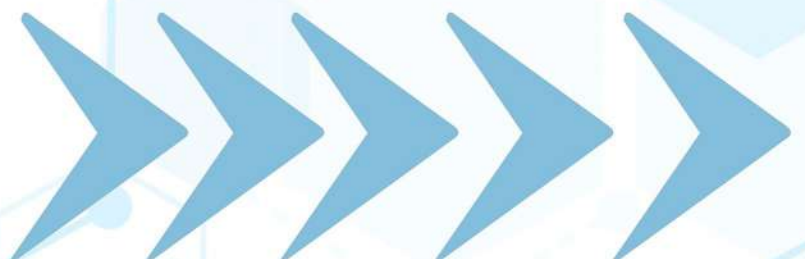




ANNUAL REPORT **2022**



Annual Report 2022

KITCO Limited

Kochi - 682 016

CONTENTS

	Page No.
Board of Directors	3
Notice of Adjourned 50th Annual General Meeting	5
Notice of 50th Annual General Meeting	7
Directors' Report	13
Auditors' Report	29
Balance Sheet	44
Profit & Loss Account	46
Cash Flow Statement	48
Statement of Changes in Equity	50
Notes Annexed to and Forming Part of the Financial Statements	52
Comments of the Comptroller & Auditor General of India	99

BOARD OF DIRECTORS

1. Shri. Allada Sreenivas, Chairman
2. Shri. Tanuku Balaji (upto 10.05.2022)
3. Shri. Venkatraman Karthikeyan (from 02.06.2022)
4. Shri. Santhosh Koshy Thomas
5. Shri. Suneet Shukla (from 03.11.2021)
6. Shri. V Anish Babu (upto 03.11.2021)
7. Shri. C J Manjunathaswamy (upto 16.12.2022)
8. Smt. Mamta Kumari (upto 20.09.2022)
9. Shri. Sudhir Kumar Gupta (from 22.11.2022)
10. Shri. Harinarayanaraj, Managing Director

REGISTERED OFFICE:

KITCO Ltd., MM Gardens, Church Landing Road
Near Kerala Fine Arts Hall, Kochi - 682016
Ph: 0484 4129000 / 6129000
email: mail@kitco.in / website: www.kitco.in

BRANCH OFFICES:

KITCO Ltd., TC No.26/2143, Suvarnarekha, SRA 33B, Law College Road,
Barton Hill, Vanchiyoor P.O., Thiruvananthapuram-695014.
Ph/Fax: 0471 2324462 email:tvm@kitco.in

KITCO Ltd., No. 419, 4th Floor
Naurang House, 21, Kasturba Gandhi Marg,
Cannaught Place, New Delhi-110001
Ph: 011 41030081 email: delhi@kitco.in

Annual Report 2022

STATUTORY AUDITORS

M/s. PAULSON & COMPANY

Chartered Accountants

Main Road, Deshabhimani Junction, Kaloor,
Kochi, Kerala 682017

INTERNAL AUDITORS

M/s. Mohan and Mohan Associates,

Chartered Accountants

405, 4th floor, Landmark Enclave,
SA Road, Valanjambalam,
Kochi, Kerala- 682 016

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
7. Bank of Baroda
Kochi-682016

LEGAL

M/s. Menon & Pai

Advocates

I.S Press Road, Kochi-682016

SENIOR EXECUTIVES

1. Benny Paul
2. G Pramod (upto 29/12/2021)
3. Sasidharan K Nair (upto 30/12/2021)
4. Nisha Thankachi M S
5. Sreelatha J Nair
6. Suresh Jacob
7. John Wilfred

NOTICE OF THE ADJOURNED 50TH ANNUAL GENERAL MEETING

Notice is hereby given that the 50th Annual General Meeting of the Company adjourned sine die dated 19th day of December 2022 will be held on 06th January, 2023 at 11:00 AM through Video Conferencing to transact following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements, containing Balance Sheet as at 31st March, 2022, Statement of Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2022, together with the Report of the Board, Reports & the Comments of the Auditors' and Comptroller & Auditor General (C&AG) of India thereon and reply of the management thereto.

By Order of the Board

Sd/-

Harinarayanaraj

Managing Director

DIN:06583319

Place : Ernakulam

Date : 02.01.2023

Notes:

- a. The Audited Financial Statements for the year ended 31st March, 2022 together with the Reports of Directors and Independent Auditors thereon, could not be considered by the Members at the 50th Annual General Meeting of the Company held on 19th December, 2022, since the Comments of the C&AG of India on the Audited Financial Statements in terms of the provisions of Section 143(6) of the Companies Act, 2013 were not received. Accordingly at the said meeting after considering all other agenda items, the members resolved to adjourn the meeting sine die to be reconvened after receipt of the Comments of the C&AG.
- b. The Comments of the C&AG on the Audited Financial Statements dated 27th December, 2022 have since been received and a copy of the same is enclosed to this Notice. Now the 50th Annual General Meeting is being re-convened to consider the Agenda Item regarding consideration of the Audited Financial Statement, containing Balance Sheet as at 31st March, 2022, Statement of Profit & Loss Account and Cash Flow Statement of the Company, for the year ended 31st March, 2022 together with the Report of the Board, Reports & the Comments of the Auditors and C&AG thereon.
- c. The Audited Financial Statement and other statutory annexure required to be laid before the members at the Annual General Meeting (except the Comments of the C&AG on the Annual Financial Statements, which is being sent now), have already been sent to members and others entitled to receive the same along with the Notice of 50th Annual General Meeting dated 19th December, 2022 sent earlier through email. The said Report is also available on the website of the Company: <https://kitco.in>
However, if any member is desirous of getting a copy of the Reports in electronic form, may write to the Company.
In terms of the provisions of the Standard No.15.2 of 'Secretarial Standard on General Meeting (SS-2)' issued by the Institute of Company Secretaries of India, a fresh Notice in terms of provisions of the Companies Act, 2013 is being given for this adjourned meeting since the meeting was adjourned sine die.
- d. The 50th Adjourned AGM of the Company is being conducted through Video Conference Facility, without the physical presence of Members at a common venue. The deemed venue for the 50th AGM shall be the Registered Office of the Company.
- e. As per Section 116 of the Companies Act, 2013, resolution shall, for all purposes, be treated as having

Annual Report 2022

passed on the date on which it was in fact passed i.e., on 06th January, 2023, the date of Adjourned AGM.

- f. In compliance with the MCA circulars, notice of the Adjourned AGM is being sent only through electronic mode to members whose email addresses are registered with the Company. Members are requested to intimate immediately change of address or mail id, if any, to the Company.
- g. Since this Adjourned AGM is being held pursuant to the MCA circulars through VC, physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 50th Adjourned AGM.
- h. Owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall be sent only by email to the members.
- i. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 ("the Act") and Register of Contracts or Arrangements in which directors are interested maintained under section 189 of the Act will be available electronically for inspection by the members during the time of AGM.
- j. Corporate members desirous to attend the Adjourned AGM, who are not attended the 50th AGM are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- k. Members may attend the Adjourned AGM through audio video means by using the details provided by email separately.
- l. Participation of Members through VC will be reckoned for the purpose of quorum for the Adjourned AGM as per section 103 of the Act.
- m. Facility of joining the AGM through VC shall be kept open 15 minutes before the time scheduled for the Adjourned AGM and will be available for members on first come first serve basis and shall not be closed till expiry of 15 minutes after the conclusion of the Adjourned AGM.
- n. The designated e-mail address of the Company is secretarial@kitco.in the members to convey their vote. When a poll is required to be taken during the Meeting on any resolution, the shareholders have to convey their vote by sending email to the aforementioned designated email address at secretarial@kitco.in. The Company shall keep such e-mails from shareholders confidential and shall be strictly maintained by the Company at all times.
- o. The Chairman shall conduct a vote by show of hands unless a demand of poll is made by member/ members (member holding shares worth minimum value of Rs. Five Lakh or 10% voting power in the Company) as per section 109 of Companies Act 2013. If any shareholder requires for voting by poll, he/ they shall e-mail their assent/dissent through their registered email ID(s) to the Company designated email viz. secretarial@kitco.in.
- p. The meeting is being conducted through Video Conferencing and hence the route Map is not attached with.

By Order of the Board

Sd/-

Harinarayanaraj

Managing Director

DIN: 06583319

Place : Ernakulam

Date : 02.01.2023

NOTICE OF 50TH ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

Notice is hereby given that the 50th Annual General Meeting of the Company will be held at a Shorter Notice at 11:30 AM on Monday, the 19th day of December 2022 through Video Conferencing to transact following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2022, and the reports of the Auditors' and Boards' thereon.
2. To appoint a Director in place of Shri. Chiknallur Jayappa Manjunathaswamy (DIN: 08848722), 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. Santhosh Koshy Thomas (DIN: 02561345), 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 2022-23 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 Auditors of the Company appointed by Comptroller and Auditor General of India (CAG) for the Financial Year 2022-23.

B. SPECIAL BUSINESS

5. To appoint Shri. Sudhir Kumar Gupta (DIN:09767675) as a Director in the Company

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. Sudhir Kumar Gupta (DIN:09767675) Additional Director in the Company, as a Director (representative of Indian Bank) in the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Managing Director of the Company be and is hereby authorised to do all such acts, deeds and documentations in order to give effect to the above resolution.

By Order of the Board

(Sd/-)

Harinarayanaraj,

Managing Director

DIN: 06583319

Place : Ernakulam

Date : 22.11.2022

Annual Report 2022

Notes:

- a. Members may note that an extension for holding the Annual General Meeting was granted by the Registrar of Companies, Kerala under the third proviso to subsection (1) of Section 96 of the Act and the Meeting is now being held within the extended time.
- b. 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.
- c. The 50th AGM of the Company is being conducted through VC Facility, without the physical presence of Members at a common venue. The deemed venue for the 50th AGM shall be the Registered Office of the Company.
- d. In compliance with the MCA circulars, notice of the AGM is being sent only through electronic mode to members whose email addresses are registered with the Company. Members are requested to intimate immediately change of address or mail id, if any, to the Company.
- e. Since this AGM is being held pursuant to the MCA circulars through VC, physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 50th AGM.
- f. Owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall be sent only by email to the members.
- g. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 ("the Act") and Register of Contracts or Arrangements in which directors are interested maintained under section 189 of the Act will be available electronically for inspection by the members during the time of AGM.
- h. Corporate members intending to appoint authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- i. Members may attend the AGM through audio video means by using the details provided by email separately.
- j. Participation of Members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
- k. Facility of joining the AGM through VC shall be kept open 15 minutes before the time scheduled for the AGM and will be available for members on first come first serve basis and shall not be closed till expiry of 15 minutes after the conclusion of the AGM.
- l. The designated e-mail address of the Company is secretarial@kitco.in the members to convey their vote. When a poll is required to be taken during the Meeting on any resolution, the shareholders have to convey their vote by sending email to the aforementioned designated email address at secretarial@kitco.in The

Annual Report 2022

Company shall keep such e-mails from shareholders confidential and shall be strictly maintained by the Company at all times.

- m. The Chairman shall conduct a vote by show of hands unless a demand of poll is made by member/members (member holding shares worth minimum value of Rs. Five Lakh or 10% voting power in the Company) as per section 109 of Companies Act 2013. If any shareholder requires for voting by poll, he/they shall e-mail their assent/dissent through their registered email ID(s) to the Company designated email viz. secretarial@kitco.in.
- n. 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.
- o. 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 the Managing Director of the Company at the registered office of the Company at least five days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
- p. The meeting is being conducted through Video Conferencing and hence the route Map is not attached with.

EXPLANATORY STATEMENT IN PURSUANCE TO SECTION 102(1) OF THE COMPANIES ACT 2013

Item 5:

Appointment of Shri. Sudhir Kumar Gupta (DIN:09767675), Additional director, as a Director in the Company (representative of Indian Bank):

Shri. Sudhir Kumar Gupta was appointed as Additional Director as representative of Indian Bank in place of the existing representative Smt. Mamta Kumari on 22.11.2022. 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.

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

None of the Directors other than Shri. Sudhir Kumar Gupta, KMP of the Company or their relatives is concerned or interested in this Resolution.

For and on behalf of the Board of Directors

By Order of the Board

(Sd/-)

Harinarayanaraj,
Managing Director
DIN:06583319

Place : Ernakulam

Date : 22.11.2022

A brief profile of Directors seeking appointment / reappointment at the 50th Annual General Meeting as per the requirement of Secretarial Standard 2

Name of Director	Shri. Santhosh Koshy Thomas	Shri. C J Manjunathaswamy	Shri. Sudhir Kumar Gupta
Director Identification Number (DIN)	02561345	08848722	09767675
Date of appointment on Board	28.04.2020	04.09.2020	22.11.2022
Designation	Director (representing Government of Kerala)	Director (representing Union Bank of India)	Additional Director (representing Indian Bank)
Age	54 years	45 years	53 years
Qualification	B.Tech – Electrical and Electronics, MBA (Marketing). Fellow-Institute of Engineers	B.Sc (Agri.), CAIIB1, CAIIB2	Masters
Experience	31 years	22 years	30 years
Terms and conditions of appointment/ reappointment	As per the applicable provisions of the Companies Act, 2013	As per the applicable provisions of the Companies Act, 2013	As per the applicable provisions of the Companies Act, 2013
Details of remuneration to be paid	NIL	NIL	NIL
Details of remuneration last drawn	NIL	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL
Relationship with other directors/KMP	NIL	NIL	NIL
Number of board meetings attended during the year 2020- 21 (out of 5)	3	3	NA
Number of board meetings attended during the year 2021- 22 (out of 4)	Nil	4	NA
Number of board meetings attended during the year 2022- 23 (out of 3 as on date)	1	1	NA

Name of Director	Shri. Santhosh Koshy Thomas	Shri. C J Manjunathaswamy	Shri. Sudhir Kumar Gupta
Other directorship, membership/ chairmanship of committees of other Boards	<ol style="list-style-type: none"> 1. Kerala Rice Ltd 2. Kerala Paper Products Ltd 3. Rubber Park India Private Ltd 4. Kerala Rubber Ltd 5. Kinesco Power And Utilities Private Ltd 6. The Kerala Industrial Corridor Development Corporation Ltd 7. Western India Kinfra Ltd 8. Kinfra International Apparel Parks Ltd 9. Marine Products Infrastructure Development Corporation Private Ltd 10. Kottayam Port And Container Terminal Services Private Ltd 11. KINFRA Export Promotion Industrial Parks Ltd 12. KINFRA Electronic Park Private Ltd 13. Kerala Life Sciences Industries Parks Private Ltd 	NIL	NIL
Purpose for which details are being furnished	Reappointment	Reappointment	Appointment

DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2022

To the Members,

The Directors hereby present the 50th Annual Report together with the audited statements of accounts for the year ended 31st March 2022.

1. Financial Performance

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

(Rs. in Lakhs)		
Particulars	2021-22	2020-21
Revenue from operations	2,446.75	2,837.10
Other Income	247.80	326.53
Total Income	2,694.55	3,163.63
Expenditure	3,240.23	4,408.17
Profit / (Loss) before exceptional items and tax	-545.68	-1244.54
Exceptional items	-585.73	-102.19
Profit for the year before income tax	40.06	(1,142.35)
Tax expenses	123.59	(234.90)
Net Profit after income tax & other taxes	(83.53)	(907.45)
Other Comprehensive Income/ (Expenses)	116.49	(94.88)
Total Comprehensive Income/ (Expenses)	32.96	(1,002.33)
EPS- Basic and Diluted	(85)	(922)
Amount proposed to be transferred to reserves	Nil	Nil

2. Performance Review 2021-22

Your Company has recorded a total revenue (including other income) of Rs.2694.55 Lakhs as compared to Rs.3163.63 Lakhs in the previous year. There has been a loss of Rs.83.53 Lakhs as compared to a loss of Rs. 907.45 Lakhs in the previous financial year 2020-21.

During the year, the External Audit Firm assigned for the audit of deposit work projects evaluated the receivables, past billings and past revenue recognition related to three Medical College Projects of Health & Family Welfare Department, Govt. of Kerala and reported an amount of Rs.1,530.81 Lakhs (including GST) as revenue recognised before completion of obligation/milestone during the previous years.

In accordance with IND AS 8, the Company shall retrospectively restate its financial statements to correct the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error has never occurred.

