comprising of Tendering, Marketing, Corporate Planning activities 2 regional representatives as well. However, currently only the tendering team is in place other activities need to be initiated through new recruitments which shall be taken up upon approval from Board.

#### **7. Sundry Debtors:**

Like previous year, the year 2018-19 suffered delay in realization of payment/ fees from the Client particularly from Government/ semi Government clients. Generally, the payment from such clients are being delayed as the release of payment requires several hierarchical levels of sanctions/approvals. Nevertheless, 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.

#### **8. Manpower & Human Resource Development**

The staff strength of KITCO at the end of the year under review was 291 including qualified professionals and apprentices in different engineering discipline, finance, Management Reinforcing the need for building up core competence and professionalism, consultants are being deputed to various training programmers. The employees are suitably trained to utilize the emerging opportunities.

#### **9. Conservation of Energy, Technology Absorption and Foreign Exchange Inflow and Outflow**

KITCO'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 KITCO.

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

There was no foreign exchange inflow during the year. However, there is a foreign exchange outflow of Rs. 6,55,880/- in the financial year 2018-19 against Rs. 1,61,214/- in the previous year.

**10. 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.

**11. 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.

**12. 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. However, there is a transaction which is executed in the ordinary course of business and at arm's length price. The details are mentioned in AOC-2 attached as Annexure III

**13. 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 2018-19, the Company has not received any complaints of sexual harassment.

**14. Auditors and Auditors report**

M/s. C M Joseph and Associates, Chartered Accountants, FRN: 006408S were appointed by the Comptroller and Auditor General of India as the statutory auditors of KITCO for the financial year 2018-19 as per the provisions of Section 139(5) of the Companies Act, 2013. There was no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors and the Comptroller and Auditor General of India in their reports.

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

**15. Number of Board Meetings:**

The Board met five times during the year i.e. 29.06.2018, 28.09.2018, 20.12.2018, 15.03.2019 and 30.03.2019. The gap between two board meetings was within the period as mentioned in the Companies Act 2013.

**16. Annual Return**

The extract 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 1 to this Report and the same is also available at KITCO's website [www.kitco.in](http://www.kitco.in).

**17. 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 2019, 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, 2019.
- 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.

**18. Change in Board of Directors and KMP**

The company had seven directors as on the closure of the financial year 2018-19. 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) Shri. PM Francis IAS (DIN: 06986524), Nominee Director- Government of Kerala, resigned from the post on 31.05.2018 due to his retirement from Director of Industries, Government of Kerala
- (ii) Shri. Sanjeev Kumar Jain (DIN: 06658695) was appointed as Additional Director as representative of IFCI Limited on 29.06.2018 in place of the existing representative Shri P G Jayashankar (DIN: 06452795). He was further appointed as Director (representative of IFCI Limited) in the 46th Annual General Meeting of the Company held on 28.09.2018.
- (iii) Shri. Ajith TS (DIN: 08150821) was appointed as Nominee Director (SIDBI) in place of the existing nominee Shri. Kallat Vatsa Kumar on 29.06.2018
- (iv) The tenure of Shri. Rakesh Rewari (DIN: 00286853), Chairman, Nominee Director-SIDBI had expired on 06.08.2018
- (v) Shri. A. Krishnaswamy (DIN: 08077609), representative of Union Bank of India and Shri. Ciccu Mukhopadhaya (DIN: 00299923) who were appointed as Additional Directors on March 3, 2018 were appointed as Directors in the 46th Annual General Meeting of the Company held on 28.09.2018.
- (vi) Shri. M. K. Raveesha (DIN: 03113608) was appointed as Non-Executive Chairman (Nominee Director- SIDBI) on the Board on 20.12.2018.
- (vii) Shri. Ciccu Mukhopadhaya (DIN: 00299923) resigned from the post of Director on 15.03.2019 due to his pre-occupation.
- (viii) Dr. Sharmila Mary Joseph IAS (DIN: 07974964) was appointed as Additional Director-representative from Kerala State Industrial Development Corporation Limited in place of Dr. M. Beena IAS, the existing representative on 15.03.2019.
- (ix) The tenure of Shri. Cyriac Davies (DIN: 03489436), Managing Director, was completed on 31.03.2019.

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

- (i) Shri. Sanjeev Kumar Jain (DIN: 06658695), Director, resigned from the post w.e.f. 15.04.2019 due to his transfer to another department in IFCI Ltd.
- (ii) Shri. Samik Dasgupta (DIN: 02763211), was appointed as Additional director, (representative of IFCI Limited) on 20.06.2019
- (iii) Shri. Tanuku Balaji (DIN: 08486817) was appointed as Nominee Director – SIDBI in place of the existing nominee Shri. Ajith TS (DIN: 08150821 ) on June 20 2019
- (iv) Resignation of Dr. Sharmila Mary Joseph IAS (DIN: 07974964), being demitted from the office of Kerala State Industrial Development Corporation Limited, was noted with effect from 15.07.2019.
- (v) The Board of Directors recommend appointment of Shri. Samik Dasgupta who was appointed as Additional Director (representative of IFCI Limited) as Director in the forthcoming Annual General Meeting.

Shri. K R Jyothilal IAS (DIN: 01650017) and Shri. A. Krishnaswamy (DIN: 08077609), 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.

## **19. 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 further request our esteemed members to avail the depository services with any of the Depository Participants registered with CDSL

## **20. 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, 2019:

1. Shri. Ajith TS
2. Shri. Krishnamurthy Suryanarayanan
3. Shri. A. Krishnaswamy

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

## **21. 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 as members as on March 31, 2019:

1. Shri. Ajith TS
2. Shri. Krishnamurthy Suryanarayanan
3. Shri. A. Krishnaswamy
4. Shri. Cyriac Davies, Managing Director

The CSR committee meetings were held on 28.09.2018, 13.12.2018 and 06.03.2019

There was a change in the CSR policy during the year in order to incorporate recent changes in the CSR Committee members and updation in the areas of CSR activities as decided by the Board of Directors.

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

## **22. 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, SS-2 towards General meeting and SS-3 towards Dividend.

### **23. General:**

- (i) There was no change in the nature of business during the financial year 2018-19.
- (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.
- (xi) KITCO is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, as the said clause is not applicable to the Company

### **24. 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. M K Raveesha  
Chairman  
DIN: 03113608

KITCO Ltd.  
Date: 12.10.2019

## FORM NO. MGT.9

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2019**  
*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies*  
*(Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

CIN	U74140KL1972GOI002425
Registration Date	03/06/1972
Name of the Company	KITCO Limited
Category / Sub-Category of the Company	Limited by shares Public Limited Company
Address of the Registered office and contact details	Femith's, PB No. 4407, Puthiya Road, NH Bypass, Vennala, Kochi- 682028 Phone: 0484-4129000 Email: <a href="mailto:mail@kitco.in">mail@kitco.in</a>
Whether listed company	Yes/-No
Name, Address and Contact details of Registrar and 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 Email: <a href="mailto:info@skdc-consultants.com">info@skdc-consultants.com</a> Website: <a href="http://www.skdc-consultants.com">www.skdc-consultants.com</a>

**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	94.92%

**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 1st April 2018)				No. of Shares held at the end of the year (as on 31 March 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/	-	-	-	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%
e) Banks / FI	-	84,150	84,150	85.47%	51,250	32,900	84,150	85.47%	0.00%
f) Company			-	0.00%		-	-	0.00%	0.00%
Sub Total (A) (1)	-	84,150	84,150	85.47%	51,250	32,900	84,150	85.47%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
B Other			-	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%	51,250	32,900	84,150	85.47%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI	9,900	1,450	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			-	0.00%			-	0.00%	0.00%
f) Insurance			-	0.00%			-	0.00%	0.00%
g) FIIs			-	0.00%			-	0.00%	0.00%
h) Foreign			-	0.00%			-	0.00%	0.00%
i) Others -State Financial Corporation			-	0.00%		-	-	0.00%	0.00%
Sub-total (B)(1):-	9,900	4,400	11,430	14.53%	9,900	4,400	11,430	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			-	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)	9,900	4,400	11,430	14.53%	9,900	4,400	11,430	14.53%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	9,900	88,550	98,450	100.00%	61,150	37,300	98,450	100.00%	0.00%

ii) Shareholding of Promoters

Sl. 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	Industrial Finance Corporation of India Ltd	19,950	20.26%	-	19,950	20.26%	-	0.00%
3	Kerala State Industrial Development	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 Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the		Cumulative Shareholding	
				No. of shares	% of total	No. of shares	% of total shares
	All the beginning of the			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%

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	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%
4	State Bank of India						
	At the beginning of the year			4200	4.27%	4200	4.27%
	Changes during the year			0	0.00%	0	0.00%
	At the end of the year			4200	4.27%	4,200	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%

iv) Shareholding of Directors and Key Managerial Personnel:

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

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				
* 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	78,40,226/-		78,40,226/-
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify			
5	Others, please specify			
	Total (A)	78,40,226/-		78,40,226/-
	Ceiling as per the Act	(to be decided by shareholders in the forthcoming AGM)		

### 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) upto 06.08.2018	M K Raveesha (Chairman) from 20.12.2018	Sanjeev Kumar Jain (IFCI)	A. Krishnaswamy (UBI)		
	Fee for attending board/ committee meetings	25,000	45,000	45,000	1,30,000		
	Commission						
	Others, please specify Honorarium	63,000	51,000				
	Total (2)						
	Total (B) = (1+2)	88,000	96,000	45,000	1,30,000		

**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	
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			8,88,264	
2	Stock Option				-
3	Sweat Equity				-
4	Commission - as % of profit - others, specify				- -
5	Others, please specify				-
	Total	-		8,88,264	

**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/-  
Shri. M K Raveesha  
Chairman  
DIN: 00286853

KITCO Ltd.  
Date: 12.10.2019

**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:**

The Board Resolution pertaining to the CSR expenses to be incurred during the FY 2018- 19, taken in the CSR Committee Meeting (3/2018- 19) were ratified in The 223<sup>rd</sup> Meeting of the Board of Directors of KITCO Ltd. held on March 15<sup>th</sup>, 2019 at Holiday Inn Cochin, in its item No. 223.8, as given below:

- a. Purchase of Dialysis Machines for Ernakulam Medical College and Hospital, Kalamassery and other installation, electrical and infrastructural support to the Hospital
- b. Additional expenditures incurred by the implementing agency for Kuttumpuzha Skill Development project for handing over of the project.
- c. Administrative overheads on the above activity

Based on the same, the CSR activities for the FY 2018- 19 were carried out as follows:

**a. Purchase of Dialysis Machines for Ernakulam Medical College Hospital**

Tender (No. CSR/ KITCO/ MH/ 11/ 2018 dated 16.03.2019) inviting OEMs for Supply of hemodialysis machines for Government Medical College, Ernakulam, had been floated, for which we got response from three bidders:

1. M/s. Grahams Pharmaceuticals
2. M/s. Nipro Medical (India) Pvt. Ltd.
3. M/s. B. Braun Medical (India) Pvt. Ltd.

Their technical as well as price bids were evaluated, and consequently M/s. Nipro was selected as the lowest quoted eligible bidder at a value of Rs. 21,05,600. Further, even though the amount was negotiated with M/s. Nipro, there has been no discount offered. Consequently, Work Order for the same was issued to M/s. Nipro Medical (India) Pvt. Ltd. for an amount of Rs. 21, 05,600, which is 2.08% below the estimated amount.

In continuation to the above, M/s. Nipro have completed the installation of the 4 machines at Medical College Ernakulam, as on 21st May 2019. Per hospital authorities, four machines are in operation now.

**b. Additional expenditures incurred by the implementing agency for Kuttumpuzha Skill Development project for handing over of the project.**

The total expenses pertaining to Skill Development at Kuttumpuzha, the CSR project of KITCO for FY 2015- 16 to Sep. 2018, incurred during the FY 2018- 19 was Rs. 3.92 Lakhs.

