KELTRON®

Kerala State Electronics Development Corporation Ltd.

48th ANNUAL REPORT 2019-20

48th ANNUAL REPORT

2019-20

KELTRON®

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED

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CORPORATE INFORMATION

Chairman : Shri.N Narayanamoorthy

Managing Director : Smt T R Hemalatha

Board of Directors (as on 31.03.2020)

1.	Shri.N Narayanamoorthy	-	Chairman
2.	Smt T R Hemalatha	-	Managing Director
3.	Shri. R Suresh Mohan	-	Director
4.	Shri. V Narayanan	-	Director
5.	Shri. S Anoop	-	Director
6.	Shri. P M Sasi	-	Director
7.	Shri. K Ajith Kumar	-	Director
8.	Shri. S Hemachandran	-	Director
9.	Shri. V. Kishorenath	-	Director

COMPANY SECRETARY:
Shri. B Bilu, FCS

GENERAL MANAGER i/c, FINANCE
Shri Sreejan A.S ,FCA,ACS

STATUTORY AUDITORS:
Sridhar & Co.
Chartered Accountants, Thiruvananthapuram

COST AUDITORS:
Blaise & Associates
Cost Accountants, Kochi

BANKERS:
Punjab National Bank
State Bank of India

Registered Offce:
Keltron House, Vellayamballam, Thiruvananthapuram -695033
CIN: U74999KL1972SGC002450
Email:ksedc@sancharnet.in, Tel: 0471-2724444
Fax: 0471-2724545, Website: www.keltron.org

FINANCIAL PERFORMANCE

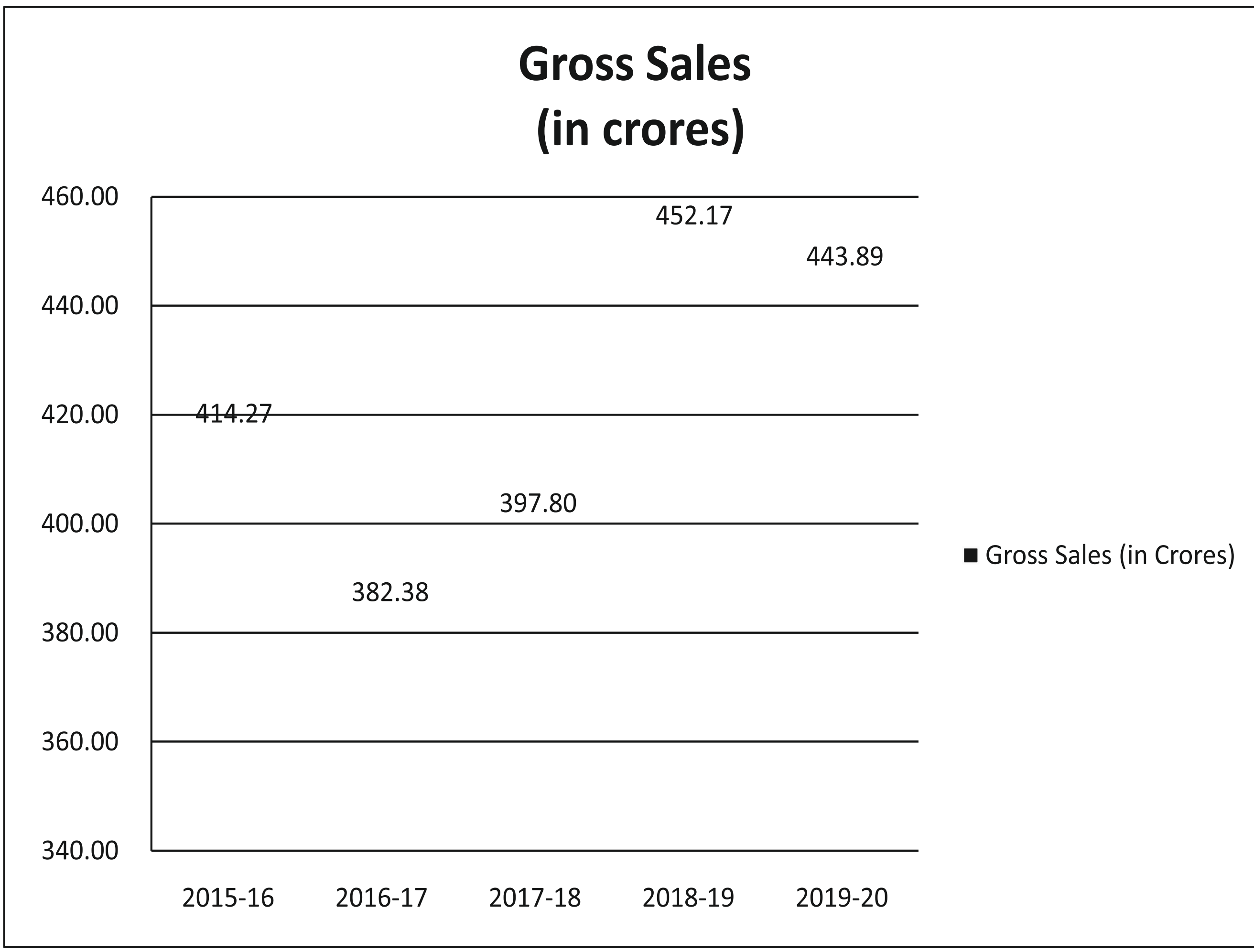
(Based on Balance Sheet)

Balance Sheet	2015-16	2016-17	2017-18	2018-19	2019-20
Fixed Assets	26,05,38,993	25,18,81,362	23,29,67,824	26,39,52,083	27,85,10,400
Investments	30,12,94,480	30,12,94,480	30,12,94,480	30,12,94,480	32,72,94,480
Net Asset (Current &Non-Current)	62,53,36,843	40,14,37,351	48,99,78,271	55,43,10,333	1,83,50,22,259
Total	**118,71,70,316**	**95,46,13,193**	**1,02,42,40,575**	**1,11,95,56,896**	**2,44,08,27,139**
Share Capital	2,00,00,00,000	2,03,55,18,100	2,03,55,18,100	2,03,55,18,100	2,03,55,18,100
Share money pending allotment	3,55,18,163				1,70,30,79,571
Reserves & Surplus	(1,94,41,61,630)	(2,05,60,93,590)	(1,99,96,21,898)	(1,96,80,80,751)	(1,97,57,44,616)
Loan Funds	1,09,58,13,783	97,51,88,683	98,83,44,373	1,05,21,19,547	67,79,74,084
Total	**118,71,70,316**	**95,46,13,193**	**1,02,42,40,575**	**1,11,95,56,896**	**2,44,08,27,139**

FINANCIAL PERFORMANCE

(Based on Statement of Profit & Loss)

Statement of Profit & Loss	2015-16	2016-17	2017-18	2018-19	2019-20
Net Sales	4,10,26,50,457	378,02,68,051	396,60,69,469	4,52,16,60,324	4,43,89,49,985
Profit/(Loss) for the year before exceptional and extra ordinary items	15,48,94,306	(4,14,75,076)	17,93,66,082	17,32,44,208	4,91,99,885
Profit before taxation	13,81,16,237	(11,18,48,039)	5,64,71,692	3,15,41,147	5,23,36,135
Profit after taxation	13,81,16,237	(11,18,48,039)	5,64,71,692	3,15,41,147	5,23,36,135
Earnings Per Share	6.91	(5.49)	2.77	1.55	2.57


Gross Sales
(in crores)
460.00
440.00
420.00
400.00
380.00
360.00
340.00
452.17
443.89
414.27
397.80
382.38
2015-16
2016-17
2017-18
2018-19
2019-20
Gross Sales (in Crores)

DIRECTORS' REPORT 2019- 2020

To the Shareholders

Your Board of Directors has immense pleasure in presenting the 48th Annual Report of your Company together with Audited Accounts for the year ended 31st March 2020.

FINANCIAL RESULTS

During the year under review, the Company registered a turnover of Rs.443.89.Crores as against Rs.452.17 Crores during the previous year. The operating profit for the year under review was Rs.14.94 Crores as against Rs.24.60 Crores during the previous year, but posted a net profit of Rs.5.23 Crores against Rs.3.15 Crores in the corresponding previous year. The net profit for the year under review is after adjusting extra ordinary items of Rs.0.31.Crores. Financial results of the Company for the year 2019-20 and the year 2018-19 are given below:

	(Rs. in Lakhs)	
	2019-20	**2018-19**
Net Sales	44389.50	45216.60
Gross Operating Profit	1493.76	2460.35
Less:		
1. Financing Charges	650.18	351.96
2. Depreciation	351.58	375.95
Profit/(Loss) for the year	492.00	1732.44
Extra ordinary/ Exceptional	31.36	(1417.03)
Profit/ Loss before taxation	523.36	315.41
Provision for Income Tax	-	-
Profit/ Loss after taxation	523.36	315.41
Brought forward Loss	(20310.31)	(20625.72)
Balance (Loss) carried to Balance Sheet	(19786.95)	(20310.31)

CAPITAL STRUCTURE

As on 31.03.2020 the authorized capital of the company stood at Rs.210 Crores and paid-up capital at Rs.203.55 Crores.

LOANS AND BORROWINGS

During the year the secured loans have increased from Rs.2.85 Crores to Rs.31.01 Crores and the unsecured loans have stood at Rs.36.79 Crores. The Company was having fund based and non fund based Credit facility with Punjab National Bank to the extent of Rs.10 Crores and was having loan from KFC to the extent of Rs.9.50 Crores for meeting its working capital requirement. Further the company availed project specific working capital loan to the extent of Rs.10 Crores from KSIDC. The company also availed a Bill Discounting facility from KFC to the extent of Rs.20 Crores

AUDITORS' REPORT

The Auditors have made certain observations mainly on the interest on Government Loan, non-provision for doubtful debts, investment and advance to Subsidiaries etc. A detailed explanation on the observations made by the Statutory Auditors is appended to this report.

CONTRIBUTION TO GOVERNMENT REVENUE

During the year under report, the Company has contributed to the exchequer an amount of Rs.22.24 Crores by way of duty, taxes and other levies.

SUBSIDIARY COMPANIES

Keltron Component Complex Limited at Kannur

Production and Profitability

During the period, the Company had achieved a total production value of Rs.6415.24 Lakhs as against the figure of Rs.6352.05 lakhs achieved during the preceding year. The Company made a profit of Rs.279.25 Lakhs as against the previous year figure of Rs.191.68 Lakhs during the year.

Sales

The Sales turnover of the Company during the financial year 2019-20 was as follows:-
Gross: Rs.7018.05 lakhs as against the figure of Rs.6844.78 lakhs in the previous year.

Achievements

The company made profit for the first time in 2017-18, with a net profit of Rs.52 Lakhs. This performance improvement continued in 2018-19 by increasing the net profit to Rs.1.91 Crores and in 2019-20 by increasing the net profit to Rs.2.79 Crores.

Financial Results of the Company for the year 2019-20 & 2018-19 are given below:

	(Rs. in Lakhs)	
	2019-20	**2018-19**
Net Sales	7018.06	6844.78
Gross Operating Profit	865.65	631.35
Less:		
1. Financing Charges	433.51	351.12
2. Depreciation	88.89	88.55
Profit/(Loss) for the year	343.24	191.68
Extra ordinary income	0.00	0.00
Profit before taxation	343.24	191.68
Provision for Income Tax	63.99	0.00
Profit after taxation	**279.25**	**191.68**
Brought forward Loss	4844.37	5036.05
Balance (Loss) carried to Balance Sheet	4565.12	4844.37

Keltron Electro Ceramics Limited at Kuttipuram

During the year 2019-20, your Company could achieve a sales turnover of Rs.1025.46 Lakh. The Company sold 170 pcs. of Token Display units and 636 pcs. of Transducer s. The profit/(loss) after tax during the year was Rs.(62.16) Lakhs against the profit of Rs.(128.91) Lakhs during the previous period.

Company is exploring the possibilities of introduction of new products which include Vector Sensor Array, Smart Bell system for schools, Borewell Rescue system etc. The major customers of the company for the main product Transducers/ Hydrophones are M/s. Naval Physical & Oceanographic Laboratory- Cochin, M/s. Bharat Electronics- Bangalore ,M/s KEC – Karakulam , M/s. Naval Science & Technological Laboratory –Visakhapatnam e.t.c The company fully utilized the amount of Rs.75 lakhs received from Government of Kerala vide RIAB as working capital loan to enhance infrastructure for the manufacturing & testing facility of transducers expecting more orders in future. Transducers which has reasonable profit margin got vast requirement in Defense as well as for commercial applications and even having export potential.

Financial Results of the Company for the year 2019-20 & 2018-19 are given below:

	(Rs. in Lakhs)	
	2019-20	**2018-19**
Net Sales	1040.77	1481.07
Gross Operating Profit	(0.78)	(104.35)
Less:		
1. Financing Charges	45.58	32.37
2. Depreciation	36.00	36.76
(Loss) for the year	(82.36)	(173.48)
Extra ordinary income	0.00	0.00
Profit before taxation	(82.36)	(173.48)
Provision for Income Tax	20.19	44.57
Profit after taxation	**(62.16)**	**(128.91)**
Brought forward Loss	(399.66)	(270.75)
Balance (Loss) carried to Balance Sheet	(461.82)	(399.66)

BOARD OF DIRECTORS

The following Directors were Appointed/Ceased during the year under report:

Sl. No.	Name of Director	Appointment/ Cessation	Date of Appointment/ Cessation
1	Shri. V Kishorenath	Appointment	09/04/2019
2	Shri. P M Sasi	Appointment	09/04/2019
2	Shri. K Ajith Kumar	Appointment	09/04/2019
3	Shri. S Hemachandran	Appointment	09/04/2019
4	Shri. Suresh Mohan	Appointment	09/04/2019
5	Shri. Magesh Ethirajan	Appointment	28/01/2020
6	Shri. K Radhakrishnan	Appointment	28/01/2020

NUMBER OF BOARD MEETINGS:

The company has convened 3 Board Meetings (29/05/2019, 24/09/2019, 20/12/2019,) during the financial year under report. The summoned 255^{TH} Board Meeting not held in the financial year 2019-20 due to Covid-19 lock-down.

EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return in Form MGT 9 as per Section 134(3)(a) of Companies Act 2013 is placed as **Annexure** to this report.

AUDIT COMMITTEE

The Audit Committee of the Company examines, scrutinizes and monitors the internal control systems of the company and take appropriate action on the basis of comments given in Statutory Auditors Report and Internal Audit Report.

As on 31.03.2020 the Audit Committee composes as follows:

1. CA R Suresh Mohan - Director & Chairperson of Audit Committee
2. Shri. Anoop S - Director & Member of Audit Committee
3. Smt T R Hemalatha - Special Invitee
4. Shri. Premnath Ravindranath - Special Invitee , Representative from KFC

STATUTORY AUDITORS

The Comptroller & Auditor General of India has appointed M/s Sridhar & Co., Chartered Accountants, Thiruvananthapuram as Statutory Auditors of the Company for the year 2019-20.

HUMAN RESOURCES

In the FY 2019-20, 78 employees retired from the service on attaining superannuation. Total staff strength as on 31.03.2020 was 351. Company recognizes that key resources for achieving high levels of excellence are its people who need to be motivated and developed. During FY 2019-20, training was imparted to 296 employees through different training programmes and promotion given to 53 officers creating immense goodwill and motivation among employees.

CORPORATE GOVERNANCE

The Company has been ensuring fairness, responsibility, accountability and transparency in all its dealings. The Company has designated State Public information Officers, Assistant State Public Information Officers and Appellate Officers for the Head Office as well as the Branch Offices for providing reply under Right to Information Act, 2005. Prompt action is taken for replying the petitions received under RTI.

PARTICIPATIVE MANAGEMENT

The Company believes in participative management. The rich experience of its officers can be fully utilized by participating them in the decision making process. Realising this, wide delegation has been given to different level of officers across the country at branch and Unit/Divisional level. At head office also, the committee concept is used and the decision making has been very transparent. However in order to ensure objectivity and fairness, checks and balances through various internal control and audit procedure have been introduced.

PERSONNEL

The Industrial Relations in the company has been cordial throughout the year. There were no employees in receipt of remuneration as prescribed by Section 134 of the Companies Act 2013, read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The Details of CSR policy of the Company and initiatives are available on the website of the Company https://keltron.org/index.php/csr

The Annual Report on CSR activities as required under Companies (CSR Policy) Rules 2014 is attached to this Report as **Annexure**.

LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT 2013

There was no Loans, Guarantees or Investments made Under Section 186 of The Companies Act 2013 during the year under review and hence the said provision is not applicable.

CONTRACTS OR AGREEMENTS MADE WITH RELATED PARTIES

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

DIRECTORS' RESPONSIBILITY STATEMENT

Directors report that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.