Annual Report 2022

Accordingly, for the finalisation of audit, consultancy fees that had previously been reported as receivable/ amount due from clients but were found to be ineligible during the current year and hence were corrected by restating the corresponding figures of the previous years.

3. Transfer to Reserves

The Company has suffered loss and therefore there is no amount to be transferred to reserves.

4. Dividend

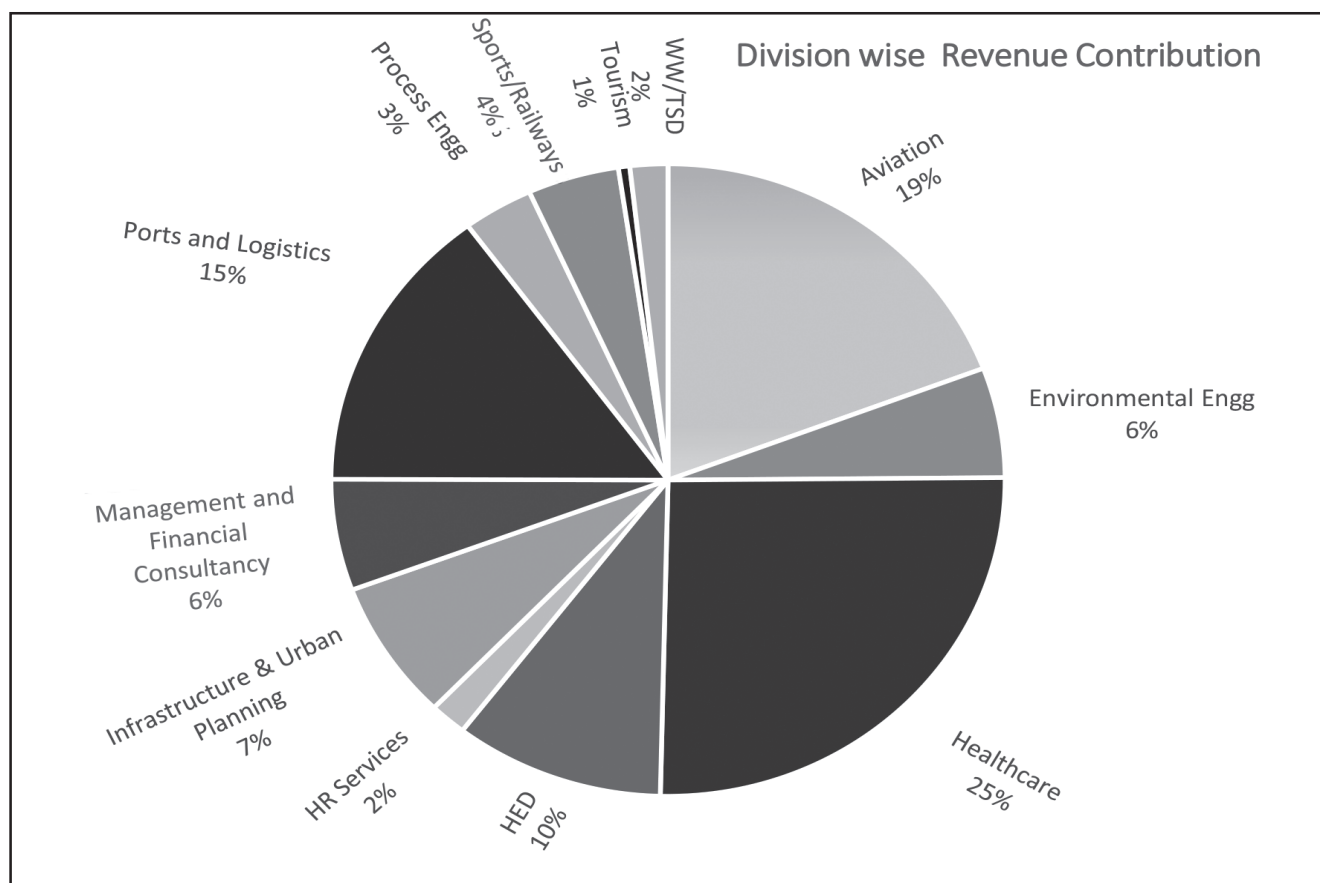
Considering the loss incurred by the Company during the Financial Year 2021-22, the Board of Directors decided not to declare final dividend to the shareholders.

5. Highlights of Operations - State of Company's Affairs

During the year under review, your Company has provided consultancy services to various Central and State Government organisations in many of its infrastructure developmental activities. All the divisions of the Company were successful in bagging new projects amounting to a total fee of approximately Rs.2267.54 Lakhs (compared to about Rs.2600 Lakhs in previous year FY 2020-21) mainly through competitive bidding process. Departments under Central Government/Government of Kerala has entrusted the Company with many of its flagship projects in Health, Airports, Urban Development, Shipyards and Education sectors.

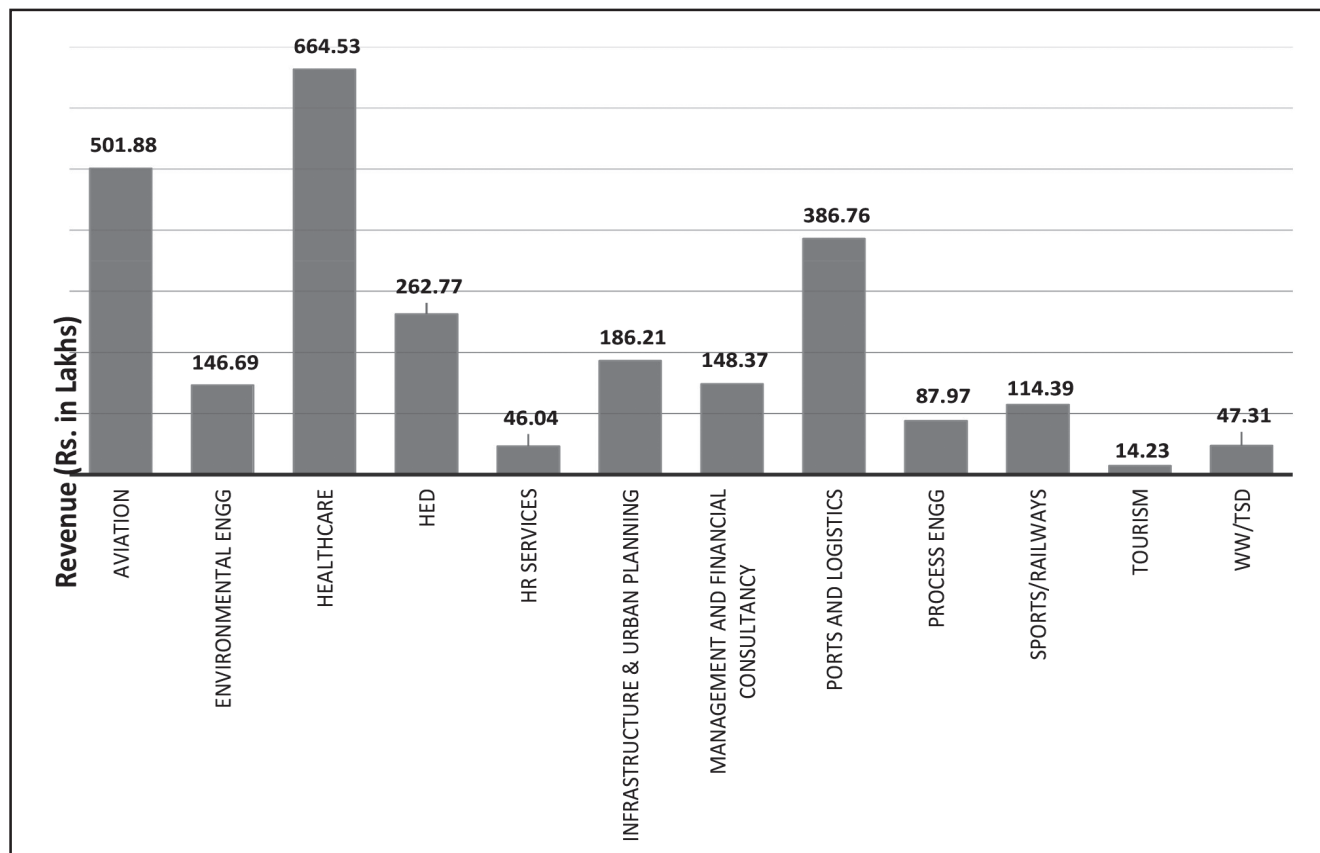
The achievements of various divisions of the Company for the year under review are enumerated below:

Contribution to the Billing Revenue in the FY 2021-22



Annual Report 2022

Division-wise Billing Performance Chart



Projects Bagged in the FY 2021-22

Name of the Project	Name of Client	Fees (Rs. in Lakhs)
1. Development of Medical College at Kasargode -Additional Works through KIIFB Funding	Health and Family Welfare Department, Govt. of Kerala (KIIFB funded)	443.07
2. Preparation of Detailed Project Report for IWT sector development for Enhancement of Socio-economic activities in and around Ganga-Bhagirathi-Hooghly River System (NW-1)	Inland Waterways Authority of India	413.00
3. Project Management Consultancy for Various infrastructure works at KUFOS	Kerala University of Fisheries & Ocean Studies (KUFOS)	196.00
4. Project Management for Outer Area Growth Corridor Project, Thiruvananthapuram	Capital Region Development Project (CRDP)	139.20
5. Additional scope of work for International Airport Project at Imphal	Airports Authority of India	111.00

Annual Report 2022

Name of the Project	Name of Client	Fees (Rs. in Lakhs)
6. Consultancy Services for Works in CIAL - Modification of T2 for VVIP/Private Jet Movements	Cochin International Airport Ltd. (CIAL)	100.00
7. Establishing a 110kV Substation in Smartcity Kochi	Smart City Kochi Infrastructure Pvt. Ltd.	74.93
8. Design Management of Infrastructure works at Mangaluru International Airport	Adani Mangaluru International Airport Limited	68.38
9. Design Consultancy Services for Airside Improvement Works, Mangaluru Airport (IXE)	Adani Mangaluru International Airport Limited	67.38
10. Land Acquisition for IRIA Phase II	Ayush Department, Govt. of Kerala (KIIFB funded)	57.00
11. Consultancy Services for Airside Works at CSMIA, Mumbai	Adani Airport Holdings Limited.	54.77
12. Consultant Study for relocation of Hangar	Mumbai International Airport Ltd.	52.65
13. Preparation of Project Feasibility Report for Multi Modal Logistic Park (MMLP)	Adani Airport Holdings Ltd.	50.00
14. Development of infrastructure facilities at Govt. College Karindalam	Higher Education Department, Govt. of Kerala (KIIFB funded)	45.00
15. Consultancy Services for Redevelopment of Kozhikode Railway Station	Rail Land Development Authority	39.59
16. Preparation of Report for the Inplant control study of Oushadhi and modification of existing Effluent Treatment Plant (ETP)	Oushadhi (Pharmaceutical Corporation Kerala Ltd.)	27.00
17. TA services for Asset Monetization in Tamil Nadu	Central Warehousing Corporation	21.60
18. Techno Economic Feasibility Report for Setting up of Rice Technology parks at Trichy, Mannargudi and Thanjavur	Central Warehousing Corporation	21.60
19. DPR for the implementation of CETP at Aroor Industrial Estate, Ernakulam	Directorate of Industries & Commerce, Govt. of Kerala	21.48
20. Transaction Advisory Consultancy Services for selection of O&M Operators for IWT Terminals on NW-3	Inland Waterways Authority of India	20.00

Annual Report 2022

Name of the Project	Name of Client	Fees (Rs. in Lakhs)
21. Master Plan Preparation at THQH Thaliparamba and Women & Child Hospital Mangattuparamba in Kannur District	National Health Mission - Kannur	20.00
22. Consultancy services for various mechanical related works at Oushadhi, Kuttanellur	Oushadhi (Pharmaceutical Corporation Kerala Ltd.)	19.32
23. Feasibility Study for IMFL Blending & 10 line automatic Bottling Plant at MDL, Palakkad.	Malabar Distilleries Ltd	19.00
24. Study on the utilization of the land and for the preparation of Master Plan for the development of Kuttiyadi Park	Kerala State Industrial Development Corporation Ltd (KSIDC)	17.05
25. Techno-Economic Feasibility Report for Settings of CFS, Cold storage cum general warehouse and fertilizer silo at NMPT	Central Warehousing Corporation	17.00
26. Feasibility Report for establishing ENA Plant at MDL, Palakkad	Kerala State Beverages Corporation Limited	15.00
27. Preparation of Master Plan for District Hospital Kanhangad	National Health Mission-Kasargode	12.00
28. Preparation of Master Plan for General Hospital, Muvattupuzha & Taluk Hospital, Piravom	Ernakulam District Health & Family Welfare Society	11.40
29. Preparation of Master Plan for THQH Kothamangalam	Ernakulam District Health & Family Welfare Society	11.00
30. Engineering consultancy for SWSS 66kV revamp with GIS	Bharath Petroleum Corporation Ltd	10.74
31. EDP cum Skill Development Training Wayanad	Kudumbashree Mission	9.08
32. Project Management and Consultancy (PMC) Service for Construction of Feroke ROB Approach Portion	Roads & Bridges Development Corporation of Kerala	8.54
33. Consultancy Services for Renovation of the roof of plant building for fixing solar panel	Kerala Books and Publications Society	8.00
34. Development of infrastructure facilities at Govt. College Mankada	Higher Education Department, Govt. of Kerala (KIIFB funded)	8.00
35. EDP Training Programme through Online Platform	Dept. of Science & Technology, Govt. of India	7.46

Annual Report 2022

Name of the Project	Name of Client	Fees (Rs. in Lakhs)
36. EDP-cum-Skill Development Training Programme - (PIP) on Canteen/ Catering for Janakeeya Hotel running by Kudumbashree beneficiaries.	District Kudumbashree Mission	7.20
37. Consultancy for EIA study towards obtaining CRZ clearance from KCZMA for Pizhala 350 m road by GIDA	Goshree Island Development Authority	7.00
38. Consultancy Services for Construction of Godown	Kerala Books and Publications Society	7.00
39. Preparation of Detailed Project Report for ROB at Chempanoor	Roads & Bridges Development Corporation of Kerala	7.00
40. Preparation and submission of four compliance report of KTIZ 2021 to 2023	Kerala Startup Mission	5.76
41. Consultancy services for various civil related work at Oushadhi, Kuttanellur	Oushadhi (Pharmaceutical Corporation Kerala Ltd.)	5.06
42. DPR for the construction of Motorable Bridge at Thandapra, Thakazhi	Inland Waterways Authority of India	5.00
43. Manpower Recruitment Services	Kannur International Airport Ltd.	2.70
44. Additional scope - LMR Analysis for Rice Park at Alappuzha	Kerala Industrial Infrastructure 2.00 Development Corporation	
45. Estimate vetting for Modernization of Kairali theatre	Kerala State Film Development Corporation Ltd	1.58
Total Mandates received in FY 2021-22		2267.54

Major ongoing projects in the year 2021-22

Your Company also continued its consultancy services to various ongoing projects as follows:

- ◆ Various projects for Kerala Infrastructure Investment Fund Board (KIIFB) in Health, Sports and Education sectors.
- ◆ Establishment of New Medical College at 3 Locations namely Kasargode, Idukki and Manjeri for Health and Family Welfare Department, Government of Kerala.
- ◆ Project Management Unit at Capital Region Development Project II for Outer Area Growth Corridor Project, Thiruvananthapuram