The above amount covers expense of training on following major aspects:

- a. Honorarium to skill trainers
- b. Costs involved in site/ field training, including travel
- c. Purchase of materials required for the skill training

- d. Purchase of empty bottles for the product
- e. Labour charges for cleaning of bottles and bottling of cultivated honey
- f. Transportation charges of bottled cultivated honey from Kuttumpuzha to Ernakulam

CSR Committee of the Board of Directors of KITCO Ltd., in its Meeting (2/2018-19) held on December 13, 2018 had approved an amount of Rs. 50,000 over and above the expenses incurred till Sep. 2018, i.e. Rs. 3 Lakhs, towards settlement of final expenses required for smooth closure of the above project, from KITCO's end. However, an additional amount of Rs. 42, 267/- had to be spent towards closure of training activities, which includes the items listed above, totaling to Rs. 3.92 Lakhs towards project Tribal Women Empowerment through Skill Development.

**c. Administrative overheads on the above activity**

The administrative expenses incurred during the FY 2018- 19 on account of the 2 CSR projects Skill Development at Kuttupuhzha, as well as Purchase of 4 nos. of Dialysis Machines for Ernakulam Medical College and Hospital, Kalamassery and other installation, electrical and infrastructural support to the Hospital amount to a total of Rs. 1, 24, 800/-, which comprise man day costs associated with KITCO Key Personnel, and sundry expenses like communication expenses.

**Closure of CSR activities FY 2018- 19:**

Expenses related to both the projects i.e. Skill Development at Kuttumpuzha, as well as Purchase of 4 nos. of Dialysis Machines for Ernakulam Medial College and Hospital, Kalamassery, under Corporate Social Responsibility of KITCO for the FY 2018- 19 amount to a total of **Rs. 26,22,667.**

- a. web-link for CSR policy and projects and programs: [www.kitco.in](http://www.kitco.in)
- b. Composition of CSR Committee as on 31.03.2019: The CSR Committee was constituted with the following Directors:
  - 1. Shri. Ajith TS
  - 2. Shri. Krishnamurthy Suryanarayanan
  - 3. Shri. A. Krishnaswamy
  - 4. Shri. Cyriac Davies, Managing Director
- a. Average net profit of the company for last three financial years : `1374.59 Lakhs
- b. Prescribed CSR Expenditure: `27.49 Lakhs
- c. Details of CSR spent during the financial year:
  - i. Total amount to be spent for the financial year; ₹26.23 Lakhs
  - ii. Amount unspent: ₹1.27 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 programs 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
1.	Tribal women empowerment through self-employment by facilitating development of the livelihood skills-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	Kuttumpuzha Grama Panchayat, Ernakulam District. Kerala, Ernakulam.	Total budget of Rs. 27.49 Lakhs	(1) Direct Expenditure: ₹3.92 Lakhs (2) Overheads: ₹19,584/-	—	Implementing Agency : RAJAGIRI OUTreach
2.		Health care	Govt Medical College, Ernakulam District. Kerala, Ernakulam.		(1) Direct Expenditure: ₹21.06 Lakhs (2) Overheads: ₹105216/-		Direct

**Reason for not spending:** The CSR budget prepared for project “Purchase of Dialysis Machines for Ernakulam Medical College and Hospital, Kalamassery and other installation, electrical and infrastructural support to the Hospital” was Rs. 23.99 Lakhs. Estimated cost of the four dialysis machine was Rs. 21, 50,327/-. However, the work was awarded to L1 at the rate of Rs. 21, 05,600/-. The nominal amount of Rs. 1.27 Lakhs remained unspent and kept aside for any ad hoc expenses during the course of installation of the machines. However, no such expenses have arose in this matter.

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

Date: 12.10.2019

Sd/-  
A Krishnaswamy  
Director  
DIN: 08077609

**FORM NO. AOC.2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**  
***(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

1. Details of contracts or arrangements or transactions not at arm's length basis - Nil
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts/arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: Mr. Jose Davis, Brother of Managing Director
  - (b) Nature of contracts/arrangements/transactions: Promoted as General Manager in the Company
  - (c) Duration of the contracts/arrangements/transactions: Throughout the year
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
  - (e) Date(s) of approval by the Board, if any: NA
  - (f) Amount paid as advances, if any: Nil

Sd/-  
T Balaji  
Nominee Director  
DIN: 08486817

sd/-  
A Krishnaswamy  
Director  
DIN: 08077609

Date: 12.10.2019



Ref :

Date.....

## **INDEPENDENT AUDITOR'S REPORT**

The Members of  
**KITCO LIMITED**  
Kochi

### **Report on the Audit of the Standalone Ind AS Financial Statements Opinion**

We have audited the standalone financial statements of Kitco Limited, which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss including the other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

### **Basis for Opinion**

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



in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### **Key Audit Matters**

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

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information regarding the Unit, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information regarding the Unit and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information regarding the Unit and, in doing so, consider whether the other information regarding





Unit is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of this other information regarding the Unit, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies Indian Accounting Standard Rules (Ind AS) Rules 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern



and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period ended 31<sup>st</sup> March, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

We report the following matters which are not presented or disclosed in the financial statements that, in the auditor's judgment, are of such importance that it is fundamental to users' understanding of the financial statements:

1. As per Section 15 of MSME Act 2006, where any buyer fails to make payment to supplier registered as MSME within 45 days from the day of acceptance or the day of deemed acceptance, notwithstanding anything contained in any agreement between the buyer and the supplier, or in any law for the time being in force, be liable to pay compound interest with monthly rests to the supplier on that amount from the appointed day or, as the case may be from the date immediately following the date agreed upon, at three times of the bank rate notified by the Reserve Bank. The company is having such payables amounting to Rs 21,37,045/- at the end of the year, but not complied with



the relevant section. This may result in future liabilities for the company.

2. Kitco Ltd has rendered Project Management Services for the construction of Flyover at Palarivattom Bypass junction in NH 66. After the end of the financial year under review, an investigation has been initiated by Vigilance Court Muvattupuzha for the project and an FIR has been registered.

As per the agreement clause between Roads and Bridges Development Corporation Kerala (RBDCK) and Kitco Ltd, 10% of the fees will be withheld and will be released on expiry of the defect liability period. The Company may incur financial liability, in the event court adjudication is not in favor of the Company.

3. KITCO was awarded the recruitment of 3500+ Contractual Healthcare Workforce for National Health Mission, Uttar Pradesh (NHM, UP) at a fees of Rs.97,00,000/- (Excluding GST). In the Phase-2 of the examination, the Client observed certain discrepancies in the provisional results and lodged an FIR. The same was challenged by KITCO in Lucknow Bench of Hon'ble High Court of Uttar Pradesh. The High Court directed Kitco to approach the Principal Secretary, Health & Family Welfare Department, UP for dispute resolution as per the agreement clause. As on the end of the financial year 2018-19, KITCO had requested the Principal Secretary for an appointment. Meanwhile a Police Investigation is also underway.

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

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 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 purpose 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 purposes of our audit have been received from the branches not visited by us.
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
  - d. In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Companies Indian Accounting Standard Rules 2015 as amended.
  - e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.



- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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 have pending litigations which would impact its financial position (see other matter paragraph).
- ii) The Company does not have any long-term contracts requiring a provision for material foreseeable losses.
- iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

**For C M JOSEPH & ASSOCIATES**

Chartered Accountants

For C M JOSEPH & ASSOCIATES  
PR.No-006408S  
CHARTERED ACCOUNTANTS  
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)

Partner  
Managing partner

Membership Number: 202800

Place: Ernakulam

Date: 23.07.2019

UDIN : 19202800AAAAA49875



## CARO REPORT 2016

Annexure "A" to the Independent Auditors' Report of  
KITCO LIMITED as of and for the year ended March 31, 2019  
(referred to in our report of even date),

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 of the company have been physically verified by the management during the year in accordance with Company's programme planned which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.  
  
(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. According to the information and explanations given to us, the Company has not taken/granted loan from/to Companies covered in the register maintained under Section 189 of the Companies Act, 2013 and hence requirements of reporting under paragraphs (iii) (a) and (iii) (b) of the said Order are not applicable.





4. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year, under the provisions of sections 73 and 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed there under, as applicable or any order passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
6. Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the service rendered by the company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted or accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, duty of customs, value added tax, cess, Goods and Service Tax and other material statutory dues have been regularly deposited during the year by the Company with 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 31<sup>st</sup> March 2019 for a period of more than six months from the date on when they became payable.



- a) According to the information, records of the Company and explanations given to us, the following dues of service tax and income tax, has not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount in dispute (Rs)	Period to which the amount relates	Forum where dispute is pending
Finance Act,1994	Service Tax on Franchise Service	2,04,419/-	2006-07	Appellate Tribunal, South zone branch, Bengaluru
Finance Act,1994	Service Tax on Works contract	2,39,44,042/-	2010-11	Appellate Tribunal, South zone branch, Bengaluru
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
Finance Act,1994	Service Tax on interest income earned from funds for deposit works	45,21,010/-	2008-09	Appellate Tribunal, South zone branch, Bengaluru
Finance Act,1994	Service Tax on Works contract	10,01,07,499/-	2011-12, 2012-13 & 2013-14	Appellate Tribunal, South zone branch, Bengaluru
Income Tax Act,1961	Interest under section 220(2)	3,17,220/-	2003-04	CPC, Bengaluru



According to the information and explanations given to us, other than above, no statutory matters are pending.

8. The Company has not taken any loans from financial institutions or from the government and has not issued any debentures. Therefore, there are no defaults on the Company.
9. Based upon the audit procedures performed and the information and explanations given by the management the Company has not raised monies 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. According to the information and explanations given to us, no fraud by the Company or by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and 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, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.



14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph (xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph (xv) of the Order is not applicable.
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 the clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

**For C M JOSEPH & ASSOCIATES**  
Chartered Accountants

F.R.No. 006408S  
For C.M. JOSEPH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)  
C.M. JOSEPH, FCA, DISA (ICAI)  
Managing partner

Membership Number: 202800

UDIN : 19202800AAAAA79875

Place: Ernakulam  
Date: 23.07.2019



## 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 Limited ('the company') for the year ended 31<sup>st</sup> March 2019.

Sl N o.	Subject	Remarks
01	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	The Company has system in place to process all the accounting transaction through their IT system. The Management has provided written representation confirming that no transactions are processed outside the IT system. Hence there are no concerns about the integrity of the accounts or financial implications.
02	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Not applicable since the company has not availed any debts/loan.
03	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	Not applicable since the company has not received any funds from Central/State agencies for specific schemes.



**Annexure "C" to the Independent Auditors' Report of KITCO  
LIMITED as of and for the year ended March 31, 2019  
(referred to in our report of even date)**

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

We have audited the internal financial controls over financial reporting of **KITCO LIMITED** as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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**

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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 (the 'Standards') 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. 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 financial controls 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



(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) 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

(iii) 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 control 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 control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 issued by the ICAI.

