

# **Transformers and Electricals Kerala Limited**

**(A Joint Venture of Government of Kerala and NTPC Limited)**



**61<sup>st</sup> ANNUAL REPORT  
Year Ended 31<sup>st</sup> March 2024**

## **TELK**

### **Board of Directors**

Adv. P.C. Joseph : Chairman  
Shri. Neeraj Mittal : Managing Director  
Prof. (Dr.) C.A. Babu : Director  
Shri. Ajay Dua : Director  
Adv. K.K. Shibu : Director  
Shri. A.M. Jafar : Director  
Shri. Debdutta Sinha : Director  
Smt. Vandana Chaturvedi : Director

### **Chief Financial Officer**

Shri. P.K. Madhavan

### **Company Secretary**

C S Josmin Jose

### **Reg. Office & Factory:**

Angamally South  
Ernakulam District  
PIN 683 573  
E-mail: edp@telk.com  
Website: www.telk.com  
CIN:U31102KL1963SGC002043

### **Statutory Auditors:**

M/s. Elias George & Co.,  
Chartered Accountants, Kochi

### **Bankers**

State Bank of India  
South Indian Bank

### **Registrar & Share Transfer Agent**

Integrated Registry Management Services  
Private Limited  
Kences Towers, T Nagar  
Chennai – 600 017  
Ph.: 044 28140801  
E-mail: kalyan@integratedindia.in

### **Shareholders Helpdesk**

Telephone: 0484 - 2510414  
E-mail: cs@telk.com

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## BOARD'S REPORT

*Dear members,*

The Board of Directors of your Company are pleased to submit the 61<sup>st</sup> Annual Report on the business and operations of the company along with the audited financial Statements for the Financial Year ended 31<sup>st</sup> March 2024.

### Business Overview & Performance

The Company achieved a turnover of of Rs.12270.10 Lakhs during the financial year 2023-24, as compared to Rs.15477.68 Lakhs during FY 2022-23, resulting a decrease of 20.72 % due to a shortage of working capital and the consequent irregular supply of raw materials. Other Income also decreased to Rs.497.57 Lakhs from Rs. 675.40 Lakhs during FY 2022-23.

The company has earned a profit of Rs.533.07 Lakhs before tax and exceptional items during the current period as compared to a loss of Rs.4712.96 Lakhs during FY 2022-23 mainly because of approval of Price variation claims of Rs. 2948.83.lakhs relating to previous years in the current period. The profit after tax for the current period is Rs.193.13 Lakhs as compared to loss of Rs.3053.38 Lakhs during FY 2022-23.

### Financial Results

(₹ In Lakhs)

Particulars	2023-24	2022-23
<b>Revenue from operations</b>	12270.10	15477.68
Other Income	497.57	675.40
<b>Total Income</b>	<b>12767.67</b>	<b>16153.08</b>
<b>Expenses:</b>		
Cost of material consumed	7746.02	11951.18
Changes in inventories of finished goods and work in progress	(2233.76)	1963.07
Employee benefits Expense	4443.51	4422.42
Finance costs	998.31	1002.14
Depreciation & amortization expenses	84.39	92.32
Impairment losses on financial Assets	10.60	1.62
Other Expenses	1185.53	1433.29
<b>Total Expenses</b>	<b>12234.60</b>	<b>20866.04</b>
<b>Profit/(Loss) before Income Tax and Exceptional Items</b>	<b>533.07</b>	<b>(4712.96)</b>
Exceptional Items	-	790.85



<b>Profit/(Loss) before Income Tax</b>	<b>533.07</b>	<b>-3922.11</b>
<b>Tax expenses:</b>		
Current Tax	77.64	213.97
Deferred Tax	262.30	(1082.70)
<b>Total Tax expenses</b>	<b>339.94</b>	<b>(868.73)</b>
<b>Profit / (Loss) for the year</b>	<b>193.13</b>	<b>(3053.38)</b>
Total other comprehensive income / (loss) for the year, net of tax	52.73	102.30
<b>Total comprehensive Income / (Loss) for the year</b>	<b>245.86</b>	<b>(2951.08)</b>

### **Dividend**

Board of Directors do not recommend any dividend for the year under review. The Company is not required to transfer any amount to IEPF during the period.

### **Share Capital**

The Authorised Share Capital of the Company as on 31.03.2024 is Rs. 1,25,00,00,000, divided into equity shares of Rs. 10 each. The Paid-up Share Capital of the Company as on March 31, 2024 is Rs. 42,96,73,500, divided into equity shares of Rs. 10 each. The Company does not have an ESOP scheme. No bonus shares or rights shares were issued during the year under review.

### **Transfer to Reserves**

The Company has not transferred any amount to reserves in the year 2023-24.

### **Deposits**

The Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

### **Details of Subsidiary/Joint Ventures And Associate Company**

The Company has no Subsidiaries, Joint Ventures or Associate companies as defined in Companies Act, 2013.

### **Change in The Nature of Business**

There has been no change in the nature of business of the Company during the financial year.

### **Directors**

During the FY 2023-24, the following constituted the Board of Directors of the Company:

1. Adv. P.C. Joseph (Chairman) from 29.12.2021 till date.
2. Shri. Bipin Satya (Managing Director) from 14.02.2022 to 17.07.2023.
3. Shri. Neeraj Mittal (Managing Director) from 07.08.2023 till date.
4. Shri. Shiva Kumar Ram from 15.07.2021 to 31.08.2024.
5. Shri. Ajay Dua from 09.05.2022 till date.

6. Prof.(Dr.) C.A. Babu from 11.10.2022 till date.
7. Shri. Thomas Samuel from 02.02.2023 to 18.12.2023.
8. Shri. A M Jafar from 22.03.2024 till date.
9. Adv. K K Shibu from 27.10.2023 till date.
10. Smt. Sangeetha Kaushik from 31.03.2023 to 21.11.2025.

At present the following are the Board of Directors of the Company:

1. Adv. P.C. Joseph (Chairman)
2. Shri. Neeraj Mittal (Managing Director)
3. Prof.(Dr.) C.A. Babu (Director)
4. Shri. Ajay Dua (Director)
5. Adv. K.K. Shibu (Director)
6. Shri. A.M. Jafar (Director)
7. Shri. Debdutta Sinha(Director)
8. Smt. Vandana Chaturvedi (Director)

Shri. Bipin Satya (DIN 09012667) ceased to be the Managing Director w.e.f. 17.07.2023.  
 Shri. Neeraj Mittal (DIN 10269729) was appointed as Managing Director w.e.f. 07.08.2023.  
 Adv. K K Shibu (DIN 10373322) was appointed as Director w.e.f. 27.10.2023.  
 Shri. Thomas Samuel (DIN 10060302) ceased to be the Director w.e.f. 18.12.2023.  
 Shri. A.M. Jafar (DIN 10466417) was appointed as Director w.e.f. 22.03.2024.  
 Shri. Shiva Kumar Ram (DIN 09325085) ceased to be the Director w.e.f. 31.08.2024.  
 Shri. Debdutta Sinha (DIN 11116658) was appointed as Director w.e.f. 27.08.2025.  
 Smt. Vandana Chaturvedi (DIN 11461064) was appointed as Director w.e.f. 29.01.2026.

The Board of Directors places on record its sincere gratitude and deep appreciation for the guidance and valuable services rendered by Shri. Bipin Satya and Shri. Thomas Samuel during their tenure.

### **Key Managerial Personnel**

In accordance with Section 2(51) and section 203 read with rules made there under and other applicable provisions of the Companies Act, 2013, the following were the Key Managerial Personnel of the Company during the FY 2023-24:

- 1) Shri. Bipin Satya (Managing Director) From 14.02.2022 to 17.07.2023.
- 2) Neeraj Mittal (Managing Director) from 07.08.2023 to till date.

At present following are the Key Managerial Persons of the Company

1. Shri. Neeraj Mittal, Managing Director
2. Shri. P.K. Madhavan, Chief Financial Officer (CFO)
3. Shri. Josmin Jose, Company Secretary

Shri. P.K. Madhavan was appointed Chief Financial Officer (CFO) w.e.f 05.02.2025 on a fixed term contract basis.

Shri. Josmin Jose was appointed as Company Secretary w.e.f. 21.11.2025 on permanent basis.



### Number of meetings of the Board

The Board met four times during the financial year 2023-24 viz., 28.07.2023, 30.10.2023, 18.12.2023, 22.03.2024. The composition and category of the Directors along with their attendance at Board Meetings are given below:

Name of Director	28.07.2023	30.10.2023	18.12.2023	22.03.2024
Adv.P.C. Joseph (Non-Executive )	Present	Present	Present	Present
Shri. Bipin Satya (Managing Director)	NA	NA	NA	NA
Shri. Shri. Neeraj Mittal ( Managing Director )	Present*	Present	Present	Present
Shri. Shiva Kumar Ram (Non- Executive)	Present	Present	Absent	Present
Shri. A M Jafar (Non- Executive)	NA	NA	NA	Present
Shri. Ajay Dua (Non-Executive)	Absent	Present	Present	Present
Prof. (Dr.) C.A.Babu (Non-Executive)	Present	Present	Present	Present
Shri. Thomas Samuel (Non-Executive)	Absent	Absent	NA	NA
Smt. Sangeetha Kaushik (Non-Executive)	Present	Present	Present	Present
Adv. K K Shibu (Non-Executive)	NA	Present	Present	Present

\*Designated MD

#Shri. Bipin Satya (DIN 09012667) ceased to be the Managing Director w.e.f. 17.07.2023.

#Shri. Neeraj Mittal (DIN 10269729) was appointed as Managing Director w.e.f. 07.08.2023.

#Adv. K K Shibu (DIN 10373322) was appointed as Director w.e.f. 27.10.2023.

#Shri. Thomas Samuel (DIN 10060302) ceased to be the Director w.e.f. 18.12.2023.

#Shri. A.M. Jafar (DIN 10466417) was appointed as Director w.e.f. 22.03.2024.

### Committees of Board

Board has one Committee in function for FY 2023-24 viz; Audit Committee. Since no amount is required to be spent mandatorily towards CSR as per Companies Act 2013 for FY 2023-24, the CSR committee though in place did not meet.

### Audit Committee

The provisions relating to the Audit Committee under Section 177 of the Companies Act, 2013 are not applicable to the Company. However in accordance with the circular issued by the Government of Kerala (Circular No. 13883/BPE.2/08/Plg. Dt. 15/11/2008), an Audit Committee of the Board of Directors of the Company had been constituted comprising of the following Directors of the Company as members:

1. Adv. P.C. Joseph, Chairman
2. Shri. Siva Kumar Ram, Director
3. Nominee Director of Govt. of Kerala representing Finance Department

The committee met 3 times during the year Viz. 28.07.2023, 30.10.2023 and 22.03.2024

The Board of Directors, in its 342nd Meeting held on 27.09.2024, reconstituted the Audit Committee by inducting Sri Ajay Dua as a member in place of Shri Siva Kumar Ram, who ceased to be a Director with effect from 31.08.2024.

### **Directors' Responsibility Statement**

The Directors confirm that:

- (a) in the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March 2024, the Indian Accounting Standards (Ind AS) have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors have 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 frauds and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and (e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Particulars of loans, guarantees or investments**

During the year under review there were no loans, guarantees or investments falling under the purview of section 186 of the Companies Act, 2013.

### **Events occurring after the Balance Sheet Date**

There were no material changes and commitments affecting the financial position of the company between the end of the financial year of the company to which the financial statements relate and the date of the report.

### **Fraud Reporting**

During the Financial Year under review, the Statutory Auditors have not reported any incident of fraud to the Board of Directors of the Company, pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

### **Auditors and Auditors' Report**

M/s. For Elias George & Co, Chartered Accountants, Kochi were appointed as Statutory Auditors of the Company for the year 2023-24. The Company has received a declaration from them that their firm is not disqualified for such an appointment under section 141 of the Companies Act, 2013.



Qualification made by the Statutory Auditors on the Annual Accounts of the Company for the year ended 31<sup>st</sup> March 2024 and Company's reply is given below:

<b>Qualification</b>	<b>Company's Reply</b>
<p>We draw attention to Note No. 30 to the Financial Statements. The company has recognized, in the Balance Sheet, Deferred Tax Assets (DTA) amounting to Rs 4819.95 Lakhs (net of Deferred Tax Liabilities) which includes Rs. 3549.70 Lakhs of DTA in respect of Losses carried forward. As per para 34 of Ind AS 12, Income Taxes, "A deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.". Further, para 35 goes on to explain that "when an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity. In such circumstances, paragraph 82 requires disclosure of the amount of the deferred tax asset and the nature of the evidence supporting its recognition.". While the management of the company has plans for reviving the company and turning it around, it has not been able to provide and disclose in the notes convincing other evidence as stipulated in the Ind AS 12. Considering this, in our opinion, the DTA in respect of losses carried forward should not be recognized and the Deferred Tax Asset (Net) to be presented in the Balance Sheet should have been Rs. 1270.25 Lakhs. As a result, in our opinion, Deferred Tax Assets (Net) are overstated and accumulated losses under Retained Earnings understated by Rs. 3549.70 Lakhs.</p>	<p>The Company is on revival path and has started making profit from FY 2023-24 onwards. It is expected to generate taxable profits in the coming years also and the unabsorbed losses carry forwarded are expected to be set off against the future taxable profits and hence such recognition of Deferred Tax Assets in the financial statement is considered to be appropriate.</p>
<p>We draw attention to Note Nos. 12, 17 and 8. The balances of Trade Receivables, Trade Payables and EMD/SD with third parties are subject to confirmation and reconciliation. The company had sent out balance confirmation letters to major trade</p>	<p>Majority of the TELK's customers are state GENCOS (generating companies) and TRANCOS (transmission companies) who are often hesitant to issue balance confirmation despite our repeated requests. We are regularly expediting</p>

<p>debtors and trade creditors. The company has not received balance confirmations in respect of any of its Trade Receivables.</p> <p>In respect of those trade payable who have responded, the Company has not reconciled differences in the balance as confirmed by such parties.</p> <p>No confirmations were sent out for EMD/SD with third parties. In the absence of adequate information, we are unable to ascertain the impact of the above on the financial statements.</p>	<p>them for payments and also for confirmations regarding the amounts payable to TELK. The company has collected Rs. 5996.43 Lakhs from debtors subsequently. The average Debtors Turnover Ratio for FY 2022-23 and FY 2023-24 was 2.05. As a result of the measures initiated by the Company, the average Debtors Turnover Ratio for FY 2024-25 and FY 2025-26 (up to 3rd Quarter) has increased to 3.09, reflecting an improvement of more than 50%. This significant improvement demonstrates the effectiveness of the initiatives undertaken to strengthen recovery mechanisms and expedite the realization of dues from customers.</p> <p>Necessary measures are being taken to reconcile and settle the outstanding payables periodically.</p> <p>Regarding EMD/SD with third parties, these are generally provided in the form of Bank Guarantees or Corporate Guarantees. Instances of remitting the same through Bankers Cheque or Demand Draft are very rare, and the amounts involved are immaterial. However efforts shall be done for seeking confirmations.</p>
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### **Internal Control and its Adequacy**

M/s. Sasi, Vijayan and Rajan, Chartered Accountants, Kochi conducted Internal Audit of your Company during the financial year 2023-24. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations.

### **Cost Audit**

The Company had appointed M/ s. Rajendran, Mani & Varier, Cost Accountants, Ernakulam to audit the cost accounts related to the company's products for the year ending on 31.03.2024.

### **SS Compliance**

The Company has complied with the applicable Secretarial Standards.

### **Declaration of Independent Directors**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company

### **Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace**

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace in line with the requirement of the Sexual Harassment of Women at Workplace



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(Prevention, Prohibition & Redressal) Act, 2013. Internal Compliance Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

The following is the summary of sexual harassment complaints received and disposed off during the period under review :

No. of complaints at the beginning of the year :	Nil.
No. of complaints received during the year :	Nil.
No. of complaints disposed off during the year :	Nil.
No. of complaints at the end of the year :	Nil.

### **Human Resources Management**

Your Company's capabilities are centered on its highly dedicated employees numbering 409 as on 31st March 2024. Our employees rose to the challenges posed by rapidly changing economic landscape, particularly in the electrical manufacturing industry which witnessed one of its worst periods, and aligned themselves with Company's Vision.

### **Safety**

The Company accords the highest priority to ensuring safety and well being of its employees, visitors to our premises and the communities in which it operates. Safety remains a core area of management focus and the company continuously strives to improve its safety performance through robust systems, well defined processes and the active co-operation and active involvement of all employees. Adequate precautions are taken to safeguard employees and visitors while on the company premises. The Company provides appropriate personal protective equipments (PPE) and regularly conducts safety awareness programs and training sessions to promote a strong safety culture across all levels of the organization.

### **Corporate Governance**

Your company follows the best corporate governance practices founded on the principle of transparency, in the interest of all stakeholders. The Board of Directors of the company is at the core of our corporate governance practice. The Board of Directors of the Company comprises of Chairman, Managing Director and Directors. Except the Managing Director, all other Directors are non-executive Directors. During the Financial Year 2023-24, there were four Board Meetings. The compliance of all statutory and regulatory requirements has been prompt and up to date. The Company has adequate internal control systems and procedures in place.

### **Right to Information Act, 2005**

Your Company has put in place an appropriate mechanism to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005 in order to promote transparency and accountability in its working. In line with the implementation of the Right to Information Act, 2005, Company had nominated a Public Information Officer and an Assistant Public Information officer. An Appellate Authority has also been nominated for considering the appeals of information seekers, who may not be satisfied with the response of Public Information Officer.

To assist and facilitate citizens in obtaining information, details have been placed on TELK's website, spelling out the procedure for securing access to information and filing of first appeal under the Act.

Instructions have been given to administrative units to ensure compliance to the mandatory requirements of the Act. TELK's journey in adopting RTI as a tool of transparency also helps in improving efficiency of systems and processes. All the RTI applications were disposed off by the authorized authority within the stipulated time frame.

### **Risk Management**

Keeping in view of the nature of industry in which your Company is engaged, your Company had all along been conscious of the risk associated with the nature of its business. Senior Management personnel carries out risk identification, risk assessment, risk treatment and risk minimization procedures for all functions of the Company, which are periodically reviewed on an ongoing basis and executive management controls risk through means of a properly defined framework. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### **Related Party Transactions**

All Related Party Transactions entered during the year were in the Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e., transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134 (3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

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

The particulars as prescribed under section 134 (3) (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is appended as Annexure I to Board's Report.

### **Extract of Annual Return**

In accordance with MCA Notification GSR 538 (E) dt. 28.08.2020 and as per proviso to Rule 12(1) of the Companies (Management and Administration) Rules, 2014, web link of Annual Return to be filed as prescribed under Section 92 (3) of the Companies Act, 2013 is given below:

<https://www.telk.com/Content/viewcontent.aspx?linkId=191&linkLvl1Id=21>

### **Corporate Social Responsibility**

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company during the financial year under review.

### **Contribution to Exchequer**

Your Company contributed an amount of ₹ 7,23,77,566 in the form of GST, Customs Duty, Municipal Tax and luxury Tax etc. during the year 2023-24.

### **Significant and Material orders**

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the Financial Year 2023-24 impacting the going concern status and company's operation in future.



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### **Cautionary statement**

Statements in the Annual Report, particularly those which describing the Company's objectives, projections, estimates and expectations, may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

### **Acknowledgements**

Directors wish to convey their gratitude and appreciation to all Company employees for their tremendous personal efforts as well as their collective dedication and contribution to the Company's performance. Board would also like to thank Workers' Recognized Trade Unions, Officers, shareholders, customers, dealers, suppliers, bankers, Central and State Governments and all other business associates for their continued support extended to the Company and the Management. Directors also thank the Comptroller & Auditor General of India and all well-wishers for their encouragement and support.

Board gratefully acknowledges the valuable and timely advices, guidance and support received from time to time from the Government of Kerala and NTPC Limited. Directors also acknowledge the services of Statutory Auditors, Cost Auditors and Internal Auditors. Directors express their gratitude to various Institutions and Agencies for their continued support.

For and on behalf of the Board of Directors of TELK

Sd/-

(Adv. P.C. Joseph)

CHAIRMAN

Angamaly

31.03.2026

## Annexure I

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE  
EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as follows:

**(A) Conservation of Energy**

During the year 2023-24, total Electricity consumption increased by 18.54 %. However, furnace oil consumption decreased by 33% due to a reduced number of boiler operations for self tank/ D3 chamber drying and increased usage of D1, D2 electricity based chambers for drying.

**(i) the steps taken or impact on conservation of energy**

Efforts are on for energy conservation including “Save Energy Drive”, by which we have progressively replaced incandescent lights with LED lights.