Annual Report 2022

- ◆ Comprehensive Development at Aralam Farm under Tribal Resettlement Development Mission (TRDM) Project at Kannur for ST Development Department, Government of Kerala
- ◆ Detailed Project Report for 4 laning of Karnataka/ Tamilnadu border to Hoskote of NH 207 from 16.8 to 58.3 in Karnataka for National Highways Authority of India (NHAI), Bengaluru
- ◆ Construction of SDF Building in Advanced Technology Park at Ramanattukara, Kozhikode for Kerala Industrial Infrastructure Development Corporation (KINFRA)
- ◆ Augmentation of Infrastructure facilities for Hindustan Shipyard Ltd, Vishakhapatnam
- ◆ Rehabilitation cum restructuring of Hooghly Dock & Port Engineers Ltd. at Hooghly, Kolkata for Cochin Shipyard Ltd.
- ◆ Techno Economic Feasibility Report for Setting up of Container Freight Station (CFS), Cold Storage cum General Warehouse and Fertilizer Silo for New Mangalore Port Trust (NMPT)
- ◆ Identifying Locations and Improvements required for Fish Landing Centres / Fishing Harbours for Fisheries Department, Government of Tamil Nadu
- ◆ Construction of Star Hotel, Modification of T2 for VVIP/Private Jet Movements and Flood Mitigation Study for Cochin International Airport Ltd.
- ◆ Post Award PMC for supervision of Expansion of existing Integrated Terminal Building for Adani Mangalore International Airport Ltd.
- ◆ Design, Engineering and PMC for the Construction of New ITB, Control Tower cum Technical Block, Apron, Link Taxiway and Associated works at Imphal International Airport for Airports Authority of India
- ◆ Project Management of Integrated Terminal at Shirdi Airport for Maharashtra Airport Development Company Limited (MADC)
- ◆ Construction of GEnx/GE90 Engine Overhaul Workshop at MRO, Nagpur for Air India (Air India Engineering Services Limited)
- ◆ 45 MLD Water Supply Project for Kerala Industrial Infrastructure Development Corporation (KINFRA)
- ◆ Design and Construction of Azhimavukadavu River Bridge for Roads and Bridges Corporation Kerala Limited.
- ◆ Consultancy Services for Establishing a 110kV Substation in Smartcity Kochi for Smartcity Infrastructure Kerala Limited
- ◆ PMC for 4.5MW Arippara Small Hydro Electric Project in Kozhikode District for CIAL Infrastructures Limited.
- ◆ Railway Station development in PPP mode-6 stations – Mangalore Central (MAQ), Kozhikode Junction (CLT), Katpadi Station (KPD), Madurai Junction (MDU), Kollam Junction (QLN) and Rameswaram Station (RMM) for Rail Land Development Authority
- ◆ Development /Re-development of Ernakulam Railway station and land parcels for Rail Land Development Authority

Annual Report 2022

- ◆ Comprehensive Consultancy Services for Central Processing Unit for Minor Forest Produce for Chhattisgarh State Industrial Development Corporation (CSIDC)
- ◆ Technical Assistance for Inland Water Transport Safety for Transport Department, Government of West Bengal
- ◆ Environmental and Social Audit for Tamil Nadu Urban Infrastructure and Financial Services Ltd. (TNSUDP)
- ◆ Obtaining statutory clearance from Kerala Coastal Zone Management Authority (KCZMA) and Ministry of Environment, Forest and Climate Change (MoEF & CC) for Development of Azhikkal Port, Kannur for Directorate of Ports, Government of Kerala
- ◆ Comprehensive Consultancy Services for preparation of Detailed Project Report (DPR) for IWT sector development for Enhancement of Socio-economic activities in and around Ganga-Bhagirathi-Hooghly River System (NW-1) for Inland Waterways Authority of India

6. Outlook for the Financial Year 2022-23

Your Company is confident of achieving a turnaround in its financials in the 50th anniversary year. The challenges has been met with success due to the dedication, co-operation and hard work of its employees as well as unstinted support and encouragement from its esteemed clients.

Your Company is resolved to serve its esteemed clients with greater commitment and conviction to far exceed the expectations of its stakeholders and the wellbeing of its employees.

The Company is fully geared up to capitalise on strengths gained through past operations, while exploring new opportunities in emerging sectors with greater technology focus and rigorous business development initiatives.

7. Sundry Debtors

During the year under review, there was considerable increase in the collection of Sundry Debtors. The Company was able to collect Rs. 1392.79 Lakhs out of the total amount of Rs. 3062.18 Lakhs billed during the FY 2021-22.

Out of sundry debtors ageing more than 2 years, legal cases has been initiated for an amount of Rs. 237.19 Lakhs by the Company.

8. Manpower & Human Resource Development

The staff strength of KITCO at the end of the year under review was 285 including qualified professionals in permanent/contractual rolls. The Company has also given apprentice training in different disciplines including Engineering, Finance and Management. As on 31st March 2022, there were 20 apprentices being imparted training in different disciplines.

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

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

Annual Report 2022

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

There were no foreign exchange transactions during the year under review.

10. 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

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

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

The Company has duly constituted the Internal Complaints Committee as per the requirement of the Act. During the Financial Year 2021-22, the Company has not received any complaints of sexual harassment.

14. Auditors and Auditors' report

M/s. Paulson & Company were appointed by the Comptroller and Auditor General of India as the Statutory Auditors of KITCO for the Financial Year 2021-22 as per the provisions of Section 139(5) of the Companies Act, 2013.

Qualified Opinion in the Statutory Auditor's Report on the Standalone IND AS Financial Statement for the Year 2021-22 and Management Reply to the same is given at Annexure I.

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 four times during the year i.e.; on 23rd April 2021, 18th October 2021, 3rd November 2021 and 28th February 2022. The gap between two board meetings was within the period as mentioned in the Companies Act, 2013.

16. Annual Return

The Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 is provided at the website of the Company, www.kitco.in.

Annual Report 2022

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 2022, 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 loss of the Company for the year ended 31st March 2022.
- (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 and
- (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 2021-22. Following is the change in the Directors during the financial year:

- Shri V Anish Babu (DIN:02830575), Director representative of IFCI Ltd, resigned from the post on 26.10.2021 as IFCI Ltd decided to nominate Shri Suneet Shukla, GM, IFCI Ltd on the Board of KITCO Limited as nominee of IFCI Ltd in place of Shri. V Anish Babu.
- Shri Suneet Shukla (DIN:02248415) was appointed as Additional Director (representative of IFCI Ltd) on 03.11.2021 and changed his designation as Director on 25.11.2021.
- Smt. Anjana M A (A26024) was appointed as Company Secretary with effect from 03.01.2022.

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 does not 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. The members are requested to avail the services of any of the Depository Participants registered with CDSL.

20. Disclosure of Composition of Audit Committee

Eventhough provisions of Section 177 and the rules made there under are not applicable to your Company, for better governance, your Board has constituted an Internal Audit Committee with the following Directors as members as on 31st March 2022:

Annual Report 2022

1. Shri Suneet Shukla
2. Shri Tanuku Balaji
3. Shri C. J. Manjunathaswamy

The Audit Committee met five times during the year i.e. on 13th October 2021, 18th October 2021, 3rd November 2021, 27th December 2021 and 28th February 2022.

21. Disclosure of Composition of CSR Committee

During the year under review the Company was not covered under the provisions of Section 135(1) of the Company Act 2013 and hence not required to constitute the CSR Committee.

22. Adherence to applicable Secretarial Standards

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

23. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There is no material change and commitment, affecting the financial position of the company which have occurred between the end of the financial year of the company and date of this report.

24. General:

- 1) There was no change in the nature of business during the Financial Year 2021-22.
- 2) The Company does not have any Subsidiary, Joint venture or Associate Company.
- 3) The Company has not accepted or renewed any deposits, during the financial year.
- 4) 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.
- 5) KITCO has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) The Company does not 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.

Annual Report 2022

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

25. Acknowledgements

The Directors thank the Company's employees, customers, vendors, bankers and shareholders for their continuous support. The Directors also thank the Government of Kerala, and concerned Government departments and agencies for their co-operation.

For and on behalf of the Board of Directors,

(Sd/-)
C J Manjunathaswamy
Director
DIN:08848722

(Sd/-)
Harinarayanaraj
Managing Director
DIN:06583319

Place : Ernakulam
Date : 22.11.2022

Annexure I

The Management Reply to Qualifications of Statutory Auditors on financial statement of the Company is given below:

QUALIFICATION	MANAGEMENT REPLY												
<p>1. Reference is drawn to note no. 24.01 of the financial statements, the Company during the year has re-assessed its defined benefits obligation as per Company's staff rules and has consequently written back excess provision recognized during the previous year's amounting to Rs. 332.66 Lakh. In accordance with IND AS 8, the Company is required to retrospectively restate its financial statements to correct the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred. However, the Company has considered the above as impracticable to restate and has reversed the entire excess provision in the current year. In the absence of revised actuarial valuation for the previous years after considering the necessary changes in the balance of leave for the respective years and other relevant information, we are unable to quantify and comment on the prior period impact of the provision reversal.</p>	<p>For actuarial valuation of leave encashment, the Company has re-assessed defined benefit obligation as per Company's Staff Rules. As per Company's Staff Rules 39 (4), the ordinary leave accumulated and available to the credit of the employee can be en-cashed on retirement or on resignation after adjusting for the notice period if any. The maximum limit of accumulated earned leave for encashment is 300 days. As the provision for leave encashment accumulated was more than the amount required, Company has written back the excess provision amounting to Rs. 332.66 Lakhs.</p> <p>The net defined benefit liability of the Company at the end of the reporting period is as follows.</p> <table> <tr> <th>Particulars</th><th>For the financial year ending 31st March 2022 (Rs. Lakhs)</th></tr> <tr> <td>Opening defined benefit liability</td><td>716.43</td></tr> <tr> <td>Less: Leave encashment during the year</td><td>(44.36)</td></tr> <tr> <td>Balance</td><td>672.07</td></tr> <tr> <td>Less : Closing Defined Benefit liability as per actuarial valuation</td><td>339.41</td></tr> <tr> <td>Excess provision written back</td><td>(332.66)</td></tr> </table>	Particulars	For the financial year ending 31st March 2022 (Rs. Lakhs)	Opening defined benefit liability	716.43	Less: Leave encashment during the year	(44.36)	Balance	672.07	Less : Closing Defined Benefit liability as per actuarial valuation	339.41	Excess provision written back	(332.66)
Particulars	For the financial year ending 31st March 2022 (Rs. Lakhs)												
Opening defined benefit liability	716.43												
Less: Leave encashment during the year	(44.36)												
Balance	672.07												
Less : Closing Defined Benefit liability as per actuarial valuation	339.41												
Excess provision written back	(332.66)												
<p>2. As on 31st March 2022 the Company had trade receivables amounting to Rs. 5,243.20 Lakh out of which trade receivables amounting to Rs. 672.92 Lakh was outstanding in the age group of</p>	<p>Trade receivables are predominantly from Departments / PSUs under Govt. of Kerala. Confirmations of the outstanding dues are being submitted to all clients, and the Company is taking</p>												

QUALIFICATION	MANAGEMENT REPLY
<p>more than 3 Years up to 5 Years, Rs. 2,156.48 Lakh was outstanding in the age group of more than 5 years up to 10 Years and Rs. 51.44 Lakh was outstanding in the age group of more than 10 years. The Company, wherever applicable, has recognized revenue based on internal working of percentage of completion, we have not obtained any third-party confirmations/ approval documents with respect to the above-mentioned percentage of completion and receivables. In the absence of balance confirmations, other corroborative evidences and due to the long recoverability cycle of trade receivables, we are unable to comment on the recoverability of the same, the adequacy of impairment allowance to be recognized on the same and the revenue/ losses to be recognized and possible retrospective restatement.</p> <p>3. As per section 15 of Micro, Small And Medium Enterprises Development Act, 2006 (MSMED, 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 of India. Reference is drawn to note no. 17.04 of the financial statements, as disclosed therein the Company has not provided for interest payable to MSME's in accordance with provisions of MSMED Act. As on 31 March 2022, there was an outstanding of Rs. 55.07 Lakh due to MSME creditors, in the absence of details for computation of interest payable to MSME creditors, we are unable to quantify the interest to be provided.</p>	<p>all efforts to collect these receivables in a time bound manner.</p> <p>The Company shall take immediate measures to clear the payment of MSME parties at the earliest and the balance outstanding as on 30-09-2022 is Rs.29.79 Lakhs. Out of which an amount of Rs.18.78 Lakhs payable to M/s. Adwin Communication is pending due to the legal issues between the partners of M/s Adwin Communication.</p>

Response on Emphasis of Matter

1. Reference is drawn to note no. 27 of the financial statements, balances of claims recoverable, trade receivables, advances to contractors, trade payables and security deposits/ retention money from contractors as shown under respective notes are subject to confirmations and consequential effects and adjustments thereof, if any, upon reconciliation.

Response: Confirmation on trade receivables are being sent and Company shall endeavour to obtain confirmation from all its clients/suppliers and forward directly to Statutory Auditors.

2. Reference is drawn to note no 37 of the financial statements, during the year the Company has restated consultancy fee bills that had previously been raised or reported as receivable but found to be ineligible during the current year. The Company's revenue from operations, Operation and Other Expenses, Total Comprehensive Income for the period (profit/loss + other comprehensive income/expenses), Other Equity, Trade receivable for the years 2013-14 to 2020-21 has been restated to rectify the above ineligible billing.

Response: During the Financial Year, the External Audit Firm (M/s J Singh & Associates) assigned for the audit of deposit work projects evaluated the receivable balance, past billings and past revenue recognition related to (deposit works mandate received in FY 2013-14) Health & Family Welfare Department, Govt. of Kerala and reported an amount of Rs.1,316.38 Lakhs (excluding GST) as revenue recognised before completion of obligation/milestone during the previous years. In accordance with IND AS 8, the Company has retrospectively restated its financial statements to correct the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error has never occurred.

3. Reference is drawn to note no. 15.01 of the financial statements, the Company has netted off receivables in respect of excess costs incurred for projects amounting to Rs. 1,937.27 Lakh from the excess fund earmarked and received for distinct projects of same clients in the head "Advance from clients - against projects". The Company is of view that an overall settlement will be made for those receivables against excess funds available and no further payment to contractors would be required to be made by the Company as directed by the Government Order G.O. (P) No.88/2018/Fin dated 11th June 2018.

Response: The Company is in the process of submitting / submitted Utilization Certificates to its clients, certified by the external audit firm appointed by KITCO exclusively for this purpose, so that reconciliation with all clients shall be completed on time.

4. Reference is drawn to note no. 30 of financial statements, as per GSTR 1 of the Company the turnover is Rs. 2,547.24 lakh, and as per GSTR 3B the turnover is Rs. 2,475.36 lakh. However, the Company has taxable turnover amounting to Rs. 2,607.43 lakh. There is a difference of Rs. 60.20 lakh between GSTR 1 and taxable turnover, out of which difference of Rs. 60.06 lakh has been rectified in subsequent GST returns and the balance of Rs. 0.14 lakh is to be considered while filing GSTR 9 of the current year.

Further, there is a difference of Rs. 132.07 lakh between GSTR 3B and taxable turnover, out of which Rs 131.40 lakh is on account of amendments relating to financial year 2020-21 adjusted in GSTR 3B for the current year. The balance of Rs. 0.67 lakhs which is unadjusted is to be considered while filing GSTR 9 of the current year. The Company is in the process of reconciling the output liability and input credits as per books, with the GST returns.

Response: The reconciliation statement has been submitted to the Statutory Auditors for verification.

5. Reference is drawn to note no. 38(h) of the financial statements, the Company has registered charges for loans amounting to Rs 4.05 lakh with the Registrar of Companies, Kerala which are not reflected in the current books of the Company. According to the information and explanation provided to us the Company has repaid the said loans in earlier years, but have not filed satisfaction for the said charges.

Response: The charges mentioned amounting to Rs. 4.05 lakh relates to the period from year 1978 to year 1990, which are settled as per books of accounts of the Company. However, action has been initiated by the Company for obtaining NOC from Banks/Financial Institution for filing satisfaction for the said charges.