**For C M JOSEPH & ASSOCIATES**

Chartered Accountants

For C.M. JOSEPH & ASSOCIATES  
F.R.No. 006408S  
CHARTERED ACCOUNTANTS  
Firm's Registration No. 006408S

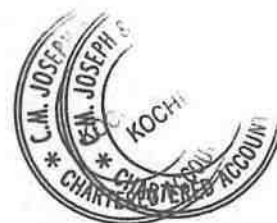
C.M. JOSEPH, FCA, DISA (ICAI)  
Membership No. 202800  
Managing partner

Membership Number: 202800

UDIN : 19202800AAAAAY9875

Place: Ernakulam

Date: 23.07.2019



## BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	As at 31.03.2019 (₹)	As at 31.03.2018 (₹)	As at 01.04.2017 (₹)
<b>I. ASSETS</b>				
<b>1. Non-Current Assets</b>				
a. Property, Plant and Equipment	3A	1,09,46,924	1,26,68,291.00	1,39,49,478.00
b. Intangible Assets	3B	28,32,108	13,97,589	20,23,958
c. Financial Assets				
i. Investments	4A	49,36,650	25,000	25,000
ii. Trade Receivables	7A	14,52,08,942	15,36,33,329	12,95,32,045
iii. Other Financial Assets	5A	7,83,94,535	5,03,41,494	3,02,74,977
d. Income Tax Assets (Net)	12A	1,65,10,696	23,36,939	46,45,129
e. Deferred Tax Assets (Net)	6	2,49,24,896	1,48,92,216	14,37,208
f. Other Assets	11A	6,15,52,859	6,48,89,709	5,52,02,337
<b>Total Non-Current Assets</b>		<b>34,53,07,610</b>	<b>30,01,84,567</b>	<b>23,70,90,132</b>
<b>2. Current Assets</b>				
a. Financial Assets				
i. Investments	4B	21,11,00,621	10,53,79,810	10,75,55,965
ii. Trade Receivables	7B	28,13,12,568	25,75,78,459	21,00,56,625
iii. Unbilled Revenue	8	5,56,25,435	4,62,00,983	4,23,02,568
iv. Cash and Cash Equivalents	9	21,74,61,607	32,34,70,472	24,21,15,203
v. Other Bank Balances	10	37,38,42,214	30,57,75,558	31,10,89,004
vi. Other Financial Assets	5B	1,40,48,584	1,24,26,454	1,15,04,902
b. Income Tax Assets (Net)	12B	5,07,46,345	5,61,85,075	4,71,76,125
c. Other Current Assets	11B	5,85,37,573	9,51,55,694	11,88,48,889
<b>Total Current Assets</b>		<b>1,26,26,74,947</b>	<b>1,20,21,72,505</b>	<b>1,09,06,49,281</b>
<b>Total Assets</b>		<b>1,60,79,82,557</b>	<b>1,50,23,57,072</b>	<b>1,32,77,39,413</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
a. Equity Share Capital	13	9,84,50,000	9,84,50,000	9,84,50,000
b. Other Equity	14	56,20,08,674	54,25,34,708	46,49,09,363
<b>Total Equity</b>		<b>66,04,58,674</b>	<b>64,09,84,708</b>	<b>56,33,59,363</b>
<b>Liabilities</b>				
<b>2. Non-Current Liabilities</b>				
a. Financial Liabilities				
i. Trade Payables	15A	5,02,25,125	2,27,81,511	1,85,41,671
ii. Other Financial Liabilities	16A	26,85,53,588	15,20,44,969	14,81,16,726
<b>Total Non-Current Liabilities</b>		<b>31,87,78,713</b>	<b>17,48,26,480</b>	<b>16,66,58,397</b>
<b>3. Current Liabilities</b>				
a. Financial Liabilities				
i. Trade Payables	15B	12,84,49,882	6,30,97,501	1,77,92,443
ii. Other Financial Liabilities	16B	48,14,73,244	58,16,88,050	53,22,25,036
b. Provisions	17	1,88,22,044	4,17,60,333	4,77,04,174
<b>Total Current Liabilities</b>		<b>62,87,45,170</b>	<b>68,65,45,884</b>	<b>59,77,21,653</b>
<b>Total Liabilities</b>		<b>94,75,23,883</b>	<b>86,13,72,364</b>	<b>76,43,80,050</b>
<b>Total Equity and Liabilities</b>		<b>1,60,79,82,557</b>	<b>1,50,23,57,072</b>	<b>1,32,77,39,413</b>
Notes forming part of the Financial Statements 1-32				
The accompanying notes form an integral part of the financial statements.				

For and on behalf of the Board

As per our report of even date attached

T. Balaji  
Nominee Director  
(DIN: 08486817)

A. Krishnaswamy  
Director  
(DIN: 08077609)

Kochi - 682 028  
July 23, 2019



Swati Srivastava  
Company Secretary

For C.M. JOSEPH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm's Registration No. 006408S

C.M. JOSEPH, FCA, DISA (ICAI)  
Membership No. 202800

UDIN : 19202800AAAAAY 987

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

Particulars	Note No	For the year ended 31.03.2019 (₹)	For the year ended 31.03.2018 (₹)
I. Revenue from Operations	18	46,00,61,707	56,70,12,241
II. Other Income	19	4,00,85,271	3,16,47,294
III. Total Income		50,01,46,978.00	59,86,59,535
IV. EXPENSES:			
Employee Benefits Expense	20	28,00,60,183	28,95,39,353
Finance Costs	21	5,565	3,964
Depreciation and Amortisation Expense	3A/B	68,62,232	74,65,370
Operation and Other Expenses	22	17,43,80,918	17,26,50,021
Total Expenses		46,13,08,898	46,96,58,708
V. Profit / (Loss) before exceptional items and tax (III-IV)		3,88,38,080	12,90,00,827
VI. Exceptional items		-	-
VII. Profit before tax (V-VI)		3,88,38,080	12,90,00,827
VIII. Tax expense:			
a. Current tax	23	1,88,22,044	4,17,60,333
b. Deferred tax	6	(92,75,677)	(1,42,26,708)
		95,46,367	2,75,33,625
IX. Profit / (Loss) for the year (VII-VIII)		2,92,91,713	10,14,67,202
X. Other Comprehensive Income/ (Expenses)			
(i) Items that will not be reclassified to profit or loss			
a. Re- measurements of the defined benefit obligation due to employees		87,80,792	(95,65,027)
b. Difference in cost and fair value on investments considered in OCI		(15,81,733)	42,68,686
c. Income tax relating to items that will not be reclassified to profit or loss	6	7,57,003	(7,71,700)
Total Other comprehensive income / (expenses) (net of tax)		79,56,062	(60,68,041)
XI. Total Comprehensive Income / (Expenses) for the year (IX+ X) (Comprising Profit and Other Comprehensive Income / (Expenses) for the year)		3,72,47,775	9,53,99,161
XII. Earnings per equity share:	24		
Basic and diluted earnings per equity share (Rs.)		298	1,031
Nominal value per equity share (Rs.)		1,000	1,000
Notes forming part of the Financial Statements 1-32			
The accompanying notes form an integral part of the financial statements.			

For and on behalf of the Board

As per our report of even date attached

T. Balaji

T. Balaji  
Nominee Director  
(DIN: 08486817)For C.M. JOSEPH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm's Registration No. 0064085C.M. JOSEPH, FCA, DISA (ICAI)  
Partner  
Membership No. 202800A. Krishnaswamy  
Director  
(DIN: 08077609)Swati Srivastava  
Company Secretary

UDIN : 19202800 AAAAY 9875

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2019

## A. Equity Share Capital

	Numbers	Amount (₹)
Equity shares of Rs.1000 each issued	98,481	9,84,81,000
Equity shares of Rs.1000 each subscribed, called up and fully paid	98,450	9,84,50,000
Balance as at the beginning on 1st April, 2017		9,84,50,000
Changes in equity share capital during 2017-18		-
Balance as at 31st March, 2018		9,84,50,000
Changes in equity share capital during 2018-19		-
Balance as at 31st March, 2019	98,450	9,84,50,000

## B. Other Equity

Particulars	Reserves and Surplus		Items of Other Comprehensive Income		(₹)
	General Reserve (₹)	Retained Earnings (₹)	Difference in fair Value and Cost of Investments (₹)	Re - measurement of Defined Benefit Obligations (₹)	Total
<b>As at 1st April 2017</b>					
Balance at the beginning of the reporting period	3,66,61,989	42,82,47,374	-		46,49,09,363
Profit for the year	46,74,753	10,14,67,202			10,61,41,955
Transfer to/(from) retained earnings		(46,74,753)			(46,74,753)
Other comprehensive income (loss) net of taxes			34,96,986	(95,65,027)	(60,68,041)
<b>Total comprehensive income for the year</b>					9,53,99,161
Dividend (including taxes)		(1,77,73,816)			(1,77,73,816)
<b>As at 31st March, 2018</b>	<b>4,13,36,742</b>	<b>50,72,66,007</b>	<b>34,96,986</b>	<b>(95,65,027)</b>	<b>54,25,34,708</b>
<b>As at 1st April 2018</b>					
Balance at the beginning of the reporting period	4,13,36,742	50,72,66,007	34,96,986	(95,65,027)	54,25,34,708
Profit / (Loss) for the year	-	2,92,91,713			2,92,91,713
Other comprehensive income net of taxes			(8,24,730)	87,80,792	79,56,062
<b>Total comprehensive income for the year</b>					3,72,47,775
Dividend (including taxes)		(1,77,73,809)			(1,77,73,809)
<b>As at 31st March, 2019</b>	<b>4,13,36,742</b>	<b>51,87,83,911</b>	<b>26,72,256</b>	<b>(7,84,235)</b>	<b>56,20,08,674</b>

Notes forming part of the Financial Statements (Note 1-32)

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board

As per our report of even date attached

T. Balaji  
Nominee Director  
(DIN: 08486817)



A. Krishnaswamy  
Director  
(DIN: 08077609)

Swati Srivastava  
Company Secretary

For C.M. JOSEPH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm's Registration No/006408S

C.M. JOSEPH, FCA, DISA (ICAI)  
Membership No. 202800

UDIN : 19202800AAAAA79875

Kochi - 682 028  
July 23, 2019

## NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 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. 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 Environmental Impact Assessment accreditation of QCI - NABET. 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 to 254.
- 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 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. In accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholder's equity as at March 31, 2018 and April 1, 2017 and of the comprehensive net income for the year ended March 31, 2018.

#### 2.2 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act , 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.





For all periods up to and including the year ended 31st March, 2018, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note -32.

The Company has adopted all the Ind AS standards with effect from 1st April, 2017 in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The 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.

### 2.3 Current / non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of services for processing and their realization in cash and cash equivalents.



## 2.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Examples of such estimates include computation of percentage of completion of contracts 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, computation of percentage of remaining performance obligation during the warranty period to the total contract, 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 may differ from those estimates. Appropriate changes in estimates are made as 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.

## 2.5 Critical Accounting Estimates

## 2.6 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.

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2017).

- A. Revenue is recognised upon satisfaction of a performance obligation by transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.
- Revenue on 'estimated project cost/executed works' basis contracts which are directly related to construction of assets, 'fixed-price' and 'fixed time frame' contracts are recognized on the basis of satisfaction of performance obligations over a period of time. The revenue on these contracts are recognized based upon the input method.
  - The contract costs used in computing the revenues include cost of fulfilling warranty obligations, wherever applicable. Warranty is considered as a performance obligation of the original contract and the transaction price allocated to the obligation is recognised as revenue on completion of performance obligation.
  - Revenue from job contracts is recognised on output basis measured by efforts expended.



- Revenue is measured based on the transaction price, which is the consideration, adjusted for variables if any specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. As such, revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues estimated under input method.
- Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues
- In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.
- Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.
- The Company disaggregates revenue from contracts with customers by the nature of services.
- When there is uncertainty as to measurement or ultimate collectability of consideration, revenue recognition is postponed until such uncertainty is resolved. 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.
- Use of significant judgements in revenue recognition
  - Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, price concessions etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
  - The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.





- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
  - Revenue for 'estimated project cost/executed works' basis contracts which are directly related to construction of assets, 'fixed-price' and 'fixed time frame' contracts is recognised using input method. The Company uses judgement to estimate the expected cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
  - The Company uses judgement in allocating the transaction price to warranty obligations. The Company considers indicators like length of the warranty period, nature of tasks promised to be performed etc.
- B. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the market 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.

## 2.7 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.

## 2.8 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. Intangible assets are recorded at the consideration paid for acquisition of such assets and are amortised.



## 2.9 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 Rs. 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.

## 2.10 Impairment

### i. Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes loss allowances using the expected credit loss (ECL) for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in statement of profit and loss.



**ii. Non-financial assets***(i) Intangible assets and property, plant and equipment*

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generation Units (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss

**2.11 Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**i. Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**ii. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii. Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.



The Company has made an irrevocable election to present subsequent changes in the fair value of investments in other comprehensive income.

#### iv. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

#### v. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

#### vi. Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

#### vii. Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 2.12 Retirement benefits to employees

#### i. 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 and SBI Life. 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 Indian Accounting Standard (Ind AS) 19, 'Employee Benefits'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date based on the independent actuarial valuation. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts





included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income.