**(ii) the steps taken by the company for utilizing alternate sources of energy**

NIL

**(iii) the capital investment on energy conservation equipment**

No capital investment was made by the Company on energy conservation equipment in 2023-24

**(B) Technology Absorption****(i) The efforts made towards technology absorption**

- Reverse Engineering and repair/refurbishing of competitor make transformer. Through this exercise, several improved design aspects and manufacturing practices were identified and can be adopted or considered in future designs. This is expected to contribute to enhanced performance, reduction in losses, and overall cost optimization.
- The usage of O-rings in pipe flanges and bushing bosses was introduced and standardized, replacing conventional gasket sealing. This has improved repeatability and reduced labor hours associated with gasket cutting and sizing.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.**

- Due to significant periodic price increases in imported Weidmann pressboards, their usage was reduced and successfully replaced with Indian-manufactured pressboards. The transformers using these materials were tested successfully, enabling continued use in future orders and resulting in cost saving.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL**

(a) the details of technology imported: NA



(b) the year of import: NA

(c) whether the technology been fully absorbed: NA

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

**(iv) The expenditure incurred on Research and Development:** Due to limitation of funds Company has not incurred any expenditure on Research and Development.

**(C) Foreign Exchange Earnings and Outgo**

Company has established a separate wing in the Marketing Department to address the needs of Exports. TELK's marketing officers closely monitor opportunities in Export Markets through constant interactions with customers abroad. Steps are also taken to explore new foreign markets in addition to the present export markets.

(In Lakhs)

	Current year (Rs.)	Previous year (Rs.)
a) Earnings	0	29.00
b) Outflow	62.34	342.36
Net foreign exchange Earnings	-62.34	-313.36

For and on behalf of the Board of Directors of TELK

Sd/-

(Adv. P.C. Joseph)

CHAIRMAN

Angamaly

31.03.2026

**INDEPENDENT AUDITOR’S REPORT**

**To The Members of  
Transformers and Electricals Kerala Limited**

**Report on the Audit of the Standalone Financial Statements**

**Qualified Opinion**

We have audited the accompanying Standalone Financial Statements of Transformers and Electricals Kerala Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, and a summary of material accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

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 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“IND AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

1. We draw attention to Note No. 30 to the financial statements. The company has recognized, in the Balance Sheet, Deferred Tax Assets (DTA) amounting to Rs 4819.95 Lakhs (net of Deferred Tax Liabilities) which includes Rs. 3549.70 Lakhs of DTA in respect of Losses carried forward. As per para 34 of Ind AS 12, Income Taxes, “*A deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.*”. Further, para 35 goes on to explain that “*when an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity. In such circumstances, paragraph 82 requires disclosure of the amount of the deferred tax asset and the nature of the evidence supporting its recognition.*”. While the management of the company has plans for reviving the company and turning it around, it has not been able to provide and disclose in the notes ‘convincing other evidence’ as stipulated in the Ind AS 12. Considering this, in our opinion, the DTA in respect of losses carried forward should not be recognized and the Deferred Tax Asset (Net) to be presented in the Balance Sheet should have been Rs. 1270.25 Lakhs. As a result, in our opinion, Deferred Tax Assets (Net) are overstated and accumulated losses under Retained Earnings understated by Rs. 3549.70 Lakhs.
2. We draw attention to Note Nos. 12, 17 and 8. The balances of Trade Receivables, Trade Payables and EMD/SD with third parties are subject to confirmation and reconciliation. The company had sent out balance confirmation requests to major trade debtors and trade creditors. The company has not received balance confirmations in respect of any of its Trade Receivables. In respect of those trade payables who have responded, the company has not reconciled differences in the balance as confirmed by such parties. No confirmations were sent out for EMD/SD with third parties. In the absence of adequate information, we are unable to ascertain the impact of the above on the financial statements.



### **Emphasis of Matter**

We draw attention to Note 15(iv) of the financial statements, which describes the Company's position regarding the wage revision due from September 1, 2021, for which no provision has been recognized in the accompanying financial statements. The Company has stated that, in view of its current financial position and pending negotiations with employee unions and the approval of the Government of Kerala, it does not expect the long-term settlement / pay revision to be finalized with retrospective effect. Our opinion is not modified in respect of this matter.

### **Other Matter**

The financial statements of the Company for the year ended March 31, 2023, were audited by another auditor who expressed a qualified opinion on those statements on May 2, 2025.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Director's Report including Annexures to Director's Report, and other information to be included in the Annual Report but does not include the Financial Statements and our auditor's report thereon. The report containing the other information as above is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the reports containing the other information, if, based on the work performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and take necessary actions as per applicable laws and regulations.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Act, 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. Based on the verification of records of the Company and based on information and explanation given to us, we give in “Annexure B”, a report on the Directions and Sub-Directions issued by the Comptroller and Auditor General of India in terms of sub-section (5) of Section 143 of the Companies Act, 2013.
3. As required by section 143(3) of the Act, we report that:
  - a) Except for the matters described in the ‘Basis for Qualified Opinion’ section of our report, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) Except for the matters described in the ‘Basis for Qualified Opinion’ section of our report, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The company has no branches, and hence reporting under clause (c) of Section 143(3) is not applicable.
  - d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - e) Except for the matters described in the ‘Basis for Qualified Opinion’ section of our report, 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 Standards) Rules, 2015 as amended;
  - f) In our opinion, the matters described in the “Basis for Qualified Opinion” section of our report and other observations in Annexures to the report will not have an adverse effect on the functioning of the company.
  - g) The provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company, in terms of notification no. G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, Government of India;
  - h) The qualifications, reservations and adverse remarks relating to maintenance of accounts and other matters connected therewith are described in the ‘Basis for Qualified Opinion Section’ and Annexures to our Audit Report.
  - i) 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”;
  - j) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of Section 197(16) of the Act, we offer no comments as the Company is exempted from the provisions of Section 197 vide notification no. G.S.R. 463(E) dated June 5, 2015.
  - k) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements (refer Note No 31.a of the Financial Statements).
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- (iv) With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended:
- a. The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42.1 to the accounts, 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(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b. The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 42.1 to the accounts, no funds have been received by the company from any person(s) or entity(ies), 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; and
  - c. Based on such audit procedures performed 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 / paid any dividend during the year. Hence compliance with section 123 of the Act is not applicable;
- (vi) According to the information and explanations given to us and based on our examination, the Company has not maintained an audit trail (edit log) for the accounting software used during the financial year ended 31 March 2024, as required under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. The audit trail functionality was enabled only in September 2025. Accordingly, the Company was not compliant with the requirements of Rule 11(g) for the year under audit.

For Elias George & Co  
Chartered Accountants  
Firm Reg. No. 000801S

Ernakulam  
17-12-2025

Joy P. Jacob  
Partner  
Membership No. 201678  
UDIN: 25201678BMOXPM3486



## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

With reference to Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2024, we report the following:

- (i)(a)(A) In our opinion, the company is not maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The asset register has not been properly updated. We are informed by the company that it is in the process of updating its asset register.
- (B) In our opinion, the company is not maintaining proper records showing full particulars of intangible assets. We are informed by the company that it is in the process of updating its asset register.
- (b) Based on the information and explanations given to us the company has conducted a physical verification of PPE during the year. However, that the physical verification of assets is limited to only those assets which have not yet been fully depreciated up to their residual value. Based on the information and explanations given to us and records produced before us, during the year, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements are held in the name of the Company. However, the land on which the Company's manufacturing facilities are situated was allotted by the Government of Kerala in the years 1965, 1976 and 2001 through three Patta. As per Patta, the land is heritable but cannot be alienated or encumbered without the permission, in writing, of the Government.
- (d) The company has not revalued its Property, Plant and Equipment or 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, we report that no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii)(a) Inventories were physically verified during the year in accordance with the inventory verification procedure adopted by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed during such verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks/financial institutions during the year, on the basis of security of current assets. The quarterly returns/statements filed by the Company with such banks/financial institutions are not in agreement with the books of account. The Company has not prepared a reconciliation explaining the differences. Accordingly, we are unable to comment on the reasons for such discrepancies.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties other than employees during the year. Hence, reporting under sub-clauses (a) to (f) of clause (iii) of Para 3 of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not granted loans or made investments, or given any guarantees, and security, covered under sections 185 and 186 of the Act. Hence, reporting under clause (iv) of Para 3 of the Order is not applicable.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not accepted any deposits from public that attract the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Hence, reporting under clause (v) of Para 3 of the Order is not applicable.
- (vi) We have broadly reviewed the records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate and complete.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of statutory dues, we report that:
- (a) The Company has generally been regular in depositing undisputed statutory dues including employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, to the appropriate authorities. However, there have been instances of delays in the remittance of Provident Fund, Tax Deducted at Source, and Goods and Services Tax. According to the information and explanations given to us, the Company has deposited these dues with interest, even though they are delayed. According to the information and explanation given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2024 for a period of more than six months from the date they become payable.
- (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities on account of disputes, except the following:

Name of the Statute	Nature of Dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	244.08	AY 2018-19	Commissioner of Income Tax (Appeals), National Appeal Centre, Delhi
ESI Act, 1948	ESI dues	3.34	FY 2010-11	Hon'ble High Court of Kerala



- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that there are no instances of transactions not recorded in the books of account and surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (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 repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that the term loans were applied for the purpose for which the loans were obtained except in respect of Loan of Rs. 260 Lakhs from the Government of Kerala for establishment of Vapour Phased Drying (VPD) Plant, Rs. 260 Lakhs, which have not been utilised due to non-initiation of the project.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that funds raised on short term basis have not been utilised for long term purposes.
- (e) The company does not have subsidiaries, associates or joint ventures. Hence, reporting under sub-clause (e) clause (ix) of Para 3 of the Order is not applicable.
- (f) The company does not have subsidiaries, associates or joint ventures. Hence, reporting under sub-clause (f) clause (ix) of Para 3 of the Order is not applicable.
- (x)(a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under sub-clause (a) clause (x) of Para 3 of the Order is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Hence, reporting under sub-clause (b) clause (x) of Para 3 of the Order is not applicable.
- (xi)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company produced before us, we report that no fraud by the company or on the company has been noticed or reported during the year.
- (b) No report in Form ADT-4 under sub-section (12) of Section 143 of the Companies Act has been filed by us. Based on information and explanations provided to us, and other audit procedures performed by us, we report that Form ADT-4 has not been filed by the cost auditors or secretarial auditors or the immediately preceding statutory auditors of the company.
- (c) According to the information and explanations given to us and based on representations received from the management, we report that no whistle blower complaints were received during the year.
- (xii) The Company is not a Nidhi company as prescribed under Section 406 of the Companies Act, 2013. Accordingly, the reporting requirement under clause (xii) of paragraph 3 of the Order is not applicable.

- (xiii) In our opinion and based on the information and explanations provided to us, all transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, wherever applicable, and the details have been disclosed in the standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv)(a) The company has an internal audit system. However, in our opinion, the scope and coverage of the internal audit system require strengthening and enhancement to make it fully commensurate with the operations of the Company.
- (b) We have considered the internal audit reports of the company for the period under audit.
- (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 with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi)(a) In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) In our opinion, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended).
- (xvii) The company has not incurred cash loss for the current financial year. For the previous financial year, the statutory auditors had reported a cash loss of Rs. 4157.47 Lakhs.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting requirement under clause (xviii) of paragraph 3 of the Order is not applicable.
- (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 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)(a) According to the information and explanations provided to us and based on our examination of the records, the Company has not transferred the unspent amount relating to Corporate Social Responsibility activities, other than ongoing projects, amounting to ₹25.33 lakhs, to a Fund specified in Schedule VII to the Companies Act, 2013, within a period of six months from the end of the financial year, as required under the second proviso to Section 135(5) of the Act pertaining to FY 2019-20 and FY 2020-21.



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- (b) The Company does not have any ongoing projects in compliance with the provision of sub-section (5) of section 135. Accordingly, reporting under sub-clause (b) of clause (xx) of Para 3 of the Order is not applicable.
- (xxi) The company has no subsidiaries, associates or joint ventures. Accordingly, reporting under clause (xxi) of Para 3 of the Order is not applicable.

For Elias George & Co  
Chartered Accountants  
Firm Reg. No. 000801S

Ernakulam  
17-12-2025

Joy P. Jacob  
Partner  
Membership No. 201678  
UDIN: 25201678BMOXPM3486

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**ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT**

**With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the audit of standalone financial statements for the year ended March 31, 2024, we report the following:**

**A. General Directions**

- 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 maintains its accounting records in Tally ERP, and most accounting transactions are processed through this system. However, Inventory and Payroll are processed in separate software systems that are not integrated with Tally ERP.

Inventory movements are recorded only in the inventory software and are not captured within the accounting system. The closing stock is determined outside Tally ERP based on reports from the inventory software and the results of physical verification, and the final value is then manually entered into Tally ERP. Payroll computations are also performed in a separate software, and the related accounting entries are manually posted.

Because significant operational data is processed outside the accounting system:

- the integrity of the accounts depends on manual controls, reconciliations and accuracy of data transferred into Tally ERP;
- there was no integrated audit trail for transactions within these systems; and
- the lack of system integration increases the inherent risk of errors or omissions.

Based on audit procedures performed, we did not identify any quantifiable financial implications arising from such processing outside the IT system.

- 2. Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/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?**

According to the information and explanation given to us and based on our examination of the records of the company, there has not been any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.

- 3. Whether funds (grant/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.**

In our opinion and based on the information and explanations given to us, the funds received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/in lines with applicable Indian Accounting Standards and utilized (wherever received) as per their terms and conditions.



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**B. Sector Specific Sub-directions - Manufacturing Sector**

**1. Whether the Company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?**

According to the information and explanations provided to us, the Company does not have a formally documented pricing policy. Pricing of products is generally determined based on tenders, competitive conditions and customer-specific negotiations rather than on a standardized structured cost-plus methodology.

Based on our review of the costing information and pricing practices followed during the year, we note that:

- Pricing decisions are not based on a formal framework ensuring systematic absorption of all fixed and variable costs and overhead allocations; and
- There would be cases where prices are influenced by market competition and tender requirements and therefore may not reflect full absorption of production costs or overheads.

**2. Whether the Company has utilized the Government assistance for technology upgradation/modernization of its manufacturing process and timely submitted the utilization certificates?**

Attention is invited to Note 16(ii) of the financial statements. As disclosed therein, the Company received funds from the Government of Kerala for the Vapour Phase Drying Plant (VPD) project; however, due to non-initiation of the project, the funds have not been utilised, and an amount of Rs. 290 lakhs was earlier resumed by the Government. The unutilised balance of Rs. 260 lakhs continues to be reflected as deposit with Treasury with a corresponding balance under Borrowings. Based on the records and disclosures, the amounts have been properly accounted for, though non-utilisation constitutes a deviation from the terms of sanction.

**3. Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.**

According to the information and explanations provided to us, the Company's manufacturing operations are predominantly assembly-based and not material-conversion driven. Management has represented that, for externally sourced components, tolerance limits are defined in the design specifications, and variations within such limits are treated as part of material consumption, while variations beyond tolerance limits are recoverable from suppliers. Management has further stated that, in this context, the concept of "abnormal loss" is not applicable to the Company's operations.

Based on our review, the Company has not prescribed separate documented norms for normal losses and does not have a formal system for evaluation of abnormal losses for remedial action.

**4. What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy.**

According to the information and explanations provided to us, the Company does not generate any by-products in the course of its manufacturing operations. As per the accounting policy disclosed in the financial statements, finished goods are valued at the lower of cost and net realisable value. Cost comprises weighted average cost of materials, direct labour, and an appropriate share of manufacturing overheads. Transformers that fail mandatory tests are valued at the lower of cost and NRV based on estimated rework and retesting costs, or at scrap value where unsalvageable, in accordance with the stated policy.

Based on our verification of records and discussions with management, no deviations from the declared policy for valuation of finished goods were noted during the year.

**5. Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books?**

Based on the information and explanations provided to us, the Company does not have any closed units. Accordingly, the question of accounting for deteriorated stores and spares of closed units does not arise.

**6. Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/ excess noticed during physical verification?**

The Company has informed that it carries out physical verification of inventories other than those lying with third parties. For inventories held with third parties, confirmations were obtained. Discrepancies identified during verification of raw materials were not material and have been adjusted through the raw material consumption account.

The Company's inventory valuation is carried out in accordance with the accounting policy disclosed in the financial statements, including the treatment for non-moving items. Further, the Company has stated that, in line with its policy, materials pending inspection are not accounted for, and this practice may be reviewed considering the materiality involved.

The Company uses separate software systems for inventory management and accounting, which are not integrated. Consequently, closing stock is compiled outside the accounting system based on reports from the inventory software and physical verification and is then manually uploaded into Tally. In our view, the absence of such integration also affects the availability of real-time and automated inventory information for MIS purposes, thereby limiting the overall effectiveness of the inventory management system.

**7. State the extent of utilization of plant and machinery during the year vis-à-vis installed capacity.**

Based on the information and explanations given to us, the Company has an installed capacity of 4,500 MVA. During FY 2023-24, capacity utilization was as follows:

<b>Particulars</b>	<b>Capacity Utilised</b>
Capacity used Finished Goods (A)	1662.5 MVA
Capacity utilised for WIP as on 31-03-2024 (B)	560.5 MVA
Less: Capacity utilised for WIP as on 31-03-2023 included in (A) above	(-) 345.5 MVA
	<b>1877.5 MVA</b>
Total Capacity Installed	4500 MVA
% Capacity Utilisation	<b>41.72%</b>

Management has explained that the under-utilisation of capacity was primarily attributable to constraints in working capital.

**8. Report on the cases of discounts/ commission in regard to debtors and creditors where the Company has deviated from its laid down policy.**

The Company has informed that discounts on sales are provided based on contractual terms and negotiations with customers, and purchase-related discounts or commissions are accounted for in accordance with supplier agreements. The Company does not have a formally documented policy prescribing uniform discount or commission norms, and discount structures vary depending on commercial considerations and further negotiations.

Based on the records examined and the information provided, no specific cases were identified where discounts or commissions relating to debtors or creditors were granted in deviation from the Company's stated practice. Our conclusion is accordingly based on the available documentation and management representations.



**C. Sector Specific Sub-directions - Others**

**1. Examine the system of effective utilization of Loans/Grant-in-Aid/ Subsidy. List the cases of diversion of funds.**

Attention is invited to Note 16(ii) of the financial statements. As disclosed therein, the Company received funds from the Government of Kerala for the Vapour Phase Drying Plant (VPD) project; however, due to non-initiation of the project, the funds have not been utilised, and an amount of Rs. 290 lakhs was earlier resumed by the Government. The unutilised balance of Rs. 260 lakhs continues to be reflected as deposit with Treasury with a corresponding balance under Borrowings. Based on the records and disclosures, the amounts have been properly accounted for, though non-utilisation constitutes a deviation from the terms of sanction.

Based on our examination of the records and disclosures, no cases of diversion of funds were observed.

**2. Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period.**

The Company has informed that no major capital expenditure or expansion projects have been undertaken in recent years. Consequently, no formal cost-benefit analysis, including internal rate of return (IRR) or payback period, has been prepared. In the absence of such projects, no financial appraisal was available for examination.

**3. If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format and whether the company has evolved proper security policy for data/ software/ hardware?**

The Company has computerised certain functions, including financial accounting through Tally ERP and operational processes such as inventory and payroll through separate software applications. However, these systems are not integrated, and some information is prepared outside the accounting system and manually uploaded.

A substantial portion of the Company's operational and financial data is therefore maintained in electronic format, though the overall IT environment remains fragmented and largely dependent on manual intervention. The Company has not formalised a comprehensive IT security policy covering data, software and hardware. Security practices are largely based on general controls rather than a documented framework.

For Elias George & Co  
Chartered Accountants  
Firm Reg. No. 000801S

Ernakulam  
17-12-2025

Joy P. Jacob  
Partner  
Membership No. 201678  
UDIN: 25201678BMOXPM3486

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**ANNEXURE – C TO THE INDEPENDENT AUDITORS’ REPORT**

**The Annexure referred to in our Independent Auditors’ Report to the members of Transformers and Electricals Kerala Limited on the audit of financial statements for the year ended 31st March 2024.**

**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 Transformers and Electricals Kerala Limited (“the Company”) as of 31<sup>st</sup> March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for



external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

### **Inherent Limitations of Internal Financial Controls 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.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, **the following material weaknesses have been identified** in the internal financial control system and therefore also on their operating effectiveness as at 31st March, 2024:

- a. **Fragmented and non-integrated IT systems:** The Company has computerised certain functions, including financial accounting through Tally ERP and operational processes such as inventory and payroll through separate software applications. However, these systems are not integrated, and some information is prepared outside the accounting system and manually uploaded. A substantial portion of the Company's operational and financial data is therefore maintained in electronic format, though the overall IT environment remains fragmented and largely dependent on manual intervention. The Company has not formalised a comprehensive IT security policy covering data, software and hardware. Security practices are largely based on general controls rather than a documented framework.
- b. **Short comings in the physical verification procedures of Property, Plant & Equipment (PPE):** The physical verification and testing of impairment of assets is limited to only those assets which have not yet been fully depreciated up to their residual value.
- c. Non Updation of PPE Register.
- d. Non-reconciliation of differences in balance as per books and that as per confirmations received from trade creditors.
- e. Delays in reconciliation of books with GST returns and records.
- f. **Long pending balances of EMDs/ SDs carried forward in books with corresponding provisions being maintained:** No steps taken to verify these balances, many of which have been lying for over 10 years.
- g. Inadequate staffing of the finance and accounts department commensurate with the size of the company and the nature of its operations.