INDEPENDENT AUDITOR'S REPORT

To the Members of KITCO LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying **Standalone Financial Statements of Kitco Limited**, ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our Report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS), of the state of affairs of the Company as at March 31, 2022 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Reference is drawn to note no. 24.01 of the financial statements, the Company during the year has re-assessed its defined benefits obligation as per Company's staff rules and has consequently written back excess provision recognized during the previous year's amounting to Rs. 332.66 Lakh. In accordance with IND AS 8, the Company is required to retrospectively restate its financial statements to correct the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred. However, the Company has considered the above as impracticable to restate and has reversed the entire excess provision in the current year. In the absence of revised actuarial valuation for the previous years after considering the necessary changes in the balance of leave for the respective years and other relevant information, we are unable to quantify and comment on the prior period impact of the provision reversal.
2. As on 31st March 2022 the Company had trade receivables amounting to Rs. 5,243.20 Lakh out of which trade receivables amounting to Rs. 672.92 Lakh was outstanding in the age group of more than 3 Years up to 5 Years, Rs. 2,156.48 Lakh was outstanding in the age group of more than 5 years up to 10 Years and Rs. 51.44 Lakh was outstanding in the age group of more than 10 years. The Company, wherever applicable, has recognized revenue based on internal working of percentage of completion, we have not obtained any third-party confirmations/ approval documents with respect to the above-mentioned percentage of completion and receivables. In the absence of balance confirmations, other corroborative evidences and due to the long recoverability cycle of trade receivables, we are unable to comment on the recoverability of the same, the adequacy of impairment allowance to be recognized on the same and the revenue/ losses to be recognized and possible retrospective restatement.
3. As per section 15 of Micro, Small And Medium Enterprises Development Act, 2006 (MSMED, 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

Annual Report 2022

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 of India. Reference is drawn to note no. 17.04 of the financial statements, as disclosed therein the Company has not provided for interest payable to MSME's in accordance with provisions of MSMED Act. As on 31 March 2022, there was an outstanding of Rs. 55.07 Lakh due to MSME creditors, in the absence of details for computation of interest payable to MSME creditors, we are unable to quantify the interest to be provided.

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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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.

Material Uncertainty Related to Going Concern

We draw attention to Note no. 36 of the financial statements, which describes the Company's financial condition as at March 31, 2022. The Company has incurred loss during the current year 2021-22 and the previous year 2020-21 on account of Covid-19 and other operational issues. This condition indicates the existence of uncertainty which may cast doubt as to the Company's ability to continue as a going concern. The Company has positive net worth and as represented to us, the management is optimistic about the future growth and profitability of the Company. In view of the above, the Company has prepared its accounts as a going concern.

Our opinion is not modified in respect of this matter

Emphasis of Matter

We draw attention to the following matters:

1. Reference is drawn to note no. 27 of the financial statements, balances of claims recoverable, trade receivables, advances to contractors, trade payables and security deposits/ retention money from contractors as shown under respective notes are subject to confirmations and consequential effects and adjustments thereof, if any, upon reconciliation.
2. Reference is drawn to note no 37 of the financial statements, during the year the Company has restated consultancy fee bills that had previously been raised or reported as receivable but found to be ineligible during the current year. The Company's revenue from operations, Operation and Other Expenses, Total Comprehensive Income for the period (profit/loss + other comprehensive income/expenses), Other Equity, Trade receivable for the years 2013-14 to 2020-21 has been restated to rectify the above ineligible billing.
3. Reference is drawn to note no. 15.01 of the financial statements, the Company has netted off receivables in respect of excess costs incurred for projects amounting to Rs. 1,937.27 Lakh from the excess fund earmarked and received for distinct projects of same clients in the head "Advance from clients - against projects". The Company is of view that an overall settlement will be made for those receivables against excess funds available and no further payment to contractors would be required to be made by the Company as directed by the Government Order G.O. (P) No.88/2018/Fin dated 11th June 2018.

Annual Report 2022

4. Reference is drawn to note no. 30 of financial statements, as per GSTR 1 of the Company the turnover is Rs. 2,547.24 lakh, and as per GSTR 3B the turnover is Rs. 2,475.36 lakh. However, the Company has taxable turnover amounting to Rs. 2,607.43 lakh. There is a difference of Rs. 60.20 lakh between GSTR 1 and taxable turnover, out of which difference of Rs. 60.06 lakh has been rectified in subsequent GST returns and the balance of Rs. 0.14 lakh is to be considered while filing GSTR 9 of the current year.

Further, there is a difference of Rs. 132.07 lakh between GSTR 3B and taxable turnover, out of which Rs 131.40 lakh is on account of amendments relating to financial year 2020-21 adjusted in GSTR 3B for the current year. The balance of Rs. 0.67 lakhs which is unadjusted is to be considered while filing GSTR 9 of the current year. The Company is in the process of reconciling the output liability and input credits as per books, with the GST returns.

5. Reference is drawn to note no. 38(h) of the financial statements, the Company has registered charges for loans amounting to Rs 4.05 lakh with the Registrar of Companies, Kerala which are not reflected in the current books of the Company. According to the information and explanation provided to us the Company has repaid the said loans in earlier years, but have not filed satisfaction for the said charges.

Our opinion is not qualified in respect of the above stated matters.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, 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 management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover other information 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity, 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 Companies (Indian Accounting Standards) 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;

Annual Report 2022

selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 operation, or has no realistic alternative but to do so.

The 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 judgement and maintain professional skepticism throughout the audit. We also:

- a) 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.
- b) Obtain an understanding of internal financial controls 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- d) 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.
- e) 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.

Annual Report 2022

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We give in the **"Annexure B"**, a supplementary report on the matters in accordance with the directions given by the C&AG as per the provisions of the section 143(5) of the Companies Act 2013, the action taken thereon and its impact on the accounts and financial statements of the Company to the extent applicable.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters described in the Basis of Qualified Opinion section of our report.
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies Indian Accounting Standard Rules 2015 as amended, except for the matters described in the Basis of Qualified Opinion section of our report.
 - e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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"**.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
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.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

Annual Report 2022

- i. The Company has disclosed the impact of pending litigations on its financial position and disclosed in its standalone financial statements – Refer Note no. 35 of the financial statements on Contingent Liabilities.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.
- iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid dividend during the year

For PAULSON & COMPANY

Chartered Accountants

(Sd/-)

CA. PAULSON K.P.

LLB, FCA, DISA (ICAI)

Membership No.: 21855; FR No.: 002620S

Partner

Kochi-17

22-Nov-2022

UDIN: 22021855BEHFRT1611

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KITCO LIMITED

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including situation of Property, Plant and Equipment, however quantitative details of Property, Plant and Equipment have not been maintained.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no report of physical verification of Property, Plant and Equipment was given for our verification to substantiate the Company has a regular program of physical verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not hold any immovable property, (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) therefore the clause 3(i)(c) of the Order is not applicable to the Company.
 - d) According to the information and explanations given to us and on the basis of our examination of the records, Company has not revalued any of its property, plant and equipment and intangible assets during the year.
 - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) a. The Company is a service company, primarily rendering consultancy services. Accordingly, it does not hold any physical inventories. Thus, clause 3(ii)(a) of the Order is not applicable to the Company, and hence not commented upon.
- b. The Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security/guarantee or granted loan or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made additional investments, in respect of which the requisite information is as below:
 - a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans, provided any guarantee or security to any entity, hence

reporting under clause 3(iii)(a) of the Order is not applicable.

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that investment made, and the terms and conditions of the investment are prima facie, not prejudicial to the interest of the Company.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any loans to any parties, therefore clause 3(iii)(c) to 3(iii)(f) of the Order are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to investments made by the Company. The Company has not provided any loans, provided any guarantee or security to any entity.
- (v) The Company has not accepted any deposits or deposits which are deemed to be deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to the explanations and information given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act for any of the activities of the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues have generally been deposited regularly by the Company with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Goods and Service Tax have generally been deposited regularly by the Company and there is no undisputed amount payable in arrears as at March 31, 2022 for a period of more than six months from the date they became payable, however reference is drawn to note no. 30 of financial statements, reconciliation is pending in respect of eligible credits and liabilities payable under Goods and Service Tax Act.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Annual Report 2022

Name of the Statute	Nature of the Dues	Amount in dispute (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax on Franchise service	2.04	2006-07	Appellate Tribunal, South Zone branch, Bengaluru
Finance Act, 1994	Service Tax on Works contract	239.44	2010-11	Appellate Tribunal, South Zone branch, Bengaluru
Finance Act, 1994	Service Tax on Works contract	1,001.07	2011-12, 2012-13 & 2013-14	Appellate Tribunal, South Zone branch, Bengaluru

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

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- c) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the Company has not obtained any term loans during the year and there are no unutilized term loans at the beginning of the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the Company.
- e) The Company does not have any subsidiaries, associate or joint venture as defined in the Act, Hence the requirement to report on clause 3(ix)(e) of the Order is not applicable.
- f) The Company does not have any subsidiaries, associate or joint venture as defined in the Act. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.

- (xi) a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed during the year by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us and procedures performed by us, we report that the Company has not received any whistle blower complaints during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) of the Order is not applicable.
- b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash loss amounting to Rs. 137.59 lakh in the current year and Rs. 209.72 lakh in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

Annual Report 2022

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the provisions of Section 135 towards corporate social responsibility are not applicable on the Company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us, the Company is not required to prepare consolidated financial statements. Accordingly, reporting under clause (xxi) of the Order is not applicable for the year.

For PAULSON & COMPANY

Chartered Accountants

(Sd/-)

CA. PAULSON K.P.

LLB, FCA, DISA (ICAI)

Membership No.: 21855; FR No.: 002620S

Partner

Kochi-17

22-Nov-2022

UDIN: 22021855BEHFRT1611

Annexure - B to the Independent Auditor's Report

Supplementary report u/s. 143(5) of the Companies Act, 2013 in “**Annexure B**” referred to in our Independent Auditor's Report to the members of Kitco Limited (“the Company”) for the year ended 31st March 2022.

Sl. No.	Subject	Remarks
1.	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.
2.	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. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	Not applicable since the Company has not availed any debts/loan.
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its 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 Government or its agencies for specific schemes.

For PAULSON & COMPANY

Chartered Accountants

(Sd/-)

CA. PAULSON K.P.

LLB, FCA, DISA (ICAI)

Membership No.: 21855; FR No.: 002620S

Partner

Kochi-17

22-Nov-2022

UDIN: 22021855BEHFRT1611

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KITCO LIMITED

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 ("the Company") as of March 31, 2022 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing (the 'standards') issued by ICAI specified 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

Annual Report 2022

accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit and on the basis of reports, the following material weaknesses have been identified as on 31st March, 2022;

- a) The Company has re-assessed its defined benefits obligation as per Company's staff rules and consequently written back excess provision recognized during the previous year's amounting to Rs. 332.66 Lakhs. Reference is drawn to point 1 of '**Basis for Qualified Opinion**' paragraph in the main audit report.
- b) No third-party confirmations are provided by the Company for percentage of completion and trade receivables, amounting to Rs.5,243.20 Lakh out of which trade receivables amounting to Rs. 672.92 Lakh was outstanding in the age group of more than 3 Years up to 5 Years, Rs. 2,156.48 Lakh was outstanding in the age group of more than 5 years up to 10 Years and Rs. 51.44 Lakh was outstanding in the age group of more than 10 years. Reference is drawn to point 2 of '**Basis for Qualified Opinion**' paragraph in the main audit report.
- c) As on 31.03.2022, there was an outstanding of Rs.55.07 Lakh due to MSME creditors and the Company has not provided interest payable to MSME. Reference is drawn to point 3 of '**Basis for Qualified Opinion**' paragraph in the main audit report.
- d) Balances of claims recoverable, trade receivables, advances to contractors, trade payables and security deposits/ retention money from contractors as shown under respective notes are subject to confirmations and consequential effects and adjustments thereof. Reference is drawn to point 1 of '**Emphasis of Matter**' paragraph in the main audit report.
- e) The Company has restated consultancy fee bills that had previously been raised or reported as receivable but found to be ineligible during the current year. The Company's revenue from operations, "Operation and Other

Annual Report 2022

Expenses, Total Comprehensive Income for the period, Other Equity, Trade receivable” for the years 2013-14 to 2020-21 has been restated. Reference is drawn to point 2 of ‘**Emphasis of Matter**’ paragraph in the main audit report.

- f) The Company has netted off other receivables outstanding from the clients in respect of cost incurred for projects against advance fund available in clients deposit accounts in the head “Advance from clients – against projects”. Reference is drawn point 3 of ‘**Emphasis of Matter**’ Paragraph in the main audit report.
- g) The Company is in the process of reconciling the output liability and input credits as per books with the returns. Reference is drawn to point 4 of ‘**Emphasis of Matter**’ paragraph in the main audit report.
- h) The company has registered charges for loans amounting to Rs 4.05 lakh in Registrar of Companies, Kerala which are not reflected in the current books of the company. Reference is drawn to point 5 of ‘**Emphasis of Matter**’ paragraph in the main audit report.

A ‘Material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on timely basis.

Qualified Opinion

In our opinion, except for the effects of material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PAULSON & COMPANY

Chartered Accountants

(Sd/-)

CA. PAULSON K.P.

LLB, FCA, DISA (ICAI)

Membership No.: 21855; FR No.: 002620S

Partner

Kochi-17

22-Nov-2022

UDIN: 22021855BEHFRT1611

KITCO LIMITED

Registered office: M M Gardens, Church Landing Road, Near Fine Arts Hall, Ernakulam-682016, Kerala, India

BALANCE SHEET AS AT 31, MARCH 2022

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
		(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
I. ASSETS				
1. Non-Current Assets				
a. Property, Plant and Equipment	3A	44.93	57.00	78.26
b. Right-of use Assets	3B	50.83	79.50	248.94
c. Other Intangible Assets	3C	3.42	3.06	13.52
d. Financial Assets				
i. Investments	4A	0.45	0.45	39.12
ii. Other Financial Assets	5A	1,093.02	488.95	1,204.25
e. Income Tax Assets (Net)	6A	118.57	120.20	432.73
f. Deferred Tax Assets (Net)	7	473.48	592.64	367.49
g. Other Non Current Assets	8A	2.46	2.76	6.05
Total Non-Current Assets		1,787.16	1,344.55	2,390.36
2. Current Assets				
a. Financial Assets				
i. Investments	4B	457.71	585.99	419.66
ii. Trade Receivables				
iia. Billed	9A	3,998.57	3,468.85	4,575.67
iib. Unbilled	9B	1,595.28	880.46	745.87
iii. Cash and Cash Equivalents	10	3,414.70	2,831.20	2,441.83
iv. Other Bank Balances	11	1,623.81	2,598.91	1,772.03
v. Other Financial Assets	5B	198.98	219.68	269.88
b. Income Tax Assets (Net)	6B	569.74	296.97	474.47
c. Other Current Assets	8B	37.41	51.49	42.02
Total Current Assets		11,896.19	10,933.55	10,741.43
Total Assets		13,683.35	12,278.10	13,131.79

Annual Report 2022

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
		(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
II. EQUITY AND LIABILITIES				
1. Equity				
a. Equity Share Capital	12	984.50	984.50	984.50
b. Other Equity	13	2,673.26	2,640.30	3,642.62
Total Equity		3,657.76	3,624.80	4,627.12
Liabilities				
2. Non-Current Liabilities				
a. Financial Liabilities				
i. Borrowings				
ia. Lease Liabilities	14A	6.05	-	120.37
ii. Other Financial Liabilities	15A	4,310.37	3,897.66	3,441.88
b. Provisions	16A	311.22	63.70	100.40
Total Non-Current Liabilities		4,627.64	3,961.36	3,662.65
3. Current Liabilities				
a. Financial Liabilities				
i. Borrowings				
ia. Lease Liabilities	14B	59.80	101.75	158.16
ii. Trade Payables				
(A) Total outstanding dues of micro enterprises and small enterprises	17A	55.07	43.25	54.39
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	17B	523.36	498.92	653.61
iii. Other Financial Liabilities	15B	4,088.29	2,836.65	2,774.13
b. Provisions	16B	190.40	883.44	792.09
c. Other Current Liabilities	18	481.04	327.93	409.64
Total Current Liabilities		5,397.96	4,691.94	4,842.02
Total Liabilities		10,025.59	8,653.30	8,504.67
Total Equity and Liabilities		13,683.35	12,278.10	13,131.79
Notes forming part of the Financial Statements		1-38		
The accompanying notes form an integral part of the financial statements.				

For and on behalf of the Board

(Sd/-)

HARINARAYANARAJ

Managing Director

(DIN: 06583319)

(Sd/-)

ANJANA M A

Company Secretary

Kochi - 682 016

November 22, 2022

(Sd/-)

C J MANJUNATHASWAMY

Director

(DIN: 08848722)

(Sd/-)

BENTY V A

Chief Financial Officer

As per our report with UDIN of even date attached

For PAULSON & COMPANY

Chartered Accountants

(Sd/-)

CA. PAULSON K.P.