2. The Directors had 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 of the Company for that period.

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.

4. The Directors had prepared the Annual Accounts on the going concern basis.

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

The information relating to Conservation of Energy, Technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are disclosed as an **Annexure** to this report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the valuable support and co-operation extended by the Government of Kerala and the Banks & Financial Institutions. Your Directors also thank the Statutory Auditors, Internal Auditors, Practicing Company Secretaries, Standing Counsel and the Office of the Accountant General, Kerala, for their co-operation.

Your Directors further acknowledge the dedication and understanding displayed by the employees during the year.

Sd/-
N.NARAYANAMOORTHY
CHAIRMAN & MANAGING DIRECTOR

Thiruvananthapuram
Dated: 09.08.2023

ANNEXURE - TO DIRECTORS' REPORT 2019-20

Information pursuant to Section 134(3)(m)
of Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014
forming part of the Directors' Report

1) Conservation of Energy	
(i) the steps taken or impact on conservation of energy;	ITBG - Conventional tube lights changed to LED Lights KCC - 50% of CFN bulbs and Fluorescent tube were replaced.Replaced old water cooler and heater with energy saving types. KEC - Replaced ordinary tube lights with LED tube lights. Initiated discussions to install Solar Power Plant with Subsidy from Central / State Government schemes.
(ii) the steps taken by the company for utilising alternate sources of energy;	ITBG - Periodical Maintenance of all electrical equipment for enhancing efficiency
(iii) the capital investment on energy conservation equipments.	ITBG - 07 Lakhs
2) Technology Absorption :	
(i) the efforts made towards technology absorption;	KEC - Technology absorption from NPOL CDAC of products for the Navy. KCC - Keltron Communication Project Group, Monvila have established a 1 lakhs class room with ESD flooring facility to provide a controlled environment where pollutants like dust, airborne microbes, and aerosol particles are filtered out in order to provide the cleanest area possible.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	KEC - Customization of orders was done in-house based on requirements of the customers and new orders were bagged. KCC- Redesigned the existing traffic controller to Pole Mountable by reducing overall dimensions which leads to cost reduction.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (iv) The expenditure incurred on Research and Development.	
3) Foreign Exchange earnings and outgo: The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows a) Foreign exchange earnings b) Foreign exchange outgo i. CIF value of imports ii. Others	 Rs.13,53,02,085/-

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR THE FINANCIAL YEAR 2019-20

I. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs:

The company strongly believes that the contribution to the society at large is one of the main goals and priority, wherein development of society is focused in every walk. Most of the company's products and services are society centric, and the Board of Directors through its CSR committee is committed to implement the CSR initiatives in true letter and spirit. For KELTRON, Corporate Social Responsibility is "*delivering quality products, services, adopting best governance practices, resulting in giving positive contribution to the society at large and serving needy people through our CSR initiatives.*"

The CSR policy of the company is available in: https://www.keltron.org/images/pdf/CSR_policy_1.pdf

II. CSR Committee:

The Board of directors of the company has constituted a CSR Committee (a sub-committee of the Board consisting members of the Board).

The functions of the committee are:

(a) Recommend the CSR Policy to the Board;
(b) Identify the projects/activities to be undertaken by the Company for CSR;
(c) Recommend to the Board CSR Activities to be undertaken along with detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
(d) Monitor the CSR Policy of the Company from time to time;
(e) Ensure compliance of CSR Policy and the Rules;
(f) Such other functions as may be delegated and/or assigned by the Board from time to time.

The composition of the committee is as follows:

1. CA R. Suresh Mohan - Chairman
2. Shri. V. Narayanan - Member
3. Smt.T R Hemalatha - Member
4. Shri. S. Hemachandran - Member

III. Average net profit of the Company for last three financial years:

Rs. 0.49 CRORE

IV. Prescribed CSR Expenditure:

Rs. 98,000/ -

V. Details of CSR spending during the financial year:

a) Total amount to be spent for the financial year: **98,00 0/-**

b) Amount un -spent if any: **N/A**

Manner in which the amounts spend during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or Programs was undertaken	Amount outlay (budget) project or program -wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1.	Repairing cost of Bus Shelter constructed by as CSR Project	Social Development	Trivandrum	Rs.10,000	Rs.10,000	Rs.10,000	Directly
2.	Providing laptops to children	Promoting education	Trivandrum	Rs.1,10,920	Rs.1,10,920	Rs.1,10,920	Directly
	TOTAL			**Rs.1,20,920**	**Rs.1,20,920**	**Rs.1,20,920**	

VI. Reasons for not spending the 2% of average net profit of last three financial years:

Not Applicable

VII. Responsibility statement of the CSR Committee:

We hereby state that the implementation and monitoring of CSR Policy, is in compliance with CS R objectives and Policy of the company .

Managing Director	Chairman, CSR Committee

Place: Thiruvananthapuram
Date: 09.08.2023

ANNEXURE TO DIRECTORS' REPORT 2019-20

Form No.MGT-9

EXTRACT OFANNUAL RETURN AS ON THE FINANCIALYEAR ENDED ON 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	**U74999KL1972SGC002450**
ii.	Registration Date	**29/09/1972**
iii.	Name of the Company	**KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED**
iv.	Category/Sub-Category of the Company	**Company limited by Shares, State Govt company**
v.	Address of the Registered office and contact details	**KELTRON HOUSE, VELLAYAMBALAM TRIVANDRUM, KERALA- 695033, INDIA**
vi.	Whether listed company	**NO**
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	**NIL**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing – Computer electronic Communication and scientific measuring control equipment	DIVISION 26 2620 2610 2630 2651	19.58
2	Trade – Retail Trading	DIVISION 47 4741	6.74
3	Information and communication – Other information & communication service activities	DIVISION 61,63 6190 6399	40.43
4	Professional, Scientific and Technical – Other professional, scientific and technical activities	DIVISION 70,74 74909	30.74
5	Education	DIVISION 85 8550	2.51

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of share s held	Applicable Section
1.	**KELTRON COMPONENT COMPLEX LIMITED**	**U31904KL1974SGC002 630**	**Subsidiary**	**76.54**	**2(87)**
2.	**KELTRON ELECTRO CERAMICS LIMITED**	**U29299KL1974SGC002 601**	**Subsidiary**	**98.79**	**2(87)**
3.	**COCONICS PRIVATE LIMITED**	**U30001KL2018PTC055 194**	**Associate**	**26**	**2(6)**

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	**0**	**19,955,179**	**19,955,179**	**98**	**0**	**19,955,179**	**19,955,179**	**98**	**0**
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub total (A)(1):-	**0**	**19,955,179**	**19,955,179**	**98**	**0**	**19,955,179**	**19,955,179**	**98**	**0**
2) Foreign									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0

h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j)Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other….	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
B. Public Shareholding									
1. *Institutions*									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
2. Non Institutions									

a) Bodies Corp. **Indian:** **Overseas:**	**0**	**4,00,000**	**4,00,000**	**2**	**0**	**4,00,000**	**4,00,000**	**2**	**0**
i) Individuals (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	**0**	**2**	**2**	**0**	**0**	**2**	**2**	**0**	**0**
j) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	**0**	**400,002**	**400,002**	**2**	**0**	**400,002**	**400,002**	**2**	**0**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**0**	**400,002**	**400,002**	**2**	**0**	**400,002**	**400,002**	**2**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**0**	**20355181**	**20355181**	**100**	**0**	**20355181**	**20355181**	**100**	**0**

ii.*Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total	% change in share holding during the year
1.	State Government	19,955,179	98	0	19,955,179	98	0	**0**
	Total	**19,955,179**	**98**	**0**	**19,955,179**	**98**	**0**	**0**

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

There is no change in the number of shares held by the promoters

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	19,955,179	98	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the End of the year			19,955,179	98

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,85,22,515	1,02,35,97,032		**1,05,21,19,547**
ii) Interest due but not paid		8,70,25,722		**8,70,25,722**
iii) Interest accrued but not		1,03,71,88,324		**1,03,71,88,324**
Total (i+ii+iii)	**2,85,22,515**	**2,14,78,11,078**		**2,17,63,33,593**
Change in Indebtedness during the financial year				
- Addition	28,27,01,788			28,27,01,788
- Reduction		(1,50,89,60,292)		(1,50,89,60,292)

Net Change	**28,27,01,788**	**(1,50,89,60,292)**		**(1,22,62,58,504)**
Indebtedness at the end of the financial year				
i) Principal Amount	31,01,13,892	36,78,60,192		67,79,74,084
ii) Interest due but not paid	11,10,411	15,68,63,684		15,79,74,095
iii) Interest accrued but not due		11,41,26,910		11,41,26,910
Total (i+ii+iii)	**31,12,24,303**	**63,88,50,786**		**95,00,75,089**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager.

Sl. No.	**Particulars of Remuneration**	**Name of MD/WTD/ Manager**		**Total Amount**
1.		**Smt.T R Hemalatha, Managing Director**	**Shri N Narayanamoorthy**	
	Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	15,40,463/-	11,31,994/-	26,72,457/-

	(b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary under section17(3) Income-tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - Others, specify…			
5.	Others, please specify			
6.	**Total(A)**	15,40,463/-	11,31,994/-	26,72,457/-
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
	Independent Directors ·Fee for attending board committee Meetings ·Commission ·Others, please specify						
	Total(1)						
	Other Non-Executive Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify	V JAYAPRAKASH Rs.600/-	V NARAYANAN Rs.1200/-	R.SURESH MOHAN Rs.8000/-			Rs.9800/-
	Total(2)	Rs.600/-	Rs.1200/-	Rs.8000/-			Rs.9800/-
	Total(B)=(1+2)	Rs.600/-	Rs.1200/-	Rs.8000/-			Rs.9800/-
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

C. <u>Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD.</u>

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit -others, specify…	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment /Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	NIL				
Punishment					
Compounding					
B. Directors					
Penalty	NIL				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	NIL				
Punishment					
Compounding					

MANAGEMENT'S RESPONSE TO THE COMMENTS OF STATUTORY AUDITOR'S REPORT ON
THE STANDALONE FINANCIAL STATEMENT
OF KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LTD.
FOR THE YEAR 2019-20

Sl. No.	Comments of Statutory Auditor	Management's Response
3	Other Long-Term Liabilities (Note: 4) include interest accrued but not due on loans from Govt. of Kerala amounting to Rs.1,141 lacs comprising of Rs.889 lacs being the interest accrued until 31.03.2010 on Government loan of Rs.7,187 lacs, which was converted into equity vide GO (MS) No.183/11/ID dated 26.08.2011 and Rs.252 lacs being the interest and penal interest accrued until 31.03.2006 on the Government loan of Rs.1066 lacs. No action seems to have been taken by the company or GOK in respect of accrued interest of Rs.1,141 lacs. Hence, we are unable to comment on the company's classification of Rs.1,141 lacs as Long-Term Liabilities, since there is no clarity on the due date for repayment of Interest (Refer Note: 40 & 41).	Interest accrued on Government Loan disclosed under Note 4 - Other Long-Term Liabilities comprises of the following: (i) Rs. 252 lakhs being the Interest accrued on the non-current portion of Loans not converted in to equity vide G.O. (Ms) No.53/2020/ID dated 15th May 2020. The Government of Kerala approved the conversion of Government Loan of Rs. 7200 lakhs in to equity vide G.O. (Ms) No.53/2020/ID dated 15th May 2020. Further to improve the net worth, the company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021 represented before Government to consider the conversion of interest accrued on Government Loan amounting to Rs.9230.61 lakhs to equity share capital in line with the recommendation of Public Enterprises Board. This has been sanctioned vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020. (ii) Regarding Rs 889 lakhs, it is the interest accrued on Government loan aggregating to Rs.7187.56 lakhs converted to Equity Share Capital vide GO(MS)No 183/11/ID dated 26th August 2011, as a part of Financial Restructuring with respect to the Sanctioned Scheme of BIFR. As observed by the Statutory Auditors we have classified the interest accrued amounting to Rs 1,141 lakhs as non-current on the assumption that the same is not repayable in the near future.

Sl. No.	Comments of Statutory Auditor	Management's Response
4	Company is holding investment in the shares in its subsidiary Keltron Component Complex Limited (KCCL) to the tune of Rs.2,618.50 lacs (Previous year Rs.2,618.50 lacs) and in another subsidiary Keltron Electro Ceramics Limited (KECL) to the tune of Rs.314.44 lacs (Previous year Rs.314.44 lacs). Net worth of both these subsidiaries is negative as on 31.03.2020 and there is erosion in the net worth of these subsidiaries. The company could not reasonably establish that the decline in net worth is of temporary nature and therefore the company is required by the Accounting Standard: 13– 'Accounting for Investments' to provide for the diminution in the value of investments in these subsidiaries. However, the company has not made provision for the diminution of Rs.2932.94 and to that extent, the company has not complied with Accounting Standard: 13 (Note: 11), resulting in overstatement of profit by Rs.2932.94 lacs and understatement of short term provisions (Note: 9) by Rs.2932.94 lacs.	Regarding the investment in Keltron Component Complex Ltd. (KCCL) and Keltron Electro Ceramics Ltd. (KECL), it is submitted that these entities are going concerns and the Company expected that these Subsidiary Companies will continue to operate in the foreseeable future. The turnover of KCCL has increased compared to the previous years. The trend in profitability of both the Subsidiary Companies has shown a manifold growth compared to the previous years and moreover KCCL is in the growth trajectory by setting up of Super Capacitor Production Plant, R&D facility and modernisation of existing production line. As explained above facts, the diminution in the investment has been considered as temporary in nature as envisaged in the Accounting Standard -13 – 'Accounting for Investments'.
5	Investment pending allotment of Rs.1704 lacs (Previous year: Rs.1,704 lacs) disclosed under Note:12 "Long term loans and Advances" was made to subsidiary companies which are under liquidation. This comprise of Rs.576 lacs to Keltron Rectifiers Limited and Rs.1,127 lacs to Keltron Power devices Limited	The Hon'ble High Court of Kerala in its judgment dated 06th March 2006 and 14th November 2005 issued orders for the winding up of Keltron Rectifiers Limited and Keltron Power Devices Limited respectively and appointed the Official Liquidator. The Government of Kerala vide G.O.(MS) No. 165/08/ID dated 22nd October 2008 ordered to take over the aforesaid subsidiary companies (a) & (b) with all liabilities including future liabilities, simultaneously with its assets by the Company. Government of Kerala also filed an affidavit before the Hon. High Court of Kerala for the above take over. The Scheme for takeover of the above two subsidiary companies as per the Government G.O. is under process and hence as mentioned in Note 42(i) no provision has been made in the accounts regarding the investment pending allotment in respect of these

Sl. No.	Comments of Statutory Auditor	Management's Response
		two companies.
	Advance to subsidiary companies amounting to Rs.1265 lacs (Previous year: Rs.1265 lacs) disclosed under Note: 12 "Long term loans and Advances" represents the advances made to subsidiary companies, which are under liquidation. (Net off full provision of Rs.1312 lacs against the advance to Keltron Counters Ltd. Present balance comprise of Rs.414 lacs to Keltron Rectifiers Limited (PY: Rs. 414 lacs) and Rs.851 lacs to Keltron Power Devices Limited (PY: Rs. 851 lacs The company has stated reasons for non-provision of the above said advances to subsidiary companies (Note 42 (i) and 42 (ii)). However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that provision for non-recoverability of the Investment pending allotment of Rs.1704 lacs and Advance of Rs.1265 lacs [aggregate amount Rs.2969 lacs] (Previous year Rs.2969 lacs). To the extent of this non-provisioning of Rs.2969 lacs, the profit of the company and Long term loans and Advances are overstated	In the matter of Keltron Power Devices Ltd (KPDL) and Keltron Rectifiers Limited (KRCL) as mentioned in Note 42(i) forming part of Financial Statement, the Hon.High Court of Kerala has ordered winding up of both the Companies. The Company has filed an application before the Hon. High Court of Kerala on 9th October 2017 for recalling the winding up order of KPDL and KRCL, discharge the Official Liquidator and to take over the assets and liabilities by the holding company. As per the direction of Hon.High Court of Kerala, a Revival Scheme for the setting up of plan for the manufacturing of 100MW Solar Panel at the landed property of KPDL and KRCL was submitted. The scheme is yet to be heard by the Hon.High Court of Kerala. Meanwhile, Government of Kerala vide GO (RT) No. 883/2018/10 dated 26/07/2018 has issued Administrative Sanction towards the Budget-Support for the company for the setting up of manufacturing facilities for Solar Modules. The Special Government Pleader (Taxes) informed that the Revival proposal has to be filed by the Government of Kerala and hence an Affidavit of the Chief Secretary has to be filed. Due to the pendency of the above situation, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation. However, the Company will ensure that necessary book adjustments with respect to the said 'Long term Loan and Advances' will be dealt with, once the subject matter reaches finality as envisaged in the Revival Scheme under the consideration of Hon.High Court. This fact was also been disclosed under Note 42(ii) forming part of Financial Statements.