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 a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31<sup>st</sup>, 2024, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31<sup>st</sup>, 2024 financial statements of the Company, and these material weaknesses have affected our opinion on the financial statements of the Company, and we have issued a qualified opinion on the financial statements.

For Elias George & Co  
Chartered Accountants  
Firm Reg. No. 000801S

Ernakulam  
17-12-2025

Joy P. Jacob  
Partner  
Membership No. 201678  
UDIN: 25201678BMOXPM3486



## Transformers and Electricals Kerala Limited

Angamally South P.O., Ernakulam District, Kerala

Balance Sheet as at 31<sup>st</sup> March 2024

Rupees (₹) in lakhs, unless otherwise stated

Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
a. Property, plant and equipment	4a	1,013.02	1,080.30
b. Capital work in progress	4b	15.72	12.30
c. Intangible assets	5	1.84	2.27
d. Financial assets			
(i) Investments	6	0.70	0.70
(ii) Other financial assets	8	616.98	451.17
e. Deferred tax assets (net)	30	4,819.95	5,180.22
<b>Total non-current assets</b>		<b>6,468.21</b>	<b>6,726.96</b>
<b>(2) Current assets</b>			
a. Inventories	11	4,881.80	3,054.70
b. Financial assets			
(i) Trade receivables	12	5,227.98	6,788.45
(ii) Cash and cash equivalents	13.a	60.51	211.61
(iii) Bank balances other than cash and cash equivalent	13.b	1,705.74	861.13
(iv) Loans	7	17.50	17.71
(v) Other financial assets	8	131.17	817.72
c. Current tax assets (net)	9	63.26	113.10
d. Other current assets	10	322.69	368.52
<b>Total current assets</b>		<b>12,410.65</b>	<b>12,232.94</b>
<b>Total assets</b>		<b>18,878.86</b>	<b>18,959.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	14.a	4,296.96	4,296.96
b. Other equity	14.b	(3,652.34)	(3,898.20)
<b>Total equity</b>		<b>644.62</b>	<b>398.76</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	16	543.00	899.44
b. Provisions	15	1,974.58	1,752.00
<b>Total non-current liabilities</b>		<b>2,517.58</b>	<b>2,651.44</b>
<b>(2) Current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	16	4,289.02	6,072.59
(ii) Trade payables	17		
(a) Total outstanding due of micro and small enterprises		606.67	882.89
(b) Total outstanding due of other than micro and small enterprises		5,115.52	3,634.88
(iii) Other financial liabilities	18	1,136.33	2,336.53
b. Other current liabilities	19	2,871.10	1,285.07
c. Provisions	15	1,698.02	1,697.74
<b>Total current liabilities</b>		<b>15,716.66</b>	<b>15,909.70</b>
<b>Total liabilities</b>		<b>18,234.24</b>	<b>18,561.14</b>
<b>Total equity and liabilities</b>		<b>18,878.86</b>	<b>18,959.90</b>

Material accounting policies and the accompanying notes from 4 to 43 are integral part of the financial statements

As per our report of even date  
For Elias George & Co.,  
Chartered Accountants  
Firm Regn. No. 000801S

For and on behalf of the Board of Directors of Transformers  
and Electricals Kerala Limited  
(CIN: U31102KL1963SGC002043)

Sd/-  
Joy. P. Jacob  
Partner (M. No. 201678)

Sd/-  
P.C. Joseph  
Chairman  
DIN: 05225941

Sd/-  
Neeraj Mittal  
Managing Director  
DIN: 10269729

Place: Ernakulam  
Date: December 17, 2025

Sd/-  
P.K. Madhavan  
Chief Financial Officer

Sd/-  
Josmin Jose  
Company Secretary

Place: Angamally  
Date: December 17, 2025



## Transformers and Electricals Kerala Limited

### Angamally South P.O., Ernakulam District, Kerala

#### Statement of Profit and Loss for the year ended on 31<sup>st</sup> March 2024

Rupees (₹) in lakhs, unless otherwise stated

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
I. Revenue from operations	20	12,270.10	15,477.68
II. Other income	21	497.57	675.40
<b>III. Total income (I+II)</b>		<b>12,767.67</b>	<b>16,153.08</b>
<b>IV. Expenses</b>			
Cost of material consumed	22	7,746.02	11,951.18
Changes in inventories of finished goods and work in progress	23	(2,233.76)	1,963.07
Employee benefits expense	24	4,443.51	4,422.42
Finance cost	25	998.31	1,002.14
Depreciation and amortization expense	26	84.39	92.32
Impairment losses on financial assets	27	10.60	1.62
Other expenses	28	1,185.53	1,433.29
<b>Total expenses (IV)</b>		<b>12,234.60</b>	<b>20,866.04</b>
<b>V. Profit/(Loss) before income tax and exceptional items (III -IV)</b>		<b>533.07</b>	<b>(4,712.96)</b>
VI. Exceptional items	29	-	790.85
<b>VII. Profit/(Loss) before income tax (V-VI)</b>		<b>533.07</b>	<b>(3,922.11)</b>
<b>VIII. Tax expense</b>			
(1) Current tax	30	77.64	213.97
(2) Deferred tax	30	262.30	(1,082.70)
<b>Total tax expenses (VIII)</b>		<b>339.94</b>	<b>(868.73)</b>
<b>IX. Profit / (Loss) for the year (VII-VIII)</b>		<b>193.13</b>	<b>(3,053.38)</b>
<b>X. Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined employee benefit plans liabilities	35	73.06	150.61
Income tax relating to items that will not be reclassified to profit or loss	30	(20.33)	(41.90)
<b>Items that will be reclassified to profit or loss</b>			
Reclassification of financial asset measured at fair value through other comprehensive income to profit and loss		-	(8.88)
Tax impact on above	30	-	2.47
<b>Other comprehensive income for the year, net of tax (X)</b>		<b>52.73</b>	<b>102.30</b>
<b>XI. Total comprehensive Income /(loss) for the year (IX + X)</b>		<b>245.86</b>	<b>(2,951.08)</b>
<b>XII. Earnings per equity share (in Rupees)</b>	33		
(1) Basic		0.45	(7.11)
(2) Diluted		0.45	(7.11)

Material accounting policies and the accompanying notes from 4 to 43 are integral part of the financial statements

As per our report of even date  
For Elias George & Co.,  
Chartered Accountants  
Firm Regn. No. 000801S

Sd/-  
Joy. P. Jacob  
Partner (M. No. 201678)

Place: Ernakulam  
Date: December 17, 2025

For and on behalf of the Board of Directors of  
Transformers and Electricals Kerala Limited  
(CIN: U31102KL1963SGC002043)

Sd/-  
P.C. Joseph  
Chairman  
DIN: 05225941

Sd/-  
Neeraj Mittal  
Managing Director  
DIN: 10269729

Sd/-  
P.K. Madhavan  
Chief Financial Officer

Sd/-  
Josmin Jose  
Company Secretary

Place: Angamally  
Date: December 17, 2025



## Transformers and Electricals Kerala Limited

Angamally South P.O., Ernakulam District, Kerala  
Statement of Cash Flows for the year ended on 31<sup>st</sup> March 2024

Rupees (₹) in lakhs, unless otherwise stated

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax for the year	533.07	(3,922.11)
<b>Net Profit before tax</b>		
<b>Adjustments for:</b>		
Depreciation and amortisation	84.39	92.32
Provision for employee benefits	360.76	339.89
Allowances for impairment loss of trade receivables	10.60	1.62
Other provisions and its reversals	380.58	262.36
Provision for non movement of inventories	88.18	71.21
Profit on sale of fixed assets	(0.55)	(0.02)
Profit on sale of investment		(9.19)
Loss arising from exchange rate fluctuations	0.56	2.07
Finance cost	998.31	1,002.14
Interest income	(91.95)	(52.03)
Enhanced compensation received for land acquisition	-	(790.85)
Dividend income	(0.11)	(0.11)
<b>Operating profit before working capital changes</b>	<b>2,363.84</b>	<b>(3,002.70)</b>
<b>Changes in working capital</b>		
(Increase)/decrease in trade receivables, loans and advances and other current assets	2,335.23	951.19
(Increase)/decrease in inventories	(1,915.29)	2,919.67
Increase/(decrease) in trade payables, other payables and provisions	1,133.66	(44.52)
<b>Net change in working capital</b>	<b>1,553.60</b>	<b>3,826.34</b>
<b>Cash generated by operations</b>	<b>3,917.44</b>	<b>823.64</b>
Less: Direct taxes paid	49.84	(21.42)
<b>Net cash generated by operating activities</b>	<b>3,967.28</b>	<b>802.22</b>
<b>Cash flows from investing activities</b>		
Purchase of P.P.E. and capital work in progress	(20.11)	(41.66)
Interest received	91.95	52.03
Dividend income	0.11	0.11
Sale of fixed asset	0.55	0.02
Sale of investments	-	9.19
Bank balances other than cash & cash equivalents (net)	(844.61)	194.09
Less: Divident Receivable	(0.11)	
Less: Interest accrued on margin money deposit	(42.03)	(11.59)
(Additions)/ withdrawal of deposits (net)	(165.81)	(242.03)
<b>Net cash generated by investing activities</b>	<b>(980.06)</b>	<b>(39.84)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	-	724.00
Repayment of long term borrowings	(356.44)	(329.52)
Proceeds/(repayment) from short term borrowings (net)	(1,783.57)	55.64
Interest paid (net)	(1,048.76)	(1,011.75)
Add back: Interest accrued on borrowings	50.45	9.61
<b>Net cash generated from financing activities</b>	<b>(3,138.32)</b>	<b>(552.02)</b>
<b>Net increase/(decrease) in cash and cash equivalents during the year</b>	<b>(151.10)</b>	<b>210.36</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>211.61</b>	<b>1.25</b>
<b>Cash and cash equivalents at the end of the year - Note No.13.a</b>	<b>60.51</b>	<b>211.61</b>

### Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

Particulars	As at 01 April 2023	Loan availed/ (repaid) net	Other non cash changes	As at 31 March 2024
Non current borrowings including current maturities (refer note 16)	1,218.39	-267.77	-	950.62
Current borrowings (refer note 16)	5,763.25	-1,881.85	50.45	3,931.85
<b>Total borrowings including interest accrual</b>	<b>6,981.64</b>	<b>-2,149.62</b>	<b>50.45</b>	<b>4,882.47</b>
Less: Interest accrued on borrowings	-9.61			(50.45)
<b>Total borrowings (refer note 16)</b>	<b>6,972.03</b>			<b>4,832.02</b>

Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

Material accounting policies and the accompanying notes from 4 to 43 are integral part of the financial statements

As per our report of even date  
For Elias George & Co.,  
Chartered Accountants  
Firm Regn. No. 000801S

For and on behalf of the Board of Directors of Transformers and  
Electricals Kerala Limited  
(CIN: U31102KL1963SGC002043)

Sd/-  
P.C. Joseph  
Chairman  
DIN: 05225941

Sd/-  
Neeraj Mittal  
Managing Director  
DIN: 10269729

Sd/-  
Joy. P. Jacob  
Partner (M. No. 201678)

Sd/-  
P.K. Madhavan  
Chief Financial Officer

Sd/-  
Josmin Jose  
Company Secretary

Place: Ernakulam  
Date: December 17, 2025

Place: Angamally  
Date: December 17, 2025



## Transformers and Electricals Kerala Limited

Angamally South P.O., Ernakulam District, Kerala

### Statement of Changes in Equity for the year ended on 31<sup>st</sup> March 2024

Rupees (₹) in lakhs unless otherwise stated

(A) Equity share capital	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	429.67	4,296.74	429.67	4,296.74
Forfeited shares	-	0.22	-	0.22
<b>Total at the beginning of the year</b>	<b>429.67</b>	<b>4,296.96</b>	<b>429.67</b>	<b>4,296.96</b>
Changes due to prior year errors	-	-	-	-
Restated balance at the beginning of the year	429.67	4,296.96	429.67	4,296.96
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>429.67</b>	<b>4,296.96</b>	<b>429.67</b>	<b>4,296.96</b>

#### (B) Other equity

Particulars	Reserves and surplus			Other comprehensive income		Total other equity attributable to equity shareholders of the Company
	Capital Reserve	General Reserve	Retained Earnings	Other items of other comprehensive income (Item measured at fair value through other comprehensive income)	Other items of other comprehensive income (Remeasurement of defined benefit plan)	
<b>Balance as at 01-04-2022</b>	<b>1,619.60</b>	<b>5,085.00</b>	<b>(7,706.58)</b>	<b>6.41</b>	<b>48.45</b>	<b>(947.12)</b>
Loss for the year	-	-	(3,053.38)	-	-	(3,053.38)
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	108.71	108.71
Remeasurement of financial assets measured at fair value through other comprehensive income (net of tax)	-	-	-	(6.41)	-	(6.41)
<b>Balance as at 31-03-2023</b>	<b>1,619.60</b>	<b>5,085.00</b>	<b>(10,759.96)</b>	-	<b>157.16</b>	<b>(3,898.20)</b>
Changes due to prior year errors or change in accounting policy	-	-	-	-	-	-
<b>Restated balance at the beginning of the year</b>	<b>1,619.60</b>	<b>5,085.00</b>	<b>(10,759.96)</b>	-	<b>157.16</b>	<b>(3,898.20)</b>
Profit for the year	-	-	193.13	-	-	193.13
Remeasurement of defined benefits plan (net of tax)	-	-	-	-	52.73	52.73
<b>Balance as at 31-03-2024</b>	<b>1,619.60</b>	<b>5,085.00</b>	<b>(10,566.83)</b>	-	<b>209.89</b>	<b>(3,652.34)</b>

Material accounting policies and the accompanying notes from 4 to 43 are integral part of the financial statements

<p>As per our report of even date For Elias George &amp; Co., Chartered Accountants Firm Regn. No. 000801S</p>	<p>For and on behalf of the Board of Directors of Transformers and Electricals Kerala Limited (CIN: U31102KL1963SGC002043)</p> <p style="text-align: center;">Sd/- P.C. Joseph Chairman DIN: 05225941</p>	<p style="text-align: center;">Sd/- Neeraj Mittal Managing Director DIN: 10269729</p>
<p>Sd/- Joy. P. Jacob Partner (M. No. 201678)</p> <p>Place: Ernakulam Date: December 17, 2025</p>	<p style="text-align: center;">Sd/- P.K. Madhavan Chief Financial Officer</p> <p>Place: Angamally Date: December 17, 2025</p>	<p style="text-align: center;">Sd/- Josmin Jose Company Secretary</p>



## **Transformers & Electricals Kerala Limited** **Angamally South P.O., Ernakulam District, Kerala**

### **Company Information and Material Accounting Policies**

#### **1. Company overview**

Transformers and Electricals Kerala Limited (“TELK” or the “Company”) is a public company incorporated in 1963 under the erstwhile Companies Act, 1956, domiciled in India and limited by shares. The address of the Company’s registered office is Angamally South P.O., Ernakulam, Kerala -683573. The Company is a Joint Venture Company formed between NTPC Limited and Government of Kerala in the year 2007. The Company is engaged in the manufacturing and repairs of transformers.

#### **2. Basis of preparation**

##### **(a) Statement of Compliance**

The financial statements are prepared on going concern basis following accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, notified under section 133 of Companies Act, 2013 (“the Act”). The Company issued its first Ind AS compliant stand-alone financial statements in the year (2016-17) in accordance with Ind AS 101.

Details of the Company’s material accounting policies are included in Note 3.

##### **(b) Basis of measurement**

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS;

- Certain financial assets and liabilities measured at fair value (refer note 3 accounting policy regarding financial instruments), and



**Transformers & Electricals Kerala Limited**  
**Angamally South P.O., Ernakulam District, Kerala**

- The defined benefit asset/ (liability) are recognised as the present value of defined benefit obligation less fair value of plan assets.

The methods used to measure fair values are discussed further in notes to financial statements.

**(c) Regrouping of Previous year figures**

The figures for the previous year have been reclassified, where necessary, to align with the current year's presentation

**(d) Functional and presentation currency**

The financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

**(e) Current and non – current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;
- or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.



All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

#### **(f) Use of estimates and management judgements**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in accordance with the provisions of IND AS 8 – 'Accounting Policies, Changes in Accounting Estimates and Errors', IND AS 10 – 'Events after the Reporting Period' and IND AS 37 – 'Provisions, Contingent Liabilities and Contingent Assets'.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

##### **i) Useful life of property, plant and equipment**

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by management at the time the assets are acquired and reviewed during each financial year.

##### **ii) Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is ascertained by best judgement by the management regarding the probability of exposure to potential loss. If unforeseen



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developments lead to changes in circumstances, this likelihood may be subject to modification.

**iii) Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increase and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

**iv) Income taxes**

Significant judgments are involved in determining the provision for income taxes including judgements on whether tax positions are probable of being sustained in tax assessment. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

**v) Deferred taxes**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

**vi) Expected credit losses on financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.



### **3. MATERIAL ACCOUNTING POLICIES**

A summary of the material accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

#### **(a) Property, plant and equipment**

##### **i) Recognition and measurement**

Property, plant and equipment are measured at cost less accumulated depreciation/amortisation recognised and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use.

The cost of an item of property, plant and equipment is recognized as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When parts of an item of property, plant and equipment have different useful lives, they are recognised and depreciated separately.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within 'other income' in the statement of profit or loss.

Expenditure on major inspection and overhauls of production plant is capitalised, when it meets the asset recognition criteria. Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalised and depreciated over the estimated useful lives considering the rates notified under Schedule II to the Companies Act, 2013. Other spare parts are carried as inventory and recognised in the income statement on consumption.

##### **ii) Subsequent costs**

Subsequent costs are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.



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The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**iii) Depreciation**

The Company follows the straight line method of charging depreciation as explained below. Depreciation is charged as per the useful life and the residual value prescribed under Schedule II of the Companies Act, 2013 as amended by Notification No. GSR 627 (E) dated 29<sup>th</sup> August 2014 and all subsequent notifications / amendments. If the assets have useful life in the financial year and written down value more than its residual value, depreciation is charged for the year by applying following formula.

$$\left\{ \frac{(\text{Cost}) - (\text{Accumulated Depreciation}) - (\text{Residual Value})}{\text{Balance life in days from the beginning of the year}} \right\} \times \frac{\text{Life in days in the year}}{\text{Shift factor}}$$

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Assets costing up to Rs. 0.1 lacs are fully depreciated in the year of acquisition. Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed. Extra shift depreciation is charged for those assets which are used in second and third shifts, 50 % of normal depreciation is provided additionally for each extra shift. The residual value, estimated useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.



The estimated useful lives of assets are as follows.

**Category of assets Estimated useful life:**

Factory buildings	30 Years
Buildings (other than factory buildings – RCC frame structure)	60 Years
Plant & machinery	15 Years
Electrical installations and equipment	10 Years
Office equipment's	05 Years
General furniture & fixtures	10 Years
Canteen & dormitory furniture's	08 Years
Motor vehicle	08 Years
Air conditioner	05 Years
Water system	15 Years
Computer hardware and servers	3-6 Years
Computer software	10 Years

**(b) Intangible assets**

**i) Initial recognition**

Intangible assets that are acquired by the Company, which have finite useful lives, are recognised at cost. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for use.

**ii) Derecognition**

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the statement of profit and loss.



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**iii) Amortisation**

Cost of software recognised as intangible asset, is amortised on straight-line basis over a period of 10 years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred. The cost of intangible assets not ready for its intended use at each balance sheet date are disclosed as intangible assets under development.

**(c) Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location. Cost is determined on weighted average basis. Costs of purchased inventories are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale. Work-in-process and finished goods is valued at weighted average cost of materials plus proportionate share of labour and manufacturing overheads including depreciation and financial overheads or the net realizable value, whichever is lower.

The company had adopted an accounting policy in the year 2022-23 for the valuation of transformers in inventory that have failed mandatory tests, thereby rendering them unsuitable for sale as standard finished goods without significant repairs or modifications. If rework and retesting are feasible or if there is a potential to sell the transformer without retesting, the carrying value of such transformers as of the balance sheet date shall be measured at the lower of cost or net realizable value (NRV) in accordance with Ind AS 2. The NRV shall be determined as the estimated selling price less the expected costs required for rework and retesting to bring the transformer to a saleable condition as standard finished goods. In cases where the transformer is deemed unsalvageable, the NRV shall be based on the estimated scrap value. However, if any components are salvaged for reuse in another transformer or for any other purpose, the NRV shall be measured as the purchase price of an equivalent component that would otherwise be procured. This policy has been applied to the valuation of the transformers which failed the short circuit test and remain in inventory.



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Non-moving items included in the stock of raw materials is valued (i) at 90% in case of those materials which have no movement in the last year, (ii) at 75% in case of those materials which have no movement in the last two year and (iii) at 50% in case of those materials which have no movement in the last three year or longer periods.

Since, the difference identified during the physical verification of inventory of raw materials between the physical stock and the book stock is immaterial when compared to total stock movements, separate disclosure is not made in this regard but included in the raw material consumed.

All goods which were under transit as on reporting date from the Company factory gate till the customer's destination point were recognised as goods in transit and classified along with finished goods as finished goods in transit under inventory and valued as cost / NRV whichever is lower as per IND AS 2.