LLB, FCA, DISA (ICAI)

Membership No.: 21855; FR No.: 002620S

Partner

Kochi - 682 017

November 22, 2022

UDIN: 22021855BEHFRT1611

KITCO LIMITED

Registered office: M M Gardens, Church Landing Road, Near Fine Arts Hall, Ernakulam-682016, Kerala, India

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No	For the year ended 31.03.2022	For the year ended 31.03.2021
		(₹ in lakhs)	(₹ in lakhs)
I. Revenue from Operations	19	2,446.75	2,837.10
II. Other Income	20	247.80	326.53
III. Total Income		2,694.55	3,163.63
IV. EXPENSES:			
Employee Benefits Expense	21	2,444.32	2,491.52
Finance Costs	22	4.45	12.47
Depreciation and Amortisation Expense	3A/B/C	90.46	131.61
Operation and Other Expenses	23	700.99	1,772.57
Total Expenses		3,240.23	4,408.17
V. Profit / (Loss) before exceptional items and tax (III-IV)		(545.68)	(1,244.54)
VI. Exceptional items	24	(585.73)	(102.19)
VII. Profit / (Loss) before tax (V-VI)		40.06	(1,142.35)
VIII. Tax expense:			
a. Current tax	25	-	-
b. Deferred tax	7	123.59	(234.90)
		123.59	(234.90)
IX. Profit / (Loss) for the year (VII-VIII)		(83.53)	(907.45)
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		89.76	(131.47)
b. Difference in cost and fair value on investments considered in OCI		22.31	46.34
c. Income tax relating to items that will not be reclassified to profit or loss	7	4.42	(9.75)
Total Other comprehensive income / (expenses) (net of tax)		116.49	(94.88)

Annual Report 2022

Particulars	Note No	For the year ended 31.03.2022	For the year ended 31.03.2021
		(₹ in lakhs)	(₹ in lakhs)
XI. Total Comprehensive Income / (Expenses) for the year (IX + X) (Comprising of Profit/(Loss) and Other Comprehensive Income /(Expenses) for the year)	26	32.96	(1,002.33)
XII. Earnings per equity share:			
Basic and diluted earnings per equity share (Rs.)		(85.00)	(922.00)
Nominal value per equity share (Rs.)		1,000.00	1,000.00
Notes forming part of the Financial Statements 1-38			
The accompanying notes form an integral part of the financial statements.			

For and on behalf of the Board

(Sd/-)
HARINARAYANARAJ
Managing Director
(DIN: 06583319)

(Sd/-)
C J MANJUNATHASWAMY
Director
(DIN: 08848722)

(Sd/-)
ANJANA M A
Company Secretary
Kochi - 682 016
November 22, 2022

(Sd/-)
BENTY V A
Chief Financial Officer

As per our report with UDIN of even date attached

For PAULSON & COMPANY
Chartered Accountants
(Sd/-)

CA. PAULSON K.P.
LLB, FCA, DISA (ICAI)
Membership No.: 21855; FR No.: 002620S
Partner

Kochi - 682 017
November 22, 2022

UDIN: 22021855BEHFRT1611

KITCO LIMITED

Registered office: M M Gardens, Church Landing Road, Near Fine Arts Hall, Ernakulam-682016, Kerala, India

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
A. Cash Flows from Operating Activities		
Profit / (Loss) Before Tax	40.06	(1,142.35)
Adjustments for:		
Depreciation and amortisation expense	90.46	131.61
Finance costs	4.45	12.47
Gain on lease de recognition	-	(8.34)
Provision for Sick leave compensation written back	-	(3.09)
Provisions on leave encashment written back	(390.04)	-
(Profit) / loss on sale of fixed asset	-	0.40
Provision for bad and doubtful debts	(144.52)	566.13
Interest & Dividend Income	(247.44)	(314.35)
Operating Profit(Loss) before Working Capital Changes	(647.02)	(757.53)
Net changes in:		
Trade recievables, loans and advances and other current assets	(693.92)	(416.19)
Trade Payables and other current liabilities	1,887.98	942.90
Cash generated from Operations	547.04	(230.81)
Net Direct Taxes Paid/refund	(271.13)	498.89
Net Cash from/(used) in Operating Activities	275.91	268.08
B. Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(5.05)	(6.22)
(Investment)/Redemption in mutual funds (net)	150.59	(81.31)
Interest & Dividend Received	247.44	314.35
Sale proceeds of fixed assets	-	0.69
Net Cash from/(used) in Investing Activities	392.98	227.51

Annual Report 2022

Particulars		For the year ended 31.03.2022	For the year ended 31.03.2021
		(₹ in lakhs)	(₹ in lakhs)
C. Cash Flows from Financing Activities			
Interest Paid		(0.05)	(0.01)
Payment of lease liabilities		(85.34)	(106.21)
Net Cash from/(used) in Financing Activities		(85.39)	(106.22)
Summary			
Net Cash from /(used) in Operating Activities		275.91	268.08
Net Cash from/(used) in Investing Activities		392.98	227.51
Net Cash from/(used) in Financing Activities		(85.39)	(106.22)
Net Increase/(Decrease) in Cash & Cash Equivalents		583.49	389.38
Cash and Cash Equivalents at the beginning of the year		2,831.20	2,441.83
Cash and Cash Equivalents at the end of the year		3,414.70	2,831.20
Net Increase/(Decrease) in Cash & Cash Equivalents		583.49	389.38
<p>1. Negative figures represents deductions or outflow and are indicated in brackets.</p> <p>2. Cash and bank balances include cash balance plus deposits with banks.</p>			

For and on behalf of the Board

(Sd/-)
HARINARAYANARAJ
Managing Director
(DIN: 06583319)

(Sd/-)
C J MANJUNATHASWAMY
Director
(DIN: 08848722)

(Sd/-)
ANJANA M A
Company Secretary
Kochi - 682 016
November 22, 2022

(Sd/-)
BENTY V A
Chief Financial Officer

As per our report with UDIN of even date attached

For PAULSON & COMPANY
Chartered Accountants
(Sd/-)

CA. PAULSON K.P.
LLB, FCA, DISA (ICAI)
Membership No.: 21855; FR No.: 002620S
Partner

Kochi - 682 017
November 22, 2022

UDIN: 22021855BEHFRT1611

KITCO LIMITED

Registered office: M M Gardens, Church Landing Road, Near Fine Arts Hall, Ernakulam-682016, Kerala, India

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2022

A. Equity Share Capital

(1) Current reporting period FY 2021-2022

(₹ in lakhs)

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
984.50	-	984.50	-	984.50

(2) Previous reporting period FY 2020-2021

(₹ in lakhs)

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
984.50	-	984.50	-	984.50

(3) Previous reporting period FY 2019-2020

(₹ in lakhs)

Balance as at April 1, 2019	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2020
984.50	-	984.50	-	984.50

B. Other Equity

(1) Current reporting period FY 2021-2022

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total (₹ in lakhs)
	General Reserve (₹ in lakhs)	Retained Earnings (₹ in lakhs)	Difference in fair Value and Cost of Investments (₹ in lakhs)	
Balance as at 1st April, 2021	413.37	2,174.89	52.04	2,640.30
Profit / (Loss) for the year	-	(83.53)	-	(83.53)
Other comprehensive income net of taxes	-	89.76	26.74	116.49
Total comprehensive income for the year	-	6.23	26.74	32.96
Dividend (including taxes)	-	-	-	-
Balance as at 31st March, 2022	413.37	2,181.12	78.77	2,673.26

Annual Report 2022

(2) Previous reporting period FY 2020-2021

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total (₹ in lakhs)
	General Reserve (₹ in lakhs)	Retained Earnings (₹ in lakhs)	Difference in fair Value and Cost of Investments (₹ in lakhs)	
Balance as at 1st April, 2020	413.37	3,213.81	15.44	3,642.62
Profit / (Loss) for the year	-	(907.45)	-	(907.45)
Other comprehensive income net of taxes	-	(131.47)	36.59	(94.88)
Total comprehensive income for the year	-	(1,038.92)	36.59	(1,002.33)
Dividend (including taxes)	-	-	-	-
Balance as at 31st March, 2021	413.37	2,174.89	52.04	2,640.30

(3) Previous reporting period FY 2019-2020

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total (₹ in lakhs)
	General Reserve (₹ in lakhs)	Retained Earnings (₹ in lakhs)	Difference in fair Value and Cost of Investments (₹ in lakhs)	
Balance as at 31st March, 2019	413.37	5,180.00	26.72	5,620.09
Effect of changes in accounting policy or prior period error	-	1,530.80	-	1,530.80
Restated balance as at 1st April 2019	413.37	3,649.19	26.72	4,089.28
Profit / (Loss) for the year	-	(420.14)	-	(420.14)
Other comprehensive income net of taxes	-	(15.24)	(11.28)	(26.52)
Total comprehensive income for the year	-	(435.38)	(11.28)	(446.66)
Dividend (including taxes)	-	-	-	-
As at 31st March, 2020	413.37	3,213.81	15.44	3,642.62

Notes forming part of the Financial Statements (Note 1-38)

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

For and on behalf of the Board

(Sd/-)

HARINARAYANARAJ

Managing Director

(DIN: 06583319)

(Sd/-)

ANJANA M A

Company Secretary

Kochi - 682 016

November 22, 2022

(Sd/-)

C J MANJUNATHASWAMY

Director

(DIN: 08848722)

(Sd/-)

BENTY V A

Chief Financial Officer

As per our report with UDIN of even date attached

For PAULSON & COMPANY

Chartered Accountants

(Sd/-)

CA. PAULSON K.P.

LLB, FCA, DISA (ICAI)

Membership No.: 21855; FR No.: 002620S

Partner

Kochi - 682 017

November 22, 2022

UDIN: 22021855BEHFRT1611

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

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.
- 1.2 Small Industries Development Bank of India (SIDBI) is the major shareholder and owns 49.77% of company's equity share capital. The company's registered office is at Cochin and has branches at Trivandrum, Chennai and Delhi.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

These financial statements 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.

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.

2.2 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.

2.3 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.

Critical Accounting Estimates

2.4 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.

- 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 timeframe' 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.

Annual Report 2022

- ◆ 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/loss 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.

2.5 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.

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

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Intangible assets are recorded at the consideration paid for acquisition of such assets and are amortised.

2.7 Depreciation and amortization

Depreciation on fixed assets is provided on the written down value method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for 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 (Years)
Furniture and fixtures	10 years
Office equipment	5 years
Electrical Fittings	10 years
Vehicles	8 years
Computer & Data Processing Units- End user Devices - Desk Tops & Laptops	3 Years
Computer & Data Processing Units - Servers & Networks	6 Years
Energy Audit equipment	5 years

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

2.8 Impairment

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

2.9 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.

2.10 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. Re-measurements 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. Re-measurements 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 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.

2.11 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.

2.12 Leases

i. **Company as Lessee**-The Lease asset classes comprises of lease for building. The Company assess at contract inception whether a contract is, or contains a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. On the date of commencement of lease, lessee recognises right-of-use asset (ROU) representing its right to use the underlying asset and the corresponding lease liability representing its obligation to make lease payments. The following assessment is done to ascertain whether a contract conveys the right to control the use of an identified asset.

- a. The contract involves the use of an identified asset.
- b. The Company has substantially all of the economic benefits from use of the asset through the period of lease and
- c. The Company has the right to direct the use of the asset.

In accordance with the standard, the Company applies a single recognition and measurement approach for all leases and will elect not to apply the requirements of Ind AS 116 to short-term leases (leases with a term of 12 months) and leases for which the underlying asset is of low value. For these short term and low value leases, the Company recognizes the lease payment as an operating expense on a straight-line basis over the term of lease.

ii. **Right-of-use assets** - The Company recognizes right-of-use assets at the commencement date of the lease (ie, the date the underlying asset is available for use). Right-of-use assets are

measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets in the nature of buildings are depreciated on a straight line basis over the period of lease term.

- iii. **Lease Liabilities** - At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments includes fixed payments less any lease incentives receivable, variable lease payments that depend on a index or a rate and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is modification, a change in lease term or a change in the lease payments of the underlying asset.

Lease payments on short term leases and leases of low value assets are recognised as expense on a straight line basis over the lease term.

2.13 Borrowing Costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowings costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised as part of cost of the respective asset. All other borrowings costs are recognized as an expenditure for the period in which they are incurred.

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 IndAS33 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 equity shareholders in the general meeting and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.18 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.

2.19 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 and activities will be in the areas of:

- ◆ Education, Skill development initiatives, Women empowerment programs to make them employable.
- ◆ Ensuring environmental sustainability.
- ◆ Protection of national heritage, art and culture.
- ◆ Rural development projects.
- ◆ Contribution or funds provided to technology incubators located within academic institutions which are approved by the central Government.
- ◆ Health care sector.
- ◆ Contribution to PM National Relief Fund.

2.20 RECENT INDIAN ACCOUNTING STANDARDS (Ind AS)

There are no new standards issued, but not yet made effective as on date of approving financial statements.

Annual Report 2022

3A Property, Plant and Equipment

Particulars	Gross Carrying Value				Depreciation				Net carrying value (₹ in lakhs)
	Cost As at 01.04.2021	Additions	Sales/ Adjustments	Cost As at 31.03.2022	Upto 01.04.2021	For the year	Sales/ Adjustments	Upto 31.03.2022	As at 31.03.2022
Furniture and Fixtures	184.08	-	-	184.08	164.18	5.19	-	169.37	14.71
Office Equipments	58.96	-	-	58.96	54.21	1.01	-	55.22	3.75
Electrical Fittings	105.98	-	-	105.98	96.94	2.41	-	99.35	6.63
Vehicles	38.44	-	-	38.44	30.84	2.21	-	33.04	5.40
Computer	253.34	2.30	-	255.64	237.88	3.54	-	241.42	14.22
Energy Audit Equipments	3.94	-	-	3.94	3.71	-	-	3.71	0.24
Library Books	9.18	0.00	-	9.18	9.18	0.00	-	9.18	-
Total	653.93	2.30	-	656.23	596.93	14.37	-	611.30	44.93

Previous Year Figures

Particulars	Gross Carrying Value				Depreciation				Net carrying value (₹ in lakhs)
	Cost As at 01.04.2020	Additions	Sales/ Adjustments	Cost As at 31.03.2021	Upto 01.04.2020	For the year	Sales/ Adjustments	Upto 31.03.2021	As at 31.03.2021
Furniture and Fixtures	186.44	-	2.36	184.08	159.36	7.06	2.24	164.18	20.00
Office Equipments	59.01	0.70	0.75	58.96	53.26	1.58	0.64	54.21	5.00
Electrical Fittings	105.98	-	-	105.98	93.53	3.40	-	96.94	9.00
Vehicles	38.44	-	-	38.44	27.62	3.22	-	30.84	8.00
Computer	267.70	1.72	16.07	253.34	245.75	7.34	15.21	237.88	15.00
Energy Audit Equipments	3.94	-	-	3.94	3.71	-	-	3.71	0.24
Library Books	9.07	0.11	-	9.18	9.07	0.11	-	9.18	-
Total	670.57	2.53	19.18	653.93	592.31	22.71	18.09	596.93	57.00

3B Right-of use Assets

Particulars	Gross Carrying Value				Depreciation			Net carrying value (₹ in lakhs)
	Cost As at 01.04.2021	Additions	Sales/ Adjustments	Cost As at 31.03.2022	Upto 01.04.2021	For the year	Sales/ Adjustments	
								As at 31.03.2022
Lease hold Buildings	374.27	45.64	-	419.91	294.78	73.70	0.60	50.83

Previous Year figures

Particulars	Gross Carrying Value				Depreciation			Net carrying value (₹ in lakhs)
	Cost As at 01.04.2020	Additions	Sales/ Adjustments	Cost As at 31.03.2021	Upto 01.04.2020	For the year	Sales/ Adjustments	
								As at 31.03.2021
Lease hold Buildings	372.43	1.84	-	374.27	123.49	94.75	76.53	79.50

3C Other Intangible Assets

Particulars	Gross Carrying Value				Depreciation			Net carrying value (₹ in lakhs)
	Cost As at 01.04.2021	Additions	Sales/ Adjustments	Cost As at 31.03.2022	Upto 01.04.2021	For the year	Sales/ Adjustments	
								As at 31.03.2022
Computer Software	233.67	2.75	-	236.42	230.61	2.39	-	3.42

Previous Year figures

Particulars	Gross Carrying Value				Depreciation			Net carrying value (₹ in lakhs)
	Cost As at 01.04.2020	Additions	Sales/ Adjustments	Cost As at 31.03.2021	Upto 01.04.2020	For the year	Sales/ Adjustments	
								As at 31.03.2021
Computer Software	229.98	3.69	-	233.67	216.46	14.15	-	3.06

Annual Report 2022

Cost incurred for purchase of Computer softwares has been amortized over a period of three years. During this year

- i. Rs. 0.59 lakh being third installment of the aggregate amount of Rs. 1.76 lakh and
- ii. Rs. 1.23 lakh being second installment of the aggregate amount of Rs. 3.87 lakh have been amortized.
- iii. Rs. 0.92 lakh being first installment of the aggregate amount of Rs. 2.75 lakh have been amortized.