Sl. No.	Comments of Statutory Auditor	Management's Response
6	Advance to subsidiary companies of Rs.613 lacs (Previous Year: Rs.596 lacs) disclosed under Note: 17-Short Term Loans and Advances, comprise of Rs.527 lacs (PY: Rs.515 lacs) to Keltron Electro Cermaics Limited (KECL) and Rs.86 lacs (PY:Rs.81 lacs) to Keltron Component Complex Limited (KCCL). Net worth as on 31st March, 2020, of these companies is negative based on the audited financial statement of the said Companies and the company could not reasonably establish that the decline in net worth is of temporary nature. Still, the company has not made any provision towards non-recoverability of this advance of Rs.613 lacs. To this extent the profit of the company and Short Term Loans and Advances are overstated	Regarding the investment in Keltron Component Complex Ltd. (KCCL) and Keltron Electro Ceramics Ltd. (KECL), it is submitted that these entities are going concerns and the Company expected that these Subsidiary Companies will continue to operate in the foreseeable future. Regarding the diminution in the value of investment also, as explained in the earlier paragraph it may be noted that the entity is a going concern and continue to operate in the foreseeable future. Due to the above reasons no provision has been made in the books of accounts in this regard.
7	Regular write-off/write back of bad and doubtful debts/liabilities and provision for bad and doubtful debts and advances of Rs.-(47.38) lacs (Previous year: Rs.1417 lacs) are classified as exceptional item and included and disclosed under Note No.28 though the items are the outcome of regular business transactions. We are of the opinion that the same should have been classified under Note No.26- "Other Expenses	Note 28-Exceptional items include the write off/provisions of long pending trade receivable, advances, deposits, diminution in value of investment, for which separate disclosure is required to depict the performance of the Company in the normal operations for the reporting period. The disclosure of aforesaid line items under 'Exceptional Items' is due to the reason that, the effect of these items pertaining to operations of earlier years, which is long pending and having significant impact in the profitability of the reporting period. This fact was also disclosed in Note 28-Exceptional Items as foot notes.
8	We are unable to comment on; a) The compliance of Accounting Standards (AS)-28 on 'Impairment of Assets', in the absence of appropriate evidence. (Refer Significant Accounting Policies - Point II(b) under Profit and Loss)	 As envisaged in AS-28, Impairment of Assets, the company has made an assessment of each item of assets at unit level as on the reporting date with respect to indications of any impairment. Accordingly, necessary adjustments if any will be made in the Financial Statements, disclosed in Note-28

Sl. No.	Comments of Statutory Auditor	Management's Response
	b) The compliance of AS -17 on 'Segment Reporting' in view of the claim of the Company that it is not having reportable segments (Significant Accounting Policies- Point VII under Balance Sheet),	Exceptional Items. The company is primarily dealing with manufacturing, supply installation and maintenance of electronic systems. As envisaged in AS-17, there is no distinguishable business segment or geographical segment which is subject to different risk and return. Hence, Segment Reporting in accordance with AS-17 is not applied. This has also been mentioned in Note-A (VII)-Significant Accounting Policies forming part of the Financial Statements.
9	The audited financial statements of 6 units and 7 Keltron Marketing Offices (KMOs) of the company, audited by the unit/KMO auditors of respective units/KMOs, are not in compliance with the amended provisions of disclosures of Trade Payables under Schedule III applicable from Financial year 2018-19 which required to disclose the (i) total outstanding dues of micro enterprises and small enterprises; and the (ii) total outstanding dues of creditors other than micro enterprises and small enterprises, separately, on the face of the Balance Sheet. However, this disclosure is included in the Standalone Financial statement of the company as a whole. We are unable to comment on the correctness or otherwise of this classification in the absence of such classification in the audited financial statements of units/KMOs considered for the preparation of the Standalone Financial Statement and the financial impact of the same is also not ascertainable.	The Ministry of Corporate Affairs (MCA) vide notification dated 11th October 2018 amended the Schedule III of the Companies Act whereby from the financial year 2018-19 onwards we have to disclose Sundry Creditors for Purchase of Supplies/Services as MSME and non MSME. As the Statutory Audit of all units/KMO's have been completed, data with regard to the disclosure envisaged in the aforesaid notification was collected from all units /KMO's and was compiled at Head Office level and necessary entries were passed in the books of Corporate Office on behalf of respective units and passed on to them in the subsequent years.
10	Interest due on outstanding Trade payable to MSME as per MSMED Act has not been provided in the financial statements. (Refer	There are Micro, Small and Medium Enterprises to whom the Company owes, which are outstanding for more than 45 days as at 31st March 2019

Sl. No.	Comments of Statutory Auditor	Management's Response
	Note:48). Details relating to MSME as specified under points (a) to (e) under FA under General Instructions for preparation of Balance Sheet as per Notification bearing No.F.No.17/62/2015-CL-V Vol-I, dated 11.10.2018 was not disclosed. Since details to ascertain the financial effect of the same is not readily available with the company, we are unable to comment on the financial effect of the non-provision and non-disclosure of the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year and other disclosures specified against FA.	as per the terms of agreement with them. The interest due to such outstanding as per MSMED Act has not been provided in the Financial Statements. This fact was already been disclosed in the Note 48 forming part of Financial Statements for the reporting period.
11	In respect of Units and KMO's audited by unit/KMO auditors, they have made certain qualifications in respect of transactions specific to that Unit or KMO which are reproduced in Annexure-1 to this report. (Reference is invited to item 4 below).	In the preparation of Standalone Financial Statement for the year ended 31st March 2020, the Company has considered the observations of Branch Auditors to the extent possible. For remaining points, it is ensured that the observations will be considered as guidance for future.
12	We further report that:- a) Had the quantifiable qualifications in paragraph 'b' to 'd' above and item 'i' read with point 3(3) and (7) in Annexure-1 below been effected, the Profit for the year before exceptional and extra ordinary items read with our qualification in Para (e) to (i) would have been Loss for the year of Rs.6052.43 lacs, the current liabilities would have been higher by Rs.6,052.43 lacs, We are unable to determine the financial impact of the qualifications in points (e) to (h) in the absence of sufficient and appropriate details	Refer to the Management's Response to the respective observations stated above.

MANAGEMENT'S RESPONSE TO THE COMMENTS OF STATUTORY AUDITOR'S REPORT ON
THE CONSOLIDATED FINANCIAL STATEMENT
OF KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LTD.
FOR THE YEAR 2019 20

Sl. No.	Comments of Statutory Auditor	Management's Response
2	Basis for Qualified Opinion	
3	Consolidated financial statements does not include financial statements of certain subsidiary companies; namely Keltron Counters Limited, Keltron Rectifiers Limited, Keltron Power Devices Limited and associate companies such as Keltron Projectors Limited, SIDKEL Televisions Limited, Keltron Varisters Private Limited which are either under liquidation or defunct, in the absence of financial statements. Being so, we are unable to determine the impact on non - consolidation of such companies in the consolidated financial statements (Refer Note # 1).	The Audited Financial Statements of Subsidiaries/Associate Companies mentioned by the auditors are either defunct or under liquidation which are not available as on the reporting date. Further, as a part of sanctioned scheme by BIFR, the Company has moved a Financial Restructuring proposal before Government of Kerala for adjusting the investments, loans and advances of these subsidiaries/associates which are under liquidation against the liability in respect of loans from Government of Kerala availed by the Company. The proposal has been considered by the Government of Kerala and finally approved by Public Enterprises Board (PEB), Government of Kerala on the meeting held on 16th January 2020 and later on sanctioned vide GO(MS) No.53/2020/ID dated 15th May 2020. Hence, as envisaged in the para 11 of AS – 21, the consolidation of such defunct subsidiaries/associates are excluded from consolidation and treated as nil value investment in respective companies as per AS – 13, "Accounting for investments
4	Other Long-Term Liabilities (Note-5) include interest accrued but not due on loans from Govt. of Kerala amounting to Rs.1,141 lacs comprising of Rs.889 lacs being the interest accrued until 31-03-2010 on Government loan of Rs.7187 lacs, which was converted into equity vide GO (MS) No.183/11/ID dated 26.08.2011 and Rs.252 lacs being the interest and	Interest accrued on Government Loan disclosed under 'Other Long Term Liabilities' comprises of the following: (i) Regarding Rs 252 lakhs, it is the Interest accrued on Loans not converted in to equity vide G.O. (Ms) No.53/2020/ID dated 15th

Sl. No.	Comments of Statutory Auditor	Management's Response
	penal interest accrued until 31-03-2006 on Government loan of Rs.1,066 lacs. No action seems to have been taken by the company or GOK in respect of accrued interest of Rs.1,141 lacs. Hence, we are unable to comment on the company's classification of Rs.1,141 lacs as Long Term Liabilities, since there is no clarity on the due date for repayment of Interest (Refer Note: 35).	May 2020. The Government of Kerala approved the conversion of Government Loan of Rs 7200 lakhs in to equity vide G.O. (Ms) No.53/2020/ID dated 15th May 2020. Further to improve the net worth, the company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021 represented before Government to consider the conversion of interest accrued on Government Loan amounting to Rs.9230.61lakhs to equity share capital in line with the recommendation of Public Enterprises Board. This has been sanctioned vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020. (ii) Regarding Rs 889 lakhs, it is the interest accrued on Government loan aggregating to Rs.7187.56 lakhs converted to Equity Share Capital vide GO(MS)No 183/11/ID dated 26th August 2011, as a part of Financial Restructuring with respect to the Sanctioned Scheme of BIFR. As observed by the statutory auditor we have classified the interest accrued amounting to Rs 1,141 lakhs as non-current on the assumption that the same is not repayable in the near future.
5)	Investment pending allotment of Rs.1704 lacs (Previous year Rs.1704 lacs) disclosed under Note : 13 "Long term loans and advances" was made to subsidiary companies which are under liquidation. This comprise of Rs.576 lacs to Keltron Rectifiers Limited and Rs.1127 lacs to Keltron Power Devices Limited. Advance to subsidiary companies amounting to Rs.1265 lacs (Previous year : Rs.1920 lacs) disclosed under Note : 12 "Long term loans and advances" represents the advances made to subsidiary companies, which	The Hon'ble High Court of Kerala in its judgment dated 06th March 2006 and 14th November 2005 issued orders for the winding up of Keltron Rectifiers Limited and Keltron Power Devices Limited respectively and appointed the Official Liquidator. The Government of Kerala vide G.O.(MS) No. 165/08/ID dated 22nd October 2008 ordered to take over the aforesaid subsidiary companies (a) & (b) with all liabilities including future liabilities, simultaneously with its assets by the Company. Government of Kerala also filed an affidavit before the Hon. High Court of Kerala for the above take over. The Scheme for takeover of the above two subsidiary companies as per the Government G.O. is under process and hence as

Sl. No.	Comments of Statutory Auditor	Management's Response
	are under liquidation, net off full provision of Rs.1312 lacs (previous year Rs.656 lacs) against the advance to Keltron Counters Ltd. Present balance comprise of Rs.414 lacs to Keltron Rectifies Limited (PY:Rs.414 lacs) and Rs.851 lacs to Keltron Power Devices Limited (PY: Rs.851 lacs) The Company has stated reasons for non – provision of the above said advances to subsidiary companies (Note 36 (i) and 36 (ii)). However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that provision for non–recoverability of the Investment pending allotment of Rs.1704 lacs and advance of Rs.1265 lacs (aggregate amount Rs.2969 lacs) (previous year Rs.2969 lacs). To the extent of this non – provisioning of Rs.2969 lacs, the profit of the company and long-term loans and advances are overstated.	mentioned in Note 36(i) no provision has been made in the accounts regarding the investment pending allotment in respect of these two companies. In the matter of Keltron Power Devices Ltd (KPDL) and Keltron Rectifiers Limited (KRCL) as mentioned in Note 36(i) forming part of Financial Statement, the Hon.High Court of Kerala has ordered winding up of both the Companies. The Company has filed an application before the Hon. High Court of Kerala on 09th October 2017 for recalling the winding up order of KPDL and KRCL, discharge the Official Liquidator and to take over the assets and liabilities by the holding company. As per the direction of Hon.High Court of Kerala, a Revival Scheme for the setting up of plan for the manufacturing of 100MW Solar Panel at the landed property of KPDL and KRCL was submitted. The scheme is yet to be heard by the Hon.High Court of Kerala. Meanwhile, Government of Kerala vide GO (RT) No. 883/2018/10 dated 26/07/2018 has issued Administrative Sanction towards the Budget-Support for the company for the setting up of manufacturing facilities for Solar Modules. The Special Government Pleader (Taxes) informed that the Revival proposal has to be filed by the Government of Kerala and hence an Affidavit of the Chief Secretary has to be filed. Due to the pendency of the above situation, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation. However, the Company will ensure that necessary book adjustments with respect to the said 'Long term Loan and Advances' will be dealt with, once the subject matter reaches finality as envisaged in the Revival Scheme under the consideration of Hon.High

Sl. No.	Comments of Statutory Auditor	Management's Response
		Court. This fact was also been disclosed under Note 36(ii) forming part of Financial Statements.
6)	Regular write-off/write back of bad and doubtful debts/liabilities and provision for bad and doubtful debts and advances of Rs.-(47.38) lacs (Previous year : Rs. 1417 lacs) are classified as exceptional item and disclosed under Note No.29 though the items are the outcome of regular business transactions. We are of the opinion that the same should have been classified under Note No.27 – "Other Expenses"	Note 29-Exceptional items include the write off/provisions of long pending trade receivable, advances, deposits, diminution in value of investment, for which separate disclosure is required to depict the performance of the Company in the normal operations for the reporting period. The disclosure of aforesaid line items under 'Exceptional Items' is due to the reason that, the effect of these items pertaining to operations of earlier years, which is long pending and having significant impact in the profitability of the reporting period. This fact was also disclosed in Note 29-Exceptional Items as foot notes.
7)	Keltron Lighting division of the holding company has not made provision for amount due from M/s.Soft grip power solutions Pvt. Ltd., for Rs.16,21,119/- wich is overdue for long period. To that extent, profit and Non-current Assets had been overstaed.	M/s. Softgrip Power Solutions Pvt. Ltd. was the supplier of PCB for production of KSEB energy meter cards and the corresponding customer was M/s. UNILEC, Kollam. The debit balance in account was the result of passing of purchase return entries due the rejection of meter cards by UNILEC The litigation with M/s Softgrip Power Solutions is still pending at Hon'ble High Court of Bombay, hence we have not made any provision in this regard and maintained the status quo during the reporting period.
8)	Keltron Marketing Office, Kolkatta of the holding company has not made provision for non-collectible Earnest Money Deposit of Rs.13,27,780/- To that extent, deposit had been over stated and loss had been understated.	As observed by the Statutory auditor, during the reporting period, KMO Kolkata has not made any provision for long outstanding irrecoverable EMD's. But in the subsequent financial year i.e.FY 2020-21 provision for the same has been effected in the books of KMO-Kolkata.
9)	We are unable to comment on i) The Compliance of Accounting Standards (AS) – 28 on 'Impairment of Assets', in the absence of appropriate evidence.	As envisaged in AS-28, Impairment of Assets, the company has made an assessment of each item of assets at unit level as on the reporting date with

Sl. No.	Comments of Statutory Auditor	Management's Response
	(Refer Significant Accounting Policies – Point II (b) under profit and loss)	respect to indications of any impairment. Accordingly, necessary adjustments if any will be made in the Financial Statements, disclosed in Note-29 Exceptional Items.
	ii) The companies of AS – 17 on 'Segment Reporting' in view of the claim of the Company that it is not having reportable segments (Significant Accounting Policies – Point VII under Balance Sheet)	The company is primarily dealing with manufacturing, supply installation and maintenance of electronic systems. As envisaged in AS-17, there is no distinguishable business segment or geographical segment which is subject to different risk and return. Hence, Segment Reporting in accordance with AS-17 is not applied. This has also been mentioned in Note-A (II)(i)-Significant Accounting Policies forming part of the Financial Statements.
10)	The audited financial statements of 6 units and 7 Keltron Marketing Offices (KMOs) of the company, audited by the Unit/KMO auditors of respective units/KMOs, are not in compliance with the amended provisions of disclosures of Trade Payables under Schedule III applicable from the current year, which required to disclose the (i) total outstanding dues of micro enterprises and small enterprises; and the (ii) total outstanding dues of creditors other than micro enterprises and small enterprises, separately, on the face of the balance sheet. However, this disclosure is included in the Standalone Financial Statement of the Company as a whole. We are unable to comment on the correctness or otherwise of this classification in the absence of such classification in the audited financial statements of certain units/KMOs considered for the preparation of the Standalone Financial Statement and the financial impact of the same is also not ascertainable. Interest due on outstanding Trade payable to MSME as per MSMED Act has not been provided in the financial statements. (Refer Note 47). Details relating to MSME as specified under points (a) to (e) under FA under General Instructions for preparation of balance sheet as per Notification bearing No. F.No.17/62/2015–CL–V Vol–I dated 11.10.2018 was not disclosed. Since details to ascertain the financial	The Ministry of Corporate Affairs (MCA) vide notification dated 11th October 2018 amended the Schedule III of the Companies Act whereby from the financial year 2018-19 onwards we have to disclose Sundry Creditors for Purchase of Supplies/Services as MSME and non MSME.As the statutory audit of all units/KMO's have been completed, data with regard to the disclosure envisaged in the aforesaid notification was collected from all units /KMO's and was compiled at Head Office level and necessary entries were passed in the books of Corporate Office on behalf of respective units and passed on to them in the subsequent years. There are Micro, Small and Medium Enterprises to whom the Company owes, which are outstanding for more than 45 days as at 31st March 2020 as per the terms of agreement with them. The interest due to such outstanding as per MSMED Act has not been provided in the financial statements. This fact was already been disclosed in the Note 47 forming part of Financial Statements for the reporting period.