**(d) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(e) Provisions and contingent liabilities**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Claims for liquidated damages both for and against the Company are recognised in the financial statements on actual basis, based on the information available to the Company as on that date.

The Company recognizes provisions in accordance with Indian accounting standards to prudently account for potential future expenses. As a manufacturer of power generating products customized to meet client specifications, the Company places a strong emphasis on product quality and reliability. Regular inspection procedures are implemented at various stages of production, and a final inspection before product dispatch to ensure adherence to quality standards. Instances of product damage have been minimal over the past three years.



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Additionally, certain components of the products are sourced from external parties, and any damages to these components are typically addressed through repairs or replacements facilitated by the respective suppliers. Furthermore, severe damages occurring post-delivery are covered under the Company's insurance policies. Despite the infrequent occurrence of damages, the Company has incurred expenses for isolated incidents over the past three years, for which provisions have been made to account for potential warranty obligations. These provisions are in accordance with Indian accounting standards on assessment of historical data and are periodically reviewed to ensure adequacy and accuracy in financial reporting, thereby maintaining transparency and reliability for stakeholders.

Provision for warranty is determined by calculating a percentage derived from an average of the expenses incurred relative to sales over the past three financial years. This ensures that the Company adequately reflects its potential obligations for warranties while maintaining consistency and reliability in financial reporting. The provision for warranty is reviewed regularly to reflect changes in business operations and market conditions, ensuring accuracy in financial statements and transparency to stakeholders.

Other provisions are recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. However, where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions for gratuity and leave encashment are computed on the basis of actuarial reports.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.



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Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**(f) Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded by the company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the year in which it arises.

**(g) Revenue**

Revenue is recognised from sale of goods and services on the transfer of control to the customer and upon the satisfaction of performance obligations under the contract.

**i) Revenue from sale of goods**

- (i) Revenue from sale of goods is recognised on the transfer of control to the customer and upon the satisfaction of performance obligations under the contract.
- (ii) The Company is recognising revenue in respect of FOR destination sale (the price of the goods are inclusive of freight and insurance) of products only after the goods were delivered at the customer's site. In case of goods sold on ex- factory basis, the revenue is recognised when the goods are loaded onto the truck, or other delivery vehicle, at the factory site of the Company. The Company generally has no further significant contractual performance obligation that would preclude revenue recognition.
- (iii) A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays



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consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

**ii) Rendering of services**

Revenue is recognised as and when services are rendered.

**iii) Other income**

Dividend income/Insurance Claims are recognised in profit or loss on the date on which the Company's right to receive payment is established. Other Incomes including Interest are accounted for on accrual basis.

**(h) Employee benefits**

**i) Defined contribution plans**

Contribution to provident fund is in the nature of defined contribution plan and is made to a recognised trust. The Company's contribution to provident fund is covered under defined contribution plan and is recognised as employee benefit expense in statement of profit or loss in the periods during which services are rendered by employees.

**ii) Defined benefit plans**

Payment of gratuity to employees is covered under 'Group Gratuity Cum Assurance Scheme' of the LIC of India which is in the nature of defined benefit scheme. The liability recognised in the balance sheet in respect of these defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using an appropriate government bond rate that have terms to maturity approximating to the terms of the related liability.



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Remeasurements comprising actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefits liability (asset) are recognised in other comprehensive income, net of income tax. Other expenses related to defined benefit plans are recognised in statement of profit or loss.

**iii) Compensated absences**

The Company has a 'Privilege Leave Policy' and 'Sick Leave Policy' which is classified as 'Other Long-Term Employees benefits' as per Ind AS 19. The Company measures the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company records a liability for accumulated balance based on actuarial valuation determined using projected unit credit method. Remeasurements and other expenses related to long term benefit plans are recognised in statement of profit or loss. These leave policy scheme is funded by the Company and is managed by Life Insurance Corporation of India in accordance with schemes framed by the Corporation.

**iv) Short-term benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefit like salaries, wages, and the expected cost of bonus is recognised in the period in which the employee renders the related service.

**(i) Income tax**

Income tax expense comprises current and deferred tax. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognised under 'income tax payable' net of payments on account or under 'tax receivables' where there is a credit balance.

Deferred tax is recognised using the balance sheet method, providing for temporary difference between the carrying amounts of assets and liabilities for



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financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(j) Impairment of non-financial assets**

The Company recognizes provisions related to impairment of assets in accordance with applicable accounting standards to ensure the accuracy and reliability of financial reporting. The carrying amounts of the Company's non-financial assets primarily include property, plant and equipment, inventories and deferred tax assets. Most property plant and equipment are valued at residual value as their useful life has already lapsed. During the period, there were no indicators of impairment present for any of the assets. As a result, no impairment losses were recognized during the reporting period.

**(k) Segment reporting**

The Company primarily engages in manufacture of transformers and electrical equipment. The Company does not distinguish revenues, costs and expenses between different businesses in its internal reporting, and reports costs and expenses by nature as a whole. The Board of Directors reviews the results when making decisions about allocating resources and assessing performance of the



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Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment mainly through the sale of transformers. As the Company's long-lived assets are all located in India and most of the Company's revenues are derived from India, no geographical information is presented.

**(l) Government grants**

Grants that compensate the Company for expenses are deducted from the related expenses for recording in the books as per 2<sup>nd</sup> method as prescribed in IND AS 20. The company has adopted the above approach for grant received under National Apprenticeship promotion Scheme (NAPS). Under this scheme Government reimburses a portion of prescribed stipend to establishments who engages apprentices under the Apprentices Act.

**(m) Earnings per equity share**

Basic earnings per share is computed by dividing the profit/(loss) attributable to ordinary equity holders of the Company by weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit/(loss) attributable to ordinary equity holders of the Company using the weighted-average number of equity shares considered for deriving basic earnings per share and weighted average number of dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive. Dilutive potential shares are deemed converted at the beginning of the period, unless issued at later date.

**(n) Statement of cash flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 - Statement of Cash Flows.

**(o) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



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**i) Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

**Subsequent measurement**

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Debt instrument at fair value through OCI (FVTOCI)**

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:



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- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at fair value through Profit or Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

**Equity investments**

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading are classified at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to



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P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Equity investments in subsidiaries and joint ventures are measured at cost, as cost represents the appropriate estimate of fair value in case of these investments.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **Impairment of financial assets**

The loss allowance in respect of trade receivables are measured at an amount equal to life time expected credit losses. The loss allowance in respect of all other financial assets, which are required to be impaired, are measured at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12 months expected credit losses.



## **ii) Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and bank overdrafts.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **i. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Gains or losses on liabilities held for trading are recognised in statement of profit and loss.

#### **ii. Financial liabilities measured at amortized cost**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



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**(p) Corporate social responsibility**

During the current period, the Company has not made any provision for C.S.R. as it is not applicable as per Section 135 of the Companies Act 2013 and rules made thereunder.

**(q) Purchases**

Purchases are recognised in the books only when goods are inspected and accepted by the Company for inclusion in the inventory. Goods which have reached the Company premises or are in transit but not inspected and accepted by the Company are excluded from the inventory. Hence purchases are not recognised in respect of such goods in the books. In case of goods despatched to the site of job worker from the supplier, purchases are recognised and the same is included in the inventory once the job worker accepts the goods from the supplier and acknowledges the receipt of the same.

**(r) Recent accounting pronouncements**

The Ministry of Corporate Affairs (“MCA”), through the Companies (Indian Accounting Standards) Amendment Rules, 2024 dated 20 March 2024, has notified certain amendments to the Indian Accounting Standards. These amendments are effective for the Company from **1 April 2024** and will be applied prospectively. The significant amendments notified and their expected impact are set out below:

**(a) Ind AS 7 – Statement of Cash Flows**

The amendments introduce additional qualitative and quantitative disclosures in respect of supplier finance arrangements (“SFAs”) to enable users of financial statements to understand the nature of such arrangements, the associated financial liabilities and liquidity risk exposures. Management is in the process of evaluating the requirements of the amendment. Based on the initial assessment, no material impact is expected on the financial statements of the Company.



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(b) Ind AS 107 – Financial Instruments: Disclosures

Amendments to Ind AS 107 require enhanced disclosures relating to supplier finance arrangements, including information about terms, concentration of liquidity risk and changes in the carrying amounts of related financial liabilities. The Company does not expect the application of these amendments to have any material impact on its financial statements.

(c) Ind AS 109 – Financial Instruments

The amendments clarify the recognition, presentation and derecognition principles relating to financial liabilities arising from supplier finance arrangements.

Management has preliminarily assessed the amendments and does not expect a material impact on the financial statements.

(d) Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

Amendments clarify the determination of the exchange rate when there is a lack of exchangeability, and introduce additional disclosure requirements in such situations.

The Company is currently assessing the impact of these amendments; however, they are not expected to have a material effect on the financial statements.


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 Notes to Financial Statements for the year ended on 31<sup>st</sup> March 2024

 4a Property, plant and equipment  
 Reconciliation of carrying amount  
 Rupees(₹) in lakhs, unless otherwise stated

Particulars	Land	Land Development	Building	Plant and Machinery	Elect. Installations	Office Equipments	Furniture & Fixtures	Canteen & Dormitory Furniture & Utensils	Water Systems	Air Conditioners	Motor Vehicle	Computer-Hardware	Total
Cost as at 1 <sup>st</sup> April 2023	5.82	26.61	875.08	814.41	8.49	20.48	23.54	7.72	19.99	93.12	9.38	50.58	1,955.22
Additions	-	-	-	14.89	-	-	-	-	-	1.80	-	-	16.69
Deletions	-	-	-	(0.01)	-	-	-	-	-	-	-	-	(0.01)
Cost as on 31 <sup>st</sup> March 2024	5.82	26.61	875.08	829.29	8.49	20.48	23.54	7.72	19.99	94.92	9.38	50.58	1,971.90
Accumulated depreciation	-	2.70	207.22	489.68	1.78	8.48	16.49	6.13	11.07	86.91	2.23	42.22	874.92
Balance as at 1 <sup>st</sup> April 2023	-	0.34	25.07	49.97	0.47	1.28	0.60	-	1.38	0.51	0.94	3.42	83.96
Depreciation for the year	-	3.04	232.29	539.65	2.25	9.76	17.09	6.13	12.45	87.42	3.17	45.64	956.88
Balance as on 31 <sup>st</sup> March 2024	-	23.57	642.79	289.64	6.24	10.72	6.45	1.59	7.54	7.50	6.21	4.94	1,013.02
As on 31 <sup>st</sup> March 2024	5.82	23.91	667.86	324.73	6.71	12.00	7.05	1.59	8.92	6.21	7.15	8.36	1,080.30
As on 31 <sup>st</sup> March 2023	5.82	23.91	667.86	324.73	6.71	12.00	7.05	1.59	8.92	6.21	7.15	8.36	1,080.30

  

Particulars	Land	Land Development	Building	Plant and Machinery	Elect. Installations	Office Equipments	Furniture & Fixtures	Canteen & Dormitory Furniture & Utensils	Water Systems	Air Conditioners	Motor Vehicle	Computer-Hardware	Total
Cost as at 1 <sup>st</sup> April 2022	5.82	26.61	875.08	787.00	8.49	20.48	22.78	7.72	19.99	93.12	9.38	49.41	1,925.88
Additions	-	-	-	27.41	-	-	0.77	-	-	-	-	1.18	29.36
Deletions	-	-	-	-	-	-	(0.01)	-	-	-	-	(0.01)	(0.02)
Cost as on 31 <sup>st</sup> March 2023	5.82	26.61	875.08	814.41	8.49	20.48	23.54	7.72	19.99	93.12	9.38	50.58	1,955.22
Accumulated depreciation	-	2.36	181.68	433.67	1.29	7.71	15.66	6.13	9.70	86.70	1.30	36.90	783.10
Balance as at 1 <sup>st</sup> April 2022	-	0.34	25.54	56.01	0.49	0.77	0.83	-	1.37	0.21	0.93	5.32	91.82
Depreciation for the year	-	2.70	207.22	489.68	1.78	8.48	16.49	6.13	11.07	86.91	2.23	42.22	874.92
Balance as on 31 <sup>st</sup> March 2023	-	23.91	667.86	324.73	6.71	12.00	7.05	1.59	8.92	6.21	7.15	8.36	1,080.30
Carrying amount, net	5.82	24.25	693.40	353.33	7.20	12.77	7.12	1.59	10.29	6.42	8.08	12.51	1,142.78
As on 31 <sup>st</sup> March 2022	5.82	24.25	693.40	353.33	7.20	12.77	7.12	1.59	10.29	6.42	8.08	12.51	1,142.78

(i) Plant and machinery including its machinery spares, tools and accessories and other movable plant and machinery are hypothecated as Security against funded and non-funded facilities provided by the Banks.

(ii) The land on which the Company's manufacturing facilities are situated was allotted by the Government of Kerala in the years 1965, 1976 &amp; 2001 through three Patia. As per Patia, the land assigned shall be heritable but shall not be alienated or encumbered without the permission in writing of the Government. As per Patia, the land shall be used by the Company solely for its business purposes.

(iii) During the year the Company has capitalized an amount of Rs.11.31 lakhs for construction of plant and machinery for own use.



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4b Capital work in progress (Tangible assets)	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	18.27	5.97
Additions during the year	3.42	12.30
Less: Impairment loss	(5.97)	(5.97)
<b>Closing balance</b>	<b>15.72</b>	<b>12.30</b>

**Note:**

Refer Note no.39 for additional disclosures as per Schedule III.

**5 Intangible assets**

**Reconciliation of carrying amount**

Particulars	Computer software	Total
<b>Cost as on 1<sup>st</sup> April 2023</b>	<b>26.22</b>	<b>26.22</b>
Additions	-	-
<b>Cost as on 31<sup>st</sup> March 2024</b>	<b>26.22</b>	<b>26.22</b>
Accumulated amortisation as on 1 <sup>st</sup> April 2023	23.95	23.95
Amortisation for the year	0.43	0.43
<b>Accumulated amortisation as on 31<sup>st</sup> March 2024</b>	<b>24.38</b>	<b>24.38</b>
<b>Carrying amount, net as at 31<sup>st</sup> March 2024</b>	<b>1.84</b>	<b>1.84</b>

Particulars	Computer software	Total
<b>Cost as on 1<sup>st</sup> April 2022</b>	<b>26.22</b>	<b>26.22</b>
Additions	-	-
<b>Cost as on 31<sup>st</sup> March 2023</b>	<b>26.22</b>	<b>26.22</b>
Amortisation for the year	0.50	0.50
Accumulated amortisation as on 1 <sup>st</sup> April 2022	23.45	23.45
<b>Accumulated amortisation as on 31<sup>st</sup> March 2023</b>	<b>23.95</b>	<b>23.95</b>
<b>Carrying amount, net as at 31<sup>st</sup> March 2023</b>	<b>2.27</b>	<b>2.27</b>

**Note:**

- 1 Please refer Note no.3 (b) regarding accounting policy on intangible assets.
- 2 The company does not have any intangible assets under development.


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6 Non- Current Investments	As at 31 March 2024	As at 31 March 2023
<b>Non-current - other investments in employee's co-operative societies</b> <b>Unquoted (Carried at cost)</b> <b>Co-operative societies</b> <b>Investment in shares of TELK employees multipurpose co-operative society Limited.</b> 450 'B' Class (PY - 450 'B' class) shares of Rs.100 each fully paid up	0.45	0.45
<b>Investment in shares of TELK employees canteen co-operative society Limited.</b> 250 'B' class (PY - 250 'B' class) shares of Rs.100 each fully paid up	0.25	0.25
<b>Total</b>	<b>0.70</b>	<b>0.70</b>
<b>Aggregate value of unquoted investments</b>	<b>0.70</b>	<b>0.70</b>

Note:

The investments held by the Company comprise unquoted other instruments, for which observable inputs for determining fair value are not available due to the absence of an active market and insufficient reliable data. Accordingly, the Company has elected to measure such investments at cost, which has been assessed as the most reliable estimate of fair value, in compliance with the guidance provided under paragraph B5.2.3 of Ind AS 109.

7 Loans	As at 31 March 2024	As at 31 March 2023
<b>Considered good and unsecured</b>		
Loans and advances to employees	17.50	17.71
<b>Total</b>	<b>17.50</b>	<b>17.71</b>

The Company has not given any loan to their directors during the year ended 31 March 2023 and 31 March 2024

8 Other financial assets	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Bank deposits (due to mature after 12 months from the reporting date)*	592.15	426.34
KSEB - Security deposit	24.83	24.83
<b>Total</b>	<b>616.98</b>	<b>451.17</b>
<b>Current</b>		
Interest accrued on margin money deposits	42.03	11.59
Amount receivable on compulsory acquisition	79.09	790.85
Other financial assets	2.53	-
Security Deposit/EMD with customers	27.86	35.62
Security Deposit/EMD with government departments	4.58	4.58
Less: Allowance for expected credit loss for security deposits	(24.92)	(24.92)
<b>Total</b>	<b>131.17</b>	<b>817.72</b>

Security deposits and EMDs are subject to confirmation

\*Bank deposits include restricted bank balances having remaining tenure of more than 12 months of Rs.592.15 Lakhs (previous year: Rs.426.34Lakhs). The restrictions are primarily on account of bank balances held as lien against bank guarantees.

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Rupees(₹) in lakhs, unless otherwise stated

**Movement in loss allowances for security deposits during the year**

Particulars	As at 31 March 2024	As at 31 March 2023
Allowances provided as at the beginning of the year	24.92	24.92
Additional loss allowances for expected credit loss	-	-
<b>Loss allowances as at end of the year</b>	<b>24.92</b>	<b>24.92</b>

9 Current tax assets (net)	As at 31 March 2024	As at 31 March 2023
Advance Income Tax	0.00	50.00
TDS/TCS Receivable	63.26	63.10
<b>Total</b>	<b>63.26</b>	<b>113.10</b>

10 Other current assets	As at 31 March 2024	As at 31 March 2023
Advances other than capital advances:		
Advances to suppliers and contractors	124.62	29.76
Other advances and prepaid expenses	72.14	70.41
Balance with government authorities	125.93	268.35
		-
<b>Total</b>	<b>322.69</b>	<b>368.52</b>

(i) Advances are subject to confirmations


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11 Inventories	As at 31 March 2024	As at 31 March 2023
Finished goods	825.45	2.07
Less Inventory written down to NRV	(236.38)	
<b>Sub total (Valued at Net Realisable Value) (A)</b>	<b>589.07</b>	<b>2.07</b>
Raw materials	1,398.09	1,883.40
Scrap (Valued at Net Realisable Value (NRV))	80.35	138.76
Stock of materials with fabricators	1.13	17.80
Materials in transit	170.70	-
<b>Sub total (B)</b>	<b>1,650.27</b>	<b>2,039.96</b>
Work-in-progress	3,768.18	2,312.31
Less: Inventory written down to NRV	(1,037.54)	(1,228.43)
<b>Sub total (Valued at net realizable value) (C)</b>	<b>2,730.64</b>	<b>1,083.88</b>
<b>Allowances for inventories (D)</b>		
Less: provision for non movement (Raw Materials)	(88.18)	(71.21)
<b>Total (A+B+C-D)</b>	<b>4,881.80</b>	<b>3,054.70</b>

(1) Non moving items included in the stock of raw materials is valued (i) at 90% in case of those materials which have no movement in the last year, (ii) at 75% in case of those materials which have no movement in the last two year and (iii) at 50% in case of those materials which have no movement in the last three year or longer periods.

(2) In respect of FOR destination sales, the Company recognize revenue only after the goods reached the customers destination point. So all such goods which were under transit as on the reporting date from the Company factory gate till the customer's destination point were recognised as goods in transit and classified along with finished goods as Finished goods in transit under inventory and valued as cost and NRV whichever is lower as per IND AS 2.

(3) The company has hypothecated its inventory as security for its cash credit facility from banks.

(4) As per the directive of the Comptroller and Auditor General of India (C&AG), scrap includes quality test failed transformers valued at Rs.63.02 lakhs.

12 Trade receivables	As at 31 March 2024	As at 31 March 2023
Undisputed trade receivables considered good - secured		1,779.70
Undisputed trade receivables considered good - unsecured	5,486.27	5,261.46
Trade receivables which have significant increase in credit risk.	2,391.59	2,425.27
<b>Sub total</b>	<b>7,877.86</b>	<b>9,466.43</b>
Loss allowance for trade receivables:		
For expected credit loss	(2,649.88)	(2,677.98)
<b>Total</b>	<b>5,227.98</b>	<b>6,788.45</b>

**Movement in loss allowances for trade receivables during the year**

Particulars	As at 31 March 2024	As at 31 March 2023
Allowances provided as at the beginning of the year	2,677.98	2,452.16
Additional allowance for expected credit loss during the year	10.60	1.62
Allownances reversed during the year		
<b>Allowances for Liquidated Damages</b>		
Additional allowance for Liquidated Damages during the year	254.91	334.34
Allownances reversed during the year	(293.61)	(110.14)
<b>Total</b>	<b>2,649.88</b>	<b>2,677.98</b>

(i) Trade receivables outstanding as on 31 March 2023 also consists of debtors who are supposed to give LC as per their Purchase Order and hence are at minimal risk regarding it's collectivity. In respect of those debts of Rs.1,779.70 Lakhs, the company has not provide allowances for expected credit loss. There is no such trade recievables as on 31 March 2024.