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.

Right-of use Assets (Ind AS 116)

- i. Leasehold buildings represent properties taken on lease for its offices, accounted in accordance with principle of Ind AS 116 'Leases'.
- ii. The weighted average incremental borrowing rate applied to lease liabilities for the year is 7.25% (previous year : 7.70%)
- iii. Interest expense on lease liabilities amounts to Rs. 4.40 lakh (previous year : Rs. 12.46 lakh)
- iv. Total cash outflow for leases during the year amounts to Rs. 85.34 lakh (previous year : Rs. 106.21 lakh)

4. Investments

Investments consist of the following:

(A) Investments - Non-current

Particulars	No. of Shares/units	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
a. Investment in Equity Instruments - (Non -trade) at cost (fully paid up - Unquoted)			
i. 2,500 Fully paid up unquoted equity shares in Cochin International Airport Ltd of Rs. 10 each	2,500 (2,500)	0.45	0.45
Total		0.45	0.45

(B) Investments - Current

Particulars	No. of Shares/units	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
a. Investments at fair value through other comprehensive income (non trading- Quoted)			
i. TATA Value fund Series 1 - Regular plan - Dividend	0 (5,00,000)	-	60.83
b. Investments at fair value through Other Comprehensive Income (trading - Quoted)			
i. SBI Savings fund -Regular Plan Daily Dividend	38,39,924.21 (38,71,112.76)	426.39	410.99
ii. IDFC Money Manager Fund - Daily Dividend-Regular plan	3,10,109.78 (11,30,433.01)	31.32	114.17
Total		457.71	585.99

The Figures in brackets are for the previous years

Annual Report 2022

Aggregate value of quoted and unquoted investments is as follows:

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Market Value of Quoted Investments	457.71	585.99
Aggregate amount of Unquoted Investments	0.45	0.45
Aggregate amount of Quoted Investments	457.71	585.99

5. Other Financial Assets

Other financial assets consist of the following:

(A) Other Financial Assets - Non-Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Unsecured, Considered Good		
i. Security deposits	2.41	0.91
ii. Retention receivable	354.85	338.23
iii. Claims Receivable	120.54	111.09
iv. Bank deposits with maturity more than 12 months	615.21	38.72
Unsecured, Considered Doubtful		
i. Deposits	12.02	11.77
ii. Claims Receivable	40.69	40.55
Less : Allowance for doubtful receivables	(52.71)	(52.32)
Total	1,093.02	488.95

5.01 Bank deposits with maturity more than 12 months includes Bank deposit of Rs 204.52 Lakh held as margin money/ security against bank guarantees (Previous year Rs 33.73 Lakh).

(B) Other Financial Assets - Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
i. Security deposits	28.30	29.90
ii. EMD receivable	37.92	54.63
iii. Interest receivable	71.15	98.98
Less : Allowance for doubtful receivables	(0.57)	(0.82)
(A)	136.80	182.70

Annual Report 2022

Others:

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
i. Unsecured, Considered good	65.34	42.73
ii. Unsecured, Considered doubtful	109.22	109.22
	174.56	151.95
Less :- Allowance for expected credit loss.	(112.38)	(114.96)
Total Other financial Assets - Others	(B) 62.18	36.99
Total (A + B)	198.98	219.68

5.02 Other Financial Assets – current 'Others' represent advance against projects paid on behalf of the clients, i.e., the amount spent over and above the deposit amount received from the client for execution of the project. The above-mentioned includes Rs.99.26 lakh (including legal expenses of Rs.15.16 lakhs) receivable from Cochin Special Economic Zone (CSEZ) for the augmentation of zero effluent discharge system in CSEZ area project. Also refer note No.35.

6. Income Tax Assets (Net)

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

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

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
I. Income tax (Refunds receivable for previous years (Net)	118.57	120.20
Total	118.57	120.20

(B) Income Tax Assets (Net) - Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
i. Advance Income Tax	569.74	296.97
Total	569.74	296.97

7. Deferred Tax Assets (Liabilities)

Accounting for taxes on Income (Ind As 12)

Deferred tax assets (liabilities) consist of the following

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Deferred Tax Asset (Net)	473.48	592.64

Annual Report 2022

Significant components of net deferred tax Assets as on March 31, 2022 as against March 31, 2021 is detailed below;

Particulars	Deferred tax asset as at March 31, 2021	Current Year Adjustments	Deferred tax asset as at March 31, 2022
Deferred tax assets/(liabilities) in relation to:			
i. Timing difference on account of Depreciation through P&L	35.89	(4.38)	31.51
ii. Timing difference on account of Provision for doubtful debts through P&L	404.25	(37.58)	366.68
iii. Timing difference on account of Right of use of assets/ Lease liability through P&L	5.78	(1.88)	3.90
iv. On account of Carry forwarded business loss	152.06	(79.75)	72.31
v. On account Expenses on which TDS not deducted/ paid	1.46	-	1.46
vi. On account of Re-measurement of Defined Benefit Obligations	-	-	-
Amount recognized through P&L	599.45	(123.59)	475.86
vii. On account of unrealized gain/loss on investments through OCI	(6.80)	4.42	(2.38)
Deferred tax asset	592.64	(119.16)	473.48

Computation of Deferred Tax Assets/ Liability

Deferred Tax Assets	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
i. WDV of fixed assets as per Accounts	48.35	60.06
WDV of fixed assets as per Income Tax Rules	169.53	198.08
Accumulated Depreciation difference (i)	121.18	138.02
ii. Provision for Bad debts - Debtors	1,244.63	1,386.72
Provision for Doubtful - Other Financial Assets	112.38	114.96
Provision for Doubtful advances - Vendors	38.86	38.86
Provision for doubtful claims receivables	14.43	14.28
Total Provisions (ii)	1,410.29	1,554.82
iii. Carry forwarded business loss	278.11	584.85
iv. Unrealized loss on investments through OCI	-	-
v. Lease Liability	65.85	101.75
vi. Expenses disallowed for computation of taxable income	5.63	5.63
Total (i+ii+iii+iv+v+vi)	1,881.07	2,385.06
DTA @ 26 %	489.08	620.12

Annual Report 2022

Deferred Tax Liability	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
i. Unrealized gain on investments through OCI	9.15	26.17
ii. Right of use of assets	50.83	79.50
Total DTL (i+ii)	59.98	105.67
DTL @ 26%	15.60	27.47
	-	-
Net (DTA)/DTL	(473.48)	(592.64)
Net (DTA)/DTL - Previous Year	(592.64)	(367.49)
DTA/(DTL) for the year to P/L & OCI	119.16	(225.15)

8. Other Assets

Other assets (unsecured) consist of the following:

(A) Other Assets - Non-Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Considered good		
i. Prepaid Expenses	2.46	2.76
ii. Others	-	-
Total	2.46	2.76

(B) Other Assets - Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Unsecured - Considered good		
i. Advance to Employees	0.65	1.55
ii. Prepaid Expenses	28.59	37.24
iii. Others	8.17	12.71
Total	37.41	51.49

9. Trade Receivables

(A) Trade Receivables - Billed - Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Trade Receivables - Billed		
i. Unsecured, Considered good	4,973.42	4,585.78
ii. Unsecured, Considered doubtful	269.78	269.78
	5,243.20	4,855.57
Less :- Allowance for expected credit loss	(1,244.63)	(1,386.72)
Total	3,998.57	3,468.85

Annual Report 2022

(B) Trade Receivables - Unbilled - Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Trade Receivables - Unbilled	1,595.28	880.46
	1,595.28	880.46
Less : Allowance for expected credit loss	-	-
Total	1,595.28	880.46

Trade Receivables Ageing Schedule :

As on 31 March 2022

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,487.28	60.23	351.03	107.97	355.38	2,611.54	4,973.42
(ii) Undisputed Trade Receivables–considered doubtful	-	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	0.48	-	269.30	269.78
Total	1,487.28	60.23	351.03	108.45	355.38	2,880.84	5,243.20
Less Allowance for doubtful trade receivables - Billed							(1,244.63)
Total trade receivables - Billed							3,998.57
Trade receivables - Unbilled							1,595.28
Total trade receivables							5,593.85

Annual Report 2022

As on 31 March 2021

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables– considered good	1,127.25	110.01	172.65	480.74	616.27	2,078.86	4,585.78
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	0.48	-	9.00	260.31	269.78
Total	1,127.25	110.01	173.13	480.74	625.27	2,339.17	4,855.57
Less Allowance for doubtful trade receivables - Billed							(1,386.72)
Total trade receivables - Billed							3,468.85
Trade receivables - Unbilled							880.46
Total trade receivables							4,349.30

9.01 During the year , in accordance with IND AS 109 the company has adopted "simplified approach" for recognition of expected loss on trade receivables. The provision matrix is based on the i). average GOI bond rate of 7.15% (previous year @ 6.80%) over the expected life of the trade receivables for the delay in realisation as the major clientele to include Government/ Semi Government Departments and Local Authorities, and ii). credits impaired where the expectation of recovery is less on account of litigation and follow up with the clients and iii). no credit risk for receivables with ageing less than 12 months.

9.02 Unbilled Revenue

Invoices are raised to the clients on the basis of milestones mentioned in the contract. In some of the cases, performance obligation is completed, however billing is not done due to factors other than passage of time as mentioned in the milestone. Revenue in excess of billing is classified as "Trade receivables - Unbilled". Invoicing in excess of revenue recognised are classified as "unearned revenue".

Annual Report 2022

10. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
i. Balance with banks		
a. In Current Accounts	556.51	734.70
b. In Special TSB A/c with District Treasury Trivandrum	367.25	383.50
ii. Bank deposits having maturity less than three months from the balance sheet date	2,490.75	1,712.76
iii. Cash on hand	0.18	0.24
Total	3,414.70	2,831.20

11. Other Bank Balances

Other balances with banks consist of the following:

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
i. In deposit accounts with banks having maturity with more than 3 months but are due for maturity within 12 months from the balance sheet date	1,623.81	2,598.91
Total	1,623.81	2,598.91

11.01 The above includes Bank deposit of Rs. 334.39 lakh held as margin money/ security against bank guarantees. (Previous year Rs. 642.90 lakh)

12. Share Capital

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Authorized :		
1,00,000 Equity Shares of Par Value of Rs.1,000/- each	1,000.00	1,000.00
Issued :		
98,481 Equity Shares of Par value of Rs.1,000/- each	984.81	984.81
Subscribed , Called up and Fully paid:		
98,450 Equity Shares of Par value of Rs.1,000/- each	984.50	984.50

12.01 Terms/ Rights attached to Equity Shares

"The company has only one class of shares referred to as equity shares with a face value of Rs. 1,000/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Annual Report 2022

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

12.02 Reconciliation of shares at the beginning and at the end of the financial year

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
No. of shares as at the beginning of the financial year	98,450	984.50	98,450	984.50
Add: Shares issued during the year	-	-	-	-
No. of shares as at the end of the financial year	98,450	984.50	98,450	984.50

12.03 Particulars of Shareholders holding more than 5% shares in the Company

i Small Industries Development Bank of India	49.77%	49,000	49.77%	49,000
ii IFCI Ltd.	20.26%	19,950	20.26%	19,950
iii ICICI Bank Ltd.	5.79%	5,700	5.79%	5,700

12.04 Shares held by promoters at the end of the year

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Particulars	As at 31.03.2022		As at 31.03.2021		% change during the year
	%	No. of Shares	%	No. of Shares	
i Small Industries Development Bank of India	49.77%	49,000	49.77%	49,000	0.00%
ii IFCI Ltd.	20.26%	19,950	20.26%	19,950	0.00%
iii ICICI Bank Ltd.	5.79%	5,700	5.79%	5,700	0.00%
iv State Bank of India	4.26%	4,200	4.26%	4,200	0.00%
v KSIDC Limited	4.01%	3,950	4.01%	3,950	0.00%
vi The Government of Kerala	3.00%	2,950	3.00%	2,950	0.00%
vii Canara Bank	4.58%	4,500	2.29%	2,250	2.29%
viii Union Bank of India	2.29%	2,250	2.29%	2,250	0.00%
ix Syndicate Bank	0.00%	-	2.29%	2,250	-2.29%
x Indian Bank	2.29%	2,250	2.29%	2,250	0.00%
xi Indian Overseas Bank	2.29%	2,250	2.29%	2,250	0.00%
xii Kerala Financial Corporation	1.47%	1,450	1.47%	1,450	0.00%

Annual Report 2022

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Particulars	As at 31.03.2021		As at 31.03.2020		% change during the year
	%	No. of Shares	%	No. of Shares	
i Small Industries Development Bank of India	49.77%	49,000	49.77%	49,000	0.00%
ii IFCI Ltd.	20.26%	19,950	20.26%	19,950	0.00%
iii ICICI Bank Ltd.	5.79%	5,700	5.79%	5,700	0.00%
iv State Bank of India	4.26%	4,200	4.26%	4,200	0.00%
v KSIDC Limited	4.01%	3,950	4.01%	3,950	0.00%
vi The Government of Kerala	3.00%	2,950	3.00%	2,950	0.00%
vii Canara Bank	2.29%	2,250	2.29%	2,250	0.00%
viii Union Bank of India	2.29%	2,250	2.29%	2,250	0.00%
ix Syndicate Bank	2.29%	2,250	2.29%	2,250	0.00%
x Indian Bank	2.29%	2,250	2.29%	2,250	0.00%
xi Indian Overseas Bank	2.29%	2,250	2.29%	2,250	0.00%
xii Kerala Financial Corporation	1.47%	1,450	1.47%	1,450	0.00%

13. Other Equity

Other equity consist of the following :

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
General Reserve	413.37	413.37
Add: Transferred from Statement of Profit and loss	-	-
	413.37	413.37
Retained Earnings		
Balance at the beginning of the year	2,226.93	3,229.26
Add : Profit / (Loss) for the year	(83.53)	(907.45)
Add: Difference in cost and fair value of re-investments in Other Comprehensive Income (net of tax)	26.74	36.59
Add: Re-measurements of defined benefit plans in Other Comprehensive Income (net of tax)	89.76	(131.47)
Closing Balance	2,259.89	2,226.93
Total	2,673.26	2,640.30

Annual Report 2022

14. Lease Liabilities

(A) Lease Liabilities - Non current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Lease Liability	6.05	-
Total	6.05	-

(B) Lease Liabilities - Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Lease Liability	59.80	101.75
Total	59.80	101.75

15. Other Financial Liabilities

Other financial liabilities consist of the following:

(A) Other Financial Liabilities - Non-Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Security Deposits	4,191.79	3,778.99
Others	118.57	118.67
Total	4,310.37	3,897.66

(B) Other Financial Liabilities - Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Advance from clients - against projects	2,054.93	2,274.14
Unearned and deferred revenue	880.11	-
Employee Benefit Expenses Payable	1,153.25	562.51
Creditors for Expenses		-
Total	4,088.29	2,836.65

15.01 As per G.O. (P) No.88/2018/Fin dated 11th June 2018, the payment to the 'Contractor' will be made by the 'Client' directly from the Consolidated Fund to the Contractor's bank account. Advance from clients - against projects represents the net figure arrived after considering the individual client's funds in totality. An amount of Rs.1,937.27 lakh (PY Rs. 1,920.28 lakh) utilized for the projects has been netted off against the excess funds earmarked and received for distinct projects of the same client. The company is confident of pursuing an overall settlement with the clients and the process is under way and no further payment to contractors would be required to be made by the Company as directed by the above mentioned GO.