Sl. No.	Comments of Statutory Auditor	Management's Response
	effect of the same is not readily available with the company, we are unable to comment on the financial effect of the non provision and non – disclosure of the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year and other disclosures specified against FA	
11	According to Section 7(3-A) of the Payment of Gratuity Act, 1972 the subsidiary Company, Keltron Component Complex Limited (KCCL) has to pay simple interest at the rate specified by the Government on delay in payment of gratuity. No interest has been provided by the Company on the gratuity payable amount outstanding beyond the 30 days period as specified under Section 7(3) of the Payment of Gratuity Act, 1972. In the absence of adequate details and information pertaining to these delayed payments in the gratuity account, we are unable to quantify the effect of the interest burden not provided for by the Company in its financial statements.	It has been explained by KCCL that, they already paid all eligible undisputed terminal benefits to the retired employees of the Company. We are trying to trace the details of the employees who left the Company without any intimation to pay them the terminal benefits.
12	The audit committee of KCCL does not comprise of a majority of independent directors and therefore the Company has not complied with the provisions of section 177 of the Companies Act, 2013.	It has been explained by the KCCL that, the process of appointment of independent directors is in progress. As soon as the appointments of independent directors are made, the audit committee will be reconstituted with majority of independent directors.
13	The Fixed Asset Register of the Company includes assets, which have completed their normal useful life. However, the company does not have a policy in place to identify assets required to be discarded/ written off or to identify impairment of the fixed assets.	It has been explained by the KCCL that, majority of the fixed assets of the Company are very old and completed their normal useful life. Company is able to use the same through proper repairs and maintenance by highly specialised experts and development of own spares for the machines. As per the policy followed by the Company an asset is removed from the asset register only when the same is removed from the floor as unusable. However, we have constituted an expert committee on 07-11-2020 for identification of assets which has completed its normal useful life and removal of unusable.

Sl. No.	Comments of Statutory Auditor	Management's Response
14	The subsidiary company, KCCL does not have any policy in place to identify Non-moving/slow moving inventories and list of items of inventories with non-moving/slow moving have not been produced for verification.	It has been explained by the KCCL that the company has separate Committee with experts from different departments to evaluate and to take necessary actions regarding slow moving and non-moving inventories. The committee meets on a regular basis and takes appropriate actions including salvage/removal action.
15	In accordance with the terms of supply to one of the customers of the subsidiary company, Keltron Electro Ceramics Ltd. (KECL) a liability to pay liquidated damages is incurred on account of delay in supply as against agreed timelines for each contract of supply. The customer deducts the Liquidated Damages from the value of invoice and the net amount is paid by them. However, the amount charged as damages is neither communicated by the customer nor ascertained by the company. An amount of Rs. 21.94 lakhs being Liquidated Damages pertaining up to the financial year 2014-15 has been ascertained. However, such damages have not been recognized in the financial statements. The liquidated damages were liable to be recognized as expenditure in the financial statements but not so recognized. For the periods from financial years 2015-16 to 2018-19, the Liquidated Damages have also not been ascertained. An amount of Rs.15.68 lakh being Liquidated Damages for the financial year 2019-2020 has been ascertained. Accordingly the Loss for the period would have been higher by Rs.37.94 Lakhs and the balance of Reserves and Surplus and Trade Receivables would have been lower by the same amount. In respect of the financial year from 2015-16 to 2018-19, we are unable to quantify the amount as complete data is not available with the Company to ascertain the amount.	It has been explained by KECL that the Liquidated damages amounting to Rs.21.94 lakhs pertains to the years 2012-13,2013-14, and 2014-15 and Rs.15.68 lakhs pertains to the year 2019-20.The company has already made correspondence with BEL authorities regarding the release of LD amount. The company is waiting for the final confirmation from the party to write off the amounts.
16	The subsidiary company, KECL does not made provision for doubtful debts and advances have been made. The quantum of such balances are incapable of being ascertained in the absence of a procedure being followed for the same	It has been explained by KECL that the major portion of the present outstanding debtors relates to the holding company, KSEDC, and therefore the possibility of bad debts arising out of it is very remote. Also, the company is monitoring the outstanding on monthly basis. The company will try to identify the non recoverable debts and

Sl. No.	Comments of Statutory Auditor	Management's Response
		provide provision in the books of accounts after obtaining report on receivables.
17	We further report that:- a) Had the quantifiable qualifications in paragraph 4,5, 7 and 8 above been effected, the Profit for the year before exceptional and extra ordinary items read with our qualification would have been Loss for the year of Rs.2243.68 lacs, the current liabilities would have been higher by Rs.2998.49 lacs, b) We are unable to determine the financial impact of the qualifications in para 6 and Para 9 to 16 in the absence of sufficient and appropriate details.	Refer to the Management's Response to the respective observations stated above.

INDEPENDENT AUDITORS' REPORT

To
The Members of Kerala State Electronics-
Development Corporation Limited

Report on the audit of the Standalone Financial Statements

Qualified opinion

1. We have audited the accompanying standalone financial statements of KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED ("the Company) which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and the statement of Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of other auditors on the financial information of the units, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2020, its profit and cash flows for the year ended on that date.

Basis for Qualified Opinion

3. Other Long-Term Liabilities (Note: 4) include interest accrued but not due on loans from Govt. of Kerala amounting to Rs.1,141 lacs comprising of Rs.889 lacs being the interest accrued until 31.03.2010 on Government loan of Rs.7,187 lacs, which was converted into equity vide GO (MS) No.183/11/ID dated 26.08.2011 and Rs.252 lacs being the interest and penal interest accrued until 31.03.2006 on the Government loan of Rs.1066 lacs. No action seems to have been taken by the company or GOK in respect of accrued interest of Rs.1,141 lacs. Hence, we are unable to comment on the company's classification of Rs.1,141 lacs as Long Term Liabilities, since there is no clarity on the due date for repayment of Interest (Refer Note: 40 & 41).

4. Company is holding investment in the shares in its subsidiary Keltron Component Complex Limited (KCCL) to the tune of Rs.2,618.50 lacs (Previous year Rs.2,618.50 lacs) and in another subsidiary Keltron Electro Ceramics Limited (KECL) to the tune of Rs.314.44 lacs (Previous year Rs.314.44 lacs). Net worth of both these subsidiaries is negative as on 31.03.2020 and there is erosion in the net worth of these subsidiaries. The company could not reasonably establish that the decline in net worth is of temporary nature and therefore the company is required by the Accounting Standard: 13– 'Accounting for Investments' to provide for the diminution in the value of investments in these subsidiaries. However, the company has not made provision for the diminution of Rs.2932.94 and to that extent, the company has not complied with Accounting Standard: 13 (Note: 11), resulting in overstatement of profit by Rs.2932.94 lacs and understatement of short term provisions (Note: 9) by Rs.2932.94 lacs.

5. Investment pending allotment of Rs.1704 lacs (Previous year: Rs.1,704 lacs) disclosed under Note:12 “Long term loans and Advances” was made to subsidiary companies which are under liquidation. This comprise of Rs.576 lacs to Keltron Rectifiers Limited and Rs.1,127 lacs to Keltron Power devices Limited.

   Advance to subsidiary companies amounting to Rs.1265 lacs (Previous year: Rs.1265 lacs) disclosed under Note: 12 “Long term loans and Advances” represents the advances made to subsidiary companies, which are under liquidation. (Net off full provision of Rs.1312 lacs against the advance to Keltron Counters Ltd. Present balance comprise of Rs.414 lacs to Keltron Rectifiers Limited (PY: Rs. 414 lacs) and Rs.851 lacs to Keltron Power Devices Limited (PY: Rs. 851 lacs).

   The company has stated reasons for non-provision of the above said advances to subsidiary companies (Note 42 (i) and 42 (ii)). However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that provision for non-recoverability of the Investment pending allotment of Rs.1704 lacs and Advance of Rs.1265 lacs [aggregate amount Rs.2969 lacs] (Previous year Rs.2969 lacs). To the extent of this non-provisioning of Rs.2969 lacs, the profit of the company and Long term loans and Advances are overstated.

6. Advance to subsidiary companies of Rs.613 lacs (Previous Year: Rs.596 lacs) disclosed under Note: 17- Short Term Loans and Advances, comprise of Rs.527 lacs (PY: Rs.515 lacs) to Keltron Electro Cermaics Limited (KECL) and Rs.86 lacs (PY:Rs.81 lacs) to Keltron Component Complex Limited (KCCL). Net worth as on 31st March, 2020, of these companies is negative based on the audited financial statement of the said Companies and the company could not reasonably establish that the decline in net worth is of temporary nature. Still, the company has not made any provision towards non-recoverability of this advance of Rs.613 lacs. To this extent the profit of the company and Short Term Loans and Advances are overstated.

7. Regular write-off/write back of bad and doubtful debts/liabilities and provision for bad and doubtful debts and advances of Rs.- 47.38 lacs (Previous year: Rs.1417 lacs) are classified as exceptional item and included and disclosed under Note No.28 though the items are the outcome of regular business transactions. We are of the opinion that the same should have been classified under Note No.26- “Other Expenses”

8. We are unable to comment on;

   a) The compliance of Accounting Standards (AS)-28 on 'Impairment of Assets', in the absence of appropriate evidence. (Refer Significant Accounting Policies - Point II(b) under Profit and Loss)

   b) The compliance of AS -17 on 'Segment Reporting' in view of the claim of the Company that it is not having reportable segments (Significant Accounting Policies- Point VII under Balance Sheet),

9. The audited financial statements of 6 units and 7 Keltron Marketing Offces (KMOs) of the company, audited by the unit/KMO auditors of respective units/KMOs, are not in compliance with the amended provisions of disclosures of Trade Payables under Schedule III applicable from Financial year 2018-19 which required to disclose the (i) total outstanding dues of micro enterprises and small enterprises; and the (ii) total outstanding dues of creditors other than micro enterprises and small enterprises, separately, on the face of the Balance Sheet. However, this disclosure is included in the Standalone Financial statement of the company as a whole. We are unable to comment on the correctness or

otherwise of this classification in the absence of such classification in the audited financial statements of units/KMOs considered for the preparation of the Standalone Financial Statement and the financial impact of the same is also not ascertainable.

10. Interest due on outstanding Trade payable to MSME as per MSMED Act has not been provided in the financial statements. (Refer Note:48). Details relating to MSME as specified under points (a) to (e) under FA under General Instructions for preparation of Balance Sheet as per Notification bearing No.F.No.17/62/2015-CL-V Vol-I, dated 11.10.2018 was not disclosed. Since details to ascertain the financial effect of the same is not readily available with the company, we are unable to comment on the financial effect of the non-provision and non-disclosure of the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year and other disclosures specified against FA.

11. In respect of Units and KMO's audited by unit/KMO auditors, they have made certain qualifications in respect of transactions specific to that Unit or KMO which are reproduced in Annexure-1 to this report. (Reference is invited to item 4 below).

12. We further report that:-

    a) Had the quantifiable qualifications in paragraph 'b' to 'd' above and item 'i' read with point 3(3) and (7) in Annexure-1 below been effected, the Profit for the year before exceptional and extra ordinary items read with our qualification in Para (e) to (i) would have been Loss for the year of Rs.6052.43 lacs, the current liabilities would have been higher by Rs.6,544.43 lacs,

    b) We are unable to determine the financial impact of the qualifications in points (e) to (h) in the absence of sufficient and appropriate details.

13. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Emphasis of Matter:

15. We draw attention to the following matters in the Notes to financial Statements:

    a) Note 10 of financial statements. Property, plant and equipments are physically verified by the Management and not observed by us. The title deeds of certain land and its tax paid receipts are not available with the company (Please refer Item (i) (c) of Annexure 2) and the Company does not have the practice of obtaining non-encumbrance and possession certificates as at year end for the landed properties held by it.

b) Note.40 to the financial statements with regard to the approval of financial re-structuring proposal of the company by Government of Kerala.

c) Note 43 to the financial Statements with regard to conversion of Term Loan to Subsidaiary company (KECL) and its accrued interest into equity share capital

d) Note 53 of the financial statements with regard to accounting for the Tax Deducted at Source by the company.

e) Note 55 of the financial statements with regard to writeback of excess provision of earlier year in respect of Bonus

f) Note 57 of the financial statements with regard to the decision of the management to not to pursue the matter of earlier classification of the company as Sick Industry with the National Company Law Tribunal as the company is not, in the opinion of the management, a sick company as per the Act or Insolvency and Bankruptcy Code 2016.

g) Balances under Long-term borrowings (Note-3), Other long term liabilities (Note -4), Short term borrowings (Note -6), Trade payables (Note-7), Other current liabilities (Note-8), Long term loans and advances (Note-12), Trade receivables under Other non-current assets (Note-13), Trade receivables (Note-15) under Current assets, Short term loans and advances (Note - 17) are subject to confirmation/ reconciliation.

Other Matters:

16. We did not audit the financial statements of 5 units and 7 KMOs of the Company, whose financial statements reflect total net assets of Rs.34750 lacs as at March 31, 2020, total revenues of Rs.35142 lacs and net cash outflow amounting to Rs. (685) lacs for the year-ended on that date as considered in the financial statement. These financial statements have been audited by other auditors ("branch auditors") whose reports have been furnished to us by the Management and our opinion on the financial statements, in so far as they relate to the amounts and disclosures included in respect of these units and KMOs and our report, in so far as it relates to the aforesaid units and KMOs, is based solely on the reports of the other auditors.

17. Our opinion is not qualified in respect of this matter.

Information other than Standalone Financial Statements and Auditors Report thereon.

18. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

20. In connection with the audit of these financial statements, our responsibility is to read the other information identified above 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.

21. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management Responsibility for the Standalone Financial Statements

22. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015.

23. 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements :

26. Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

27. 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.

28. 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 Sec.143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial reporting 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 a 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.

29. 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.

30. 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.

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

Report on Other Legal and Regulatory Requirements

32. As required by the Companies (Auditor's Report) Order, 2016 ('the order") issued by the Central Government in terms of Section 143(11) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order.

33. As required by section 143(5) of the Act, we give in Annexure 3, a statement on the compliance to the Directions issued by the Comptroller and Auditor General of India.

34. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and except for the matters described in the Basis for Qualified opinion paragraph, 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 possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the units/marketing offices not audited by us.

   c) The reports on the accounts of the units/KMOs of the Company audited under Section 143(8) of the Act by branch auditors have been given to us and have been appropriately dealt with by us in preparing this Report.

   d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the units/KMOs offices not visited by us.

   e) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 4” to the report

   g) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have any adverse effect on the functioning of the Company.

   h) Being a government company, the provisions of sub section 2 of section 164 of the Companies Act, 2013 is not applicable.

   i) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.

   j) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note:29 to the standalone Financial statements)

      ii. The Company did not had any long term contracts including derivative contracts for which there were any material foreseeable losses during the year under audit.

iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company.