(ii) Allowances for 12 month expected credit loss comes to Rs.258.29 Lakhs for the year. Rs.244.17 Lakhs were provided for specifically identified bad debts and Rs.2147.42 Lakhs were provided for liquidated damages.

(iii) Trade Receivables are subject to confirmation.

(iv) Refer Note no.38 for additional disclosures as per Schedule III of the Act.



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13.a	<b>Cash and cash equivalents</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
	<b>Balances with banks:</b>		
	In current accounts	60.51	211.61
	<b>Total</b>	<b>60.51</b>	<b>211.61</b>
13.b	<b>Bank balances other than cash and cash equivalent</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
	<b>Deposits with original maturity of less than 3 months</b>		
	Margin money deposits*	128.60	0.07
	<b>Sub total (A)</b>	<b>128.60</b>	<b>0.07</b>
	<b>Deposits with original maturity of more than 3 months</b>		
	Margin money deposits*	1,904.69	1,022.80
	Less: Bank balances with maturity of more than 12 months from Balance sheet date disclosed under other non- current financial assets	(592.15)	(426.34)
	<b>Sub total (B)</b>	<b>1,312.54</b>	<b>596.46</b>
	Other deposits - KIRFB**	4.60	4.60
	Treasury P.S.T.S.B. Account for VPD Loan***	260.00	260.00
	<b>Sub total (C)</b>	<b>264.60</b>	<b>264.60</b>
	<b>Total (A+B+C)</b>	<b>1,705.74</b>	<b>861.13</b>

Margin money deposits amounting to Rs.1965.29 Lakhs (31 March 2023: Rs.1022.80 Lakhs) given as collateral against the bank guarantees or LCs' are not readily convertible as cash so long as bank guarantees or LCs' are live, they are excluded from Cash and cash equivalents and included in Bank balances other than cash and cash equivalents under Note 13.b.

\*\*M/s TELK Social Safety Net Programme (SSNP-2004) was introduced at M/s TELK with a view to achieving substantial reduction in the cost of establishment of the company and hence the vacancies arising consequent on the implementation of the scheme shall be abolished. Kerala Industrial Revitalisation Fund Board (KIRFB) was given the responsibility to manage the welfare fund. The balance in the fund as on date is Rs.4.6 Lakhs.

\*\*\*Refer Note no.(ii) provided to Note 16, Borrowings to Balance Sheet. This deposit does not carry any interest.



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14.a Equity share capital	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
<b>(A) Authorised</b> 12,50,00,000 shares at par value of Rs.10/- each (Previous year 12,50,00,000 shares of par value of Rs.10/- each)	1,250.00	12,500.00	1,250.00	12,500.00
<b>(B) Issued</b> 4,29,75,400 shares at par value of Rs.10/- each (Previous year 4,29,75,400 shares of par value of Rs.10/- each)	429.75	4,297.54	429.75	4,297.54
<b>(C) Issued, subscribed &amp; fully paid up capital</b> 4,29,67,350 shares of par value of Rs.10/- each (Previous year 4,29,67,350 shares of par value of Rs.10/- each)	429.67	4,296.74	429.67	4,296.74
<b>(D) Forfeited shares*</b>	-	0.22	-	0.22
<b>Total (C+D)</b>	<b>429.67</b>	<b>4,296.96</b>	<b>429.67</b>	<b>4,296.96</b>

**Note:**

\*187<sup>th</sup> Board Meeting of the Company held on 26/03/1991 vide minute B/187/12 forfeited 8,050 shares issued to the public and authorised to reissue the above mentioned shares at the face value of the shares to the Hon.Governor of Kerala, as and when required on receipt of the unpaid portion of such shares after adjusting the forfeited share account amounting to Rs 0.22 Lakhs. However, due to the non receipt of required amount, these shares were not reissued to Hon.Governor of Kerala till 31.03.2024.

**(i) Reconciliation of the number of shares and amount outstanding:**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs.10 each fully paid up				
At the beginning of the year	429.67	4,296.74	429.67	4,296.74
Changes due to prior period errors	-	-	-	-
<b>Restated balance at the beginning of the year</b>	<b>429.67</b>	<b>4,296.74</b>	<b>429.67</b>	<b>4,296.74</b>
Changes during the year	-	-	-	-
% of change	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>429.67</b>	<b>4,296.74</b>	<b>429.67</b>	<b>4,296.74</b>

**(ii) Terms and rights attached to equity shares**

The company has only one class of equity share having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The holders of the equity shares are entitled to receive dividends as declared from time to time. 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii)** No equity shares were allotted as fully paid up by way of bonus shares during the period.

**(iv)** The Company has not issued bonus shares nor has bought back any shares during last 5 years.

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**Note 14.a (continued)****(v) Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31 March 2024			As at 31 March 2023			% of change during the year
	No. of Shares (in lakhs)	% holding	Amount	No. of Shares (in lakhs)	% holding	Amount	
<b>Equity shares of Rs.10 each fully paid up</b>							
Honourable Governor of Kerala	234.44	54.56%	2,344.41	234.44	54.56%	2,344.41	-
NTPC Ltd.	191.63	44.60%	1,916.33	191.63	44.60%	1,916.33	-
<b>Total number of shares holding more than 5%</b>	<b>426.07</b>	<b>99.16%</b>	<b>4,260.74</b>	<b>426.07</b>	<b>99.16%</b>	<b>4,260.74</b>	-
Add: Others (non- controlling interest & individually holding less than 5%)	3.60	0.84%	36.00	3.60	0.84%	36.00	-
<b>Total equity shares</b>	<b>429.67</b>	<b>100%</b>	<b>4,296.74</b>	<b>429.67</b>	<b>100%</b>	<b>4,296.74</b>	-

**(vi) Details of promoters' shareholding in the Company**

Particulars	As at 31 March 2024			As at 31 March 2023			% of change during the year
	No. of Shares (in lakhs)	% holding	Amount	No. of Shares (in lakhs)	% holding	Amount	
Honourable Governor of Kerala	234.44	54.56%	2,344.41	234.44	54.56%	2,344.41	-
NTPC Ltd.	191.63	44.60%	1,916.33	191.63	44.60%	1,916.33	-
<b>Total number of equity shares held by promoters</b>	<b>426.07</b>	<b>99.16%</b>	<b>4,260.74</b>	<b>426.07</b>	<b>99.16%</b>	<b>4,260.74</b>	-

**Note:**

1 There has been no change in promoters and their shareholding during the year and previous year.


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14.b Other equity	As at 31 March 2024	As at 31 March 2023
Capital reserve	1,619.60	1,619.60
General reserve	5,085.00	5,085.00
Retained earnings	(10,566.83)	(10,759.96)
Other comprehensive income	209.89	157.16
<b>Total</b>	<b>(3,652.34)</b>	<b>(3,898.20)</b>

**Movement in other equity**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Capital reserve</b>		
Balance at beginning of the year	1,619.60	1,619.60
Less: Adjustment during the year	-	-
Closing balance	1,619.60	1,619.60
<b>(ii) General reserve</b>		
Balance at beginning of the year	5,085.00	5,085.00
Add: Transfer from retained earnings	-	-
Closing balance	5,085.00	5,085.00
<b>(iii) Retained earnings</b>		
Balance at beginning of the year	(10,759.96)	(7,706.58)
Add: Profit/(loss) for the year as per Statement of Profit and Loss	193.13	(3,053.38)
Closing balance	(10,566.83)	(10,759.96)
<b>(iv) Other comprehensive income</b>		
Balance at beginning of the year	157.16	54.86
Add: additions during the year	52.73	108.71
Less: reclassification on derecognition of financial asset measured at fair value through other comprehensive income to profit and loss		(6.41)
Closing balance	209.89	157.16

**Nature and purpose of other equity:**
**Capital reserve**

Capital reserve in the company's balance sheet alludes to a fund, that is created to finance long term project or write-off capital expenses. The purpose of capital reserves are to meet future capital losses, issue fully paid bonus shares subject to Articles of Association and to strengthen the financial position of the business. This is not created out of revaluation of assets

**General reserve**

Revenue profit earned by the company over the period since its inception are the source of general reserves. This reserve can be generally utilised for any purpose and is freely available for distribution as dividend.

**Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

**Other comprehensive income**

The cumulative balances of actuarial gain or loss arising on re-measurements of defined benefit plan is accumulated and recognised. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss. Also, gain or loss on financial assets measured fair value through other comprehensive income



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15 Provisions	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
<b>Provision for employee benefits:</b>		
Provision for gratuity	962.49	860.66
Provision for leave encashment	1,012.09	891.34
	<b>1,974.58</b>	<b>1,752.00</b>
<b>Current</b>		
Provision for warranty	3.19	2.91
Provision for C.S.R.	25.33	25.33
Provision for wage revision arrears	1,669.50	1,669.50
	<b>1,698.02</b>	<b>1,697.74</b>
<b>Total</b>	<b>3,672.60</b>	<b>3,449.74</b>

(i) Contribution made by the Company to the gratuity fund during the year is Rs.24.35 Lakhs (FY 2022-23 - Rs.7.74Lakhs)

(ii) Contribution made by the Company to the leave encashment fund during the year is Rs.2.10 Lakhs ( FY 2022-23- Rs.2.73 Lakhs)

(iii) Provision created for expected warranty claims in respect of products sold during the year on the basis of technical evaluation and management's best estimate regarding the future trends of products and cost of rectification or replacement.

(iv) LTS/Pay Revision of Workers and Officers is due for revision from 01.09.2021. However no provision has been provided for salary arrears as the Company is not expecting LTS/Pay revision with retrospective effect considering the current financial position of the Company subject to agreement with the Union and approval from Government of Kerala.

(v) Provision for wage arrears pertains to unpaid arrear of of last LTS/ Pay Revision with effect from 01.09.2016

**Details of Corporate Social Responsibility (C.S.R.) expenditure**

Particulars	As at 31 March 2023	As at 31 March 2022
Gross amount required to be spent during the year	-	-
Total of previous years' unspent (with Company)	25.33	25.33

**Reason:**

Due to the financial constraints as a result of losses during FY 2020-21, FY 2021-22 and FY 2022-23 on account of Covid-19 pandemic and subsequent recovery, the company has neither spent any amount nor transferred to separate C.S.R. unspent account, against these provisions so far.

Movement of provision for warranty	As at 31 March 2024	As at 31 March 2023
Opening balance	2.91	2.54
Add: Additions	0.28	0.37
Less: Usage/write off	-	-
<b>Closing balance</b>	<b>3.19</b>	<b>2.91</b>
Movement of provision for wage revision arrears	As at 31 March 2024	As at 31 March 2023
Opening balance	1,669.50	1,939.54
Add: Additions	-	-
Less: Usage/write back	(0.00)	(270.04)
Less: Withdrawal /adjustments	-	-
<b>Closing balance</b>	<b>1,669.50</b>	<b>1,669.50</b>



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16 Borrowings	As at 31 March 2024	As at 31 March 2023
<b>Borrowings - Current</b>		
<b>Loan Repayable on demand from Banks</b>		
<b>Secured loans from Banks</b>		
Cash credit	1,682.44	2,082.12
<b>Unsecured loans from Banks</b>		
Cash credit	95.58	96.88
<b>Others</b>		
<b>Secured loans from Banks</b>		
Other short - term working capital loans	699.37	2,535.63
Current maturities of working capital term loan	251.70	313.31
<b>Secured loans from Others</b>		
Other short - term working capital loans	504.86	
<b>Unsecured loans from Banks</b>		
Other short - term working capital loans	639.16	779.00
<b>Unsecured loans from others</b>		
Current maturities of working capital term loan - Government of Kerala	155.91	5.65
Loan from Government of Kerala for V.P.D. project	260.00	260.00
<b>Total Current Borrowings</b>	<b>4,289.02</b>	<b>6,072.59</b>
<b>Borrowings - Non-current</b>		
<b>Secured loans from Banks</b>		
Working capital term loans	469.20	778.75
Less: Current Maturities of Working capital term loans	(251.70)	(313.31)
	<b>217.50</b>	<b>465.44</b>
<b>Unsecured loans from others</b>		
Working capital term loan from Government of Kerala	481.41	439.65
Less: Current Maturity of Working Capital Term loan from Government of Kerala	(155.91)	(5.65)
	<b>325.50</b>	<b>434.00</b>
<b>Total Non Current Borrowings</b>	<b>543.00</b>	<b>899.44</b>
<b>Total</b>	<b>4,832.02</b>	<b>6,972.03</b>

**Note:**

(i) For details with respect to terms and conditions of borrowings, refer note 16.a

ii) Loan from Government of Kerala -Rs.1,000 Lakhs.

Vide GO (Rt) No.1137/2017/1D dated 07/08/2017 Government accorded administrative sanction to Transformers and Electricals Kerala Limited for establishment of Vapour Phase Drying Plant (VPD) at TELK for an outlay of Rs.1,100 Lakhs. The State government has allotted Rs.1,000 Lakhs. Vide GO (Rt). No.383/2020/ID dated 18/05/2020. Government has furnished a proposal for revalidation of administrative sanction for an amount of Rs.500 Lakhs. Out of the 500 Lakhs revalidated only Rs.300 Lakhs has been released as on 08/10/2020 Vide GO (Rt). No.860/2020/ID. Due to the non-initiation of the project, the government has resumed Rs.290 Lakhs in the year 2020-21. Further the Vide GO (Rt). No. 650/2021/ID dated 27/06/2021, Rs.250 Lakhs has been released during the year 2021-22. Repayment of loan commences on the completion of one year of drawal of loan. Period of loan was 5 year with interest at the rate of 9.5%. In case of default penal interest 2.5% will be charged. No amount has been utilised from this Loan facility and no interest was accrued on this loan as on 31.03.2024.

iii) Vide GO (Rt) No.1127/2022/ID dated 02/12/2022 Government have decided to release an amount of Rs.500 lakhs of which Rs.434 lakhs (which got released as two installments of Rs.371 Lakhs and Rs.63 Lakhs during the FY 2022-23). The loan should be treated as "Working capital loan" and the period of loan is 5 years with a rate of interest of 9.5% per annum, in case of default penal interest 2.5% will be charged. Repayment of loan shall commence after one year from the disbursal of loan in equal quarterly installments along with interest.

(iv) The quarterly stock and debtors statements submitted to banks may differ from the figures reported in the books of account, as the stock statements are prepared on a provisional valuation basis, and the impact of expected credit loss allowances on trade receivables is recognised subsequently at the time of finalisation of accounts.

17 Trade Payables	As at 31 March 2024	As at 31 March 2023
Dues to Micro and Small Enterprises	606.67	882.89
<b>Sub total (A)</b>	<b>606.67</b>	<b>882.89</b>
Dues to Other than Micro and Small Enterprises		
Dues to Medium Enterprises	1,770.85	561.35
Other payables	3,344.67	3,073.53
<b>Sub total (B)</b>	<b>5,115.52</b>	<b>3,634.88</b>
<b>Total (A+B)</b>	<b>5,722.19</b>	<b>4,517.77</b>

(i) Trade Payables are subject to confirmations and reconciliations

Refer Note No. 37 for additional disclosures as per Schedule III of the Act



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<b>Notes to Financial Statements for the year ended on 31<sup>st</sup> March 2024</b>			
Rupees(₹) in lakhs, unless otherwise stated			
<b>18</b>	<b>Other financial liabilities</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
	Others		
	Deposits from contractors and others	208.40	224.64
	<b>Other payables/dues</b>		
	-Employess dues	430.29	383.40
	-Other dues	497.64	1,728.49
	<b>Total</b>	<b>1,136.33</b>	<b>2,336.53</b>
<b>19</b>	<b>Other current liabilities</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
	<b>Contract Liability</b>		
	Advances from customers	1,435.75	76.31
	Materials to be supplied	876.58	399.04
	<b>Others</b>		
	Statutory liabilities	558.77	809.72
	<b>Total</b>	<b>2,871.10</b>	<b>1,285.07</b>
<b>Movement in contract liabilities</b>			
	<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
	Opening balance at the beginning of the year	475.35	37.08
	Adjustments made during the year	1,836.98	438.27
	<b>Closing balance as at end of the year</b>	<b>2,312.33</b>	<b>475.35</b>
The contract liabilities primarily relate to the advance consideration received from the customers for the purchase of transformers. This will be recognised as revenue as and when the Company meet the performance obligation by delivering the products.			


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Rupees(₹) in lakhs, unless otherwise stated

**Note 16.a Securities and other details**

Lender	Nature of Security	As at 31 March 2024
<b>Non-current secured</b>		
Emergency Credit Line Guarantee Scheme (ECLGS) Term loan from bank	Secured by: Assets created through the credit facility extended. The facility was sanctioned on April 25, 2022, at an effective interest rate of 9.25% (linked to the REPO rate), with interest charged monthly. The repayment is due from 21-07-2024 and the loan will mature on July 21, 2027.	217.50
<b>Non-current unsecured</b>		
Term loans from state government (Working Capital Term Loan)	The period of loan shall be 5 years and repayment of loan shall commence on the first anniversary of withdrawal of loan in quarterly installments with rate of interest being 9.5%	325.50
<b>Current secured</b>		
Short term loan from bank ( Cash Credit & ECLGS )	Secured by : Hypothecation of entire current assets of the company including stocks of raw materials, stock in process, finished goods, receivables and other current assets both present and future and charging interest rate 17.25%. The rate of interest for ECLGS Loan availed on 02-11-2020 is 9.25% and the loan is being repayed on a monthly installment basis from 01-11-2021 and will mature on October 31, 2024.	355.39
Short term loans from Bank (Bill discounting, cash credit and ECLGS facility)	Bill discounting facility is secured by hypothecation of receivables under bills discounted /Documents of title of goods and accepted bill of exchange extension of charge over entire current assets and carries a interest rate of 9.75% ( Linked to REPO rate).Cash credit is secured by hypothecation of entire current assets of the company with SIB and charges interest at a rate of 11.2% monthly( Linked to REPO rate). ECLGS is secured by: Assets created through the credit facility extended. The facility was sanctioned on April 25, 2022, at an effective interest rate of 9.25% (linked to the REPO rate), with interest charged monthly. The repayment is due in monthly installments from 21-07-2024 and the loan will mature on July 21, 2027.	2,278.13
Short term loans from NBFCs (Working Capital Assistance against KSEB Orders)	Secured by a claim on the receivables due to the Company from KSEB against pledged Purchase Order enforced through tripartite agreement and Power of Attorney, carrying interest rate @ 11.45%	504.86
<b>Current unsecured</b>		
Short term loan from bank	Loan facility pertains to cash credit and bill discounting facility availed from banks	734.74
Loan from government (VPD and Working Capital Term Loan)	The period of loan shall be 5 years and repayment of loan shall commence on the first anniversary of withdrawal of loan in quarterly installments. Interest rate is 9.5% p.a	415.91
<b>Total borrowings</b>		<b>4,832.02</b>


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**Rupees(₹) in lakhs, unless otherwise stated**

20	Revenue from operations	For the year ended 31 March 2024	For the year ended 31 March 2023
	Sale of products (A)	11,359.49	14,541.93
	Sales of services (B)	902.88	196.00
	Less: Liquidated damages	(254.91)	(334.34)
	Less: Provision made for materials to be issued	(876.58)	(399.04)
	Add: Reversal of provision made for materials to be issued	399.04	838.08
	<b>Sub total</b>	<b>11,529.92</b>	<b>14,842.63</b>
	<b>Other operating revenue</b>		
	Sale of scrap	504.81	177.23
	Freight & insurance	235.37	457.82
	<b>Total other operating income (C)</b>	<b>740.18</b>	<b>635.05</b>
	<b>Total revenue from operations (A+B+C)</b>	<b>12,270.10</b>	<b>15,477.68</b>

20.a

**Disclosure - Revenue from contracts with customers- Ind AS 115**
**(a) Disaggregation of revenue from contracts with customers**

The Company derives revenue from the transfer of goods and services at a point of time as given below.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from sale of products	11,359.49	14,541.93
Revenue from sale of services (including freight and insurance)	1,138.25	653.82
Revenue from sale of scrap	504.81	177.23
Less: Liquidated damages	(254.91)	(334.34)
Less: Provision for materials to be issued	(876.58)	(399.04)
Add: Reversal of provision made for materials to be issued	399.04	838.08
<b>Total</b>	<b>12,270.10</b>	<b>15,477.68</b>

The revenue is further disaggregated into revenue from domestic as well as export market as given below:

Particulars	Inland sales	Export sales
<b>2023-24</b>		
<b>Timing of revenue recognition</b>		
(a) At a point in time (Product/services)	12,270.10	-
(b) Over time	-	-
<b>2022-23</b>		
<b>Revenue from contracts with customers</b>		
<b>Timing of revenue recognition</b>		
(a) At a point in time (Product/services)	15,448.79	28.89
(b) Over time	-	-

**Contract balances**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract assets	-	-
Trade receivables	5,227.98	6,788.45
Contract liability	1,435.75	76.31

**Reconciliation of contract price to revenue from contracts with customers**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price of products sold during the year	8,093.81	12,400.61
Add: Sale of spare parts	316.85	291.48
Add: Sale of scrap	504.81	177.23
Add: Sale of service	1,138.25	653.82
Add: Variable consideration recognized during the year (net)	2,948.83	1,849.84
Less: Provision for materials to be issued	(876.58)	(399.04)
Less: Liquidated damages	(254.91)	(334.34)
Add: Reversal of provision made for materials to be issued	399.04	838.08
<b>Revenue from operations</b>	<b>12,270.10</b>	<b>15,477.68</b>

The amount of revenue recognized during the year from performance obligations satisfied in previous years is Rs.2,948.83 lakhs (Previous Year Rs.1,849.84). This is mainly due to the recognition of price variance (variable consideration) accepted by the customers regarding increase in actual costs incurred for manufacturing of products.