## ii. 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.

## iii. Compensated absence

*Leave Encashment* - 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 SBI Life 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 independent actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. The Company has a surplus in the defined benefit plan, which is measured at the lower of the surplus in the defined benefit plan; and the asset ceiling, determined using the discount rate.

*Sick Leave* - The Company recognizes the net obligation of the accumulated sick leave in the Balance Sheet as an asset or liability, respectively in accordance with Indian Accounting Standard (Ind AS) 19, 'Employee Benefits', based on independent actuarial valuation. A liability is recognised at the Balance Sheet date for benefits accruing to employees in respect of accumulated sick leave in the period in which the related services are rendered at the discounted amount of benefits expected to be paid in exchange for that service. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income.

## iv. 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.



## v. 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.

## 2.13 Foreign currency transactions

### i. Functional currency

The functional currency of the company is the Indian rupee. The financial statements are presented in Indian rupees.

### ii. Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency 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. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

## 2.14 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.

Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

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.



## 2.15 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 Ind AS 33 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.

## 2.16 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.

## 2.17 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 2.18 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.

## 2.19 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.

## 2.20 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.
  6. Health care sector.
- The utilization of CSR funds is done by the company as per the recommendation of the CSR committee.



## 2.21 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

### Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard. With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization charge for the right-to-use asset, and (b) interest accrued on lease liability. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.





**Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty.

It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

**Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments. According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied. The Company does not expect this amendment to have any impact on its financial statements.



**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. The Company does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

**Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied. The Company does not currently have any interests in associates and joint ventures.

**Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. This is not applicable to the Company currently.



## 3A Property, Plant and Equipment

Particulars	Gross Carrying Value				Depreciation				Net carrying value
	Cost As at 01.04.2018	Additions	Sales/ Adjustments	Cost As at 31.03.2019	Upto 01.04.2018	For the year	Sales/ Adjustments	Upto 31.03.2019	
Furniture and Fixtures	1,88,10,819	3,60,000	5,27,255	1,86,43,564	1,42,58,787	11,98,287	4,76,505	1,49,80,569	36,62,995
Office Equipments	55,65,594	3,00,885	1,06,000	57,60,479	47,51,853	3,76,926	84,917	50,43,862	7,16,617
Electrical Fittings	1,05,71,288	26,500	-	1,05,97,788	82,17,860	6,63,120	-	88,80,980	17,16,808
Vehicles	38,44,441	-	-	38,44,441	15,43,189	7,23,040	-	22,66,229	15,78,212
Computer	2,54,32,027	22,66,835	13,87,499	2,63,11,363	2,28,07,846	15,85,968	13,31,086	2,30,62,728	32,48,635
Energy Audit Equipments	3,94,421	-	-	3,94,421	3,70,764	-	-	3,70,764	23,657
Library Books	7,48,552	48,463	-	7,97,015	7,48,552	48,463	-	7,97,015	-
<b>Total</b>	<b>6,53,67,142</b>	<b>30,02,683</b>	<b>20,20,754</b>	<b>6,63,49,071</b>	<b>5,26,98,851</b>	<b>45,95,804</b>	<b>18,92,508</b>	<b>5,54,02,147</b>	<b>1,09,46,924</b>

## Previous Year Figures

Particulars	Gross Carrying Value				Depreciation				Net carrying value
	Deemed Cost as at 01.04.2017- See Note below)	Additions	Sales/ Adjustments	Cost As at 31.03.2018	Upto 01.04.2017	For the year	Sales/ Adjustments	Upto 31.03.2018	
Furniture and Fixtures	1,84,89,982	3,40,500	19,663	1,88,10,819	1,27,04,779	15,71,110	17,102	1,42,58,787	45,52,032
Office Equipments	54,18,456	2,38,484	91,346	55,65,594	40,66,895	7,57,999	73,041	47,51,853	8,13,741
Electrical Fittings	1,05,59,000	12,288	-	1,05,71,288	72,99,400	9,18,460	-	82,17,860	23,53,428
Vehicles	26,70,362	26,78,519	15,04,440	38,44,441	22,50,351	5,76,736	12,83,898	15,43,189	23,01,252
Computer	2,43,80,253	14,47,484	3,95,710	2,54,32,027	2,12,70,807	19,13,227	3,76,188	2,28,07,846	26,24,181
Energy Audit Equipments	3,94,421	-	-	3,94,421	3,70,764	-	-	3,70,764	23,657
Library Books	7,37,225	11,327	-	7,48,552	7,37,225	11,327	-	7,48,552	-
<b>Total</b>	<b>6,26,49,699</b>	<b>47,28,602</b>	<b>20,11,159</b>	<b>6,53,67,142</b>	<b>4,87,00,221</b>	<b>57,48,859</b>	<b>17,50,229</b>	<b>5,26,98,851</b>	<b>1,26,68,291</b>

## 3B Intangible Assets

Particulars	Gross Carrying Value				Amortisation				Net carrying value
	Cost As at 01.04.2018	Additions	Sales/ Adjustments	Cost As at 31.03.2019	Upto 01.04.2018	For the year	Sales/ Adjustments	Upto 31.03.2019	
Computer Software	1,91,21,207	37,00,947	-	2,28,22,154	1,77,23,618	22,66,428	-	1,99,90,046	28,32,108



Previous Year figures		Gross Carrying Value				Amortisation			Net carrying value
Particulars	Cost As at 01.04.2017 (Deemed Cost - See Note below)	Additions	Sales/ Adjustments	Cost As at 31.03.2018	Upto 01.04.2017	For the year	Sales/ Adjustments	Upto 31.03.2018	As at 31.03.2018
Computer Software	1,80,31,065	10,90,142	-	1,91,21,207	1,60,07,107	17,16,511	-	1,77,23,618	13,97,589

Particulars	Gross carrying Value as at 01.04.2017	Accumulated Depreciation/ Amortisation as at 01.04.2017	Net Carrying value (deemed cost) as at 01.04.2017
Furniture and Fixtures	1,84,89,982	1,27,04,779	57,85,203
Office Equipments	54,18,456	40,66,895	13,51,561
Electrical Fittings	1,05,59,000	72,99,400	32,59,600
Vehicles	26,70,362	22,50,351	4,20,011
Computer	2,43,80,253	2,12,70,807	31,09,446
Energy Audit Equipments	3,94,421	3,70,764	23,657
Library Books	7,37,225	7,37,225	-
Total	6,26,49,699	4,87,00,221	1,39,49,478
Intangible assets - Software	1,80,31,065	1,60,07,107	20,23,958
	8,06,80,764	6,47,07,328	1,59,73,436

The Company has elected to continue with the carrying value of all of its property, plant and equipment and other intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Accordingly, the net carrying value of Property, Plant and Equipment aggregating to Rs.1,39,49,478.00, comprising of carrying value of above assets and intangible assets of Rs.20,23,958.00 as on 01/04/2017, is considered as the deemed cost of the respective property, plant and equipment and intangible assets.

#### Intangible Assets (Ind AS 38)

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

- ₹ 6,69,435.00 being the third installment of the aggregate amount of ₹20,08,304.00 and
- ₹ 3,63,344.00 being second installment of the aggregate amount of ₹ 10,90,142.00 and
- ₹12,33,649.00 being first installment of the aggregate amount of ₹ 37,00,947.00 have been written off.

#### Impairment of Assets (Ind AS 36)

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.



## 4) Investments

Investments consist of the following:

## (A) Investments - Non-current

		(₹)	(₹)	(₹)
Particulars	No. of Shares/units	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
a. Investments at fair value through other comprehensive income ( non trading- Quoted)				
i. TATA Value fund Series 1 - Regular plan - Dividend	500000	48,91,650	-	-
b. Investment in Equity Instruments - (Non -trade) at cost (fully paid up - Unquoted)				
i) 2500 Fully paid up unquoted equity shares in Cochin	2500	45,000	25,000	25,000
<b>Total</b>		<b>49,36,650</b>	<b>25,000</b>	<b>25,000</b>

## (B) Investments - Current

a. Investments at fair value through Other Comprehensive Income (trading - Quoted)

		(₹)	(₹)	(₹)
Particulars	No. of Shares/units	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
i. ICICI Prudential MIP 25 Plan - Quarterly Dividend	17,52,509.74	-	2,21,21,930	-
ii. ICICI Prudential Regular income fund - Quarterly Dividend	9,73,909.83	-	1,03,11,660	-
iii. ICICI Prudential Regular income fund - Monthly Dividend	73,211.58	-	7,84,191	-
iv. ICICI Prudential Regular Savings fund - Quarterly Dividend -	29,22,363.93	-	3,05,91,306	-
v. ICICI Prudential Savings fund - Weekly Dividend	29,749.97	-	30,24,040	-
vi. ICICI Prudential Savings fund - Growth	171422.029	-	-	4,05,58,730
vii. ABSL ST Opportunities fund - Growth	11,05,233.60	-	3,18,91,487	-
viii. ABSL Balanced Advantage fund - Growth	103263.114	-	51,35,275	-
ix. SBI Savings fund -Regular Plan Daily Dividend	16952022.42	17,10,22,173	-	-
x. SBI Savings fund -Regular plan Daily Dividend -	150785.771	-	15,19,921	-
xi. SBI Savings fund -Regular plan Daily Dividend -	4717291.742	-	-	4,75,99,481
xii. Axis income saver quarterly dividend re-investment plan	17,49,621.71	-	-	1,93,97,754
xiii. IDFC Money Manager Fund - Daily Dividend	39,67,102.68	4,00,78,448	-	-
<b>Total</b>		<b>21,11,00,621</b>	<b>10,53,79,810</b>	<b>10,75,55,965</b>





## 5) Other Financial Assets

Other financial assets consist of the following:

## (A) Other Financial Assets - Non-Current

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Security deposits	33,12,678	29,82,678	29,82,678
Earmarked Balances with bank	7,50,81,857	4,73,58,816	2,72,92,299
<b>Total</b>	<b>7,83,94,535</b>	<b>5,03,41,494</b>	<b>3,02,74,977</b>

5.01 Earmarked balances with bank represents margin money kept for availing bank guarantees.

## (B) Other Financial Assets - Current

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Interest receivable	1,40,48,584	1,24,26,454	1,15,04,902
<b>Total</b>	<b>1,40,48,584</b>	<b>1,24,26,454</b>	<b>1,15,04,902</b>

## 6) Deferred Tax Assets (Liabilities)

Accounting for taxes on Income (Ind As 12)

Deferred tax assets (liabilities) consist of the following

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Deferred Tax Asset (Net)</b>	<b>2,49,24,896</b>	<b>1,48,92,216</b>	<b>14,37,208</b>

Significant components of net deferred tax Assets as on March 31, 2019 as against March 31,2018 is detailed below;

	(₹)	(₹)	(₹)	(₹)	(₹)
	Deferred tax assets as at April 1,2017	Adjustments for 2017-18	Deferred tax assets as at March 31,2018	Current Year Adjustments	Deferred tax assets as at March 31,2019
<b>Deferred tax assets/(liabilities) in relation to:</b>					
i. Timing difference on account of Depreciation through P&L	14,37,208	20,03,752	34,40,960	7,41,364	41,82,324
ii. Timing difference on account of Provision for doubtful debts through P&L	-	1,22,22,956	1,22,22,956	85,34,313	2,07,57,269
Amount recognised through P&L	14,37,208	1,42,26,708	1,56,63,916	92,75,677	2,49,39,593
iii. On account of unrealised gain/loss on investments through OCI	-	(7,71,700)	(7,71,700)	7,57,003	(14,697)
<b>Deferred tax asset</b>	<b>14,37,208</b>	<b>1,34,55,008</b>	<b>1,48,92,216</b>	<b>1,00,32,680</b>	<b>2,49,24,896</b>