For SRIDHAR & CO. (FRN: 003978S)
CHARTERED ACCOUNTANTS

Sd/-

R. SRIPRIYA
PARTNER (M.NO.209371)
UDIN: 22209371BECKJG9249

Date: 18.11.2022
Place: Thiruvananthapuram

Annexure – 1 to INDEPENENT AUDITOR'S REPORT

(Referred to in paragraph (l) under 'Basis for Qualified Opinion section of our report)

<table>
<tr><th></th><th>Unit</th><th>Qualification</th></tr>
<tr><td>1.</td><td>Keltron Communication Complex (KCC), Monvila</td><td>On our scrutiny of the debtors and creditors ageing maintained by the unit, we have noted that Several parties have been stagnant for more than a year. An ageing analysis of debtors and creditors outstanding for more than a year is given below:
<table>
<tr><th>Particulars</th><th>>1-year up to 2 years (Rs.)</th><th>>2 years up to 3 years (Rs.)</th><th>>3 years (Rs.)</th></tr>
<tr><td>Debtors having debit balance</td><td>96,59,092</td><td>33,37,200</td><td>4,47,70,900</td></tr>
<tr><td>Debtors having credit balance</td><td>NIL</td><td>NIL</td><td>6,40,077</td></tr>
<tr><td>Creditors having credit balance</td><td>40,59,356</td><td>6,29,682</td><td>1,69,75,275</td></tr>
<tr><td>Creditors having debit balance</td><td>NIL</td><td>NIL</td><td>12,24,451</td></tr>
</table></td></tr>
<tr><td>2.</td><td>Information Technology Business Group (ITBG)</td><td>• Advance from customers of Rs.6,09,17,373/- (P.Y. Rs.6,18,02,681/-) shown in Note No.8, Other current liabilities, includes 'TV instalment advance' to the tune of Rs.29,48,668/- (P.Y. Rs.29,48,668/-) as on 31.03.2020. On our verification, it was noted that the unit has received the above-mentioned amount in relation to DDU-GKY, a central government project of the unit, which was already completed in the previous years. The unit has maintained the provision amount with a view that the amount shall be repaid on demand, which however was not demanded till date. However, no confirmation or details to this effect was provided for our verification and hence we are unable to confirm whether it is appropriate to maintain the balance as a current liability or it is to be written-back.

• The unit has shown provision for warranty under Note No.9 of financial statements for Rs.5, 53,988/- (P.Y. Rs.9, 57,835/-) as on 31.03.2020. In the instance of receiving any warranty claim from customers with respect of Keltron PC's, the unit will bear the service warranty related expenses and charges the same to repairs and maintenance expenses rather than reversing from warranty provision, which is not in compliance with AS-29.

• The unit has Sundry creditors for expenses to the tune of Rs.3,41,76,365/- (P.Y. Rs.4,17,58,298/-) as on 31.03.2020, shown under Note No.8 of the financial statement, in which stagnant balances during the year amount to Rs.1,17,07,445/-. Out of which Rs.47, 60,567/- has been stagnant for more than three years. In our opinion, the same may be written back to the</td></tr>
</table>

<table>
<tr><td></td><td></td><td>Profit and Loss account with the approval from the authority concerned.
• The closing stock of finished goods for Resale Unit of ITP as at the end of the year 2019-20 is valued at Rs.6,08,73,901/- (P.Y. Rs.1,48,27,564/-) shown under note no.14 'Inventories' of the financial statement, which includes Rs.5,41,70,311/- pertaining to KITE networking project which was started as a new project in the year 2018-19, however, the stock value of this new project as at 31.03.2019 was not accounted in the year 2018-19. As the stock data as at 31.03.2019 is not available in the records for this project, we are not able to assess and disclose the impact of this item in the profit and loss account for the current year i.e. 2019-20.</td></tr>
<tr><td>3.</td><td>KELTRON Lighting Division (KLD)</td><td>• The unit has proposed the following write off based on the various comments by the auditors, C&AG and their own findings.
<table>
<tr><td>Account Head</td><td>Debit balance</td><td>Credit balance</td></tr>
<tr><td>Trade payable</td><td>52,037.00</td><td>77,812.66</td></tr>
<tr><td>Trade receivable</td><td>2,94,853.60</td><td>9,28,168.86</td></tr>
<tr><td>EMD payable</td><td></td><td>1,00,000.00</td></tr>
</table>
Hence in the current year balance sheet these items are overstated/understated under their appropriate heads.
• In respect of a debtor M/s Tirupathi Enterprises, the unit has transferred a sum of Rs 21,87,500/- from its outstanding amount of Rs 30,41, 891/- to security deposit leaving a balance of Rs 8,54, 391/- as receivable as debtors, thereby overstating security deposit and understating debtors by Rs.21,87,500 each. There is no corresponding confirmation from the party for the transfer to security deposit. Moreover basis of such transfer even when the recoverability of this amount is in question was not properly explained.
• No provision has been made for amount due from M/S Soft grip Power Solutions Pvt Ltd for Rs.16, 21,119/- which is overdue long period and this has resulted in overstatement of noncurrent assets and profit by the above amount.</td></tr>
<tr><td>4.</td><td>KeltronTool RoomCum Training Centre, Kuttipuram (KTTC)</td><td>The unit has both taxable and non taxable supply for the year 2019-20. But the unit has availed total Input Tax Credit without reversing the proportionate ITC on non taxable supply thus violating the provisions of the GST Act in the utilization of ITC. The non eligible ITC amounting to Rs.62, 417 availed is not reversed nor a provision for such reversal is brought into the books of accounts thereby understating the current liabilities. Also there is a chance of legal repercussion in the nature of GST notice/ demand being issued.</td></tr>
</table>

5.	**KMO Ahmadabad**	The Ahmadabad Marketing Office has carried out certain transaction with Subsidiary of the company for rendering certain services. In our opinion, Goods and Tax should be additionally charged on these transactions as they are supply of services by Ahmadabad Marketing Office to other Branches of Company. [Schedule 1 (Section 7) of IGST Act, 2017: Supply of goods or services between related persons, or between Distinct Persons as specified in section 10, when made in the course or furtherance of Business. Supply of service between two branches of a company held in different states falls under this Specification.] As the Ahmadabad Marketing Office hasn't charged Goods and Service Tax on these transactions, amount received from other branches towards consideration should be considered as inclusive of Goods and Service Tax Amount. The Ahmadabad Marketing Office has failed to remit the states amount of Goods and Service Tax to the department. This noncompliance attracts interest and penalty, the provision of which isn't made in financial statements of the company. Not providing such penalty in the financial statements continues a departure from the Accounting Standards prescribed under Sec 133 of the Companies Act, 2013. Qualification of amount of such interest and penalty hasn't been made available to us. Accordingly, effect of such reduction on Net Profit couldn't have been ascertained.
6.	**KMO Mumbai**	• In respect of Inventories during the reporting period the Mumbai branch has not maintained proper and adequate records for ascertainment of non-moving, slow moving and obsolete items. Further no provision has been made on diminution in the value of old and slow moving inventory. The financial impact of the above remarks, are not ascertainable/ quantifiable and, therefore, cannot be commented upon. • The Branch is having an outstanding liability payable to the subsidiary companies aggregating to Rs 152.58 Lacs (net) and the balance is not reconciled with the respective subsidiary companies. Moreover this liability amount is included in the schedule of Short Term Loan and advances (assets side) thus having an effect of reducing the balance of Short Term Loans and advances and Other Current liabilities by a similar amount in the Balance sheet of the company. • We have noted that some of the projects / sales undertaken by the Branch are covered under warranty for defect liability of the future period. Whereas the entire contractual income is accounted on completion of the project, the liability on account of the future warranty obligation is provided in the books on estimate basis. In the absence of accurate calculations/certificate from engineer, the impact of the same on the Profit/Loss of the Branch cannot be ascertained. • The balance outstanding on service tax liability amounting to Rs 23.32 Lacs (Credit) under the head Current Liabilities is un reconciled. Due to non-availability of the reconciliations we are unable to quantify the impact of adjustments, if any, on the financial statements of the Branch.

7.	**KOLKATTA**	• No provision has been made for Non-Collectable Earnest Money deposit of Rs.13,27,780, for which deposits has been overstated and also the loss for the year has been understated to that extent.

For SRIDHAR & CO. (FRN: 003978S)
CHARTERED ACCOUNTANTS

Sd/-

R. SRIPRIYA
PARTNER (M.NO.209371)
UDIN: 22209371BECKJG9249

Date: 18.11.2022
Place: Thiruvananthapuram

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report)

1. In respect of the Company's fixed assets:
   a) The Company has maintained generally proper records showing most of the particulars including quantitative details except for location and identification number of assets not seen recorded in fixed assets register.
   b) The fixed assets have been stated to be physically verified by the Management during the year and are not observed by us. However, the physical verification procedure needs to be strengthened. As explained to us, no material discrepancies were noticed on such physical verification.
   c) In our opinion and according to information and explanations given to us and on the basis of an examination of records of the Company, the title deeds of immovable properties are held in the name of the Company, except in the case of KEC, Karakulam. According to the information and explanation given to us, KEC, Karakulam is in possession of 15.62 acres of land as per the file records of the company, of which the title deeds in respect of 1.17 acres only is available. The survey conducted by Taluk Office confirmed 10.22 acres as held by the company, based on which the Tahasildar, Nedumangadu Taluk, in October, 2019, recommended regularisation of the said 10.22 acres in company’s name and also recommended for mutation of 4.94 acres under rule 28 of the Transfer of registry rules, as held by the company for more than 12 years. However, the regularisation by the revenue authorities is still pending.
2. As explained to us, the inventories have generally been physically verified by the Management but not at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the Management need to be strengthened in relation to the size of the Company and the nature of its business, no material discrepancies were noticed on such physical verification though the reconciliation with books of account is yet to be done.
3. The Company, being a government company is exempted from the provisions of section 184(2) and section 188 of the Act and being so, is not required to maintain the Register under Section 189 of the Companies Act, 2013 and hence clauses (iii) (a), (b) and (c) of CARO are not applicable.
4. In our opinion and according to the information and explanations given to us, during the year, the Company has not given any loans or guarantee to directors or to any other person in whom the director is interested. Hence the provisions of the section 185 and 186 of the Act are not applicable.
5. According to the information and explanations given to us, the Company has not accepted deposits from public to which the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under are applicable. Thus paragraph 3(v) of CARO is not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have,

however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

7. According to the information and explanations given to us and records of the Company examined by us, in respect of statutory dues and after considering the Rehabilitation Scheme of BIFR:

8. In our opinion and according to the information and explanations given to us, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Goods and Service tax, Customs duty, Cess and other material statutory dues, if any, applicable to it with appropriate authorities and there were no arrears of such dues at the year end which have remained outstanding for a period of more than sixmonths from the date they become payable except the following:

Sl.No.	Nature of Dues	Amount (in lacs)	Period to which amount related
1	Service Tax	8.43	Prior to 2019-2020
2	ESI	0.44	Prior to 2019-2020
3	ESI	0.27	2019-2020
4	Income Tax	0.13	2009-2010

9. According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues towards Goods and Service Tax, provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess as at March 31, 2020, which have not been deposited on account of disputes are furnished below:

Nature of the statute	Nature of dues	Amount (In Lacs)	Period to which dispute relates	Forum where dispute pending
Orissa Sales tax Act	Demand by sales tax authorities against Execution of works contract	3.14	1994-95 to 1996-97	Dy Commission of Sales Tax- Angul, Orissa
KVAT	Tax and Interest	20.35	2009-10	Commissioner Appeals
KVAT	Tax and Interest	23.85	2010-11	Commissioner Appeals
West Bengal VAT Rules	Demand as per Order dated 29.09.2014	80.17	2011-12	West Bengal taxation Tribunal
Service tax	Cenvat credit availed on common input services	1406.83	2008-09 to 2011-12	CESTAT Bangalore
Service tax	Interest and penalty for delayed payment	28.23	2016-17	Commissioner Appeals
KVAT	Interest and penalty for	97.00	2013-2014	Commissioner Appeals

	delayed payment			
The Central Excise Act,1944	Duty Demand, Differential Duty, Classification issue and CENV AT credit along with interest payable upto May 2011	472.68	1990-91 to 2007-2008	Details not available
KV AT	Tax and Interest	56.17	2010-11 to 2013-14	KV AT Apellate Tribunal, Trivandrum
Income Tax	Tax and Interest u/s.154 read with 147 of Income Tax Act, 1961	362.36	2012-13	Assessing Officer
Income Tax	Tax and Interest u/s.154 read with 143(3) of Income Tax Act,1961	0.44	2017-18	Assessing Officer

10. Based on our examination of the records of the Company and according to the information and explanations given to us, the Company has defaulted in repayment of dues to financial institution, bank, Government and debenture holders as at Balance Sheet date, the details of which are given below.

    The details of defaulted loans and interest thereon as on reporting date (without Considering the qualifications In our main report:)

Name of lender and Nature	Period of Default	Default amount (in lacs)
Loan From Government of Kerala	Less than 7 years.	800.00
Interest accrued and due government of Kerala.	Less than 7 years.	812.00

11. According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer. Hence, requirements of paragraph 3(ix) of CARO are not applicable to the Company.

12. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees of a material nature has been noticed or reported during the course of our audit.

13. As per Notification No GSR 463(E) dated 05th June 2015 issued by Ministry of Corporate Affairs, Government of India, Section 197 of Companies Act, 2013 is not applicable to the Company. Accordingly, paragraph 3 (xi) of the Order is not applicable.

14. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the CARO is not applicable to the Company.

15. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been

disclosed in the Financial Statements as required by the applicable Accounting Standards.(Note:38 and 39)

16. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.

17. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

18. According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the CARO is not applicable to the Company.

For SRIDHAR & CO. (FRN: 003978S)
CHARTERED ACCOUNTANTS

Sd/-

R. SRIPRIYA
PARTNER (M.NO.209371)
UDIN: 22209371BECKJG9249

Date: 18.11.2022
Place: Thiruvananthapuram

ANNEXURE 3 TO THE INDEPENDENT AUDITOR'S REPORT:

The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of Section 143 (5) of the Companies Act, 2013.

While issuing the Auditors report u/s.143 (5), the auditors of KMO, Ahmadabad did not answer the additional directions intimated by C&AG as "directions under section 143(5) of companies Act, 2013, applicable from the year 2018-19" and the Auditors of ITBG and KCC units and KMOs of Hyderabad, Bangalore, Chennai, Mumbai and Delhi have included the additional directions issued under section 143(5) of the companies Act for earlier financial years. Hence, we are unable consider the status of compliance of the additional directions in respect of afore mentioned units/KMOs.

As required by Section 143(5) of the Act, we give a statement on the compliance to the Directions issued by the Comptroller and Auditor General of India for the year 2019-20, without considering the units/KMOs mentioned above, as below.

Directions under section143(5) of the Companies Act, 2013	Report	Action Taken	Impact in accounts and Financial State ments
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 implication, if any	Yes. Except in the case of KCA, wherein the Fixed assets module, tender and training fees collected not integrated and the unit have to prepare manual report of asset and GST liability for tender and training fee collected. The financial implication of above is not quantifiable.	-	The financial implication is not quantifiable in the case of KCA
2. Whether there is any restructuring of an 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.	Government of Kerala vide GO(MS) No.53/2020/ID dated 15th May 2020 has approved a Financial Restructuring proposal in respect of loans issued by GOK, which included conversion of loan into equity and waiver of interest. The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020. GO(Rt) No:108/2022/ID dated 18th October 2022 amending the GO(MS) No.53/2020/ID dated 15th May 2020 (sanctioning the financial restructuring proposal of	Not Applicable	Refer Note 40 to Financial statements of 2019-20

	the company) to the extent of waiver of interest, sanctioned the conversion of accrued interest to Share capital. Hence, the loans along with accrued interest amounting to Rs.170,30,79,571/- hd been transferred to "Share application money pending allotment" and the inclusion of the same in Equity share capital is awaiting the completion of compliance procedures.		
3. Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and condition? List the cases of deviation	No such cases	-	-

Sector Specific Sub-directions under Section 143(5) of the Companies Act,2013

Sl.No		
A	**Agriculture and Allied Sector**	Not Applicable
B	**Finance Sector**	Not Applicable
C	**General and Social Sector**	Not Applicable
D	**Power Sector**	Not Applicable
E	**InfrastructureSector:**	**ITBG and KCC units come under this sector and the reports of the auditors of these units are considered and reported hereunder.**
1	Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.	The Company is having adequate safety measures to prevent encroachment of land. No litigation is pending with respect to encroachment as on date.
2	Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/ policies of the Government? Comment on deviation, if any.	The auditors of the units under this sector have reported that there are no projects identified for Public Private Partnership.