**(b) Performance obligations**

(i) Sale of Transformers

The Performance obligation is satisfied upon delivery of the equipment and payment is generally due within 1 to 3 months.

(ii) Service income

The Performance obligation is satisfied at the point in time and payment is generally due upon completion of installation or repair and acceptance of the customer


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Rupees(₹) in lakhs, unless otherwise stated

21	<b>Other income</b>	<b>For the year ended 31 March 2024</b>	<b>For the year ended 31 March 2023</b>
	(i) Interest income measured at amortized cost	96.60	52.03
	(ii) Dividend income	0.11	0.11
	(iii) Other non operating income		
	Reversal of estimated expenses / provisions	352.15	517.12
	Profit on sale of fixed assets	0.55	0.02
	Gain on derecognition of financial asset measured at fair value through other comprehensive income	-	9.19
	Miscellaneous income	48.16	96.93
	<b>Total</b>	<b>497.57</b>	<b>675.40</b>
22	<b>Cost of material consumed</b>	<b>For the year ended 31 March 2024</b>	<b>For the year ended 31 March 2023</b>
	<b>Consumption of raw material, components, stores and spare:</b>		
	Opening stock of raw material	1,968.75	2,996.56
	Less: Stock converted to property, plant and equipment	-	(9.45)
	Add: Purchases of raw materials	7,241.46	10,781.38
	Add: Stores and Spares Consumed	100.95	156.12
	Less: Cost of materials capitalized	(3.06)	(4.68)
	Less: Closing stock	(1,562.08)	(1,968.75)
	<b>Total</b>	<b>7,746.02</b>	<b>11,951.18</b>
23	<b>Changes in inventories of finished goods and work in progress</b>	<b>For the year ended 31 March 2024</b>	<b>For the year ended 31 March 2023</b>
	<b>Finished goods</b>		
	Opening stock	2.07	-
	Closing stock	589.07	2.07
	<b>Change in inventories of finished goods (A)</b>	<b>(587.00)</b>	<b>(2.07)</b>
	<b>Finished goods-in-transit</b>		
	Opening stock	-	377.58
	Closing stock	-	-
	<b>Change in inventories of finished goods-in-transit (B)</b>	<b>-</b>	<b>377.58</b>
	<b>Work in progress</b>		
	Opening stock	1,083.88	2,671.44
	Closing stock	2,730.64	1,083.88
	<b>Change in inventories of work in progress (C)</b>	<b>(1,646.76)</b>	<b>1,587.56</b>
	<b>Net change in inventories (A+B+C)</b>	<b>(2,233.76)</b>	<b>1,963.07</b>
	Refer note 11		
24	<b>Employee benefits expense</b>	<b>For the year ended 31 March 2024</b>	<b>For the year ended 31 March 2023</b>
	Salaries, wages and bonus	3,334.12	3,381.82
	Remuneration to MD	90.61	64.45
	Contribution to provident fund	303.88	313.16
	Contribution to other funds	8.90	9.85
	Gratuity	199.24	195.82
	Staff welfare expenses	527.10	517.48
	Less: Government grant received	(8.71)	(40.21)
	Less: Employee benefits expense capitalized	(11.63)	(19.95)
	<b>Total</b>	<b>4,443.51</b>	<b>4,422.42</b>

i) Remuneration to MD is booked as per information given by NTPC Limited from time to time.

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Rupees(₹) in lakhs, unless otherwise stated

25	Finance cost	For the year ended 31 March 2024	For the year ended 31 March 2023
	Interest expense measured at amortized cost		
	On cash credit	360.05	243.99
	On others	370.17	503.51
		730.22	747.50
	Other borrowing cost		
	Guarantee commission and other charges	268.09	254.64
	<b>Total</b>	<b>998.31</b>	<b>1,002.14</b>

26	Depreciation and amortisation expense	For the year ended 31 March 2024	For the year ended 31 March 2023
	Depreciation of property, plant and equipment	83.96	91.82
	Amortisation of intangible assets	0.43	0.50
	<b>Total</b>	<b>84.39</b>	<b>92.32</b>

27	Impairment loss on financial assets	For the year ended 31 March 2024	For the year ended 31 March 2023
	Impairment loss on trade receivables	10.60	1.62
	<b>Total</b>	<b>10.60</b>	<b>1.62</b>

28	Other expenses	For the year ended 31 March 2024	For the year ended 31 March 2023
	Factory expenses	270.96	290.13
	Power and fuel	263.41	293.78
	Freight outwards & weightment charges	239.77	337.74
	<b>Repairs &amp; maintenance:</b>		
	Buildings		
	Plant and machinery	3.49	0.39
	Others	34.82	76.14
	Loss from foreign exchange fluctuations	0.56	2.07
	Rates and taxes	32.83	15.32
	Travelling and conveyance	71.77	72.06
	Printing and stationary	7.06	8.79
	Auditors' remuneration	5.49	5.10
	Legal and professional charges*	96.86	109.24
	Miscellaneous expenses	24.49	23.27
	Selling expenses and commission	29.98	87.93
	Insurance charges	24.29	27.92
	Erection expenses of transformers	79.75	37.31
	Provision for other assets	-	46.10
	<b>Total</b>	<b>1,185.53</b>	<b>1,433.29</b>

\* Professional charges includes cost audit fees and internal audit fees

**Auditors' remuneration**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
For statutory audit*	3.00	3.60
For taxation matters*	0.60	0.72
For reimbursement of expenses	1.89	0.78
<b>Total</b>	<b>5.49</b>	<b>5.10</b>

\*The Board approved a revision in the statutory audit fee from ₹2.40 lakhs to ₹3.00 lakhs. Similarly, the tax audit fee was revised from ₹0.48 lakhs to ₹0.60 lakhs. Accordingly, a provision of ₹3.60 lakhs has been made as of 31-03-2023, comprising ₹3.00 lakhs for the FY 2022-23 and ₹0.60 lakhs for the incremental amount related to FY 2021-22, for the statutory audit. For the tax audit, a provision of ₹0.72 lakhs has been made, which includes ₹0.60 lakhs for the FY 2022-23 and ₹0.12 lakhs for the incremental amount of FY 2021-22.

29	Exceptional items	For the year ended 31 March 2024	For the year ended 31 March 2023
	Enhanced compensation on land acquisition	-	790.85
	<b>Total</b>	<b>-</b>	<b>790.85</b>

Note:

The Company's land of 132.74 cents was acquired in 2006 for augmentation of Angamaly railway station platform and was handed over to Railways in 2008. During the financial year 2023-24, the Company has received Rs.790.85 lacs towards additional compensation for the land acquisition, by the Order of the Additional Sub Judge, North Paravoor. The net income receivable as on 31 March 2023 has been disclosed as an exceptional item during the financial year 2022-23.


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**30 Income Tax expenses**
**A. Amounts recognised in statement of profit and loss**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current tax (a)</b>		
Current period	77.64	-
Income Tax Expenses of Earlier Years		213.97
<b>Total (a)</b>	<b>77.64</b>	<b>213.97</b>
<b>Deferred tax (b)</b>		
Attributable to -		
(Origination) and reversal of temporary differences	262.30	(1,082.70)
<b>Total (b)</b>	<b>262.30</b>	<b>(1,082.70)</b>
<b>(A). Tax expense/(income) recognised in profit and loss for the year (a) + (b)</b>	<b>339.94</b>	<b>(868.73)</b>

**B. Amounts recognised in other comprehensive income (OCI)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current taxes</b>		
In respect of the current period	-	-
<b>Deferred Taxes</b>		
(Income)/Expense in respect of the current period	20.33	39.43
<b>(B). Tax Expense/(Income) recognized in OCI for the year</b>	<b>20.33</b>	<b>39.43</b>
<b>Total tax expenses (A) + (B)</b>	<b>360.27</b>	<b>(829.30)</b>

**C. Disaggregation of amounts recognised in other comprehensive income**

Particulars	For the year ended 31 March 2024		
	Before tax	Tax (expense) / benefit	Net of tax
Remeasurements of the defined benefit plans	73.06	(20.33)	52.73
<b>Total</b>	<b>73.06</b>	<b>(20.33)</b>	<b>52.73</b>

Particulars	For the year ended 31 March 2023		
	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of the defined benefit plans	150.61	(41.90)	108.71
Reclassification on derecognition of financial assets at fair value through other comprehensive income	(8.88)	2.47	(6.41)
<b>Total</b>	<b>141.73</b>	<b>(39.43)</b>	<b>102.30</b>

**D. Reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:**

Particulars	31 March 2024	31 March 2023
<b>Profit before tax</b>	<b>533.07</b>	<b>(3,922.11)</b>
Enacted tax rate in India	27.82%	27.82%
Tax using the Company's statutory tax rate	148.30	(1,091.13)
Effect of:		
Tax on other income	66.71	-
Unused tax losses	-	(1,154.19)
Unabsorbed depreciation	-	131.77
Differential tax rate	69.28	(92.57)
Tax not recognized on account of losses	-	1,091.13
Other temporary differences	(87.12)	-
Tax on account of inadmissible expenses	142.77	-
Other permanent differences	-	32.29
Income tax expense for earlier years	-	213.97
<b>Income tax expense</b>	<b>339.94</b>	<b>-868.73</b>
<b>Effective Tax rate</b>	<b>63.77%</b>	<b>22.15%</b>



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Notes to Financial Statements for the year ended on 31<sup>st</sup> March 2024

Rupees(₹) in lakhs, unless otherwise stated

**30 Income Tax expense (continued)**

**E. Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable as follows:

Particulars	Deferred tax liabilities	Deferred tax assets	Net deferred tax asset / (liabilities)
	As at 31 March 2024	As at 31 March 2024	As at 31 March 2024
a. Property, plant and equipment	(118.38)	-	(118.38)
b. Employee benefits expense	-	529.16	529.16
c. Other temporary differences	-	757.84	757.84
d. Carry forward losses	-	3,549.70	3,549.70
e. Unabsorbed depreciation	-	-	-
f. Minimum Alternate Tax credit	-	101.63	101.63
<b>Net deferred tax assets / (liabilities)</b>	<b>(118.38)</b>	<b>4,938.33</b>	<b>4,819.95</b>

Particulars	Deferred tax liabilities	Deferred tax assets	Net deferred tax asset / (liabilities)
	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023
ã Property, plant and equipment	123.41	-	(123.41)
ã Employee benefits expense	-	476.09	476.09
ã Other temporary differences	-	749.15	749.15
ã Carry forward losses	-	3,815.16	3,815.16
ã Unabsorbed depreciation	-	83.96	83.96
ã Minimum Alternate Tax credit	-	179.27	179.27
<b>Net deferred tax assets / (liabilities)</b>	<b>123.41</b>	<b>5,303.63</b>	<b>5,180.22</b>

**F. Movement in temporary differences**

Movement during the year ended 31 March 2024	Balance as at 1 April 2023 (Liability)/Asset	Recognised in profit or loss during 2023-24 (expense) / income	Recognised in OCI during 2023- 24 (expense) / income	Other Deductions	Balance as at 31 March 2024 (Liability)/Asset
ã Property, plant and equipment	(123.41)	5.03	-	-	(118.38)
ã Employee benefits expense	476.09	73.40	(20.33)	-	529.16
ã Other temporary differences	749.15	8.69	-	-	757.84
ã Carry forward losses	3,815.16	(265.46)	-	-	3,549.70
ã Unabsorbed depreciation	83.96	(83.96)	-	-	-
ã Minimum Alternate Tax credit	179.27	-	-	(77.64)	101.63
<b>Total</b>	<b>5,180.22</b>	<b>(262.30)</b>	<b>(20.33)</b>	<b>(77.64)</b>	<b>4,819.95</b>

Movement during the year ended 31 March 2023	Balance as at 1 April 2022 (Liability)/Asset	Recognised in profit or loss during 2022-23 (expense) / income	Recognised in OCI during 2022-23 (expense) / income	Other Deductions	Balance as at 31 March 2023 (Liability)/Asset
ã Property, plant and equipment	(119.03)	(4.38)	-	-	(123.41)
ã Employee benefits expense	508.25	9.74	(41.90)	-	476.09
ã Reclassification of financial asset measured at fair value through other comprehensive income	(2.47)	-	2.47	-	-
ã Other temporary differences	694.22	54.92	-	-	749.15
ã Carry forward losses	2,660.97	1,154.19	-	-	3,815.16
ã Unabsorbed depreciation	215.73	(131.77)	-	-	83.96
ã Minimum Alternate Tax credit	179.27	-	-	-	179.27
<b>Total</b>	<b>4,136.94</b>	<b>1,082.70</b>	<b>(39.43)</b>	<b>-</b>	<b>5,180.22</b>


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**31.a Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(I) Contingent liabilities:</b>		
<b>(i) Claims against the Company not acknowledged as debt:</b>		
(a) Disputed liability under Employees State Insurance Act.	3.34	3.34
(b) Disputed Income tax liability for AY 2018-19	244.08	244.08
(c) Pending litigation against the Company	27.47	27.47
(d) Liability under GST for FY 2018-19	147.45	-
<b>(II) Commitments:</b>		
(i) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	-	-
<b>Total</b>	<b>422.34</b>	<b>274.89</b>

**Notes:**
**Income Tax Demand AY 2018-19 - Rs.244.08 Lakhs:**

The Company filed its income tax return on March 30, 2019, based on tentative financial statements. As per the return, the total income after setting off brought-forward losses was Nil, and Minimum Alternate Tax (MAT) was paid due to the existence of book profit. Following the completion of the statutory audit, the Company was unable to file a revised return within the prescribed timeline, as the deadline for filing the revised return had already expired. Consequently, the manual return filed by the Company based on audited financial statements was not considered by the tax authorities. In the meantime, the assessment was completed based on the tentative return and the tax audit report submitted by the auditor. During the assessment, certain additions were made to the total income, resulting in a additional tax demand of Rs. 244.08 Lakhs (including interest). Had the assessment been conducted based on the manual return filed after the statutory audit, no such additions would have arisen. Accordingly, the Company has filed an appeal before the Commissioner of Income Tax (Appeals) disagreeing the tax demand. Additionally, an application was submitted to the Central Board of Direct Taxes (CBDT) for condonation of delay in filing the revised return, which has been approved in favour of the Company. As of the reporting date, the appeal is yet to be disposed of.

**ESI – Rs.3.34 Lakhs**

The Employees' State Insurance (ESI) Corporation assessed and demanded ESI contributions from the Company for the period from April 2010 to December 2010. The Company initially did not remit the contribution, leading to the initiation of recovery proceedings by the ESI Corporation. Consequently, the Company paid the outstanding contribution along with interest. Due to the delay in remittance, the ESI Corporation levied damages amounting to ₹3.34 lakhs. The Company disagreed the levy before the ESI Court, Alappuzha, and obtained a stay on the recovery proceedings. However, the ESI Corporation has filed an appeal against the order of the ESI Court before the Hon'ble High Court. The matter is currently pending adjudication.

**Pending Litigation against the Company - Rs.27.47 Lakhs**

The Company is involved in a legal dispute in the City Civil Court, Secunderabad, where a claim of ₹17.00 Lakhs has been filed against it. The court issued an order (OS No. 18/2016) directing the Company to pay the specified amount along with interest at 12% per annum and ₹0.72 Lakhs for the cost of the suit. An execution petition was subsequently filed, demanding ₹27.47 Lakhs. However, the Company has obtained a stay order from the Hon'ble High Court of Telangana, which suspends the operation of the judgement and decree dated 17/12/2018 in OS No. 18/2016 till then. The case remains under adjudication.

**Liability under GST for FY 2018-19 - Rs.147.45 Lakhs**

During the year, the Company received a Show Cause Notice and subsequent final order from the State Goods & Services Tax Department pertaining to FY 2018-19 alleging turnover suppression and short-payment of GST on account of multiple e-way bills generated against a single invoice, leading to alleged under-reporting of outward supplies. The matter relates to the period April 2018 to March 2019, as detailed in the proceedings issued by the Deputy Commissioner, Taxpayer Services Division, Aluva. As the assessment order is contrary to the provisions of the GST Act and e-way bill rules, there is an apparent error on the face of the record, making the order challenging through a written petition. The Company intends to challenge the order before the appropriate court if revenue recovery proceedings are commenced by the Department.

**31.b** The Company did not have any long term contracts (more than 1 year) including derivative contracts for which there were no material foreseeable losses to be provided for.

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**32 Details of dues to Micro, Small and Medium Enterprises**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Sl. No.	Particulars - MSME Dues	As at 31 March 2024	As at 31 March 2023
1	Principal amount remaining unpaid to MSMEs'	2,377.52	1,444.24
2	Interest due thereon	-	-
3	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
4	Interest due and payable for the period of delay making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	-	-
5	Interest accrued and remaining unpaid	-	-
6	Further interest remaining due and payable even if 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 Section 23 of the Micro, Small and Medium Enterprises Development Act 2006.	-	-

**33 Earnings per equity share (EPS)****Basic earning per share:**

Basic earnings per share is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, excluding equity shares purchased by the Company, if any

**Diluted earning per share:**

Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year, after adjustment for the effects of all dilutive potential equity shares.

The following reflects the profit/(loss) and share data used in computation of basic EPS:

A reconciliation of profit/(loss) for the year and weighted average number of ordinary shares used in the computation of basic and diluted earnings per share is stated below:

Particulars	As at 31 March 2024	As at 31 March 2023
Profit / (Loss) after tax attributable to the owners of the equity	193.13	(3,053.38)
Weighted average number of ordinary shares outstanding	429.67	429.67
<b>Basic and diluted earnings per share in Rupees (INR)</b>	<b>0.45</b>	<b>(7.11)</b>


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**34 Related party disclosures**
**Name of the related parties and description of relationship with the Company**
**Key Management Personnel**

Neeraj Mittal (MD) from 07-08-2023	Managing Director & Nominee Director
Bipin Satya (MD) (Ceased on 17-07-2023)	Managing Director & Nominee Director

**Directors**

P.C. Joseph	Chairman & Nominee Director
Shiva Kumar Ram	Nominee Director
Ajay Dua	Nominee Director
K.K.Shibhu ( From 27-10- 2023 )	Nominee Director
C.A. Babu	Nominee Director
Thomas Samuel (Retired on 18-12-2023)	Nominee Director
Sangeetha Kaushik	Nominee Director
A M Jafar ( From 22-03-2024)	Nominee Director

**Entities with joint control and significant influence over the entity**

 NTPC Ltd  
 Government of Kerala

**Entities under the control of the same government having transactions during the year**

 Kerala State Electricity Board Limited.  
 The Travancore Cochin Chemicals Limited  
 Kerala State Industrial Enterprise Limited  
 Kerala Minerals and Metals Limited  
 KELTRON ( Kerala State Electronics Development Corporation Limited)  
 Kerala Electrical and Allied Engineering Company Limited  
 Kerala State Power and Infrastructure Finance Corporation Ltd  
 Steel Industries Kerala Ltd  
 Kerala Books and Publication Society

**Subsidiary/Joint venture entities of NTPC Limited**

 Ratnagiri Gas and Power Private Limited  
 NTPC Sail Power Company Limited

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

**Transactions with related parties are as follows:**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>(i) Entities with joint control and significant influence over the entity (NTPC Ltd.)</b>		
<i>Sale of goods and services</i>	37.59	33.92
<b>(ii) Entities under the control of the same government</b>		
(a) Kerala State Electricity Board Limited		
<i>Sale of goods and services</i>	4,501.89	3,443.62
<i>Electricity Charges</i>	253.69	238.08
<i>Other Services</i>	0.46	0.57
(b) The Travancore Cochin Chemicals Limited		
<i>Purchase of goods</i>	0.05	0.06
<i>Sale of goods and services</i>	3.70	
(c) Kerala Minerals and Metals Limited		
<i>Sales of goods and services</i>	1.80	27.92
(d) Kerala State Electronics Development Corporation Limited		
<i>Purchase of Goods</i>	1.77	0.55
(e) Kerala Electrical and Allied Engineering Co Ltd		
<i>Sales of goods and services</i>	-	0.02
(f) Kerala State Industrial Enterprises Limited.		
<i>Purchase of goods</i>	0.14	0.36
(g) Kerala Books and Publication Society		
<i>Printing Charges</i>	0.56	-
(h) Kerala State Power and Infrastructure Finance Corporation Ltd		
<i>Working Capital Loan</i>	500.00	-
(i) Steel Industrials Kerala Limited		
<i>Purchase of goods</i>	2.69	0.87
<b>(iii) Joint venture entities of NTPC Limited</b>		
Ratnagiri Gas and Power Private Limited		
<i>Sale of goods and service</i>	18.06	39.35
NTPC Sail Power Company Limited		
<i>Sale of goods and service</i>	7.00	5.90
<b>(iv) Compensation to Key Management Personnel</b>		
- Short term employee benefits	94.47	72.20
- Post employment benefits	5.28	22.28
- Reimbursement of Travelling expenses	8.52	2.00
<b>(v) Other payments to Related Parties</b>		
- Honararium to Chairman	2.40	2.40
- Reimbursement of Travelling expenses	0.03	0.06

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Outstanding receivable &amp; payable with related parties are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Entities with joint control and significant influence over the entity (NTPC Ltd.)</b>		
<i>Outstanding balances - Receivable</i>	304.55	262.05
<b>(ii) Entities under the control of the same government</b>		
(a) Kerala State Electricity Board Ltd.		
<i>Outstanding balances - Receivable</i>	2,439.88	1,214.62
(b) Kerala State Electronics Development Corporation Limited		
<i>Outstanding balances - Payable</i>	2.07	0.99
(c) Kerala State Industrial Enterprise Limited		
<i>Outstanding Payable</i>		0.23
(d) Kerala Electricals and allied engineering Limited		
<i>Outstanding Payable</i>	0.01	0.01
(e) Kerala State Power & Infrastructure Finance Corporation Ltd		
<i>Loan Outstanding</i>	504.86	
(f) Kerala Books and Publication Society		
<i>Outstanding balances - Payable</i>	0.65	-


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**35 Employee benefit plans- Disclosure pursuant to IND AS 19- Employee benefits**
**(i) Defined contribution plans:**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund in compliance with Employees' Provident Funds & Miscellaneous Provisions Act, 1952, which is a defined contribution plans, which is managed by a separate Trust. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to Rs.303.88 Lakhs (Previous year: Rs.313.16 Lakhs )

**(ii) Defined benefit plan:**

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 (Gratuity Act). Every employee who has completed 5 years or more of service is eligible for gratuity on separation worked out at 15 days salary (last drawn salary) for each completed year of service. The liability for gratuity as above is recognised on the basis of Actuarial Valuation. The obligation under the scheme is funded.