## Computation of Deferred Tax Assets/ Liability

Deferred Tax Assets	As at 31.03.2019	As at 31.03.2018
i. WDV of fixed assets as per Accounts	1,37,79,032	1,40,65,880
WDV of fixed assets as per Income Tax Rules	2,81,41,409	2,59,97,087
Accumulated Depreciation difference (A)	1,43,62,377	1,19,31,207
ii. Provision for Bad debts - Debtors	6,64,64,509	4,23,81,954
Provision for Doubtful advances - Vendors	38,85,518	-
Provision for doubtful claims receivables	9,31,805	-
Total Provisions (ii)	7,12,81,832	4,23,81,954
Total (i+ii)	8,56,44,209	5,43,13,161
DTA @ 29.12% and 28.84%	2,49,39,593	1,56,63,916
Deferred Tax Liability		
i. Unrealised gain/loss on investments through OCI	50,472	26,75,797
Total DTL	50,472	26,75,797
DTL @ 29.12% and 28.84%	14,697	7,71,700
Net (DTA)/DTL	(2,49,24,896)	(1,48,92,216)
Net (DTA)/DTL - Previous Year	(1,48,92,216)	(14,37,208)
DTA/(DTL) for the year to P/L & OCI	(1,00,32,680)	(1,34,55,008)

## 7) Trade Receivables

Trade receivables (unsecured) consist of the following:

## (A) Trade Receivables - Non-Current

Particulars	(₹) As at 31.03.2019	(₹) As at 31.03.2018	(₹) As at 01.04.2017
Trade Receivables:			
i. Considered good	14,52,08,942	19,60,15,283	14,58,98,829
ii. Considered doubtful	6,64,64,509	-	-
Less : Provision for doubtful trade receivables	(6,64,64,509)	(4,23,81,954)	(1,63,66,784)
<b>Total</b>	<b>14,52,08,942</b>	<b>15,36,33,329</b>	<b>12,95,32,045</b>

## (B) Trade Receivables - Current

Particulars	(₹) As at 31.03.2019	(₹) As at 31.03.2018	(₹) As at 01.04.2017
Trade Receivables:			
Considered good:	28,13,12,568	25,75,78,459	21,00,56,625
<b>Total</b>	<b>28,13,12,568</b>	<b>25,75,78,459</b>	<b>21,00,56,625</b>



**8) Unbilled Revenue**

Unbilled revenue as at March 31,2019 amounting to ₹5,56,25,435.00 (as on March 31,2018 ₹ 4,62,00,983.00) comprises of the revenue recognised in relation to efforts incurred on contracts

**9) Cash and Cash Equivalents**

Cash and cash equivalents consist of the following:

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
i. Balance with banks			
a. In Current Accounts	9,40,05,033	14,70,47,197	10,46,28,233
b. In Special TSB A/c with District Treasury Trivandrum	12,34,50,486	17,64,10,652	13,74,51,152
ii. Cash on hand	6,088	12,623	35,818
<b>Total</b>	<b>21,74,61,607</b>	<b>32,34,70,472</b>	<b>24,21,15,203</b>

**10) Other Bank Balances**

Other balances with banks consist of the following:

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
In deposit accounts	34,21,76,463	30,28,04,192	30,80,95,742
Earmarked balances with banks	3,16,65,751	29,71,366	29,93,262
<b>Total</b>	<b>37,38,42,214</b>	<b>30,57,75,558</b>	<b>31,10,89,004</b>

10.01 Earmarked balances with banks represents balance amount (Ref Note 5.01) of fixed deposits which are held under lien for availing the bank guarantees.

**11) Other Assets**

Other assets (unsecured) consist of the following:

**(A) Other Assets - Non-Current**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Considered good</b>			
i. Deposits	4,89,02,408	4,47,44,786	4,01,30,179
ii. Prepaid expenses	3,64,318	4,63,307	1,37,086
iii. Claims Receivable	1,22,86,133	1,96,81,616	1,49,35,072
<b>Considered Doubtful</b>			
i. Deposits	7,44,707	-	-
ii. Claims Receivable	1,87,098	-	-
Less : Provision for doubtful receivables	(9,31,805)	-	-
iii. Others doubtful	38,85,518	-	-
Less : Provision for doubtful assets	(38,85,518)	-	-
<b>Total</b>	<b>6,15,52,859</b>	<b>6,48,89,709</b>	<b>5,52,02,337</b>





**(B) Other Asstes - Current**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Unsecured - Considered good</b>			
i Advance to Employees	1,38,333	3,02,200	1,55,000
ii Prepaid Expenses	30,86,964	28,03,733	26,70,712
iii. Others	5,53,12,276	9,20,49,761	11,60,23,177
<b>Total</b>	<b>5,85,37,573</b>	<b>9,51,55,694</b>	<b>11,88,48,889</b>

- 11.01 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.

**12) Income Tax Assets (Net)**

The income tax assets (net) consists of the following:

**(A) Income Tax Assets (Net) - Non-current**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Income tax (Refunds receivable for previous years ( Net )	1,65,10,696	23,36,939	46,45,129
<b>Total</b>	<b>1,65,10,696</b>	<b>23,36,939</b>	<b>46,45,129</b>

**(B) Income Tax Assets (Net) - Current**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
i. Advance Income Tax	5,07,46,345	5,61,85,075	4,71,76,125
<b>Total</b>	<b>5,07,46,345</b>	<b>5,61,85,075</b>	<b>4,71,76,125</b>

**13) Share Capital**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Authorised :			
100000 Equity Shares of Par Value of Rs.1000/- each	10,00,00,000	10,00,00,000	10,00,00,000
Issued :			
98481 Equity Shares of Par value of Rs.1000/- each	9,84,81,000	9,84,81,000	9,84,81,000
Subscribed , Called up and Fully paid:			
98450 Equity Shares of Par value of Rs.1000/- each	9,84,50,000	9,84,50,000	9,84,50,000



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

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	No. of Shares	(₹)	No. of Shares	(₹)	No. of Shares	(₹)
No. of shares as at the beginning of the financial year	98,450	9,84,50,000	98,450	9,84,50,000	98,450	9,84,50,000
Add: Shares issued during the year	-	-	-	-	-	-
No. of shares as at the end of the financial year	98,450	9,84,50,000	98,450	9,84,50,000	98,450	9,84,50,000

**13.02 Rights, Preferences and restrictions attached to the shares:**

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. The final dividend proposed by the directors is subject to the approval of the shareholders in the Annual General Meeting and repayment of capital if any shall be in accordance with the provisions of The Companies Act, 2013.

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

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	%	No. of Shares	%	No. of Shares	%	No. of Shares
Small Industries Development Bank of India	49.77%	49,000	49.77%	49,000	49.77%	49,000
IFCI Ltd.	20.26%	19,950	20.26%	19,950	20.26%	19,950
ICICI Bank Ltd.	5.79%	5,700	5.79%	5,700	5.79%	5,700

**14) Other Equity**

Other equity consist of the following :

Particulars	(₹)	(₹)	(₹)
	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
General reserve	4,13,36,742	3,66,61,989	3,66,61,989
Add: Transferred from Statement of Profit and loss		46,74,753	-
	4,13,36,742	4,13,36,742	3,66,61,989
Retained Earnings			
Balance at the beginning of the year	50,11,97,966	42,82,47,374	44,60,21,190
Add : Profit / (Loss) for the year	2,92,91,713	10,14,67,202	-
Add: Difference in cost and fair value of re-investments in Other Comprehensive Income (net of tax)	(8,24,730)	34,96,986	-
Add: Re-measurements of defined benefit plans in Other Comprehensive Income (net of tax)	87,80,792	(95,65,027)	-
Less: Transferd to General Reserve	-	(46,74,753)	-
Less: Dividend	(1,47,67,500)	(1,47,67,500)	(1,47,67,500)
Less: Dividend Distribution Tax	(30,06,309)	(30,06,316)	(30,06,316)
Closing Balance	52,06,71,932	50,11,97,966	42,82,47,374
Total	56,20,08,674	54,25,34,708	46,49,09,363



**15) Trade Payables**

Trade payables consist of the following :

**(A) Trade Payables - Non-Current**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,02,25,125	2,27,81,511	1,85,41,671
<b>Total</b>	<b>5,02,25,125</b>	<b>2,27,81,511</b>	<b>1,85,41,671</b>

**(B) Trade Payables - Current**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i) Total outstanding dues of micro enterprises and small enterprises	21,37,045.00	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12,63,12,837	6,30,97,501	1,77,92,443
<b>Total</b>	<b>12,84,49,882</b>	<b>6,30,97,501</b>	<b>1,77,92,443</b>

15.01 The provision regarding interest on amount due to MSME Creditors is not made as per Micro Small and Medium Enterprises Development Act, 2006.

**16) Other Financial Liabilities**

Other financial liabilities consist of the following:

**(A) Other Financial Liabilities - Non-Current**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Security Deposits	26,77,43,426	15,14,17,190	14,74,72,559
Others	8,10,162	6,27,779	6,44,167
<b>Total</b>	<b>26,85,53,588</b>	<b>15,20,44,969</b>	<b>14,81,16,726</b>

**(B) Other Financial Liabilities - Current**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Advance from clients - against consultancy fees	39,17,052	2,25,11,483	40,05,441
Advance from clients - against projects	34,87,73,738	42,44,72,994	46,72,04,962
Statutory and other Dues	5,63,53,774	6,67,88,730	95,58,336
Employee Benefits Expenses Payable (including ind as 19)	7,24,28,680	6,79,14,843	5,14,56,297
<b>Total</b>	<b>48,14,73,244</b>	<b>58,16,88,050</b>	<b>53,22,25,036</b>

**17) Short Term Provisions**

Short term provisions consist of the following:

**Short Term Provisions - Current**

	(₹)	(₹)	(₹)
Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Provision for Taxation	1,88,22,044	4,17,60,333	4,77,04,174
<b>Total</b>	<b>1,88,22,044</b>	<b>4,17,60,333</b>	<b>4,77,04,174</b>



**18) Revenue From Operations**

Revenue from operations consist of the following:

	(₹)	(₹)
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Management & Financial Consultancy services	1,63,82,470	1,17,46,727
Human Resource Development Services	70,05,562	1,32,63,424
Engineering Consultancy Services	41,61,38,384	50,08,92,671
Technical Services	2,05,35,291	4,11,09,419
<b>Total</b>	<b>46,00,61,707</b>	<b>56,70,12,241</b>

**19) Other Income**

Other income consist of the following:

	(₹)	(₹)
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest Income		
From Fixed Deposits with Banks	2,95,29,732	2,25,32,729
Dividend on Investments referred in Sch - 4	1,02,24,208	52,72,255
Profit on Sale of fixed assets	5,348	1,34,458
Miscellaneous Income	3,25,983	6,42,583
Unclaimed vendor balances and other liabilities no more payable, written back	-	30,65,269
<b>Total</b>	<b>4,00,85,271</b>	<b>3,16,47,294</b>

19.01 Miscellaneous income ₹3,25,983.00 (previous year ₹6,42,583.00) include ₹20,000.00 (previous year Nil) on account of re-statement of cost of investment made in previous year 2015-16.

**20) Employee Benefits Expense**

Employee benefits expense consist of the following:

	(₹)	(₹)
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, Wages & Bonus	21,59,61,154	24,70,29,436
Contributions to Provident and other funds	1,94,47,320	1,82,69,821
Contribution to Group Leave Encashment	4,95,390	62,68,783
Contribution to Group Gratuity	3,09,75,222	23,16,672
Contribution for Sick leave compensation	5,67,217	2,08,483
Staff Welfare Expenses	1,26,13,880	1,54,46,158
<b>Total</b>	<b>28,00,60,183</b>	<b>28,95,39,353</b>

**20.01 Accounting for Retirement Benefits in the Financial Statements of Employers (Ind AS 19).****i. 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.