3	Whether a system for monitoring the execution of works vis-a-vis milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.	The Company is having a system of monitoring the Projects being undertaken by its units at various levels, in line with the terms and conditions of respective Orders from the Customers. All impact in the cost incurred in the project are being reflected in the books.
4	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/utilized? List the cases of deviation.	Recently, the Company has been sanctioned Plan Fund from Government of Kerala especially for the purpose of modernisation of infrastructure/production facilities. The funds are released as Government Loans. These funds are parked with special account maintained with Government Treasury until utilisation, and it can be utilised only as per the purpose for which the funds are released as per the Administrative Sanction. In case of project undertaken for Government Agencies/Departments having specific funding from Central/State agencies, the respective units shall follow the conditions if any stipulated in the agreement/order. However, such instances are rarely seen in Company's business.
5	Whether the bank guarantees have been revalidated in time?	It is reported by the auditors of units that bank guarantees had been re-validated in time.
6	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	The auditors of the units under this sector have confirmed that confirmation of balances for the cash and bank accounts were provided to them and there were no term deposits with the units. They have also reported that the units have not obtained confirmation on trade receivables and trade payables.
7	The cost incurred on abandoned projects may be quantified and the amount actually written-off may be mentioned.	The auditors of the units under this sector have reported that as informed by the management, there were no abandoned projects during the year,
F	**Manufacturing Sector**	**KCA, KLD, KTTC and KEC units comes under this sector and the reports of the auditors of these units are considered and reported hereunder.**
1	Whether the Company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?	The auditors of the units under this sector have reported that based on the records of the division examined and the information and explanations given they are of the opinion that the pricing policy of the division absorbs all fixed and variable cost of production.
2	Whether the Company has utilized the Government assistance for technology up gradation/ modernization of its manufacturing process and	The auditors of KLD and KEC have confirmed the utilisation of the Government assistance and timely submission of utilisation certificates while KCA and KTTC auditors have reported that there were no receipts of such assistance during reporting period.

	timely submitted the utilization certificates.	
3	Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.	The auditors of the units under this sector have reported that as per the information produced, the company has fixed policies for treating normal losses and evaluation of abnormal losses.
4	What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy.	The auditors of the units under this sector have reported that there are no by-products. Finished goods are valued at lower of cost or net-realisable value. It is also reported that no deviation from its declared policy is noted.
5	Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books.	The auditors of the units under this sector have reported that no such item exist as at the year end.
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 auditors of KLD and KEC confirmed the existence of effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification. While KCA auditor has reported that in their opinion, the procedures for physical verification of inventory are not adequate and reasonable in relation to the size of the division and nature of its business. KTTC auditor has reported that no effective methods exist to identify stock of consumable held as at the year end and hence no provision made for short/ excess of such consumables.
7	State the extent of utilization of plant and machinery during the year vis-à-vis installed capacity.	The auditors of KCA and KTTC have reported that the manufacturing activity is based on the Customer specific Orders.KLD auditor has reported 96.29% for LED lights manufacturing and 22.61% for hearing aids. And it is reported as 100% utilisation at KEC.
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 auditors of the units under this sector have reported that no such instances were observed.
G	**Service Sector**	**KMO's: Hyderabad, Ahmadabad, Delhi, Bangalore, Chennai, Kolkata, Mumbai and Units: KLD, KCA, KTTC and KEC come under this sector and the reports of the auditors of these units/KMO's are considered and reported hereunder.**
1	Whether the Company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the	With respect to Projects undertaken by manufacturing units executed through KMOs at respective locations, the pricing may be regulated by the former units, as per the project plan

	time of fixation of price?	decided on case to case basis. With respect to businesses executed by KMOs of their own pricing is managed by KMOs independently following internal procedures. In general, the Company's pricing policy absorbed all fixed and variable cost of production.
2	Whether the Company recovers Commission for work executed on behalf of Government/ other organizations that are properly recorded in the books of accounts? Whether the Company has an efficient system for billing and collection of revenue?	It is reported by the following units/KMO's that they are not generating any revenue in the form of commission from the government or other organisations during the year:-Hyderabad, Ahmadabad, Delhi, KCA, Kolkata, Mumbai and KEC. The following units/KMO's auditors have confirmed the recovery and record in the books of accounts: KLD, Chennai, and KTTC. It is also reported that the company has an efficient system for billing and collection of revenue.
3	Whether the Company regularly monitors timely receipt of subsidy from Government and is properly recording them in its books?	The auditors of the units under this sector have reported that no subsidy has been received from government during the year 2019-20.
4	Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?	The auditors of the units/KMO under this sector have reported that no such instance has occurred during 2019-20. With respect to Plan Fund parking at Government Treasury, the interest will not accrue as per the nature of such Account.
5	Whether the Company has entered into Memorandum of Understanding with its Administrative Ministry, if so, whether the impact thereof has been properly dealt with in the financial statements.	The auditors of the units/KMO under this sector have reported that they have not entered into Memorandum of Understanding with any of its Administrative Ministry during 2019-20.
H	**Trading**	**KMO's: Hyderabad, Ahmadabad, Bangalore, Delhi, Chennai, Kolkata, Mumbai and Units: KLD, KCA, KTTC and KEC come under this sector and the reports of the auditors of this units/KMO's are considered and reported hereunder.**
1	Whether the Company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	The auditors of the units/KMO's under this sector have reported that there is an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts except in the following cases: **KMO Chennai :** It is reported that realization of Sundry debtors is not satisfactory and debtors outstanding for more than 3 years is Rs. 1,07,99,220

		KMO Mumbai: It is reported that there are dues outstanding for more than 3 years as on the reporting period.
2	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 auditors of the units/KMO under this sector have reported that there is 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. While the following units/KMO's have reported as follows: KCA auditor has reported that in their opinion, the procedures for physical verification of inventory are not adequate and reasonable in relation to the size of the division and nature of its business.
3	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported	The auditors of the units/KMO's under this sector have reported that there exists an effective system to follow the recovery of dues in respect of sale activities
I	**Miscellaneous Sector** **a) Technology Oriented**	**KMO's Ahmadabad, Chennai, Kolkata and Mumbai come under this sector and the reports of the auditors of this units/KMO's are considered and reported hereunder.**
1	Examine and report the cases of dispute, if any, on contracts relating to supply of hardware as well as software. In the event of such assets remaining with the Company please report on its valuation and accounting in the books.	The auditors of KMO's have reported that no such instances were noted.
2	What is the system of recovering fees/ charges in regard to providing manpower to various agencies? Report the cases where no such recovery has been affected and accounted for.	KMO's Ahmadabad and Chennai have reported that the company has been following the terms and conditions as per the agreement in this regard while Kolkata and Mumbai auditors have reported that no such transactions were observed during the period.
3	What is the system of receiving revenue share from franchise, if any?	The auditors of KMO's under this sector have reported that no such revenue was received by the units.
4	Report the cases where software, hardware or IT enabled system is lying redundant/ outdated.	The auditors of KMO's under this sector have reported that no such instances were observed.
5	What is system of accounting of grants/ subsidies received from Central/ State Government or its agencies? Comment on the cases of diversion wherein the grants were not utilized for the purpose	The auditors of KMO's under this sector have reported that no grants / subsidies have been received from the Central / State Government or its agencies to the branch during the reporting period.

	for which these were received.	
	Miscellaneous Sector **b) Other**	**Units: ITBG and KCC and KMO's: Hyderabad, Bangalore, Chennai, Kolkata, Ahmadabad and Mumbai come under this sector and the reports of the auditors of this units/KMO's are considered and reported hereunder.**
1	Examine-the system of effective utilization of Loans/Grant-in-Aid/ Subsidy. List the cases of diversion of funds.	The auditors of units/ KMO's under this sector have reported that the units/KMO have not taken any loans or received any grant in aid or subsidy during reporting period.
2	Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period.	No major capital expenditure /expansion were incurred during the period under report.
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, which of the areas such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and whether the company has evolved proper security policy for data/ software. Hardware?	The auditors of units/ KMO's under this sector have reported that they have a computerised system for its financial accounting purpose and proper security measures had been taken for security of data/software/hardware, except KMO Mumbai wherein it is reported that The unit is using tally package only for financial accounting and inventory management. The tally needs to be strengthened for stores management. It is found that the Tally system has been secured with password for all the users.

For SRIDHAR & CO. (FRN: 003978S)
CHARTERED ACCOUNTAN TS

Sd/-

R. SRIPRIYA
PARTNER (M.NO.209371)
UDIN: 22209371BECKJG9249

Date:18.11.2022
Place: Thiruvananthapuram

ANNEXURE 4 TO THE INDEPENDENT AUDITOR'S REPORT

Report on Verification of Internal Financial Controls Over Financial Reporting under Clause (vi) 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 as of 31 March 2020 in conjunction with our audit of the standalone 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 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 authorizations of management and directors of the company; and

3 Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020:

1 Unrestricted access to the Enterprise Resource Planning (ERP) Software to all employees and under utilization of ERP software without integrating with payroll and other functions.

2 Non-reconciliation of debtors with the financial records and lack of proper follow-up with debtors for recovery.

3 Deficiencies in physical control of property, plant and equipment including unique numbering, incomplete fixed assets register and absence of proper physical verification.

4 The system of internal control with respect to maintenance of adequate records of ascertainment of slow moving and non moving items of inventory of KMO Mumbai was not maintained adequately for inventories records.

5 Non accounting of the possible future liability in respect of warranty obligations accepted with the sales of project in KMO Mumbai.

6 Non reconciliation of the old service tax liability outstanding for more than 10 years s found in KMO Mumbai.

7 The internal control regarding review of long pending advances, deposits and Trade payables needs further strengthening.

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.

Qualified Opinion:

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, 2020, 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, 2020 standalone financial statements of the Company, and these material weaknesses may affect our opinion on the standalone financial statements of the Company.

For SRIDHAR & CO. (FRN: 003978S)
CHARTERED ACCOUNTANTS

Sd/-

R. SRIPRIYA
PARTNER (M.NO.209371)
UDIN: 22209371BECKJG9249

Date: 18.11.2022
Place: Thiruvananthapuram

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Note no.	As at 31st March 2020 ₹	As at 31st March 2019 ₹
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share capital	1	2,03,55,18,100	2,03,55,18,100
(b) Reserves and surplus	2	(1,97,57,44,616)	(1,96,80,80,751)
Non-current liabilities			
(a) Long-term borrowings	3	12,58,77,270	81,97,70,696
(b) Other long-term liabilities	4	2,09,91,70,729	1,10,61,48,826
(c) Long-term provisions	5	12,02,89,882	13,69,89,307
Current liabilities			
(a) Short-term borrowings	6	31,01,13,892	2,85,22,515
(b) Trade payables	7		
i)Dues to Micro,Small & Medium Enterprises	(i)	91,85,83,804	93,70,22,881
ii)Dues to Others	(ii)	1,22,21,63,475	1,70,92,55,122
(c) Other current liabilities	8	1,14,74,61,295	1,14,48,43,668
(d) Short-term provisions	9	9,53,23,147	13,02,09,441
TOTAL		**6,09,87,56,978**	**6,08,01,99,805**
ASSETS			
Non-current assets			
(a) Fixed Assets	10		
(i) Tangible assets		24,30,86,930	21,67,04,585
(ii) Intangible assets		1,05,68,986	2,05,10,302
(iii) Capital work-in-progress		2,48,54,484	2,67,37,196
(b) Non-current investment	11	32,72,94,480	30,12,94,480
(c) Long-term loans and advances	12	37,13,28,537	32,75,41,341
(d) Other non-current assets	13	55,78,69,631	15,06,90,887
Current Assets			
(a) Inventories	14	51,78,87,918	43,42,36,524
(b) Trade receivables	15	3,26,04,97,325	3,59,89,81,985
(c) Cash and cash equivalents	16A	18,53,82,787	24,50,66,435
(d) Other bank balances	16B	25,22,07,965	35,13,68,463
(d) Short-term loans and advances	17	33,34,27,767	38,22,18,216
(e) Other current assets	18	1,43,50,168	2,48,49,391
TOTAL		**6,09,87,56,978**	**6,08,01,99,805**

Significant Accounting Policies and Notes 1 to 61 are integral part of this financial statement.

On behalf of Board of Directors
CIN : U74999KL1972SGC002450

Per our report of even date attached

	Sd/-	Sd/-
For Sridhar & Co.,	**N.Narayana Moorthy**	**Anoop.S**
Chartered Accountants,	Chairman & Managing Director	Director
Firm Registration No.003978S	DIN:05251681	DIN:03399884
Sd/-	Sd/-	Sd/-
R.Sripriya	**B.Bilu**	**CA Sreejan.A.S**
Partner	Company Secretary	DGM(Finance)
Membership No.209371		
UDIN:22209371BECKJG9249		

Thiruvananthapuram
18th November 2022

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Note	For the year ended 31st March 2020 ₹	For the year ended 31st March 2019 ₹
Revenue from operations	19	4,43,89,49,985	4,52,16,60,324
Less: Excise duty		-	
Net Revenue from operations		4,43,89,49,985	4,52,16,60,324
Other income	20	4,71,97,938	3,68,45,760
Total Revenue		4,48,61,47,923	4,55,85,06,084
Expenses			
Material consumed and service expenses	21	3,56,68,88,517	3,56,63,03,650
Change in inventory of Finished Goods, Work-in-progress and Stock-in -trade	22	(4,92,06,080)	(6,48,17,481)
Employee cost	23	62,68,01,173	63,82,07,009
Finance cost	24	6,50,17,819	3,51,95,882
Depreciation/amortization	25	3,51,58,548	3,75,94,834
Other expenses	26	14,40,49,022	17,11,26,575
Prior period adjustment	27	5,15,74,617	44,68,276
		4,44,02,83,616	4,38,80,78,745
Add/Less: Consumption for captive capital		(33,35,578)	(28,16,869)
Total Expenses		4,43,69,48,038	4,38,52,61,876
Profit/(Loss) for the year before exceptional and extraordinary items		4,91,99,885	17,32,44,208
Less : Exceptional items	28	(31,36,250)	14,17,03,061
Profit/(Loss) for the year before extraordinary items		5,23,36,135	3,15,41,147
Extraordinary Items		-	
Profit /(Loss) for the year before Tax		5,23,36,135	3,15,41,147
Current Tax		-	
Deferred Tax		-	
Profit /(Loss) for the year		5,23,36,135	3,15,41,147
Balance of profit/(loss) carried over to Balance Sheet		5,23,36,135	3,15,41,147
Earnings per share:			
Basic		2.57	1.55
Diluted		1.40	1.55

Significant Accounting Policies and Notes 1 to 61 are integral part of this financial statement.

On behalf of Board of Directors
CIN : U74999KL1972SGC002450

Per our report of even date attached to Balance Sheet

	Sd/-	Sd/-
For Sridhar & Co.,	**N.Narayana Moorthy**	**Anoop.S**
Chartered Accountants,	Chairman & Managing Director	Director
Firm Registration No.003978S	DIN:05251681	DIN:03399884
Sd/-	Sd/-	Sd/-
R.Sripriya	**B.Bilu**	**CA Sreejan.A.S**
Partner	Company Secretary	DGM(Finance)
Membership No.209371		
UDIN:22209371BECKJG9249		

Thiruvananthapuram
18th November 2022

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	(Amount in ₹)	(Amount in ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(loss) before extraordinary items and tax	**5,23,36,135**	**3,15,41,147**
Adjustments for :		
Depreciation/Amortisation	3,51,58,548	3,75,94,834
Provision for bad debts	-	7,73,71,696
Provision for loans, advances and deposits	-	6,56,42,729
Bad sundry debits written off	57,745	21,475
Bad sundry credits written back	(48,45,715)	(1,33,10,916)
Interest expenses	9,60,37,633	3,33,01,492
Interest income	(3,43,94,624)	(2,00,29,978)
Profit on sale of fixed assets	-	-
Loss on sale of fixed assets	-	-
Loss on discarding of fixed assets	-	-
Operating Profit Before Working Capital Changes	**14,43,49,722**	**21,21,32,479**
Adjustments for (increase)/decrease in operating assets:		
Trade and other receivables	9,35,25,076	(62,34,63,688)
Inventories	(8,36,51,393)	(10,10,62,288)
Other loans and advances	(2,09,96,746)	(14,14,34,366)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables and other liabilities	(45,20,09,737)	50,21,99,172
Net Cash from operating activities	**(31,87,83,078)**	**(15,16,28,691)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(4,97,16,865)	(5,80,35,131)
Proceeds from sale of fixed assets	-	
Intangible assets	0	(1,05,43,962)
Interest received	2,34,60,703	1,14,85,405
Term deposits with bank	(4,16,83,264)	1,76,04,282
Sale of investment	-	-
Net cash used in investing activities	**(6,79,39,426)**	**(3,94,89,406)**
C. CASHFLOW FROM FINANCING ACTIVITIES:		
Receipt of Government loan	6,42,81,317	4,58,13,032
Demand loan from bank	-	-
Working Capital Term Loan from KSIDC	5,00,00,000	
Working Capital facility from KFC-BDS	12,69,38,870	
Working capital revolving fund loan-KFC	5,26,44,399	1,99,75,423
Repayment of long term borrowings/grants	-	-
Interest paid	(1,88,33,838)	(1,00,96,483)
Increase/decrease in short term borrowings	5,20,08,108	(20,13,281)
Net cash used in financing activities	**32,70,38,856**	**5,36,78,691**
ABSTRACT:		
A. Net Cash from Operating Activities	(31,87,83,078)	(15,16,28,691)
B. Net Cash used in Investing Activities	(6,79,39,426)	(3,94,89,406)
C. Net Cash used in Financing Activities	32,70,38,856	5,36,78,691
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,96,83,648)**	**(13,74,39,406)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**24,50,66,435**	**38,25,05,841**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**18,53,82,787**	**24,50,66,435**
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,96,83,648)**	**(13,74,39,406)**

Note:
i)

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and cash equivalents consists of:	(Amount in ₹)	(Amount in ₹)
a) Cash and stamp in hand	4,13,568	6,43,728
b) Remittance in transit	-	76,267
c) Balance in Scheduled Banks:		
Current account	12,64,31,656	24,02,57,626
Term deposits (less than 3 months maturity)	5,66,05,506	14,07,392
d) Government of Kerala - Treasury savings bank account	19,32,057	26,81,422
Total	**18,53,82,787**	**24,50,66,435**

On belalf of Board of Directors
CIN : U74999KL1972SGC002450

Per our report of even date attached to Balance Sheet

For Sridhar & Co.,	Sd/- N.Narayana Moorthy	Sd/- Anoop.S
Chartered Accountants,	Chairman & Managing Director	Director
Firm Registration No.003978S	DIN:05251681	DIN:03399884
Sd/-	Sd/-	Sd/-
R.Sripriya	**B.Bilu**	**CA Sreejan.A.S**
Partner	Company Secretary	DGM(Finance)
Membership No.209371		
UDIN:22209371BECKJG9249		

Thiruvananthapuram
18th November 2022

NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are separate financial statements of the Company (also called standalone financial statement) prepared and presented under the historical cost convention on accrual basis as a going concern and in accordance with the Generally Accepted Accounting Principles (GAAP), Accounting Standards notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 and relevant provisions applicable thereof.