The Company makes contribution to Life insurance Corporation of India (LIC) for Gratuity benefits according to the Payment of Gratuity Act, 1972. The Company recognises the liability towards gratuity at each Balance Sheet date.

The Company has extended defined benefit plans in the form of leave encashment to employees. The liability for leave encashment as above is recognised on the basis of Actuarial Valuation. The obligation under the scheme is funded. The Company makes contribution to Life Insurance Corporation of India (LIC) for leave encashment benefits.

**35.a Employee gratuity scheme**
**1 Benefits valued and funding**

- 1.1 Total employer expenses recognized in the Profit and Loss Account are the expenses under paragraph 120 of Ind AS 19, i.e., current service cost, past service cost, loss (gain) on settlement and net interest on net defined benefit obligation (asset). Current service cost represents the cost associated with the current financial period benefit accruals determined using assumptions as at the start of the year.
- 1.2 The Plan is a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and years of service.
- 1.3 The Company's accounts are prepared on a going concern basis. Accordingly, calculations under Ind AS 19 have been prepared on 'on-going scheme' basis.
- 1.4 The rate used to discount the post-employment benefit obligations is determined under the provisions of paragraph 83 of Ind AS 19 by reference to market yields at the end of the reporting period on government bonds, which are consistent with the currency and term of the post-employment defined benefit obligation.
- 1.5 The disclosures have been prepared on the assumption that all re-measurements under paragraph 127 of Ind AS 19, inclusive of actuarial gains and losses arising during the period, return on plan assets excluding amounts included in net interest on the net defined benefit obligation (asset) and any change in the effect of the asset ceiling are recognized in the entity's Other comprehensive income. Under paragraph 122 of Ind AS 19, any reclassification of re-measurements to the Profit and Loss Account in a subsequent period is not foreseen.
- 1.6 The estimates of future salary growth considered as per paragraph 90 of Ind AS 19 take into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.



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- 2.1 Plan assets are stated at fair value. Actuarial gains/ losses arising from performance of assets contribute to employer expenses for the year. Assets were verified from the insurer's (LIC) statements of account.
- 2.2 Actuarial gains/ losses arising from changes in assumptions and performance of assets above or below the interest income on plan assets contribute to re-measurements for the period and are classified under paragraph 125 of Ind AS 19 under "Other comprehensive income."

3 Assumptions

3.1 The financial assumptions employed for the calculations as at March 31, 2024 are:

**a) Discount Rate:** The discount rate that has been chosen for the purpose of this valuation has reference to the market yields on the valuation date of Indian Government bonds corresponding to the term of the benefit obligation of 7.5 years (March 31, 2023: 7 years) as tabulated below:

Financial year ended	Discount Rate
March 31, 2024	7% p.a.
March 31, 2023	7.2% p.a.

**b) Salary Growth Rate:** The Salary escalation rate assumed is tabulated below.

Financial year ended	Salary Growth Rate
March 31, 2024	9% p.a.
March 31, 2023	9% p.a.

This is the company's estimate has been assumed keeping in view the long-term earnings inflation rate and the employer's view thereof. The estimates of future salary growth considered take into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

**c) Interest Rate for Interest on Net Defined Benefits Obligation (DBO):** The interest rate for interest on net DBO is the discount rate for the weighted average duration of the benefit obligation as at the start of the period. The rate assumed is tabulated below:

Financial year ended	Interest rate for interest on net DBO
March 31, 2024	7.2% p.a.
March 31, 2023	7% p.a.



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3.2 The demographic assumptions employed for the calculations as at March 31, 2024 are:

**a) Mortality:** We have assumed that active members of the scheme will experience in-service mortality in accordance with the standard table – **IALM 2012-14 (Ult.)**[March 31, 2023; IALM 2012-14 (Ult.)].

**b) Withdrawal Rate:** The withdrawal rate as estimated by the Company is tabulated below.

Financial year ended	Withdrawal Rate
March 31, 2024	5% p.a.
March 31, 2023	5% p.a.

3.3 The results are particularly sensitive to some assumptions such as the discount rate, salary growth, mortality and withdrawal. A decrease in the assumed discount rate or an increase in the assumed salary growth rate will lead to an increase in employer expenses.

3.4 The methodology used in the calculations is set out below.

The Company used Projected Unit Credit (PUC) actuarial method to assess the Plan's liabilities, including those related to death-in-service benefits. Under the PUC method, a 'projected accrued benefit' is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The 'projected accrued benefit' is based on the Plan's accrual formula and upon the service as at the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the 'projected accrued benefits' as at the end of the year for the Plan's active members.

3.5 The principal rules of the Plan are summarized as follows.

Normal retirement age	58 years.
Salary for calculation of gratuity	Last drawn basic salary + DA, if any.
Vesting period	5 years of service.
Benefit on normal retirement	15/26 x Monthly Salary x Number of years of Completed Service, subject to vesting period. Part of service in excess of six months is considered as one year of completed service.
Benefit on early retirement/ resignation/ withdrawal	Same as benefit on normal retirement.
Benefit on death while in service	Same as benefit on normal retirement, except that vesting period does not apply.
Ceiling on gratuity	Rs.20,00,000.

3.6 The table below summarises the key valuation results as on the valuation date.

Particulars	March 31, 2024	March 31, 2023
A. Present value of the Defined Benefit Obligation	2,196.66	2,162.11
B. Fair value of Plan assets	1,234.17	1,301.45
C. Amount not recognized as asset [i.e., Effect of limiting Net assets to Asset ceiling]	-	-
<b>D. Net (Liability)/ Asset recognised in the Balance Sheet [D = B – A – C]</b>	<b>(962.49)</b>	<b>(860.66)</b>

3.7 The table below summarises movement in the net liability during the financial year.

Particulars	March 31, 2024	March 31, 2023
A. Net liability/ (asset) at the start of the year	860.66	823.19
B. Net transfer in/ (out)	-	-
C. Expenses recognised in the P&L	199.24	195.82
D. Re-measurements [(gains)/ losses] recognised in the OCI	(73.06)	(150.61)
E. Employer's contribution	(24.35)	(7.74)
<b>F. Net liability/ (asset) at the end of the year [F = A+ B + C + D + E]</b>	<b>962.49</b>	<b>860.66</b>

3.8 We have made the full actuarial valuation as at the end of the financial year viz. March 31, 2024 based on the member data and plan information.



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The amounts recognised in the Balance Sheet are as follows:

**Table 1: Reconciliation of Defined Benefit Obligation (DBO)**

Particulars	March 31, 2024	March 31, 2023
<b>Present Value of DBO at the start of the year</b>	<b>2,162.11</b>	<b>2,221.96</b>
<i>Service Cost</i>		
a. Current service cost	130.06	131.29
b. Past service cost	-	-
c. Loss/ (Gain) from settlement	-	-
Interest cost	155.67	155.54
Benefits paid	(182.30)	(197.88)
<i>Re-measurements</i>		
a. Actuarial loss/ (gain) from changes in demographic assumptions	-	-
b. Actuarial loss/ (gain) from changes in financial assumptions	34.45	(34.41)
c. Actuarial loss/ (gain) from experience over the past year	(103.33)	(114.39)
Effect of acquisition/ (divestiture)	-	-
Changes in foreign exchange rates	-	-
<b>Present Value of DBO at the end of the year</b>	<b>2,196.66</b>	<b>2,162.11</b>

**Table 2: Reconciliation of fair value of Plan assets**

Particulars	March 31, 2024	March 31, 2023
<b>Fair value of Plan assets at the start of the year</b>	<b>1,301.45</b>	<b>1,398.77</b>
Employer's contribution	24.35	7.74
Benefits paid	-182.30	-197.88
Interest income on Plan assets	86.49	91.01
<i>Re-measurements</i>		
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	4.18	1.81
Effect of acquisition/ (divestiture)	-	-
Changes in foreign exchange rates	-	-
<b>Fair value of Plan assets at the end of the year</b>	<b>1,234.17</b>	<b>1,301.45</b>
<i>Actual Return on Plan assets</i>	<i>90.66</i>	<i>92.83</i>
<i>Expected employer contribution for the next year</i>	<i>100.00</i>	<i>200.00</i>

**Table 3: Expenses recognised in the profit and loss account**

Particulars	March 31, 2024	March 31, 2023
<i>Service cost</i>		
a. Current service cost	130.06	131.29
b. Past service cost	-	-
c. Loss/ (gain) from settlement	-	-
Net interest on net defined benefit liability/ (asset)	69.18	64.53
<b>Employer expenses</b>	<b>199.24</b>	<b>195.82</b>

**Table 4: Net liability/ (asset) recognised in the Balance sheet**

Particulars	March 31, 2024	March 31, 2023
Present value of DBO	2,196.66	2,162.11
Fair value of Plan assets	1,234.17	1,301.45
<b>Liability/ (Asset) recognised in the Balance sheet</b>	<b>962.49</b>	<b>860.66</b>
<b>Funded status [Surplus/ (Deficit)]</b>	<b>(962.49)</b>	<b>(860.66)</b>
<b>Of which, Short-term liability</b>	<b>-</b>	<b>-</b>
<b>Experience adjustment on Plan liabilities: (gain)/ loss</b>	<b>(103.33)</b>	<b>(114.39)</b>



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**Table 5: Percentage break-down of total Plan assets**

Particulars	March 31, 2024	March 31, 2023
Equity instruments	0%	0%
Debt instruments	0%	0%
Real estate	0%	0%
Derivatives	0%	0%
Investment funds with Insurance Company	100%	100%
<i>Of which, Unit linked</i>	0%	0%
<i>Of which, Conservative/ Non-Unit linked</i>	100%	100%
Asset-backed securities	0%	0%
Structured debt	0%	0%
Cash and cash equivalents	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

**Table 6: Actuarial assumptions**

Particulars	March 31, 2024	March 31, 2023
Salary growth rate	9% p.a.	9% p.a.
Discount rate	7% p.a.	7.2% p.a.
Interest rate on net DBO	7.2% p.a.	7% p.a.
Withdrawal rate	5% p.a.	5% p.a.
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Weighted average duration of the obligation	7.5 years	7 years

**Table 7: Movement in Other comprehensive income**

Particulars	March 31, 2024	March 31, 2023
<b>Balance at the start of the year [(Loss)/ Gain]</b>	<b>185.73</b>	<b>35.11</b>
<i>Re-measurements on DBO:</i>		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/ Gain from changes in financial assumptions	34.45	34.41
c. Actuarial (Loss)/ Gain from experience over the past year	103.33	114.39
<i>Re-measurements on Plan assets:</i>		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	4.18	1.81
<i>Re-measurements on Asset Ceiling:</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
<b>Balance at the end of the year [(Loss)/ Gain]</b>	<b>258.79</b>	<b>185.72</b>



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Table 8: Sensitivity Analysis

Financial Year ended March 31, 2024	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by 178.50	DBO decreases by 159.31
Discount rate	DBO decreases by 160.70	DBO increases by 183.85
Withdrawal rate	DBO decreases by 19.70	DBO increases by 21.92
Mortality (increase in expected lifetime by 1 year)	DBO increases by 0.42	
Mortality (increase in expected lifetime by 3 years)	DBO increases by 1.27	

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Table 9: Movement in Surplus/ (Deficit)

Particulars	March 31, 2024	March 31, 2023
<b>Surplus/ (Deficit) at the start of the year</b>	<b>(860.66)</b>	<b>(823.19)</b>
<i>Movement during the year</i>		
Current service cost	(130.06)	(131.29)
Net interest on net DBO	(69.18)	(64.53)
Re-measurements [Gains/ (Losses)]	73.06	150.61
Employer's contribution	24.35	7.74
<b>Surplus/ (Deficit) at the end of the year</b>	<b>(962.49)</b>	<b>(860.66)</b>

**Other Disclosures**

*Description of Asset Liability Matching (ALM) Policy*

*Description of funding arrangements and funding policy that affect future contributions:*

The liabilities of the fund are funded by assets. The company does not aim to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

*Maturity profile*

The weighted average duration of the obligation as at the date of valuation is tabulated below:

Financial year ended	Weighted average duration of the obligation
March 31, 2024	7.5 years
March 31, 2023	7 years



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### 35.b Compensated leaves

1.1 Paragraphs 155 and 156 of the Ind AS 19 deal with measurement of liability and expenses respectively in respect of other long-term employee benefits, which among others includes long-term compensated absences. The measurement has to be based on actuarial assumptions and principles.

1.2 **Unlike the accounting required for post-employment benefits (paragraph 154 of Ind AS 19 (revised)), the method for accounting of other long-term benefits does not recognize re-measurements in other comprehensive income (other equity).** Accordingly, the results in paragraph 2.4 of the disclosure have been prepared on the assumption that all actuarial gains and losses arising during the year are recognized in the statement of profit and loss of the year, without allowing for amortization

1.3 Computation of liability recognized in balance sheet is as below:

Particulars	March 31, 2024	March 31, 2023
Present value of Defined Benefit Obligation	1,313.89	1,229.14
Fair value of Plan assets	301.80	337.80
<b>Liability/ (Asset) recognised in the Balance sheet</b>	<b>1,012.09</b>	<b>891.34</b>
<b>Of which, Short-term liability</b>	<b>NIL</b>	<b>NIL</b>

1.4 The break-down between gross privilege leave and sick leave liability is below:

Date of valuation	Privilege leave	Sick leave	Total
March 31, 2024	1,038.61	275.28	1,313.89
March 31, 2023	967.46	261.68	1,229.14

1.5 The movement in the compensated absences (both privilege leave and sick leave) liability is shown below:

Particulars	March 31, 2024	March 31, 2023
Opening Net Liability / (Asset)	891.34	841.36
Add: Employer expenses	143.09	126.83
Less Employer's contribution	(22.34)*	(76.85)*
<b>Closing Net Liability / (Asset)</b>	<b>1,012.09</b>	<b>891.34</b>

\*Of this, Rs 20.25 lakhs is paid directly from the company to employees.

+ Of this, Rs 74.11 lakhs is paid directly from the company to employees

2.1 A summary of the membership data is provided below.

Particulars	March 31, 2024	March 31, 2023
a. Number of employees	409	389
b. Total monthly (basic + DA) salary	204.66	203.13
c. Total monthly (CTC) salary	248.47	239.96
d. Average privilege leave balance (days)	106	111
e. Average sick leave balance (days)	61	63
f. Average age (years)	42	42

2.2 Plan assets as contributed by the employer are stated at fair value. Actuarial gains/ losses arising from performance of assets contribute to employer expenses. Assets were from the insurer's (LIC) statements of account. The sick leave and privilege leave cashing at retirement is settled from the same LIC fund.

2.3 The benefits valued are in the form of a non-contributory defined benefit arrangement expressed in terms of a multiple of final monthly salary at the instance of availing in or withdrawal from service.



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2.4 The Company's accounts are prepared on a going concern basis. Accordingly, calculations under Ind AS 19 have been prepared on 'on-going scheme' basis.

2.5 For the purpose of valuation of **privilege leave**, we have assumed that an employee first avails of the leaves out of the fresh additions that happen every year i.e., the assumption of 'Last In, First Out' has been used. Employees are allowed to cash privilege once in a calendar year limited to half of the available leave balance or 30 days, whichever is lower. Thus, 25% of such balances are subject to in-service encashment. The remaining balance accrued as at the year-end has been modelled for encashment, which is due on separation from services. When privilege leave is cashed, an employee receives a pay-out linked to basic salary plus dearness allowance (company rule). When privilege leave is utilized or availed, an employee's absence is deemed to result in the company foregoing the corresponding Cost to Company (CTC) for the period of absence from work.

2.6 For the purpose of valuation of **Sick Leave**, we have assumed that an employee first avails of the leaves out of the fresh additions that happen every year i.e. the assumption of Last In, First Out has been used.

i) For workmen, the balance accrued as at the year-end days has been modelled for encashment, which is due at either death or retirement. When sick leave is cashed, an employee receives a pay-out linked to basic salary plus dearness allowance (company rule). When sick leave is utilized or availed, an employee's absence is deemed to result in the company foregoing the corresponding Cost to Company (CTC) for the period of absence from work.

ii) For officers, we have assumed that they will avail **5%** of her accrued leave balances every succeeding year after the valuation date. Such availing will continue till retirement or runoff whichever is earlier. Decrements of withdrawal and death are considered and the value of payoffs is discounted to the valuation date. When sick leave is utilized or availed, an employee's absence is deemed to result in the company foregoing the corresponding CTC for the employee's period of absence from work.

2.7 The financial assumptions employed for the calculations as at March 31, 2023 are:

**a) Discount Rate:** The discount rate that has been chosen for the purpose of this valuation has reference to the market yields on the valuation date of Indian Government Bonds corresponding to the term of the benefit obligation of **7 years** (March 31, 2023: 7 years). The rate assumed is tabulated below:

Financial year ended	Discount rate
March 31, 2024	7% p.a.
March 31, 2023	7.2% p.a.



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Financial year ended	Salary escalation rate
March 31, 2024	9% p.a.
March 31, 2023	9% p.a.

This is the company's estimate has been assumed keeping in view the long-term earnings inflation rate and the employer's view thereof. The estimates of future salary growth considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

2.8 The demographic assumptions employed for the calculations as at March 31, 2024 are:

a) **Mortality:** We have assumed that active members of the scheme will experience in-service mortality in accordance with the standard table – IALM 2012-14 (Ultimate) [March 31, 2023: IALM 2012-14 (Ultimate)].

b) **Withdrawal Rate:** The withdrawal rate as estimated by the Company is tabulated below.

Financial year ended	Withdrawal rate
March 31, 2024	5% p.a.
March 31, 2023	5% p.a.

2.9 The results are particularly sensitive to some assumptions such as the discount rate, salary growth, mortality, and withdrawal rates. A decrease in the assumed discount rate or an increase in the assumed salary growth rate will lead to an increase in employer expenses. Also, higher than expected withdrawal amongst employees who are eligible to receive benefits would mean higher than expected cash outflows.

2.10 The methodology used in the calculations is as required under paragraphs 67 and 68 of Ind AS 19 and set out below:

*We have used the Projected Unit Credit (PUC) actuarial method to assess the Plan's liabilities, including those related to death-in-service benefits. Under the PUC method, a 'projected accrued benefit' is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The 'projected accrued benefit' is based on the Plan's accrual formula but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the 'projected accrued benefits' as at the end of the year for the Plan's active members.*

2.11 The principal rules of the **Privilege Leave Plan** are as advised by the Company and summarized below.

Normal Retirement Age	58 years.
Salary for calculation of leave/ long-term compensated absences (i.e. cashing)	Last drawn basic salary + DA, if any.
Vesting Period	Nil.
Number of days credited in a year	30 days.
Benefit on normal retirement/ early retirement/ resignation/ withdrawal/ death	(Leave Balance/30) x Monthly Salary.
Maximum leave accrual for cashing on separation	For officers: 300 days For workmen: No limit. (Half of the balances subject to a limit of 30 days can be cashed in service).



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2.12 The principal rules of the **Sick Leave Plan** are as advised by the Company and summarized below.