	(₹)	(₹)
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Employer's Contribution to Provident Fund	1,93,54,111	1,82,25,348



## ii. Defined Benifit Plans - Funded Obligation

Particulars	(₹)	(₹)
	For the year ended 31.03.2019	For the year ended 31.03.2018
Group Leave encashment per the actuarial Valuation	4,95,390	62,68,783
Group Gratuity -cum-Life Assurance premium as per the actuarial Valuation	3,09,75,222	23,16,672
Risk Premium	93,209	44,473

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

Acturial assumptions	Financial year			
	2018-19		2017-18	
	Leave	Group	Leave	Group
	Encashment	Gratuity	Encashment	Gratuity
	Scheme	scheme	Scheme	scheme
Discount Rate	7.65%	7.65%	8.00%	8.00%
Salary escalation rate	4.00%	4.00%	7.00%	7.00%

Change in defined benefit obligation	Financial year			
	2018-19		2017-18	
	Leave	Group	Leave	Group
	Encashment	Gratuity	Encashment	Gratuity
	Scheme	scheme	Scheme	scheme
Defined benefit obligation at the beginning	6,97,26,112	3,91,35,325	6,08,71,512	2,52,21,198
Current/past service cost	58,21,670	3,05,66,815	59,23,019	23,08,271
Interest Expense	54,26,636	29,00,946	48,69,721	19,88,992
Benefit payments from plan assets	-37,86,320	-57,47,000	-	(7,17,600)
Total remeasurements	-96,16,298	-86,53,217	(19,38,140)	1,03,34,464
Defined benefit obligation at the end	6,75,71,800	5,82,02,869	6,97,26,112	3,91,35,325

Change in fair value of plan Assets	Financial year			
	2018-19		2017-18	
	Leave	Group	Leave	Group
	Encashment Scheme	Gratuity Scheme	Encashment Scheme	Gratuity Scheme
	(₹)	(₹)	(₹)	(₹)
Fair Value of plan asset at the beginning of the year	6,78,99,680	3,14,64,704	5,65,49,459	2,51,16,182
Interest Income	51,38,308	24,92,539	45,23,957	19,80,591
Employer Contributions	23,21,822	79,82,022	68,67,374	51,65,372
Benefit Payments from Plan Assets	(37,86,320)	(57,47,000)	-	(7,17,600)
Remeasurements - Return on Assets (Excluding Interest Income)	(18,851)	(18,725)	(41,110)	(79,841)
Fair Value of plan assets at the end of the year	7,15,54,639	3,61,73,539	6,78,99,680	3,14,64,704

Amount recognized in the statement of Financial Position	Financial year			
	2018-19		2017-18	
	Leave	Group	Leave	Group
	Encashment	Gratuity	Encashment	Gratuity
	Scheme	scheme	Scheme	scheme
Defined Benefit Obligation	6,75,71,801	5,82,02,870	6,97,26,112	3,91,35,325
Fair value of Plan Assets	7,15,54,639	3,61,73,540	6,78,99,680	3,14,64,704
Funded Status	(39,82,838)	2,20,29,329	18,26,432	76,70,621
Net Defined Benefit Liability / (Asset)	(39,82,838)	2,20,29,329	18,26,432	76,70,621
of which, Short term Liability	1,53,51,403	40,44,634	1,52,81,070	51,86,759



Description of Plan Assets	Financial year			
	2018-19		2017-18	
	Leave	Group	Leave	Group
	Encashment Scheme	Gratuity Scheme	Encashment Scheme	Gratuity Scheme
	( ₹ )	( ₹ )	( ₹ )	( ₹ )
Insurer Managed Funds (100%)				
LIC of India	6,12,21,527	3,11,88,755	5,95,86,720	2,60,86,570
SBI Life	1,03,33,112	49,84,785	83,12,960	53,78,134
Total	7,15,54,639	3,61,73,540	6,78,99,680	3,14,64,704

Components of Defined Benefit Cost	Financial year			
	2018-19		2017-18	
	Leave	Group	Leave	Group
	Encashment Scheme	Gratuity Scheme	Encashment Scheme	Gratuity Scheme
	( ₹ )	( ₹ )	( ₹ )	( ₹ )
Total Service cost	58,21,670	3,05,66,815	59,23,019	23,08,271
Total Net Interest Cost	2,88,328	4,08,407	3,45,764	8,401
Defined Benefit cost included in P&L	61,09,998	3,09,75,222	62,68,783	23,16,672
Total Remeasurements in OCI	(95,97,447)	(86,34,492)	(18,97,030)	1,04,14,305
Total Defined Benefit cost recognizes in P&L and OCI	(34,87,449)	2,23,40,730	43,71,753	1,27,30,977

Net defined benefit Liability / (Asset) reconciliation	Financial year			
	2018-19		2017-18	
	Leave	Group	Leave	Group
	Encashment Scheme	Gratuity Scheme	Encashment Scheme	Gratuity Scheme
Net Defined Benefit Liability/ (Asset) at the beginning	18,26,432	76,70,604	43,22,053	1,04,998
Defined benefit cost include in P&L	61,09,998	3,09,75,222	62,68,783	23,16,672
Total Remeasurements included in OCI	(95,97,447)	(86,34,492)	(18,97,030)	1,04,14,305
Employer Contributions	(23,21,822)	(79,82,022)	(68,67,374)	(51,65,372)
Net Defined Benefit Liability/ (Asset) at the end	(39,82,839)	2,20,29,312	18,26,432	76,70,603

#### Sensitivity analysis - Group Gratuity Scheme

Details of the percentage change in present value of defined benefit obligation in case of changes in the below assumptions:

	Discount rate*		Future Salary*	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
As at 31 March 2019	-8.6%	10.0%	5.9%	-6.1%
As at 31 March 2018	-8.0%	9.3%	2.8%	-3.4%
As at 31 March 2017	-10.6%	6.8%	1.3%	-1.4%

#### Sensitivity analysis - Leave encashment

Details of the percentage change in present value of defined benefit obligation in case of changes in the below assumptions:

	Discount rate*		Future Salary*	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
As at 31 March 2019	-3.8%	4.2%	4.9%	-4.6%
As at 31 March 2018	-5.2%	5.9%	6.6%	-5.9%
As at 31 March 2017	-6.0%	6.9%	7.4%	-6.6%

\* Holding all other variables constant.





iii. Compensated absences (Non Vesting) - Unfunded Obligation

Particulars	( ₹ )	( ₹ )
	For the year ended 31.03.2019	For the year ended 31.03.2018
Sick Leave Compensation Liability as per actuarial Valuation	34,40,988	30,20,070

Actuarial assumptions	Financial year	
	2018-19	2017-18
Discount Rate	7.65%	8.00%
Salary escalation rate	4.00%	7.00%
Expected rate of return on plan assets	0.00%	0.00%

Change in the defined benefit obligation	Financial year	
	2018-19	2017-18
	( ₹ )	( ₹ )
Defined Benefit obligation as at the beginning	30,20,070	17,63,835
Current service cost	3,25,612	67,376
Past Service Cost	-	-
Interest Cost	2,41,606	1,41,107
Actuarial Loss / (Gain) on Obligation	(1,46,300)	10,47,752
Present value of obligation as at the end of the year	34,40,988	30,20,070

Amounts recognized in the statement of Financial position	Financial year	
	2018-19	2017-18
	( ₹ )	( ₹ )
Defined Benefit Obligation	34,40,987	30,20,070
Fair Value of Plan Assets	-	-
Net (Asset)/Liability recognized in the Balance	34,40,987	30,20,070
Of which, Short term Liability	4,34,154	3,56,443

Components of Defined Benefit cost	Financial year	
	2018-19	2017-18
	( ₹ )	( ₹ )
Total Service cost	3,25,612	67,376
Interest cost on obligation	2,41,606	1,41,107
Defined benefit cost	5,67,218	2,08,483
Net actuarial (gain)/loss recognized in the year	(1,46,300)	10,47,752
Expenses recognized in the statement of Profit & Loss A/c	4,20,918	12,56,235

Sensitivity analysis - Sick Leave

Details of the percentage change in present value of defined benefit obligation in case of changes in the below assumptions:

	Discount rate*		Future Salary*	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
As at 31 March 2019	-5.9%	6.6%	7.4%	-6.6%
As at 31 March 2018	-5.9%	6.7%	7.1%	-6.4%
As at 31 March 2017	-6.9%	7.9%	8.2%	-7.4%

\* Holding all other variables constant.

iv. 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 31st March 2019	As at 31st March 2018
Expected Average Remaining service life time (EARS L)	16.71 Years	20.82 Years
Interest rate for discount per Annum	7.65%	7.63%
Estimated rate of return on plan assets - Per Annum	8.55%	8.55%
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) Finance Costs

Finance costs consist of the following:

Particulars	( ₹ ) For the year ended 31.03.2019	( ₹ ) For the year ended 31.03.2018
Interest Expenses		
Interest on Bank OD	5,565	3,964
<b>Total</b>	<b>5,565</b>	<b>3,964</b>

22) Operation and Other expenses

Operation and other expenses consist of the following:

Particulars	( ₹ ) For the year ended 31.03.2019	( ₹ ) For the year ended 31.03.2018
Rent	1,28,92,889	1,18,17,776
Electricity Charges	23,06,711	26,19,920
Rates & Taxes	2,00,959	98,609
Repairs:		
- Plant & Machinery	34,05,180	30,70,987
- Others	10,86,540	7,58,078
Travelling & Conveyance	2,94,95,754	2,41,89,663
Advertisement	15,94,019	19,85,846
Postage and Telephone	25,52,166	33,84,613
Printing & Stationery	47,60,732	50,12,695
Insurance	92,653	58,088
Directors Remuneration and benefits	6,04,599	6,98,787
Payments to Statutory / Other auditors	3,85,000	3,91,875
Training/Development Expenses	3,16,285	5,28,394
Professional & Consultancy charges	3,66,49,299	4,42,20,387
Direct Expenses on Projects	3,70,83,367	3,00,08,211
Bank Charges	14,23,984	6,63,412
Legal Expenses	13,96,100	16,23,600
Provision for Bad and Doubtful Debts	2,88,99,878	2,60,15,170
Miscellaneous Expenses	29,75,473	37,02,259
Loss on sale of fixed asset	72,806	23,762
Loss on foreign exchange fluctuation	7,065	-
Income tax paid	3,85,608	-
GST paid	6,89,937	-
Discounts and rebates	5,32,451	6,84,274
Bad debts	19,48,796	91,82,041
Corporate Social Responsibility Expenditure	26,22,667	19,11,574
<b>Total</b>	<b>17,43,80,918</b>	<b>17,26,50,021</b>





**22.01 IND AS - 17 (Leases)**

The Company has taken building premises on operating lease and the lease rent paid amounting to ₹1,28,92,889.00 (previous year - ₹1,18,17,776.00) has been debited to Profit and Loss Account.

Future minimum lease payments payable under the operating leases are as follows:

	For the year ended 31.03.2019	For the year ended 31.03.2018
Within one year	1,37,33,386	-
After one year but not more than five years	2,93,59,833	-
Later than five years	-	-

22.02 Travelling expenses ₹2,94,95,754.00 (previous year ₹2,41,89,663.00) are incurred during the ordinary course of business and include ₹6,29,389.00 (previous year ₹2,03,235.00) paid to the Managing Director.

22.03 Professional & Consultancy charges ₹3,66,49,299.00 (previous year ₹4,42,20,387.00) includes payments made to the external consultants for the services provided and Direct expenses on projects ₹3,70,83,367.00 (previous year ₹3,00,08,211.00) mainly includes survey and soil investigation charges incurred for execution of the projects.

22.04 Directors Remuneration and benefits includes and Directors sitting fees ₹2,45,000.00 (previous year ₹2,28,000.00), Directors travelling expenses ₹88,701.00 (previous year ₹1,49,724.00), and honararium to the Chairman ₹1,14,000.00 (previous Year ₹1,86,750.00).

22.05 Foreign exchange expenditure during the year:

	(₹)		(₹)	
	For the year ended March 31, 2019		For the year ended March 31, 2018	
	In foreign currency	Equivalent INR	In foreign currency	Equivalent INR
Consultancy Charges	US \$ 9194.70	6,55,880	US \$ 2475	1,61,214

22.06 GST paid represent input tax credit for the financial year 2017-18 not availed by the company and income tax paid Rs.3,85,608.00 is on account of demand raised for FY 2017-18

22.07 Payments to Statutory / Other auditors:

	(₹)	(₹)
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
a. Statutory Audit	1,50,000	1,50,000
b. Internal Audit	2,10,000	2,16,875
c. Income Tax Audit	25,000	25,000
<b>TOTAL</b>	<b>3,85,000</b>	<b>3,91,875</b>



**22.08 Corporate Social Responsibility (CSR)**

The activities during the year relates to purchase of dialysis machines for Ernakulam Medical college and expenses for the previous project "empowerment of tribal women in Kuttumpuzha grama panchayath, Kerala" by providing training on reed crafting and api culture including closure of the same. The details of amount required to be spend and the amount utilized are given below.