Use of estimate

The preparation of financial statement requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the result of operations during the year. Differences between actual results and the estimates are recognized in the year in which the results are known or materialized. Examples of such estimates are; estimated useful life of assets, classification of assets/liabilities as current or non-current in certain circumstances, provision for doubtful receivables etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

BALANCE SHEET

I. Property, plant and equipment

Property, plant and equipment are stated at cost as increased by revaluation in 1983-84 less depreciation. All costs (including technical know-how wherever applicable) relating to acquisition and installation of Property, plant and equipment are capitalized.

Intangible assets are stated at acquisition cost, net of accumulated amortization. Intangible assets are amortized over the license period or five years, whichever is lower.

Research and Development expenses incurred during the year are shown under Intangible assets and are written off to Statement of Profit and Loss during the succeeding 3 years.

II. Investments

Long term investments are stated at cost, less provisions for other than temporary diminution in value

III. Inventories

a) Raw Materials and Components

Raw materials and components are valued at cost or net realizable value whichever is lower. .

b) Work-in-progress

Work in progress of manufacture items is valued at lower of cost or net realizable value.

c) Finished goods

Closing stock of finished goods is valued at lower of cost including applicable excise/GST duty payable or net realizable value.

d) Trading goods
Closing stock of trading goods is valued at lower of cost or net realizable value.

e) Consumable stores and spares
Closing stock of Stores and Spares is valued at lower of cost or net realizable value.

f) Loose tools and Jigs
Loose tools and jigs are stated at cost less depreciation charged at the rate of 25% on written down value basis.

g) Goods in transit
Goods in transit include good purchased but not accepted in stores and is valued at cost.

The Cost of Inventory items stated above will be arrived on the basis of Weighted Average method of valuation.

Net realizable value is the estimate selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary for sale.

Those items of inventory which are technically identified as obsolete / unserviceable/ not fit for use, out of slow moving / non moving items are written down to scrap/NIL values, as estimated by the Management on the basis of technical evaluation and the excess prices, if any, realized over such estimated values on sale / disposal are reckoned as income on cash basis.

IV. <u>Government Grant</u>

Government Grant in the nature of promoters' contribution are classified under Capital Reserve and treated as a part of Shareholders fund.

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

V. <u>Taxes on income</u>

In compliance with AS 22 deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

VI. <u>Operating Cycle</u>

For the purpose of classifying the Assets and Liabilities as current and non-current, operating cycle is considered to have duration of 12 months in all cases, except the cases where the customer/supplier/sub-contractor order terms include design/drawing/development/retention or any other specific condition compliance of which will result in an operating cycle beyond 12 months. In such cases, the operating cycle ends on the expiry of the mandated date in the specific condition of the order.

VII. <u>Segment Reporting</u>

The Company is primarily dealing with the manufacturing, supply, installation and maintenance of electronic systems on the basis of customer specific orders which are mainly Government Departments/Public Sector Undertakings. As envisaged in AS-17 there is no distinguishable business segment or geographical segment for the Company which was subject to risk and return different from those of other segments. The allied activities undertaken by the Company doesn't constitute a reportable segment as per AS-17. Hence, segment reporting in accordance with AS 17 is not considered in the preparation of Financial Statements.

PROFIT AND LOSS

I. <u>Revenue recognition</u>

Revenue is recognized to the extent of the economic benefits which are reliably measured. If there is any uncertainty in the ultimate collectability, then revenue recognition is postponed till the uncertainty is resolved.

a) *Sales on account of Manufacturing/Projects/Resale*
Sales are inclusive of GST and Octroi duty wherever applicable and are net of trade discount. Income from supply to Government Departments/Government Agencies is recognized based on dispatches/work done at project site without waiting for the completion certificate, as this is a long drawn process and sometimes it may not be feasible.

The revenue from projects undertaken which involves both supply of materials, its installation and commissioning and after sales services as per the terms of the contract, are recognized as “Project Sales” in respect of initial supply part, and the later part such as installation and commissioning, after sales services etc. under “Service Income”. The revenue from mere supply of end use products of other manufactures which are dealt by the Company are recognized as “Resale”.

b) *Contract jobs*
Proportionate income in respect of contract jobs is taken credit only if the percentage of completion of each job is 25% or more, while losses including those anticipated on completion of jobs are absorbed in the Statement of Profit and Loss.

c) *Service income*
In the case of service jobs, income is accounted on completion of jobs.
In the case of annual maintenance contracts, the income is spread evenly over the period of contract.

d) *Income from Computer Training*
Income from Computer training is spread evenly over the period of training.

e) *Other Operating revenue*
Other operational revenue represents income earned from the activities incidental to the core business and is recognized when the right to receive the income is established.

f) *Other Income*
Interest on Margin on Margin Money/Fixed Deposits, Rental Income, Insurance claim receivable and Sales Commission are recognized on the accrual basis. Dividends from Companies are accounted in the year in which they are declared. Income in respect of sale of agriculture produce etc. is accounted on cash basis.

II. Expenses

a) *Depreciation*
Depreciation on property, plant and equipment has been provided on straight line method on the basis of useful life as specified in Part-C of Schedule II of the Companies Act 2013, except on those assets whose useful lives are determined based on the technical evaluation made by the Company and in the manner provided therein.

The depreciation on additions during the year is calculated on pro-rata basis depending on number of days put into use and the additions to property, plant and equipment costing ₹5000/- or less are fully depreciated in the year of acquisition itself, irrespective of date from which it is put to use.

In case of sale/disposal of asset depreciation will not be charged during the year in which the asset has been disposed.

In respect of transfer of asset between units within the Company the depreciation will be provided in the books of transferee unit for the whole year.

The Company has opted for adopting a residual value of ₹ 1/- per asset until disposal or discarding of the asset.

b) *Impairment of Assets*

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss of prior accounting period is increased/ reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the asset’s net selling price or determined value

c) *Excise duty/GST*

Excise duty/GST on goods is accounted at the time of removal of goods from the factory custom boundary.

d) *Retirement Benefits*

i) Gratuity

Liability in respect of defined benefit fund is provided on the basis of actuarial valuation as on the date of Balance Sheet. The method of actuarial valuation adopted is the Projected Unit Credit method.

In respect of employees covered under plan with Life Insurance Corporation of India, the liability for payment of gratuity is determined by actuarial valuation as per Accounting Standard-15 (Revised).

ii) Leave encashment

Liability towards accrued leave encashment at the time of retirement is provided in accordance with AS 15 based on actuarial valuation as at the Balance sheet date.

iii) Defined Contribution Plans

Company's contribution during the year towards General Provident Fund, Family Pension Fund, Employees State Insurance Corporation and Labour Welfare Fund are charged to the Profit and Loss account as and when incurred.

e) *Foreign currency transactions*

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction or at the exchange rate under the related foreign exchange contracts when covered by such contracts. Assets and liabilities relating to foreign currency transaction outstanding at the end of the year are converted at contract rates when covered by forward exchange contracts and in other cases at the rate at which they have been since settled and if not settled till the finalisation of accounts, they are converted at the year end rates. In respect of exchange differences on settlement / conversion if any are adjusted to the Profit and Loss account.

f) *Warranties and indemnities*

The Provision for warranty is created considering the estimate cost of repairs or replacement of products / systems etc. supplied by the Company, which fail to perform satisfactorily during the warranty period. Such cost is reckoned exclusive of cost of inventory items purchased along with products to be used for undertaking the service jobs and carried forward in stock at cost.

The Warranty cost is provided for in the accounts on effecting sale of product or service, and such cost is spread over the period of warranty on the basis of technical assessment of the estimate of cost expected to be incurred during each year of warranty period. Such estimates are arrived at based on historical data maintained by the company.

g) *Provision and Contingent Liabilities*

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for contingent liabilities made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation /present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

h) *Borrowing Cost*

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost are charged to Statement of Profit and Loss.

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Note 1 : SHARE CAPITAL	As at 31st March 2020	As at 31st March 2019
	(Amount in RS)	(Amount in RS)
Authorised Share Capital 21000000 equity shares of Rs.100/- each (Previous year : 21000000 equity shares of Rs.100/- each)	2,10,00,00,000	2,10,00,00,000
Issued, subscribed and paid up 20355181 equity shares of RS100/- each fully paid up	2,03,55,18,100	2,03,55,18,100
Total	**2,03,55,18,100**	**2,03,55,18,100**

(a)

Reconcilation of number of shares outstanding:	As at 31st March 2020		As at 31st March 2019	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	2,03,55,181	2,03,55,18,100	2,03,55,181	2,03,55,18,100
Shares outstanding at the end of the year	2,03,55,181	2,03,55,18,100	2,03,55,181	2,03,55,18,100

(b) **Rights, preference and restrictions attached to shares:**

i. The Company has only one class of equity shares having a par value of Rs. 100 per share.

ii. Upon show of hand every member present in person shall have one vote and upon a poll every member present in person or by proxy or duly authorised representative shall have voting right in proportion to his share of paid up capital of the Company.

iii. In case of joint registered holders of any shares, any one person may vote at any meeting either personally or by proxy, in respect of such shares and such person shall be determined in the order in which the name stands first in the register of members.

iv. The Company in the General Meeting may declare dividend, but no dividend shall exceed the amount recommended by the Board of Directors. The Company from time to time pay to members such interim dividend as may be decided by them having regard to the position of the Company.

v. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

(c) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31st March 2020		As at 31st March 2019	
	No of Shares	% holdings	No of Shares	% holdings
Government of Kerala	1,99,55,181	98%	1,99,55,181	98%

(d) **Shares allotted as fully paid by way of bonus shares/pursuant to contract(s) without payment being received in cash.**

During the period of five years immediately preceding 31st March 2020, no shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash.

(e) Refer Note no.40

Note 2 : RESERVES AND SURPLUS	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
(i) Capital Reserve		
a) Investment subsidy for Controls Division	15,00,000	15,00,000
b) Subsidy for Printed Circuit Board Division	5,19,630	5,19,630
c) Grant from Government of Kerala	-	6,00,00,000
d) Grant from Government of Kerala for Co-operative projects	9,30,000	9,30,000
	29,49,630	6,29,49,630
(ii) Surplus/(deficit) as per Statement of Profit and Loss.		
Balance of Loss as per last Balance Sheet	(2,03,10,30,381)	(2,06,25,71,528)
Add : Net Profit/(Loss) for the year	5,23,36,135	3,15,41,147
Net balance of Loss	(1,97,86,94,246)	(2,03,10,30,381)
Total [(i) + (ii)]	**(1,97,57,44,616)**	**(1,96,80,80,751)**

The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government grant of Rs6,00,00,000 to equity and the company on its 256th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020. Accordingly the converted Government Grant of Rs6,00,00,000 is disclosed as "Share application money pending allotment upon conversion of loan" under Other Long Term Liabilities.

Refer Note no.40

Note 3 : LONG-TERM BORROWINGS	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
Unsecured		
Loan from Government of Kerala	12,58,77,270	81,97,70,696
Total	**12,58,77,270**	**81,97,70,696**

(a) An amount of Rs 82,65,84,000 being loan sanctioned vide various GO's in earlier financial years was due as on 01st April 2019.As part of the rehabilitation of the Company, Government of Kerala has frozen the interest and granted moratorium on repayment of principal on Government Loan amounting to Rs 82,65,84,000 upto 31st March 2016 under order dated GO (MS) No.183/11/1D dt 26.08.2011.During the financial year 2016-17, the Government of Kerala vide GO (MS) No.86/16/ID dated 17.06.2016 has extended the relief and concessions as a part of rehabilitation up to 31st March 2021 subject to the condition that the principal amount should be repaid in 10 annual instalments.The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan of Rs72,00,18,157 to equity and the company on its 256th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020. Accordingly the converted Government Loan of Rs72,00,18,157 is disclosed as "Share application money pending allotment upon conversion of loan" under Other Long Term Liabilities.With regard to government loan of Rs10,65,65,843 for which conversion in to equity has not been approved the non current portion amounting to Rs5,32,82,921 is shown under Long Term Borrowings.

(b) During the financial year 2017-18 company received loan of Rs.4,00,00,0000 vide GO(Rt) No.367/2018/ID for modernisation and expansion of manufacturing units.The Government resumed Rs.4,00,00,0000 vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.On 31st March 2019 the Government of Kerala resumed Rs.91,86,968 and refunded the same on 2nd April 2019.The balance outstanding against this loan as on 31st March 2020 is Rs.4,00,00,000.Out of which the non current portion of Rs.2,20,00,000 is shown under Long Term Borrowings.

(c) During the financial year 2017-18 company received loan of Rs.2,00,00,000 vide GO(t)No.1538/2017/ID dated 08.11.2017 for modernisation and expansion of manufacturing units.The Government resume Rs. 1,50,00,000 vide G ( ) No-51/2018/Fin d ated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.The balance outstanding against this loan on 31st March 2020 is Rs.2,00,00,000.Out of which the non current portion of Rs 1,10,00,000 is shown under Long Term Borrowings.

(d) During the financial year 2018-19 company received loan of ₹5,00,00,0000 vide GO(Rt)No.13007/2018/ID dt 24.11.2018 for setting up of Manufacturing facility for Laptops and Servers and the Government resumed the same on 31.03.2019 and subsequently refunded the same on 2nd April 2019.The balance outstanding against this loan as on reporting date is Rs.5,00,00,000 and the non current portion amounting to Rs.3,50,00,000 is shown under Long Term Borrowings.

(e) The company received loan of Rs.1,00,00,000 vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 for setting up Research and Development facilities at Keltron Equipment Complex,Karakulam.The Government resumed Rs.49,05,651 on 31st March 2020 and the balance outstanding against this loan as on 31st March 2020 is Rs.50,94,349.Out of which the non current portion amounting to Rs.45,94,349 is shown under Long Term Borrowings.

(f) During the financial year 2019-20,the company received a loan of Rs.41,00,000 vide GO(Rt)No.193/2020/ID dt 29.02.2020 for expansion of Space Electronics Group at Keltron Equipment Complex,Karakulam and the Government resumed the same on 31st March 2020.

(g) Current maturities of long term borrowings are disclosed under Note-8 Other Current Liabilities.

(h) Refer Note No.40 .