Annual Report 2022

16. Provisions

Provisions consist of the following:

(A) Provisions - Non-Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Provision for employee benefits	311.22	63.70
Total	311.22	63.70

16.01 Refer note 21.01 (compensated absences- unfunded obligation) for disclosures required under Indian Accounting Standard (Ind AS) 19 - "Employee Benefits"

(B) Provisions - Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Provision for employee benefits	5.27	248.29
Provision for foreseeable losses	185.13	635.15
Total	190.40	883.44

16.02 Refer note 21.01 (defined benefit plans - funded obligation) for disclosures required under Indian Accounting Standard (Ind AS) 19 - "Employee Benefits"

17. Trade Payables

Trade payables consist of the following :

Trade Payables - Current

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
(A) Total outstanding dues of micro enterprises and small enterprises	55.07	43.25
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	523.36	498.92
Total	578.43	542.17

Trade Payable Ageing Schedule

As on 31 March 2022

(₹ in lakhs)

Note No.	Particulars	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
17.01 (i)	MSME	-	26.50	23.85	4.50	0.22	55.07
(i)	Others	-	200.24	104.48	33.09	185.55	523.36
(iii)	Disputed Dues- MSME	-	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-	-
	Total	0.00	226.74	128.33	37.59	185.77	578.43

Annual Report 2022

As on 31 March 2021

(₹ in lakhs)

Note No.	Particulars	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
17.02 (i)	MSME	-	36.84	6.20	0.22	-	43.25
(i)	Others	-	247.66	64.79	32.05	154.42	498.92
(iii)	Disputed Dues- MSME	-	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-	-
	Total	-	284.50	70.99	32.27	154.42	542.17

17.03	Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
-------	-------------	----------------------------------	----------------------------------

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

The principal amount remaining unpaid to any supplier as at the end of the year. 55.07 43.25

The interest due on the principal remaining outstanding as at the end of the year. - -

The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year. - -

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act. - -

The amount of interest accrued and remaining unpaid at the end of the year. - -

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act. - -

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

18. Other Current Liabilities

Particulars	As at 31.03.2022 (₹ in lakhs)	As at 31.03.2021 (₹ in lakhs)
Advance from clients - against consultancy fees	44.49	42.20
Statutory and other Dues	324.30	241.74
Statutory and other Dues- Others	112.24	43.99
Total	481.04	327.93

Annual Report 2022

19. Revenue From Operations

Revenue from operations consist of the following:

Particulars	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Management & Financial Consultancy services	142.96	37.82
Human Resource Development Services	46.04	59.07
Engineering Consultancy Services	2,257.75	2,700.62
Technical Services	-	39.59
Total	2,446.75	2,837.10

20. Other Income

Other income consist of the following:

Particulars	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Interest Income		
From Fixed Deposits with Banks	244.82	269.40
From IT refund for previous years	-	43.15
From Others	0.22	0.31
Dividend on Investments referred in note no. 4	2.39	1.50
Gain on lease de recognition	-	8.34
Provisions written back	-	3.09
Profit on Sale of fixed assets	-	0.09
Miscellaneous Income	0.36	0.66
Total	247.80	326.53

21. Employee Benefits Expense

Employee benefits expense consist of the following:

Particulars	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Salaries, Wages & Bonus	2,097.92	2,160.84
Contributions to Provident and other funds	192.88	187.21
Contribution to Group Gratuity	63.20	57.00
Contribution for Sick leave compensation	2.16	-
Staff Welfare Expenses	88.16	86.47
Total	2,444.32	2,491.52

Annual Report 2022

21.01 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 recognized in the Statement of Profit and Loss on account of defined contribution plan.

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Employer's Contribution to Provident Fund	192.17	186.34

ii. Defined Benefit Plans - Funded Obligation

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
a. Group Gratuity-cum-Life Assurance premium as per the actuarial Valuation	63.20	46.18
b. Group Leave encashment premium as per the actuarial Valuation	-	4.95
c. Risk Premium	0.71	0.87

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

a. Group Gratuity-cum-Life Assurance Scheme

Actuarial assumptions	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Discount Rate	7.25%	6.84%
Salary escalation rate	4.00%	4.00%
Retirement age	55	55

Change in defined benefit obligation	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Defined benefit obligation at the beginning	799.16	618.62
Current/past service cost	44.15	51.82
Interest Expense	53.11	45.69
Benefit payments from plan assets	(45.27)	(42.64)
Total remeasurements	(86.83)	125.67
Defined benefit obligation at the end	764.32	799.16

Annual Report 2022

Change in fair value of plan Assets	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Fair Value of plan asset at the beginning	520.37	508.28
Interest Income	34.06	40.51
Employer Contributions	0.35	20.01
Benefit Payments from Plan Assets	(45.27)	(42.64)
Remeasurements - Return on Assets (Excluding Interest Income)	2.93	(5.80)
Fair Value of plan assets at the end of the year	512.43	520.37

Amount recognized in the statement of Financial Position	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Defined Benefit Obligation	764.32	799.16
Fair value of Plan Assets	512.43	520.37
Funded Status	251.89	278.79
Net Defined Benefit Liability / (Asset)	251.89	278.79
Short term Liability	44.77	243.29

Description of Plan Assets	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Insurer Managed Funds (100%)		
LIC of India	506.25	481.26
SBI Life	6.18	39.11
Total	512.43	520.37

Components of Defined Benefit Cost	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Total Service cost	44.15	51.82
Total Net Interest Cost	19.06	5.18
Defined Benefit cost included in P&L	63.20	57.00
Total Remeasurements in OCI	(89.76)	131.47
Total Defined Benefit cost recognized in P&L and OCI	(26.55)	188.47

Annual Report 2022

Net defined benefit Liability / (Asset) reconciliation	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Net Defined Benefit Liability/ (Asset) at the beginning	278.79	110.34
Defined benefit cost included in P&L	63.20	57.00
Total Remeasurements included in OCI	(89.76)	131.47
Employer Contributions	(0.35)	(20.01)
Net Defined Benefit Liability/ (Asset) at the end	251.89	278.79

Break-up of Current and Non Current Liability	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Current Liability (Short Term)	-	-
Non Current Liability (Long term)	251.89	278.79
Discontinuance Liability	1,034.54	-

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 2022	-6.92	7.91%	5.81%	-5.46%
As at 31 March 2021	-5.77%	6.58%	3.09%	-3.30%
As at 31 March 2020	-8.6%	10.1%	6.0%	-5.9%

* Holding all other variables constant.

b. Group Leave encashment Scheme

Actuarial assumptions	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Discount Rate	7.25%	6.81%
Salary escalation rate	4.00%	4.00%
Retirement age	55	55

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
P&L Charge/ Credit	(418.40)	11.10
Defined benefit obligation at the end of the period	339.41	716.43
Fair Value of plan assets at the end of the period	310.17	732.43
Net Defined Benefit Liability/ (Asset) at the end	29.24	(15.99)

Annual Report 2022

PV of obligation as per revised schedule VI	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Current Liability (Short Term)	15.92	212.71
Non Current Liability (Long term)	323.49	503.72
Present value of obligation as at the end	339.41	716.43

Net defined benefit liability (asset) consist of	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Non Current Assets	-	(15.99)
Current Liability (Short Term)	-	-
Non Current Liability	29.24	-

iii. Compensated absences (Non Vesting) - Unfunded Obligation

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Sick Leave Compensation Liability premium as per actuarial Valuation	2.16	-

Actuarial assumptions	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Discount Rate	7.21%	6.81%

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
P&L Charge/ Credit	2.16	(3.09)
Defined benefit obligation at the end of the period	35.36	33.20
Fair value of plan assets at the end of the period	-	-
Defined benefit obligation at the end of the period	35.36	33.20

PV of obligation as per revised scheduleVI	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Current Liability (Short Term)	5.27	5.00
Non Current Liability (Long term)	30.09	28.20
Present value of obligation as at the end	35.36	33.20

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

Annual Report 2022

22. Finance Costs

Finance costs consist of the following:

Particulars	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Interest Expenses		
Interest on Bank OD	0.05	0.01
Right of use of assets	4.40	12.46
Total	4.45	12.47

23. Operation and Other expenses

Operation and other expenses consist of the following:

Particulars	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Rent	7.26	-
Electricity Charges	18.77	19.50
Rates & Taxes	0.93	1.28
Repairs:		
- Software Licences	19.58	24.03
- Others	10.37	13.87
Travelling & Conveyance	222.01	178.51
Advertisement	3.62	12.93
Postage and Telephone	14.56	16.77
Printing & Stationery	17.77	19.20
Insurance	0.50	0.54
Directors Remuneration and benefits	4.75	6.06
Payments to Statutory / Other auditors	4.38	4.03
Training/Development Expenses	0.89	1.08
Professional & Consultancy charges	272.36	643.89
Direct Expenses on Projects	69.36	204.30
Bank Charges	2.59	3.94
Legal Expenses	6.53	17.28
Provision for Bad and Doubtful Debts	-	566.13
Miscellaneous Expenses	24.73	24.48
Loss on sale of fixed asset	-	0.48
Income tax paid	-	0.46
Discounts and rebates	0.01	0.12
Corporate Social Responsibility Expenditure	-	13.71
Total	700.99	1,772.57

Annual Report 2022

23.01 Travelling expenses Rs. 222.01 lakh (previous year Rs. 178.51 lakh) are incurred during the ordinary course of business and include Rs. 2.48 lakh (previous year Rs. 1.69 lakh) paid to the managing director.

23.02 Professional & Consultancy charges Rs. 272.36 lakh (previous year Rs. 643.89 lakh) includes payments made to the external consultants for the services provided and Direct expenses on projects Rs. 69.36 lakh (previous year Rs. 204.30 lakh) mainly includes survey and soil investigation charges incurred for execution of the projects.

23.03 Directors remuneration and benefits includes directors sitting fees Rs. 2.75 lakh (previous year Rs. 4.3 lakh), directors travelling expenses Rs. 0.20 lakh (previous year Rs. 0.09 lakh), and honorarium to the chairman Rs.1.80 lakh (previous Year Rs.1.67 lakh)

23.04 Payments to Statutory / Other auditors:

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
a. Statutory Audit	1.88	1.50
b. Internal Audit	1.58	1.58
c. Income Tax Audit	0.25	0.25
d. GST Audit	0.30	0.70
TOTAL	4.01	4.03

23.05 Corporate Social Responsibility (CSR)

During the year on account of inadequate profits i.e., net profits calculated in accordance with the provisions of Section 198 computed as per explanation to Sec 135(5) of the Act, The Company does not come under the purview of CSR compliance calculated in accordance with the provisions of section 198.

The amount earmarked as "CSR Expenditure" for previous years remain spent as per the provisions of Section 135 and all the provisions relating to disclosures and reporting has been complied with.

The details of amount required to be spent and the amount utilized are given below.

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

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
i) Amount required to be spent by the company during the year	-	13.50
ii) Amount of expenditure incurred	-	13.71
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	-	-

Annual Report 2022

vi) Nature of CSR activities

Setting up of Covid'19 ICU in General hospital Muvattupuzha	-	10.82
PM National Relief Fund	-	2.89

vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.

- -

viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.

- -

24 Exceptional Items

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Expenses		
Bad debts/other balances written off	2.26	8.53
Kitco Ltd Provident Fund Trust - Loss on Surrender to EPFO	396.58	-
(A)	398.84	8.53
Income		
Provision for Foreseeable loss Written Back	450.02	110.72
Excess Provisions for leave encashment written back	390.04	-
Provision for Bad Debts Written Back	144.52	-
(B)	984.57	110.72
Total (A+B)	(585.73)	(102.19)

24.01 Leave Encashment Obligation

The Company had planned assets amounting to Rs. 732.43 lakh for leave encashment with Life Insurance Corporation of India and SBI Life Insurance Company Limited. During the financial year Company redeemed a part of planned assets and realised Rs. 675.73 lakh. Subsequently company invested additional Rs. 212.09 lakh in the Life Insurance Corporation of India Leave Encashment Policy as planned assets for leave encashment. The Plan assets of the company at the end of the financial year is as follows.

Particulars	(Rs. in Lakhs)
Opening Balance	732.43
Add : Interest Received	41.38
Withdrawals	(675.73)
Additional Investments during the period	212.09
Plan Assets at the end of the period	310.17

Annual Report 2022

For actuarial valuation of leave encashment, the Company has re-assessed defined benefit obligation as per Company's Staff Rules. The ordinary leave accumulated and available to the credit of the employee can be en-cashed on retirement or on resignation after adjusting for the notice period if any. The maximum limit of accumulated earned leave for encashment is 300 days. Company has written back the reduction in obligation amounting to Rs. 332.66 lakh in the leave encashment provision.

The net defined benefit liability of the company at the end of the reporting period ending 31st March 2022 is as follows

Particulars	(Rs. in Lakhs)
Opening defined benefit liability	716.43
Less: Leave encashment during the year	(44.36)
Less: Excess provision written back	(332.66)
Closing Defined Benefit liability	339.41
Less: Plan Assets at the end of the period	310.17
Net defined benefit liability at the end of the period	29.24

Consequent to the above, the following amounts were recorded as exceptional income during the financial year ended 31st March 2022 .

Particulars	(Rs. in Lakhs)
Interest Received on plan assets	41.38
Excess provision written back	332.66
Opening net defined asset (Not recognised in the previous year)	15.99
Total	390.03

24.02 Provident Fund

Historically, the company contributed PF contribution to its own Employees Provident Fund Trust. With effect from January 1, 2022, the Company decided to transfer the whole corpus money of the Employees Provident Fund Trust to the Employees' Provident Fund Organisation, India (EPFO). According to the audited financial statements of the Trust for the nine months ended December 31, 2021, the investments made by the trust eroded in value. To make up for this loss of Rs. 396.58 lakh, the company transferred Rs. 396.58 lakh to the Employees Provident Fund Trust.

As per trust accounts, the Book Value of the defaulted investments that are not transferred or not redeemed for transfer to EPFO is provided below.

Particulars	(Rs. in Lakhs)
IL&FS Transportation Networks Ltd	70.00
Yes bank Bond	40.00
SREI Equipment Finance Limited	184.00
Dewan housing finance corporation limited	54.14
Total	348.14

Annual Report 2022

25. Income Tax Expense

Reconciliation of income tax expense for the year to accounting profit

Particulars	For the year ended 31.03.2022 (₹ in lakhs)	For the year ended 31.03.2021 (₹ in lakhs)
Profit / (Loss) before Tax as per Statement of Profit and Loss	40.06	(1,244.54)
"Add : Other Comprehensive Income that will not be reclassified to "Statement of Profit and Loss"	23.99	(29.61)
Accounting Profit / (Loss)	64.05	(1,274.15)
Applicable rate of tax as per Finance Act	26.00%	26.00%
Tax on above (a) at the applicable tax rate	16.65	-
Tax effect of items that are not deductible in determining Taxable profit	96.00	-
Tax effect of items that are deductible in determining Taxable profit	(32.90)	-
Tax effect of set off of carried forward loss	(79.75)	-
Current Tax as per Statement of Profit and Loss	(0.00)	-

26. Earnings Per Share

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit/ (Loss) for the year - (Rs. in lakhs)	(83.53)	(907.45)
Weighted average number of equity shares of Rs.1000/- each fully paid up	98,450	98,450
Earnings per Share (Basic & Diluted) (")	(85.00)	(922.00)

27. Balances shown under Claims recoverable, Trade Receivables, Advances to contractors, Trade Payables and Security deposits/ Retention money from contractors are subject to confirmation and respective consequential adjustments.
28. Figures for the previous year have been regrouped and reclassified wherever necessary to conform to the figures of the current year.
29. Ind AS 108 with respect to segment reporting does not apply to the company.
30. As per GSTR 1 of the Company the turnover is Rs. 2,547.24 lakh, and as per GSTR 3B the turnover is Rs. 2,475.36 lakh. However, the Company has taxable turnover amounting to Rs. 2,607.43 lakh. There is a difference of Rs. 60.20 lakh between GSTR 1 and taxable turnover, out of which difference of Rs. 60.06 lakh has been rectified in subsequent GST returns and the balance of Rs. 0.14 lakh is to be considered while filing GSTR 9 of the current year. Further, there is a difference of Rs. 132.07 lakh between GSTR 3B and taxable turnover, out of which Rs 131.40 lakh is on account of amendments relating to financial year 2020-21 adjusted in GSTR 3B for the current year. The balance of Rs. 0.67 lakhs which is unadjusted is to be considered while filing GSTR 9 of the current year. The company is in the process of reconciling the output liability and input credits as per books with the GST returns.