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

	( ₹ )	( ₹ )
	For the year ended March 31, 2019	For the year ended March 31, 2018
Annual CSR allocation	27,49,000	27,34,171
Amount Spent during the year :-		
By Construction / Acquisition of any asset	-	-
By other than above	26,22,667	19,11,574

**23) Income Tax Expense**

(i) Reconciliation of income tax expense for the year to accounting profit

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Profit / (Loss) before Tax as per Statement of Profit and Loss	3,88,38,080	12,90,00,827
Add : Other Comprehensive Income that will not be reclassified to Statement of Profit and Loss	71,99,059	(52,96,341)
Accounting Profit / (Loss)	4,60,37,139	12,37,04,486
Applicable rate of tax as per Finance Act	29.12%	28.84%
Tax on above (a) at the applicable tax rate	1,34,06,015	3,56,76,374
Tax effect of items that are not deductible in determining Taxable profit	1,19,01,895	97,38,736
Tax effect of items that are deductible in determining Taxable profit	(64,85,866)	(36,54,777)
Current Tax as per Statement of Profit and Loss	1,88,22,044	4,17,60,333

**24) Earnings Per Share**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Profit/ (Loss) for the year - in ( ₹ )	2,92,91,713	10,14,67,202
Weighted average number of equity shares of Rs.1000/- each fully paid up	98,450	98,450
Earnings per Share (Basic & Diluted) in ( ₹ )	298	1,031

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

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

27) Ind AS 108 with respect to segment reporting does not apply to the company.



28) Related party disclosures (Ind AS 24)

Key Management Personnel:

Sri. Cyriac Davies, Managing Director

Transactions with related parties for the year ended March 31, 2019

Particulars	SIDBI	IFCI	Managing Director	Chairman
	(₹)	(₹)	(₹)	(₹)
1 Sitting fee paid to the Directors	-	45,000	-	70,000
	-	(80,000)	-	(65,000)
2 Travelling Expenses	-	67,146	6,29,389	21,555
	-	(67,871)	(2,03,235)	(81,853)
3 Salaries and allowances	-	-	71,82,417	-
	-	-	(71,76,395)	-
4 Contribution to PF	-	-	6,37,212	-
	-	-	(5,90,073)	-
5 Other benefits	-	-	20,597	-
	-	-	(38,131)	-
6 Honararium	-	-	-	1,14,000
	-	-	-	(1,86,750)

(a) The Figures in brackets are for the previous years

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.

29) Fair Value Measurement - Ind AS 113

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:  
Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).  
The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

Financial instruments by category

Particulars	Fair value Hierarchy	Fair Value ( ₹ )		
		As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Financial Assets measured at Fair value through Other Comprehensive Income (Refer Note - 4A/B)				
Investments in Equity shares - Unquoted (Non current)	3	45,000	25,000	25,000
Investments in mutual funds (Quoted)	1	21,59,92,271	10,53,79,810	10,75,55,965



Particulars	Refer Note	Fair Value (₹)		
		As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Financial Assets measured at amortised cost				
Non current:				
i. Trade Receivables	7A	14,52,08,942	15,36,33,329	12,95,32,045
i Other Financial Assets	5A	7,83,94,535	5,03,41,494	3,02,74,977
Current:				
i. Trade Receivables	7B	28,13,12,568	25,75,78,459	21,00,56,625
ii. Unbilled Revenue	8	5,56,25,435	4,62,00,983	4,23,02,568
iii. Cash and Cash Equivalents	9	21,74,61,607	32,34,70,472	24,21,15,203
iv. Other Bank Balances	10	37,38,42,214	30,57,75,558	31,10,89,004
v. Other Financial Assets	5B	1,40,48,584	1,24,26,454	1,15,04,902
Total Financial Assets		1,16,58,93,885	1,14,94,26,749	97,68,75,324
Financial Liabilities				
Non Current:				
i. Trade Payables	15A	5,02,25,125	2,27,81,511	1,85,41,671
i Other Financial Liabilities	16A	26,85,53,588	15,20,44,969	14,81,16,726
Current:				
i. Trade Payables	15B	12,84,49,882	6,30,97,501	1,77,92,443
i Other Financial Liabilities	16B	48,14,73,244	58,16,88,050	53,22,25,036
Total Financial Liabilities		92,87,01,839	81,96,12,031	71,66,75,876

The management considers that the carrying amount of those financial assets and financial liabilities carried at amortised cost approximates their fair value.

### 30) Financial Risk Management - Objectives and Policies

The Company has a well- managed risk management framework, anchored to procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

#### 1) Liquidity Risk

Liquidity risk is the risk that the Company will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The company has sound financial strength represented by its aggregate current assets against aggregate current liabilities and its strong equity base. In such circumstances, liquidity risk is insignificant.

#### 2) Market Risk

Treasury activities are focused on managing investments in debt instruments, and are administered by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation. The Company's investments are predominantly held in fixed deposits and mutual funds.

Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

Risk arises in mutual funds owing to the reason that mutual funds invest in a variety of financial instruments like equities, debt, corporate bonds, government securities and many more. Moreover, the price of these instruments keeps fluctuating owing to a lot of factors like supply-demand, change in interest rate, inflation, etc. The market risk of investing in mutual funds can be minimized only by holding the investments till the market regains.



### 3) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade and other receivables and other balances with banks.

Trade and other receivables: The Company uses Expected Credit Loss (ECL) model for assessing the impairment loss on trade and other receivables. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The management believes that there is no change in allowance for credit losses for the periods presented. Moreover credit risk is negligible as major clientele to include Government/ Semi Government Departments and Local Authorities.

Other Bank balances: Credit risk arising from other balances with banks is limited because the counterparties are banks with high credit ratings.

### 4) Foreign Currency Risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations.

As the number of transactions are very few, company has not entered into any forward contracts to hedge the risk.

### Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

As at 31st March, 2019, the Company has only one class of equity shares. The company is not subject to any externally imposed capital requirements.

### 31) Provisions, Contingent Liability and Contingent Asset (Ind AS 37)

- Bankers have issued Bank Guarantees aggregating to ₹7,50,81,857.00 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 ₹7,50,81,857.00 with them.
- There is a demand in the income tax site for Rs.3,17,220.00 for the assessment year 2004-05 U/s 220(2). The rectification can be processed only by CPC, Bengaluru and so the company is in the process of submitting rectification petition to waive the same.

- 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



**32) First Time Adoption of Ind AS**

These financial statements, for the year ended 31st March 2019, are the first financial statements prepared by the company in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31st March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. For the purpose of these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the date of transition to Ind AS. The principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018 has been explained in Note No.32.02

**Exemptions applied:**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS and the following exemptions have been applied while preparing the financial statements complying with Ind AS:

*a. Deemed cost for Property, plant and equipment and intangible assets*

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

*b. Derecognition of financial assets and financial liabilities*

Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

*c. Classification and measurement of financial assets*

Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

*d. Revenue*

Company has not restated the contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.





## 32.01 Ind AS Reconciliations

## Appendix to Note on transition from previous GAAP to IND-AS

## Reconciliation between previous GAAP and IndAS

## (i) Reconciliation of Balance sheet as at the date of transition to IndAS (01.04.2017)

	(₹)	(₹)	(₹)
Particulars	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
a. Property, Plant and Equipment	1,39,49,478	-	1,39,49,478
b. Intangible Assets	20,23,958	-	20,23,958
c. Financial Assets			
i. Investments	25,000	-	25,000
ii. Trade Receivables	12,95,32,045	-	12,95,32,045
iii. Other Financial Assets	3,02,74,977	-	3,02,74,977
d. Income Tax Assets (Net)	46,45,129	-	46,45,129
e. Deferred Tax Asset (Net)	14,37,208	-	14,37,208
f. Other Assets	5,52,02,337	-	5,52,02,337
<b>2. Current Assets</b>			
a. Financial Assets			
i. Investments	10,75,55,965	-	10,75,55,965
ii. Trade Receivables	21,00,56,625	-	21,00,56,625
iii. Unbilled Revenue	4,23,02,568	-	4,23,02,568
iv. Cash and Cash Equivalents	24,21,15,203	-	24,21,15,203
v. Other Bank Balances	31,10,89,004	-	31,10,89,004
vi. Other Financial Assets	1,15,04,902	-	1,15,04,902
b. Income Tax Assets (Net)	4,71,76,125	-	4,71,76,125
c. Other Current Assets	11,88,48,889	-	11,88,48,889
<b>Total Assets</b>	<b>1,32,77,39,413</b>	<b>-</b>	<b>1,32,77,39,413</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
a. Equity Share Capital	9,84,50,000	-	9,84,50,000
b. Other Equity	44,71,35,547	1,77,73,816	46,49,09,363
<b>Liabilities</b>			
<b>2. Non-Current Liabilities</b>			
a. Financial Liabilities			
i. Trade Payables	1,85,41,671	-	1,85,41,671
ii. Other Financial Liabilities	14,81,16,726	-	14,81,16,726
<b>3. Current Liabilities</b>			
a. Financial Liabilities			
i. Trade Payables	1,77,92,443	-	1,77,92,443
ii. Other Financial Liabilities	53,22,25,036	-	53,22,25,036
b. Provisions	6,54,77,990	(1,77,73,816)	4,77,04,174
<b>Total Equity and Liabilities</b>	<b>1,32,77,39,413</b>	<b>-</b>	<b>1,32,77,39,413</b>



## (ii) Reconciliation of balance sheet as at 31.03.2018

	(₹)	(₹)	(₹)
Particulars	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
a. Property, Plant and Equipment	1,26,68,291	-	1,26,68,291
b. Intangible Assets	13,97,589	-	13,97,589
c. Financial Assets			
i. Investments	25,000	-	25,000
ii. Trade Receivables	15,36,33,329	-	15,36,33,329
iii. Other Financial Assets	5,03,41,494	-	5,03,41,494
d. Income Tax Assets (Net)	23,36,939	-	23,36,939
e. Deferred Tax Asset (Net)	1,56,63,916	(7,71,700)	1,48,92,216
f. Other Assets	6,48,89,709	-	6,48,89,709
<b>2. Current Assets</b>			
a. Financial Assets			
i. Investments	10,27,04,013	26,75,797	10,53,79,810
ii. Trade Receivables	25,75,78,459	-	25,75,78,459
iii. Unbilled Revenue	4,62,00,983	-	4,62,00,983.00
iv. Cash and Cash Equivalents	32,34,70,472	-	32,34,70,472
v. Other Bank Balances	30,57,75,558	-	30,57,75,558
vi. Other Financial Assets	1,24,26,454	-	1,24,26,454
b. Income Tax Assets (Net)	5,61,85,075	-	5,61,85,075
c. Other Current Assets	9,51,55,694	-	9,51,55,694
<b>Total Assets</b>	<b>1,50,04,52,975</b>	<b>19,04,097</b>	<b>1,50,23,57,072</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
a. Equity Share Capital	9,84,50,000	-	9,84,50,000
b. Other Equity	52,28,56,802	1,96,77,906	54,25,34,708
<b>2. Liabilities</b>			
<b>I. Non-Current Liabilities</b>			
a. Financial Liabilities			
i. Trade Payables	2,27,81,511	-	2,27,81,511
ii. Other Financial Liabilities	15,20,44,969	-	15,20,44,969
<b>II. Current Liabilities</b>			
a. Financial Liabilities			
i. Trade Payables	6,30,97,501	-	6,30,97,501
ii. Other Financial Liabilities	58,16,88,050	-	58,16,88,050
b. Provisions	5,95,34,142	(1,77,73,809)	4,17,60,333
<b>Total Equity and Liabilities</b>	<b>1,50,04,52,975</b>	<b>19,04,097</b>	<b>1,50,23,57,072</b>