### i) Workmen

Normal Retirement Age	58 years.
Salary for calculation of leave/ long-term compensated absences (i.e. cashing)	Last drawn basic salary + DA, if any.
Vesting Period	Nil.
No. of days credited in a year	10 days or 17.5 days.
Benefit on resignation	Nil.
Benefit on normal retirement/ early retirement/ withdrawal/ death	(Leave Balance/30) x Monthly Salary.
Maximum leave accrual for cashing on separation	No limit.

### ii) Officers

Normal Retirement Age	58 years.
Salary for calculation of sick leave/ long-term compensated absences	Last drawn Cost to Company (CTC).
Vesting Period	Nil.
No. of days credited in a year	17.5 days.
Maximum Allowable Leave to be carried forward	180 days half days i.e., 90 full days.
Availment rate	5% p.a.
Maximum leave accrual for cashing on separation	Nil.



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**36 Financial instruments**

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Note	Carrying value	
		31 March 2024	31 March 2023
<b>Financial assets</b>			
<b>Measured at amortised cost</b>			
Trade receivables	12	5,227.98	6,788.45
Cash and cash equivalents	13.a	60.51	211.61
Bank balances other than cash and cash equivalent	13.b	1,705.74	861.13
Loans	7	17.50	17.71
Other financial assets	8	748.16	1,268.88
<b>Measured at cost</b>			
Investment in shares of Co-operative societies	6	0.70	0.70
<b>Measured at fair value through other comprehensive income</b>			
Investment in gold with Bank	8		
<b>Total financial assets</b>		<b>7,760.58</b>	<b>9,148.49</b>
<b>Financial liabilities</b>			
<b>Measured at amortised cost</b>			
Borrowings	16	4,832.02	6,972.03
Trade payables	17	5,722.19	4,517.77
Other financial liabilities	18	1,136.33	2,336.53
<b>Total financial liabilities</b>		<b>11,690.54</b>	<b>13,826.33</b>

**36.1 Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following tables present the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2024 and 31 March 2023:

**Fair value hierarchy of assets and liabilities measured at fair value as at 31 March 2024:**

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at cost:</b>				
Investment in Shares of Co-operative societies	0.70	-	-	0.70
<b>Total</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>0.70</b>

**Fair value hierarchy of assets and liabilities measured at fair value as at 31 March 2023:**

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at cost:</b>				
Investment in Shares of Co-operative societies	0.70	-	-	0.70
<b>Total</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>0.70</b>

1 There have been no transfers among Level 1, Level 2 and Level 3 during the period.

2 Fair value for the investments in shares of Co-operative societies cannot be reasonably measured since it is an unquoted



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**36 Financial instruments (continued)**

**36.2 Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's Board of Directors oversees how management monitors compliance with the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the Board.

**36.3 Financial risk management objective and policies**

The Company's principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and short-term deposits

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk



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**36 Financial instruments (continued)**

**36.4 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from the Company's trade receivables, loans and advances, cash & cash equivalents and deposits with banks. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of trade receivable spread by period of six months.

Particulars	As at 31 March 2024	As at 31 March 2023
Outstanding for more than 6 months	234.94	799.59
Others	5,251.33	6,241.57
<b>Total:</b>	<b>5,486.27</b>	<b>7,041.16</b>

The Company continuously monitors receivables from customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls.

The Company allocates each exposure to a credit risk grade based on the historic trend of financial assets movement between the ageing buckets. The loss rates are calculated based on the simplified approach of the trend in receivable ageing. The average expected credit loss rate is 51% for the year

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was 7,126.09 Lakhs and 8,679.61 Lakhs as at 31st March 2024 and 31st March 2023 respectively, being the total of the carrying amount of balances with the banks, bank deposits, investments excluding equity and preference investments, trade receivables and other financial assets.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks having good credit rating.

**36.5 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's finance department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by finance department. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

As of 31 March 2024, the Company had a working capital of Rs.-3306 Lakhs, including cash and cash equivalents of Rs.60.51 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2024 and 31 March 2023.

**Non Derivative Liabilities**

Particulars	As at 31 March 2024			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings	4,289.02	205.17	337.83	4,832.02
Trade payables	5,722.19	-	-	5,722.19
Other financial liabilities	1,136.33	-	-	1,136.33



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**36.5 Liquidity risk (continued)**

Particulars	As at 31 March 2023			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings	6,072.60	247.93	651.50	6,972.03
Trade payables	4,517.77	-	-	4,517.77
Other financial liabilities	2,336.53	-	-	2,336.53

**36.6 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company.

**Currency risk**

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary movements in exchange rates.

Foreign currency	As at 31 March 2024		As at 31 March 2023	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	RS In lakhs	USD In lakhs	Rs in Million	USD In Million
Suppliers	(14.20)	(0.17)	(13.85)	(0.17)

**36.7 Interest rate risk**

The Company is exposed to interest rate risk arising mainly from short term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with the floating rate borrowings will fluctuate with change in interest rates. The Company manages the interest rate risks by entering into different kinds of credit arrangements with varied terms.

Variable-rate instruments	As at 31 March 2024	As at 31 March 2023
Financial liabilities		
-Borrowings from bank	3,116.55	5,493.63
<b>Total</b>	<b>3,116.55</b>	<b>5,493.63</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A change of 100 basis points (bp) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for previous year.

Particulars	Impact on Profit / (loss)		Impact on equity (net of tax)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31-Mar-24</b>				
Variable-rate instruments	31.17	(31.17)	22.50	(22.50)
<b>Total</b>	<b>31.17</b>	<b>(31.17)</b>	<b>22.50</b>	<b>(22.50)</b>
<b>31-Mar-23</b>				
Variable-rate instruments	54.94	(54.94)	39.65	(39.65)
<b>Total</b>	<b>54.94</b>	<b>(54.94)</b>	<b>39.65</b>	<b>(39.65)</b>

**36.8 Capital management**

The Company manages its capital to ensure that Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company monitors capital using gearing ratio which is net debt divided by total equity.

The Company's Gearing ratio at end of the reporting period is as follows:

Particulars	31 March 2024	31 March 2023
Debt	4,832.02	6,972.03
Less: Cash and cash equivalents	60.51	211.61
Less: Bank balances other than cash and cash equivalent	1,705.74	861.13
Less: Other non-current financial assets - Bank deposit	592.15	426.34
<b>Adjusted net debt</b>	<b>2,473.62</b>	<b>5,472.95</b>
<b>Total equity attributable to equity shareholders</b>	<b>644.62</b>	<b>398.76</b>
<b>Adjusted net debt to total equity ratio</b>	<b>3.84</b>	<b>13.73</b>



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**37 Ageing Schedule of Trade Payables as on 31 March 2024**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	2079.45	236.08	43.76	18.23	2,377.52
(ii) Others	3180.51	110.33	6.09	47.74	3,344.67
(iii) Disputed MSME					
(iii) Disputed dues - Others					
<b>Total</b>	<b>5,259.96</b>	<b>346.41</b>	<b>49.85</b>	<b>65.97</b>	<b>5,722.19</b>

**Ageing Schedule of Trade Payables as on 31 March 2023**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	1,418.45	17.05	1.10	7.64	1,444.24
(ii) Others	3,015.15	8.29	8.17	41.92	3,073.53
(iii) Disputed MSME					
(iii) Disputed dues - Others					
<b>Total</b>	<b>4,433.60</b>	<b>25.34</b>	<b>9.27</b>	<b>49.56</b>	<b>4,517.77</b>

**38 Ageing Schedule of Trade Receivables as on 31 March 2024**

Particulars	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 year	Total
(i) Undisputed Trade receivables - Considered Good	5,251.33	25.18	84.37	125.39	-	5,486.27
(ii) Undisputed Trade receivables - Which have significant increase in Credit risk	200.12	53.75	285.39	354.37	1,497.96	2,391.59
(iii) Undisputed Trade receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade receivables - Which have significant increase in Credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit Impaired	-	-	-	-	-	-
less: Expected Credit Loss Allowance	-	-	-	-	-	(2,649.88)
<b>Total</b>	<b>5,451.45</b>	<b>78.93</b>	<b>369.76</b>	<b>479.76</b>	<b>1,497.96</b>	<b>5,227.98</b>



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**Ageing Schedule of Trade Receivables as on 31 March 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-3 years	2-3 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	6,241.57	449.21	295.17	55.21	-	7,041.16
(ii) Undisputed trade receivables - which have significant increase in credit risk	158.25	60.12	342.08	181.55	1,683.27	2,425.27
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables - considered Good	-	-	-	-	-	-
(v) Disputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Less: Expected credit loss allowance	-	-	-	-	-	(2,677.98)
<b>Total</b>	<b>6,399.82</b>	<b>509.33</b>	<b>637.25</b>	<b>236.76</b>	<b>1,683.27</b>	<b>6,788.45</b>

**39 Ageing Schedule of CWIP as on 31 March 2024**

(i) Details of capital work-in-progress, whose completion is overdue compared to its original plan

**a) Manufacture of potential Transformers for own use in Substation**

Particulars	CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	3.42	12.30	-	-	15.72
Projects temporarily suspended	-	-	-	-	-
Less: Provision created for non movement	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.72</b>

**b) Vapour Phase Drying Plant Project**

Particulars	CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	5.97	5.97
Less: Provision created for non movement	-	-	-	-	(5.97)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note:

The company has provided full provision for capital work in progress with respect to VPD project as the project was temporarily suspended due to non-availability of suitable vendors and escalation of original cost estimates.

**Ageing Schedule of CWIP as on 31 March 2023**

(i) Details of capital work-in-progress, whose completion is overdue compared to its original plan

**a) Manufacture of potential Transformers for own use in Telk Substation**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	
Projects in Progress	12.30	-	-	-	12.3
Projects temporarily suspended	-	-	-	-	-
Less: Provision created for non movement	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.30</b>

**b) Vapour Phase Drying Plant Project**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	4.82	1.15	5.97
Less: Provision created for non movement	-	-	-	-	(5.97)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note:

The company has provided full provision for capital work in progress with respect to VPD project as the project was temporarily suspended due to non-availability of suitable vendors and escalation of original cost estimates.

**CWIP expected Completion Schedule as on 31 March 2024**

**a) Manufacture of potential Transformers for own use in Telk Substation**

CWIP	To be completed in				Total
	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	
Project 1	-	-	15.72	-	15.72


**Transformers and Electricals Kerala Limited**

Angamally South P.O., Ernakulam District, Kerala

**Notes to Financial Statements for the year ended on 31<sup>st</sup> March 2024**
**Rupees(₹) in lakhs, unless otherwise stated**
**40 Segment reporting**

The Company primarily engages in manufacture of transformers and electrical equipment. The Company does not distinguish revenues, costs and expenses between different businesses in its internal reporting, and reports costs and expenses by nature as a whole. The Board of Directors reviews the results when making decisions about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment mainly through the sale of transformers. As the Company's long-lived assets are all located in India and most of the Company's revenues are derived from India, no geographical information is presented. Revenue from transactions with single external customers amounting to 10% or more of the Company's total revenue is as follows:

Customer	2023-24		2022-23		Segment
	Amount of Revenue	Percentage to Total Revenue	Amount of Revenue	Percentage to Total Revenue	
Customer A	4760.3	37.96%	3428.89	23.25%	Transformer
Customer B	2645.67	21.10%	4143.61	28.09%	Transformer
Customer C	1366.82	10.90%	NA	NA	Transformer
Customer D	NA	NA	2745.43	18.61%	Transformer

The Company has not disclosed the names of customers in accordance with Ind AS 108.

**41 Accounting ratios**

Particulars	Numerator	Denominator	For the year ended 31 March 2024	For the year ended 31 March 2023	Variance	Reasons for Variance
Current ratio	Current asset	Current liabilities	0.79	0.77	3%	NA
Debt equity ratio	Total borrowings	Total equity	7.50	17.48	-57%	Decrease in short-term borrowings
Debt service coverage ratio	EBITDA	Finance cost	161.85	-361.08	145%	EBIDTA turned into Positive and sufficient to cover Finance Costs
Return on equity ratio (%)	PAT	Average shareholders equity	37%	-163%	123%	The company turned into Profit.
Inventory turnover ratio	Revenue from operations	Average inventory	3.09	3.24	-5%	NA
Trade receivables turnover ratio	Revenue from operations	Average trade receivable	2.04	2.05	0%	NA
Trade payables turnover ratio	Purchases	Average trade payables	1.41	2.45	-42%	Extended credit periods due to working capital shortage
Net working capital turnover ratio	Revenue from operations	Average Working capital	-3.51	-8.43	-58%	Decrease in Revenue from Operations and working capital
Net profit ratio (%)	PAT	Net sales	1.57%	-19.73%	108%	The company turned into Profit.
Return on capital employed (%)	EBIT	Capital employed	128.94%	-285.84%	145%	The company turned into Profit.

**42 Other disclosures**
**42.1**

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.

(iv) 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(vi) The Company do not have any such transaction which is not recorded in the books of account and that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(vii) The company is not declared as willful defaulter by any bank or financial institution or other lender.

(viii) The Company have satisfaction of charges which are yet to be satisfied with ROC beyond the statutory period.

(ix) No special resolution is required to be passed, as the company is of the view that the borrowings availed does not exceed the limits notified under the Act, based on the latest audited financial statements as of the date the borrowings were availed.

(x) The Company has disclosed the details of MSME based on the information received from its suppliers.

(xi) Even though centralized orders are placed by major customers like Kerala State Electricity Board Limited (KSEB), National Thermal Power Corporation Limited (NTPC), and Nuclear Power Corporation of India Limited (NPCIL), products underlying such orders are delivered to the concerned unit and payments are also received from such units, by the Company. However, no unit-wise ledger accounts are being maintained in the books of account.

**42.2 Events occurred after the Balance sheet date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of date of approval of financial statements there are no subsequent events and transactions to be recognised or reported that are not already disclosed.

**42.3 Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on 17-12-2025



<b>Transformers and Electricals Kerala Limited</b>			
Angamally South P.O., Ernakulam District, Kerala.			
Notes to Financial Statements for the year ended on 31st March 2024			
(Rupees (₹) in Lakhs unless otherwise stated)			
<b>43 Disclosure pursuant to IND AS 1 - Presentation of the financial statements</b>			
1 The Company has reclassified the following comparative amounts from previous year audited financial statements for better presentation of financial statements.			
Foot note No.	Nature of reclassification	Comparitive figure of audited financial statements as at 31 March 2024	Audited financial statements as at 31 March 2023
	<b>Current Liabilities</b>		
1	Provisions #2	3,449.74	3,848.78
2	Other Current liabilities #2	1,285.07	886.03
3	Revenue from operations #3 & #4	15,477.68	14,749.74
4	Cost of material consumed #3	11,951.18	11,113.10
5	Other Income #4	675.40	565.26
6	Contingent liabilities and commitments (to the extent not provided for) #1	274.89	234.14
<b>Note:</b>			
<p>#1 In the previous year, the Company had disclosed an income tax demand of ₹203.33 lakhs under "Contingent Liabilities" on account of pending tax litigation. However, it was noted that an order determining the total demand of ₹244.08 lakhs had been issued prior to the previous year. Accordingly, the comparative figures of contingent liability have been restated to reflect the correct demand amount of ₹244.08 lakhs, in line with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets. The current year disclosure also reflects the updated position of the said demand based on the pending status of appeal and management's assessment of the matter.</p> <p>#2 During the current year, the Company reviewed the presentation of amounts relating to undelivered components/sub-parts forming part of customer sales contracts. Based on this review and in accordance with the principles of Ind AS 115 – Revenue from Contracts with Customers, management determined that such amounts represent remaining performance obligations for which consideration has been received or is receivable, and therefore meet the definition of a Contract Liability, rather than a provision under Ind AS 37. Accordingly, the amount previously presented as "Provision for Material to be Issued" under Provisions has been reclassified to "Contract Liabilities" under Other Current Liabilities to reflect the appropriate nature of the obligation. The reclassification has been made retrospectively for presentation purposes only, and has no impact on the profit for the previous year, total equity, or cash flows.</p> <p>#3 In the previous financial year (FY 2022-23), the reversal of provision for material to be issued was not presented separately in the Revenue Schedule. From the current year, the Company has presented this item by adding it to Revenue from Operations and correspondingly adding the same amount under Purchases of Raw Materials to reflect the nature of the transaction more appropriately. For comparability, the presentation for FY 2022-23 has also been reclassified on a similar basis.</p> <p>#4 During the previous year, the Company had presented liquidated damages (LD) net of the current year LD and reversal of prior year LD under Revenue from Operations. In the current year, the reversal of prior year LD exceeds the liquidated damages pertaining to the current year. In order to provide more transparent and appropriate presentation in line with the substance of the transactions, the Company has reclassified these items as follows: The entire liquidated damages relating to the current year have been deducted from Revenue from Operations; and The reversal of prior year liquidated damages has been presented under Other Income. This reclassification has been made to enhance clarity and ensure better comparability of financial information across periods.</p>			
Material accounting policies and the accompanying notes from 4 to 43 are integral part of the financial statements			
As per our report of even date For Elias George & Co., Chartered Accountants Firm Regn. No. 000801S		For and on behalf of the Board of Directors of Transformers and Electricals Kerala Limited (CIN: U31102KL1963SGC002043)	
Sd/- Joy. P. Jacob Partner (M. No. 201678)	Sd/- P.C. Joseph Chairman DIN: 05225941	Sd/- Neeraj Mittal Managing Director DIN: 10269729	
	Sd/- P.K. Madhavan Chief Financial Officer	Sd/- Josmin Jose Company Secretary	
Place: Ernakulam Date : December 17, 2025		Place: Angamally Date: December 17, 2025	



सत्यमेव जयते

**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT II) KERALA,  
THIRUVANANTHAPURAM**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF TRANSFORMERS & ELECTRICALS KERALA LIMITED FOR  
THE YEAR ENDED 31 MARCH 2024**

The preparation of financial statements of **Transformers & Electricals Kerala Limited** for the year ended **31 March 2024** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **17 December 2025**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **Transformers & Electricals Kerala Limited** for the year ended **31 March 2024** under Section 143(6)(a) of the Act.

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

*Vishnu P.B.*

Thiruvananthapuram  
Dated: 22-01-2026

**VISHNUKANTH P B  
ACCOUNTANT GENERAL (AUDIT-II) KERALA**



COMMENTS OF ADDITIONAL CHIEF SECRETARY (FINANCE)  
ON THE AUDITED ANNUAL ACCOUNTS OF TRANSFORMERS  
AND ELECTRICALS KERALA LTD (TELK) FOR THE  
FINANCIAL YEAR 2023-24

- 1) The Company's revenue from operations has decreased from Rs.154.77 Crore to Rs.122.70 and the fixed and financial costs remain a little varied. The profit recorded amounting to Rs.1.93 Crore is mainly due to the changes in inventories of finished goods and work in progress. The company should take urgent steps for the maximum utilization of its resources and market in a cost-effective manner.
- 2) The Company should maintain proper records for the physical verification of fixed assets such as property, plant and equipment and intangible assets and take steps for the revaluation of the same.
- 3) Steps should be taken to remit the unutilized balance of Rs. 260 lakhs. originally sanctioned by the Government for project requirements, back to the Government.
- 4) The company has an installed capacity of 4500 MVA, however only 41.72% of the capacity is utilised. Company should take all possible steps to utilise the capacity to the maximum possible extent.

K R JYOTHILAL  
ADDITIONAL CHIEF SECRETARY (FINANCE)

Thiruvananthapuram  
18.03.2026

**Replies to the comments of Additional Chief Secretary (Finance), Government of Kerala on the audited Annual Financial Statements for FY 2023-24**

<b>Comments</b>	<b>Replies</b>
The Company's revenue from operations has decreased from Rs. 154.77 Crore to Rs. 122.70 and the fixed and financial costs remain a little varied. The profit recorded amounting to Rs. 1.93 Crore is mainly due to the changes in inventories of finished goods and work in progress. The company should take urgent steps for the maximum utilization of its resources and market in a cost-effective manner.	During the financial year 2024-25, the operational revenue has improved significantly to ₹204.36 crores (Provisional and unaudited), indicating notable growth in business performance.
The Company should maintain proper records for the physical verification of fixed assets such as property, plant and equipment and intangible assets and take steps for the revaluation of the same.	Company is maintaining records for physical verification of fixed assets internally which are also verified by the Statutory Auditors. In FY 2026-27, independent external auditor verification for physical assets will be arranged. Revaluation of Property, Plant and Equipment (PPE) will be considered in future.
Steps should be taken to remit the unutilized balance of Rs. 260 lakhs, originally sanctioned by the Government for project requirements, back to the Government.	Out of Rs.260 lakhs, the major amount, Rs.250 lakhs has been taken back by the Government from Treasury PSTSB Account on 31-03-2025. Remaining 10 Lakhs is lying with the treasury PSTSB Account.
The company has an installed capacity of 4500 MVA, however only 41.72% of the capacity is utilised. Company should take all possible steps to utilise the capacity to the maximum possible extent.	The poor financial position and working capital shortage were the main contributory factors for the low capacity utilization. The Company has recorded capacity utilization of above 50% during FY 2024-25.