Annual Report 2022

31. Related party disclosures (Ind AS 24)

i) Key Management Personnel

Name	Country	Nature of Relationship
Sri. Allada Sreenivas	India	Non-executive Chairman
Sri. Hari Narayana Raj	India	Managing Director
Sri. Suneet Shukla	India	Director
Sri. Santosh Koshy Thomas	India	Director
Sri. Chiknallur Jayappa Manjunathaswamy	India	Director
Smt. Mamta Kumari	India	Director
Sri. Venkatraman Karthikeyan	India	Nominee Director
Sri. Balaji Tanuku	India	Nominee Director (up to 10-05-2022)

ii) Other Related Parties:

Name of Other Related Parties	Country	Nature of Relationship
KITCO Ltd Employees Gratuity Fund Trust	India	Post - Employment Benefit Plan of KITCO Limited

Transactions with related parties for the year ended March 31, 2022

Particulars	IFCI (₹ in lakhs)	UBI (₹ in lakhs)	Managing Director (₹ in lakhs)	Chairman (₹ in lakhs)
1 Sitting fee paid to the Directors	0.75 (1.75)	1.25 (1.10)	- -	0.75 (1.45)
2 Travelling Expenses	- -	- -	2.48 (1.69)	0.20 (0.09)
3 Salaries and allowances	- -	- -	29.23 (5.28)	- -
4 Contribution to PF	- -	- -	2.76 (0.50)	- -
5 Honorarium	- -	- -	- -	2.59 (1.67)

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.

32. 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 (₹ in lakhs)	
		As at 31.03.2022	As at 31.03.2021

Financial Assets measured at Fair value through Other Comprehensive Income (Refer Note - 4A/B)

Investments in Equity shares - Unquoted (Non current)	3	0.45	0.45
Investments in mutual funds-Quoted (current)	1	457.71	585.99

Particulars	Refer Note	Fair Value (₹ in lakhs)	
		As at 31.03.2022	As at 31.03.2021

Financial Assets measured at amortized cost

Non current:

ii. Other Financial Assets	5A	1,093.02	488.95
----------------------------	----	----------	--------

Current:

i. Trade Receivables	9	5,593.85	4,349.30
ii. Cash and Cash Equivalents	10	3,414.70	2,831.20
iii. Other Bank Balances	11	1,623.81	2,598.91
iv. Other Financial Assets	5B	198.98	219.68

Total Financial Assets		11,924.36	10,488.05
-------------------------------	--	------------------	------------------

Financial Liabilities

Non Current:

i. Lease Liability	14A	6.05	-
ii. Other Financial Liabilities	15A	4,310.37	3,897.66

Current:

i. Lease Liability	14B	59.80	101.75
ii. Trade Payables	17	578.43	542.17
iii. Other Financial Liabilities	15B	4,088.29	2,836.65
Total Financial Liabilities		9,042.93	7,378.23

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

33. 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.

Annual Report 2022

Trade receivables: Credit risk of the company is negligible as major clientele to include Government/ Semi Government Departments and Local Authorities. The Company uses a provision matrix to compute the credit loss amount for trade receivables. The provision matrix is based on the ageing of receivables. For bills outstanding for more than 1 year, a provision of 10% shall be made and for bills outstanding for more than 2 years, a provision of 30% shall be made in books. Further, as a measure of prudence, the company provides 100% provision for those bills under litigations. 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, 2022, the Company has only one class of equity shares. The company is not subject to any externally imposed capital requirements.

34. Leases (IND AS 116)

Leases as Lessor

The Office facilities of the Company is under lease and these leases typically are operating leases.

i. Right-of-use assets related to leased properties for which the company is lessee is as follows:

Leased Property	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Balance at 1st April	79.50	248.94
Depreciation charge for the year	(73.70)	(94.75)
Additions to right-of-use assets	45.64	1.84
Derecognition of right-of-use assets*	(0.60)	(76.53)
Balance at 31st March	50.83	79.50

* Derecognition of the right-of-use assets is as a result of shortening of lease term and change in consideration.

Annual Report 2022

ii. Amounts recognized in profit or loss	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Interest on lease Liabilities	4.40	12.46
iii. Amounts recognized in statement of cash flows	For the year ended 31.03.2022	For the year ended 31.03.2021
	(₹ in lakhs)	(₹ in lakhs)
Total Cash out flow for leases	85.34	106.21

35. Provisions, Contingent Liability and Contingent Asset (Ind AS 37)

a) Commitments / Guarantees

Bankers have issued Bank Guarantees aggregating to Rs. 538.91 lakh 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 Rs. 538.91 lakh with them.

b) Contingencies

- As of March 31, 2022, claims totaling ` 935.00 lakhs against the company has not been recognised as debts. Counter claims of the company against above claims filed by KITCO Ltd. amounts to Rs. 12.00 lakhs (approx) for 31st March 2022.
- 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 (Rs. in lakhs)	Period in which the amount relates	Forum where dispute is pending
1	Finance Act 1994	Service Tax on Franchise Service	2.04	2006-07	Appellate Tribunal, South zone branch, Bengaluru
2	Finance Act 1994	Service Tax on Works contract	239.44	2010-11	Appellate Tribunal, South zone branch, Bengaluru
3	Finance Act 1994	Service Tax on Works contract	1,001.07	2011-12, 2012-13 & 2013-14	Appellate Tribunal, South zone branch, Bengaluru

c) Other Matters

- Outstanding claims before The Commissioner for Employees Compensation (Industrial Tribunal, Alappuzha) as the Principal Employer (KITCO) was directed to make the compensation to the Workman who has suffered fatal injury while working for the sub contractor of the contractor engaged by KITCO on behalf of the Tourism Department project (Boat Jetty at Ayittinkadavu, Kasarkode), amounting to Rs. 8.66 lakh.

Annual Report 2022

- 2) KITCO was awarded with the work of conducting recruitment process 3500+ contractual healthcare workforce for NHM, UP. at a fee of ₹ 97.00 lakh vide, Agreement dated 18 May 2018 executed between the Mission Director, UPNHM (the Nodal Agency). 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 an amicable settlement has not been reached in the meeting with the Principal Secretary, KITCO has challenged the Report of Principal Secretary in the High Court and the Hon'ble Court has directed to resolve the case through Arbitration, as per the agreement clause.

Subsequent to the approval by the Board of Directors in the 227th Board meeting, Brig. JJS Bhalla (Retd.) has been appointed as Arbitrator from KITCO's side for redressal of the dispute. NHM has appointed Shri. Anant Kumar Singh IAS (Retd.) as their independent Arbitrator. Justice Devinder Gupta was appointed as Presiding Arbitrator. Thereafter final arguments were held on 10, 11 and 12 Aug 2022. Parties have been advised to file their written arguments by Sep 2022, post which, dates will be reserved by the AT to pronounce award in the case. Meanwhile a Police Investigation based on the FIR filed against Mr Cyriac Davis former MD is also underway.

- 3) KITCO Ltd has rendered Project Management Services for the construction of Flyover at Palarivattom Bypass junction in NH 66. During the financial year 2019-20, 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.
- 4) KITCO Ltd. was engaged as the consultant to CSEZ for the construction of common effluent treatment plant ETP. The work was commenced in 2002 and the CETP commissioned in 2004. The system was further augmented in 2009. PCB on 27 Apr 2009, directed CSEZ to install Zero Effluent Treatment System as the effluent discharge from the CETP was flowing to the nearest water stream. The Contractor M/s Green method Enggr Pvt Ltd. completed the work and there happened an escalation in the project cost due to the execution of extra /deviation items. The contractor filed case for the recovery of balance amount of ₹ 84.10 lakh due on account of final execution bill value. An amount of ₹ 84.10 lakh was paid to M/s Green method Engineering (p) Ltd, Contractors, in compliance with the judgement of Hon. High court of Kerala. KITCO Ltd. lodged an arbitration claim against CSEZ before the Sole Arbitrator for the release of amount paid to the contractor and other reliefs in respect of legal and other expenses incurred for the project. The claim was dismissed by the sole arbitrator, the Company has filed an appeal against CSEZ in the District Court against the dismissal of arbitration claim by the sole arbitrator. The case is admitted in commercial court and awaiting arbitration request records from Highcourt of Kerala and is listed on 05/12/2022 for further proceedings

36. The Company has incurred loss during the current year and previous two years on account of Covid-19 and other operational issues. The Company has positive net worth and the management is optimistic about the future growth and profitability of the company, and the directors are devising a comprehensive proposal to revive the company. In view of the above, the Company has prepared its accounts as a going concern.

Annual Report 2022

37 The company's revenue from operations, 'Operation and Other Expenses, Total Comprehensive Income for the period (profit/loss + other comprehensive income/Expenses), Other Equity, Trade receivable for years 2014-15 to 2020-21 is as follows.

(₹ in lakhs)

Particulars	Note No.	For the year ended					
		31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Revenue from Operations	19	2,837.10	3,823.81	4,348.75	5,141.73	4,300.47	4,623.79
Operation and Other Expenses	23	1,781.10	1,890.80	1,789.15	1,821.61	1,207.82	1,229.73
Total Comprehensive Income for the period (profit/loss + other comprehensive income/Expenses)		(1,002.33)	(446.66)	120.61	425.60	545.66	849.74

(₹ in lakhs)

Particulars	Note No.	Balance as at					
		31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Other Equity	13	2,640.29	3,642.62	4,089.28	4,191.75	4,038.98	3,537.12
Trade Receivables considered good	9A	4,585.78	4,575.67	2,734.41	2,878.51	2,785.78	2,525.49

Consultancy fee bills that had previously been raised or reported as receivable but were found to be ineligible during the current year were corrected by restating the corresponding figures of the previous years.

The company's revenue from operations, Operation and Other Expenses, Total Comprehensive Income for the period (profit/loss + other comprehensive income/expenses), Other Equity, Trade receivable for years 2013-14 to 2020-21 has been restated to rectify the above ineligible billing. The relevant figures reported previously were as follows.

(₹ in lakhs)

Particulars	Note No.	For the year ended					
		31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Revenue from Operations	19	2,837.10	3,823.81	4,600.62	5,670.12	4,592.44	4,624.08
Operation and Other Expenses	23	1,781.10	1,890.80	1,743.81	1,726.50	1,164.02	1,229.69
Total Comprehensive Income for the period (profit/loss + other comprehensive income/Expenses)"		(1,002.33)	(446.66)	372.48	953.99	837.63	850.03

Annual Report 2022

Particulars	Note No.	Balance as at					
		31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Other Equity	13	4,171.10	5,173.43	5,620.09	5,425.35	4,649.09	3,811.46
Trade Receivables considered good	9A	6,116.59	6,106.48	4,265.22	4,112.12	3,395.89	2,799.83
							1,817.28

(₹ in lakhs)

Impact on Statement of profit and loss items is as follows

Particulars	Note No.	For the year ended					
		31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Revenue from Operations	19	-	-	251.87	528.39	291.97	0.29
Operation and Other Expenses	23	-	-	(45.34)	(95.11)	(43.80)	(0.04)
Total Comprehensive Income for the period (profit/loss + other comprehensive income/Expenses)		-	-	251.87	528.39	291.97	0.29
							0.64
							(0.08)
							243.22

(₹ in lakhs)

Impact on Balancesheet items is as follows

Particulars	Note No.	Balance as at					
		31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Other Equity	13	1,530.81	1,530.81	1,530.81	1,233.60	610.11	274.34
Trade Receivables considered good	9A	1,530.81	1,530.81	1,530.81	1,233.60	610.11	274.34
							274.01
							273.28

(₹ in lakhs)

In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 Presentation of Financial Statements' Company has retrospectively restated its Balance Sheet as at 31st March 2021 and 1st April 2020 (beginning of the preceding period).

Annual Report 2022

38 Additional Regulatory Information

38 (a) Analytical Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance
a) Current Ratio	Current Assets	Current Liabilities	2.20	2.33	-5.43%
b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	NA	NA	NA
c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	NA	NA	NA
d) Return on Equity Ratio*	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-4.57%	-50.07%	45.50%
e) Inventory turnover ratio	Revenue from Operation	Average Inventory	NA	NA	NA
f) Trade Receivables turnover ratio	Revenue from Operation	Average Accounts Receivable	0.82	0.82	0.00%
g) Trade payables turnover ratio**	Purchases	Average Trade Payables	0.84	1.60	-47.62%
h) Net capital turnover ratio	Net Sales	Average Working Capital	0.38	0.47	-17.81%
i) Net profit ratio*	Net Profit	Net Sales	-3.41%	-31.99%	28.57%
j) Return on Capital employed*	Earning before interest and taxes	Capital Employed	1.26%	-37.71%	38.97%
k) Return on investment	Income generated from invested funds	Average investments	4.73%	9.15%	-4.42%

* Decrease of external consultancy and Provision for bad and doubtful debt

**Decrease of external consultancy

38 (b) Title deeds of Immovable Property not held in name of the Company

The company does not hold any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not in the name of the company.

38 (c) Revaluation of Property, Plant and Equipment

Company has not revalued its Property, Plant and Equipment during the financial year 2021-22 or during any of the previous years

38 (d) Capital-Work-in Progress (CWIP)

The company does not have any capital-work-in-progress

38 (e) Intangible assets under development

The company does not have any intangible assets under development

38 (f) Details of Benami Property held

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

38 (g) Wilful defaulter

The company has not been declared as a Wilful Defaulter by any Bank or Financial Institutions.

38 (h) Registration of charges or satisfaction with Registrar of Companies

The company has some old registered charges in ROC amounting to Rs 4.05 lakh pending satisfaction of charges with The Registrar of companies, Kerala. However as per the books there are no subsisting liabilities in respect of these charges. The details of charges are as follows

Name of Charge holder	Amount (Rs. in lakhs)	Date of Instrument creating charge	Purpose
Kerala Finance Corporation	0.82	02-06-1987	Purchase of computer and accessories and Air Conditioner
IDBI	1.15	14-03-1989	Purchase of Flue gas analyser, Digital temperature indicator, Electrical demand power analyser
Kerala Finance Corporation	0.90	27-03-1989	Purchase of Computer system and accessories
Bank of Baroda	1.00	27-03-1990	Purchase of vehicle
State Bank of Travancore	0.19	04-03-1978	Overdraft

Actions has been initiated by the company for filing satisfaction

38 (i) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

38 (j) Compliance with approved Scheme(s) of Arrangements

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

38 (k) Utilisation of Borrowed funds and Share premium

No funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38 (l) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

38 (m) Undisclosed income

The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year

38 (n) Relationship with Struck off Companies

The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.

For and on behalf of the Board

(Sd/-)
HARINARAYANARAJ
Managing Director
(DIN: 06583319)

(Sd/-)
C J MANJUNATHASWAMY
Director
(DIN: 08848722)

(Sd/-)
ANJANA M A
Company Secretary
Kochi - 682 016
November 22, 2022

(Sd/-)
BENTY V A
Chief Financial Officer

As per our report with UDIN of even date attached

For PAULSON & COMPANY
Chartered Accountants
(Sd/-)
CA. PAULSON K.P.
LLB, FCA, DISA (ICAI)
Membership No.: 21855; FR No.: 002620S
Partner
Kochi - 682 017
November 22, 2022
UDIN: 22021855BEHFRT1611

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KITCO LIMITED KOCHI FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of financial statements of KITCO Limited, Kochi for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory 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 22 November 2022.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of KITCO Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act.

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

Sd/-
(DEVIKA NAYAR)
Director General of Commercial Audit

Place : Chennai

Date : 27.12.2022



REGISTERED OFFICE:

KITCO Ltd., MM Gardens, Church Landing Road
Near Kerala Fine Arts Hall, Kochi - 682016
Ph: 0484 4129000 / 6129000
email: mail@kitco.in / website: www.kitco.in

BRANCH OFFICES:

KITCO Ltd., TC No.26/2143, Suvarnarekha, SRA 33B, Law College Road,
Barton Hill, Vanchiyoore P.O., Thiruvananthapuram-695014.
Ph/Fax: 0471 2324462 email:tvm@kitco.in

KITCO Ltd., No. 419, 4th Floor
Naurang House, 21, Kasturba Gandhi Marg,
Cannaught Place, New Delhi-110001
Ph: 011 41030081 email: delhi@kitco.in