## (iii) Reconciliation of Statement of Profit and Loss (31.03.2018)

(₹)

Particulars	Previous GAAP	Effects of transition to Ind AS	Ind AS
I. Revenue from Operations	56,70,12,241	-	56,70,12,241
II. Other Income	3,32,40,183	(15,92,889)	3,16,47,294
III. Total Income (I+II)	60,02,52,424	(15,92,889)	59,86,59,535
IV. Expenses:			
Employee Benefits Expense	29,91,04,380	(95,65,027)	28,95,39,353
Finance Costs	3,964	-	3,964
Depreciation and Amortisation Expense	74,65,370	-	74,65,370
Operation and Other Expenses	17,26,50,021	-	17,26,50,021
Total Expenses	47,92,23,735	(95,65,027)	46,96,58,708
V. Profit / (Loss) before exceptional items and tax (III-IV)	12,10,28,689	79,72,138	12,90,00,827
VI. Exceptional items			-
VII. Profit before tax (V-VI)	12,10,28,689	79,72,138	12,90,00,827
VIII. Tax expense			
a. Current tax	4,17,60,333	-	4,17,60,333
b. Deferred tax	(1,42,26,708)	-	(1,42,26,708)
IX. Profit / (Loss) for the year (VII-VIII)	9,34,95,064	79,72,138	10,14,67,202
X. Other Comprehensive Income/(Expense)			
(i) Items that will not be reclassified to profit or loss	-	(52,96,341)	(52,96,341)
Income tax relating to items that will			
(ii) not be reclassified to profit or loss	-	(7,71,700)	(7,71,700)
XI. Total Comprehensive Income for the Period	9,34,95,064	19,04,097	9,53,99,161

## 32.02 Details of Measurement and recognition difference between Ind AS and Previous GAAP for the year ended 31st March 2018

## 1) Proposed dividend

Under Previous GAAP, upto year ended 31.03.2018, proposed dividend including dividend distribution tax (DDT), are recognized as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognized as liability in the period in which it is declared by Company, usually when approved by shareholders in a general meeting or paid. Therefore, the dividend liability (proposed dividend) including dividend distribution tax liability has been derecognised in the retained earnings as on the date of transition. Proposed dividend including dividend distribution tax liability which was derecognised as on the transition date, has been recognised in retained earnings during the year ended 31st March, 2017 as declared and paid.

## 2) Remeasurement benefit of defined benefit plans

Under previous GAAP, actuarial gains and losses on employees defined benefit obligations were recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognised in Other Comprehensive Income as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in Other Comprehensive Income. For the year ended 31st March, 2018, remeasurement of employee benefit liability resulted in a net benefit of Rs.95,65,027.00 which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in Other Comprehensive Income. This has resulted in decrease in employee benefits expense by ₹95,65,027.00 and loss in Other Comprehensive Income by ₹95,65,027.00 for the year ended 31st March, 2018. Hence, Profit before tax and profit for the year ended 31st March, 2018 has increased by ₹95,65,027.00



**3) Difference in Cost and fair Value of Investments**

Under previous GAAP, upto year ended 31.03.2018, investments were shown at cost. Under Ind AS, investments are recognised at fair value through other comprehensive income. For the year ended 31.03.2018, profit on sale of investments shown in profit and loss as per previous GAAP is shown under other comprehensive income as per Ind AS. Hence, the Other Income is decreased by ₹15,92,889.00 and other comprehensive income is increased by ₹15,92,889.00. Further, fair value in excess of cost of investments, ₹26,75,797.00 is shown as other comprehensive income.

**4) Deferred Tax**

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP. For the year ended 31.03.2018, as per Ind AS, the inclusion of fair value in excess of cost of investments, ₹26,75,797.00 in other comprehensive income resulted in deferred tax expense of ₹7,71,700 compared to previous GAAP.

**5) Other Comprehensive Income**

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in profit or loss, but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and impact of recognition of investments through OCI, i.e., profit on sale of investments and difference between cost and fair value of investments. The concept of other comprehensive income did not exist under the previous GAAP.

**6) Statement of Cash Flows**

The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

**7) Other matters**

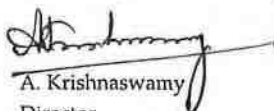
In the preparation of the Ind-AS Financial Statements, Company has made several presentation differences between previous GAAP and Ind-AS. These differences have no material impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind-AS at the date of transition. Further, in these Financial Statement, some line items are described differently under Ind-AS compared to previous GAAP although the assets and liabilities included in these line items are unaffected.

For and on behalf of the Board

As per our report of even date attached

  
T. Balaji


Nominee Director  
(DIN: 08486817)

  
A. Krishnaswamy  
Director  
(DIN: 08077609)



  
Swati Srivastava  
Company Secretary

For C.M. JOSEPH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm's Registration No. 006408S

  
C.M. JOSEPH, FCA, DISA (ICAI)  
Partner  
Membership No. 202800

UDIN : 19202800AAAAAY987

Kochi - 682 028  
July 23, 2019

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	(₹)	(₹)
<b>A. Cash Flows from Operating Activities</b>		
Profit / (Loss) Before Tax	3,88,38,080	12,90,00,827
<b>Adjustments for:</b>		
Depreciation and amortisation expense	68,62,232	74,65,370
Finance costs	5,565	3,964
Unclaimed vendor balances no more payable w/back	-	(30,65,269)
(Profit)/ loss on sale of fixed asset	67,458	(1,10,696)
Provision for bad and doubtful debts	2,88,99,878	2,60,15,170
Interest Income	(3,97,53,940)	(2,78,04,984)
Operating Profit before Working Capital Changes	3,49,19,273	13,15,04,382
<b>Net changes in:</b>		
Trade receivables, loans and advances and other current assets	(4,31,03,267)	(10,90,63,358)
Refund of TDS received for previous year shown separately	-	(23,24,550)
Trade Payables and other current liabilities	11,78,70,600	9,33,71,128
<b>Cash generated from Operations</b>	<b>10,96,86,606</b>	<b>11,58,12,152</b>
Direct Taxes Paid	(5,07,46,345)	(5,61,85,075)
<b>Net Cash from/(used) in Operating Activities</b>	<b>5,89,40,261</b>	<b>5,96,27,077</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(67,03,630)	(58,18,744)
(Investment)/Redemption in mutual funds (net)	(11,32,57,786)	48,51,952
Interest Received	3,97,53,940	2,78,04,984
Refund of TDS for previous years	-	23,24,550
Profit on sale of investments	10,43,592	15,92,889
Sale proceeds of fixed assets	60,788	3,71,626
<b>Net Cash from/(used) in Investing Activities</b>	<b>(7,91,03,096)</b>	<b>3,11,27,257</b>
<b>C. Cash Flows from Financing Activities</b>		
Interest Paid	(5,565)	(3,964)
Proceeds from write back of provisions	-	30,65,269
Dividend & Dividend Distribution Tax Paid	(1,77,73,809)	(1,77,73,816)
<b>Net Cash from/(used) in Financing Activities</b>	<b>(1,77,79,374)</b>	<b>(1,47,12,511)</b>
<b>Summary</b>		
Net Cash from /(used) in Operating Activities	5,89,40,261	5,96,27,077
Net Cash from/(used) in Investing Activities	(7,91,03,096)	3,11,27,257
Net Cash from/(used) in Financing Activities	(1,77,79,374)	(1,47,12,511)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(3,79,42,209)</b>	<b>7,60,41,823</b>
Cash and Cash Equivalents at the beginning of the year	62,92,46,030	55,32,04,207
Cash and Cash Equivalents at the end of the year	59,13,03,821	62,92,46,030
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(3,79,42,209)</b>	<b>7,60,41,823</b>
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

As per our report of even date attached

T. Balaji  
Nominee Director  
(DIN: 08486817)

A. Krishnaswamy  
Director  
(DIN: 08077609)

Swati Srivastava  
Company Secretary

For C.M. JOSEPH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm's Registration No. 0064088

C.M. JOSEPH, FCA, BISA (ICAI)  
Partner  
Membership No. 202300

UDIN : 19202800AAAAA79875

**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 FOR THE YEAR ENDED  
31 MARCH 2019**

The preparation of financial statements of KITCO Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is 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 23<sup>rd</sup> July 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of KITCO Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



(R.AMBALAVANAN)

Director General of Commercial Audit &  
*ex-officio* Member, Audit Board, Chennai

Place : Chennai

Date : 10 October 2019

KITCO Limited  
 Regd.Office: Femith's, P.B.No.4407, Puthiya Road, NH Bypass, Vennala, Kochi-682028.  
 CIN: U74140KL1972GOI002425  
 Email id: [mail@kitco.in](mailto:mail@kitco.in). website: [www.kitco.in](http://www.kitco.in), Phone: 0484- 4129000, Fax: 04842805066

**Form No. MGT-11**

**PROXY FORM**

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

Name of the member	
Registered Address	
Email id	
Folio No. / DP ID and Client ID	

I, being the Member of \_\_\_\_\_ shares of the above named Company, hereby appoint

Name	
Address	
Email id	
Signature	

*Or failing him/her*

Name	
Address	
Email id	
Signature	

*Or failing him/her*

Name	
Address	
Email id	
Signature	

as my Proxy to attend and vote, in case of a poll, for me and on my behalf at the 47th Annual General Meeting of the Company, to be held on **Tuesday 12.11.2019 at 03.30 p.m.** at **Femith's, P.B.No.4407, Puthiya Road, NH Bypass, Vennala, Kochi- 682028** and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution no.	Description	For	Against
<b>Ordinary Business:</b>			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019 and the reports of the Auditors' and Boards' thereon.		

2.	To appoint a Director in place of Shri K R Jyothilal IAS (DIN: 01650017), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment		
3.	To appoint a Director in place of Shri. A. Krishnaswamy (DIN: 08077609), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment		
4.	To fix remuneration of the Statutory Auditors of the Company for the financial year 2019-20		
<b>Special Business:</b>			
5.	To appoint Shri. Samik Dasgupta (DIN: 02763211), Additional director, as Director in the Company (representative of IFCI Limited)		
6.	To approve payment of remuneration of erstwhile Managing Director Shri. Cyriac Davies in the forthcoming Annual General Meeting upon occurrence of inadequate profit		

Signed this \_\_\_\_\_ day of \_\_\_\_ 2019

Signature of Member

Affix Revenue  
Stamp

*Proxy Form, in order to be effective, must be deposited at the company's registered office not less than 48 hours before the commencement of the meeting.*

**KITCO Limited**

CIN: U74140KL1972GOI002425

Regd. Office: No. 33/1676H, Femith's, P.B.No.4407, Puthiya Road, NH Bypass, Vennala,  
Kochi-682028

Tel: 91-484-4129000, Fax: 91-484-2805066

E-mail: [mail@kitco.in](mailto:mail@kitco.in), Web: [www.kitco.in](http://www.kitco.in)

**ATTENDANCE SLIP**

Members or their proxies are requested to present this form for admission, duly signed.

Regd. Folio No./ DP No/Client No.	
No. of Shares	

Name(s) in Full	Father's/Husband's Name	Address as Regd. with the Company

I certify that I am a registered shareholder/proxy/ representative for the Registered Shareholder of the Company. I hereby record my presence at the 47th Annual General Meeting of the Company being held on **Tuesday 12.11.2019 at 03.30 p.m. at Femith's, P.B.No.4407, Puthiya Road, NH Bypass, Vennala, Kochi- 682028**

\_\_\_\_\_  
Name of the member/ proxy

\_\_\_\_\_  
Signature of the member/ proxy

Note: Shareholder/Proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance of the venue of the meeting.

## Route Map



### AGM Venue:



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





**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

**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 No.16/839-1, Kochar Road, Jagathy P.O, Trivandrum - 695014  
Ph/Fax: 0471 2324543 / 2324462  
email:tvm@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  
email: delhi@kitco.in