Note 4 : OTHER LONG-TERM LIABILITIES	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
i) Dues to MSME*		
Trade Payable for supplies	17,43,81,672	18,84,616
Trade Payable for services	14,55,625	11,86,791
ii) Dues toOthers*		
Trade Payable for supplies**	1,70,63,582	1,98,67,958
Trade Payable for services	94,46,746	43,34,598
Long-term liability-other finance	6,88,09,907	3,85,30,926
Interest accured but not due on loans-Government of Kerala***	11,41,26,910	1,03,71,88,324
Advance from customers	1,08,06,716	31,55,613
Share application money pending allotment upon conversion of loan ***	1,70,30,79,571	-
Total	**2,09,91,70,729**	**1,10,61,48,826**

* Dues to Micro, Small and Medium enterprise .Refer Note No.48.Other Long Term Liabilities include Trade Payables outstanding beyond the normal operating cycle of business.

** Trade Payable for Supplies-Dues to Others include an unreconciled credit balance of Rs.12,84,469 (PY : Rs.11,12,572)as at year end being the difference between the balance as per the Company's books with that of its subsidiaries, KCCL and KECL. Efforts are being made to identify the differences and there will not be any impact in the Financial Statements.Refer Note No-44.

*** The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan amounting to Rs.72,00,18,157 and Government grant amounting to Rs.6,00,00,000 to equity and the company on its 256 th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020. Accordingly Rs.78,00,18,157 is disclosed as "Share application money pending allotment upon conversion of loan" under Other Long Term Liabilities.Refer Note 40.

*** The Government of Kerala vide GO No.108/2022/ID dated18th October 2022 approved the conversion of Interest Accrued on Government Loan amounting to Rs.92,30,61,414 and the same is disclosed as "Share application money pending allotment upon conversion of loan" under Other Long Term Liabilities.Refer Note No 40 and 41.

Note 5 : LONG TERM PROVISIONS		As at 31st March 2020	As at 31st March 2019
		(Amount in Rs)	(Amount in Rs)
Provision for gratuity *	(Refer to Note No.37)	8,54,04,477	9,91,13,717
Provision for leave encashment*	(Refer to Note No.37)	3,48,44,896	3,78,35,081
Provision - others		40,509	40,509
Total		**12,02,89,882**	**13,69,89,307**

* Refer Note No-58

Note 6 : SHORT TERM BORROWINGS	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
Secured		
Cash credit from Punjab National Bank	6,00,55,200	80,47,092
Kerala Financial Corporation-Working Capital Revolving Fund Loan	7,31,19,822	2,04,75,423
Kerala State Industrial Development Corporation-Working Capital Term Loan	5,00,00,000	-
Kerala Financial Corporation-Bill Discounting System	12,69,38,870	-
Total	**31,01,13,892**	**2,85,22,515**

(a) The Cash credit from Punjab National Bank amounting to Rs.7,50,00,000 is secured by hypothecation of inventories of the Company and it is further secured by mortgage of 268.37 cents of land and building in re-survey no.2 at Thycaud village of Thiruvananthapuram district as collateral security. This Cash Credit facility carries an interest of 10.95% p.a. as on 31st March 2020.Further,the company has non fund based facility of Rs.3,75,00,000 subject to the overall limit of Rs. 10,00,00,000.

(b) The Company has a Working Capital Revolving Fund loan from Kerala Financial Corporation (KFC), amounting to Rs.9,50,00,000 . This credit facility was secured by the mortgage of land to the extent of 310 cents in survey No.463 and 466 at Attipra village, Thiruvananthapuram together with building, plant and machinery and other equipments of Keltron Communication Complex, Monvila, Thiruvananthapuram for which charge was already created in favour of KFC. The credit facility is being renewed annually and can be renewed for a period of 5 years from the date of first disbursement.

(c) During the financial year 2019-20,the company availed a project specific working capital loan amounting to Rs.10,00,00,000 from Kerala State Industrial development Corporation Limited(KSIDC) at an interest rate of 11% per annum for the execution of development and solar implementation pojects of the defence sector.The company repaid principal to the extent of Rs.8,57,24,195 against this loan.Later the company submitted a proposal for fresh Project Specific Working Capital Loan of Rs.5,00,00,000 for the execution of project involving manufacture and supply of Underwater Wireless Accoustic Communication Sysytem(UWACS) to Bharath Electronics Bangalore.KSIDC sanctioned and released the fresh loan after adjusting the balance outstanding against the previous loan.Thus the loan outstanding from KSIDC as on 31st March 2020 is Rs.5,00,00,000.

(d) The company has availed Bill Discounting Facility as envisaged vide GO (Rt)No:1555/2020/Fin dt 25.02.2020 in line with G.O(P) No10/2020/FIN dated 24.01.2020 from Kerala Financial Corporation under the Govt -Bill Discounting Scheme to the extent of Rs.20,00,00,000 during the reporting period and the liability as on 31st March 2020 is Rs.12,69,38,870.The credit facility was secured by the Corporate Guarantee and first charge with promissory notes of Goverment on the Trade Receivable discounted through the Goverment BDS platform.The effective rate of interest is 9.50% of which maximum 5% will be borne by Government of Kerala.This facility is for a period of one year.

Note 7 : TRADE PAYABLES	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
i)Due to MSME		
Supplies	90,54,61,288	90,05,12,946
Services	1,31,22,516	3,65,09,935
Total(i)	**91,85,83,804**	**93,70,22,881**
ii)Due to Others		
Supplies	1,16,43,92,894	1,51,37,14,508
Services	5,77,70,581	19,55,40,614
Total(ii)	**1,22,21,63,475**	**1,70,92,55,122**
Total	**2,14,07,47,279**	**2,64,62,78,003**

Dues to Micro, Small and Medium enterprise .Refer Note No.48
The previous year figures have been re-grouped in line with current year classification.

Note 8 : OTHER CURRENT LIABILITIES		As at 31st March 2020	As at 31st March 2019
		(Amount in Rs)	(Amount in Rs)
Current maturities of long term debts			
Loan from Government of Kerala	(a)	15,57,82,922	11,76,26,336
Loan from Kerala Minerals and Metals Limited	(b)	4,50,00,000	4,50,00,000
Loan from Travancore Titanium Products Limited	(c)	12,00,000	12,00,000
Loan from Malabar Cements Limited	(d)	4,00,00,000	4,00,00,000
Current liabilities - Other finance		55,54,34,309	63,20,37,392
Interest accrued and due - Government of Kerala	(e)	12,84,74,425	6,18,85,533
Interest accrued and due - Travancore Titanium Products Limited.		36,28,599	34,54,239
Interest accrued & due -KSIDC Loan		11,10,411	-
Interest accrued & due-Malabar Cements Limited		2,47,60,660	2,16,85,950
Advance from customers		13,86,75,380	16,50,90,072
Income received in advance		2,03,92,535	2,38,62,092
Arbitration Award Payable	(Refer Note 59)	3,30,02,054	3,30,02,054
Total		**1,14,74,61,295**	**1,14,48,43,668**

(a)(i) During the financial year 2012-13 company received a loan of Rs.6,00,00,000 vide GO (Rt) No 559/12/ID dated 30.03.2012 which is repayable in 5 years commencing from April 2013 bearing an interest at 11.50% per annum.The balanace outstanding as on reporting date is Rs.6,00,00,000 and the same is shown under Other Current Liabilities.

(ii) During the financial year 2017-18 company received loan of Rs.4,00,00,0000 vide GO(Rt) No.367/2018/ID for modernisation and expansion of manufacturing units.The Government resumed Rs.4,00,00,0000 vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.On 31st March 2019 the Government of Kerala resumed Rs.91,86,968 and refunded the same on 2nd April 2019.The balance outstanding against this loan as on 31st March 2020 is Rs.4,00,00,000.Out of which the current portion of Rs.1,80,00,000 is shown under Other Current Liabilities.

(iii) During the financial year 2017-18 company received loan of Rs.2,00,00,000 vide GO(Rt)No.1538/2017/ID dated 08.11.2017 for modernisation and expansion of manufacturing units.The Government resumed Rs.1,50,00,000 vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.The balance outstanding against this loan on 31st March 2020 is Rs.2,00,00,000.Out of which the current portion of Rs. 90,00,000 is shown under Other Current Liabilities.

(iv) During the financial year 2018-19 company received loan of Rs.5,00,00,0000 vide GO(Rt)No.13007/2018/ID dated 24.11.2018 for setting up of Manufacturing facility for Laptops and Servers and the Government resumed the same on 31.03.2019 and subsequently refunded the same on2nd April 2019.The balance outstanding against this loan as on reporting date is Rs.5,00,00,000 and the current portion amounting to Rs.1,50,00,000 is shown under Other Current Liabilities.

(v) The company received loan of Rs.1,00,00,000 vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 for setting up reasearch and development facilities at Keltron Equipment Complex,Karakulam.The Government resumed Rs.49,05,651 on 31st March 2020 and the balance outstanding against this loan as on 31st March 2020 is Rs.50,94,349.Out of which the current portion amounting to Rs.5,00,000 is shown under Other Current Liabilities.

(vi) During the financial year 2019-20,the company received a loan of Rs.41,00,000 vide GO(Rt)No.193/2020/ID dated 29.02.2020 for expansion of Space Electronics Group at Keltron Equipment Complex,Karakulam and the government resumed the same on 31st March 2020.

(vii) An amount of Rs.82,65,84,000 being loan sanctioned vide various GO's in earlier financial years was due as on 01st April 2019.As a part of rehabilitation of the Company, Government of Kerala has frozen the interest and granted moratorium on repayment of principal on Government Loan amounting to Rs.82,65,84,000 upto 31st March 2016 under order dated GO (MS) No.183/11/1D dt 26.08.2011.During the financial year 2016-17, the Government of Kerala vide GO (MS) No.86/16/ID dated 17.06.2016 has extended the relief and concessions as a part of rehabilitation up to 31st March 2021 subject to the condition that the principal amount should be repaid in 10 annual instalments.The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan of Rs.72,00,18,157 to equity.With regard to government loan of Rs.10,65,65,843 for which conversion in to equity has not been approved the current portion amounting to Rs.5,32,82,922 is shown under Other Current Liabilities.

(b) Kerala Minerals and Metals Limited(KMML) released a loan of Rs.500,00,000 to the Company on 18/12/1998 as directed by Government of Kerala vide G.O.(MS) No. 184/98/ID dated 16/12/1998 . The balance payable in our books as on 31/03/2019 and as confirmed by KMML is Rs.4,50,00,000/- and is overdue.Since the Government Vide G.O.(Rt) No. 641/2004 /ID dated 5/7/2004 directed that this loan be treated as interest free and hence no interest has been provided in the accounts.

(c) The Company has availed a loan amount of Rs.12,00,000 for an interest of 14.53% p.a from Travancore Titanium Products Limited during the financial year 1999-2000. Later, Government vide letter No. 32113/H3/2003/ID dated 13/10/2003 directed the Company to repay the loan amount of Rs.12,00,000 availed from Travancore Titanium Products Limited, with interest, to the State Government and the same is pending to be settled.

(d) The Government vide GO(MS)No.146/2010/ID dated 30.06.2010 accorded sanction to the Company to avail fund from Malabar Cements Limited for the implementation of Mini Tool Room cum Training Centre at Kuttippuram, Rs.4,00,00,000 in the form of Equity and Rs.4,00,00,000 as interest bearing loan which carries an interest of 7% p.a and repayable in 20 quarterly equal installments of Rs.20,00,000 each commencing from 30th September 2012 and the same is pending to be settled.

(e) Refer Note 41.

(f) The previous year figures have been re-grouped in line with current year classification.

The details of defaulted loans and interest thereon as on reporting date: (Amount in Rs)

Particulates of Defaulted loans and interest thereon	Period of default	Defaulted amount
Loan from Government of Kerala	less than 7 year	8,00,00,000
Loan from Government of Kerala	less than 4 year	4,26,26,336
Interest accrued and due Governement of Kerala	less than 7 year	8,12,16,043
Interest accrued and due Governement of Kerala	less than 4 year	4,72,58,382
Loan from Kerala Minerals and Metals Limited	20 years	4,50,00,000
Loan from Travancore Titanium Products Limited	20 years	12,00,000
Interest accrued on loan from Travancore Titanium Products Limited	20 years	36,28,599
Loan from Malabar Cements Limited	9 years	4,00,00,000
Interest accrued on loan from Malabar Cements Limited	9 years	2,47,60,660

Note 9 : SHORT-TERM PROVISIONS		**As at 31st March 2020**	**As at 31st March 2019**
		(Amount in Rs)	(Amount in Rs)
Provision for gratuity*	(Refer to Note No.37)	4,37,14,531	6,66,95,454
Provision for leave encashment*	(Refer to Note No.37)	1,22,74,113	2,04,64,744
Provision for warranty	(Refer to Note No.36)	3,37,23,825	3,75,77,609
Provision - others		56,10,678	54,71,634
Total		**9,53,23,147**	**13,02,09,441**

* Refer Note No-58

Note 10 : FIXED ASSETS

Amount in Rs

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Total Cost as on 01-04-2019	Additions during the year	Sales / Transfer & Adjustment	Total Cost as on 31-03-2020	Provision Up To 01-04-2019	Provided during the year	Transfer to Profit & Loss	Sales / Transfer & Adjustment	Total provision up to 31-03-2020	Written down value as on 31-03-2020	Written down value as on 31-03-2019
I.Tangible Assets:											
Land	1,55,78,732	-	-	1,55,78,732	-	-	-	-	-	1,55,78,732	1,55,78,732
Building	18,45,05,516	27,19,595	-	18,72,25,111	9,91,31,964	36,46,957	-	-	10,27,78,921	8,44,46,190	8,53,73,552
Electrical Fittings	3,67,95,359	85,76,447	-	4,53,71,806	2,90,18,840	29,50,622	-	(71,929)	3,20,41,391	1,33,30,415	77,76,519
Plant & Machinery	13,06,86,506	3,08,45,397	-	16,15,31,903	7,46,06,747	75,97,865	-	-	8,22,04,612	7,93,27,291	5,60,79,759
Test Instruments	8,01,02,691	23,51,829	-	8,24,54,520	4,76,92,883	37,72,505	-	-	5,14,65,388	3,09,89,132	3,24,09,808
Air Conditioner	1,26,11,838	3,79,000	-	1,29,90,838	80,66,714	8,75,541	-	-	89,42,255	40,48,583	45,45,124
Furniture & Fixtures	3,89,00,764	11,23,442	-	4,00,24,206	3,22,63,476	15,02,597	-	(5)	3,37,66,078	62,58,128	66,37,288
Office Equipments	2,00,97,159	37,15,660	-	2,38,12,819	1,75,22,514	16,76,224	-	-	1,91,98,738	46,14,081	25,74,645
Computer & data processing units	7,29,32,705	16,21,142	-	7,45,53,847	6,93,19,847	27,27,569	-	-	7,20,47,416	25,06,431	36,12,858
Service Equipment	3,28,102	-	-	3,28,102	3,28,046	-	-	-	3,28,046	56	56
Canteen Utensils	27,52,718	91,326	-	28,44,044	15,31,045	2,84,305	-	-	18,15,350	10,28,694	12,21,673
Library Books	19,803	-	-	19,803	19,733	-	-	-	19,733	70	70
Fire extinguishers	8,46,971	94,440	-	9,41,411	5,04,921	94,378	-	-	5,99,299	3,42,112	3,42,050
Water supply installations	21,95,414	1,53,233	-	23,48,647	16,56,711	83,812	-	-	17,40,523	6,08,124	5,38,703
Vehicle	45,29,030	-	-	45,29,030	45,29,021	-	-	-	45,29,021	9	9
Transit house equipments	45,034	-	-	45,034	31,295	4,857	-	-	36,152	8,882	13,739
Sub total	60,29,28,342	5,16,71,511	-	65,45,99,853	38,62,23,757	2,52,17,232	-	(71,934)	41,15,12,923	24,30,86,930	21,67,04,585
II. Intangible Assets:											
Software/Licenses	57,59,550	-	-	57,59,550	36,21,539	6,07,927	-	-	42,29,466	15,30,084	21,38,011
Research &development expenses	8,39,94,128	-	-	8,39,94,128	6,74,03,808	81,32,110	-	-	7,55,35,918	84,58,210	1,65,90,320
Technical knowhow	2,36,10,288	-	-	2,36,10,288	2,18,28,317	12,01,279	-	-	2,30,29,596	5,80,692	17,81,971
Sub total	11,33,63,966	-	-	11,33,63,966	9,28,53,664	99,41,316	-	-	10,27,94,980	1,05,68,986	2,05,10,302
III. Captal work in progress											
Asset under erection	44,39,902	-	-	44,39,902	-	-	-	-	-	44,39,902	44,39,902
Building under constuction	2,04,49,294	66,06,952	84,89,664	1,85,66,582	-	-	-	-	-	1,85,66,582	2,04,49,294
Project Expenses not capitalised	18,48,000	-	-	18,48,000	-	-	-	-	-	18,48,000	18,48,000
			-							-	-
Sub total	2,67,37,196	66,06,952	84,89,664	2,48,54,484	-	-	-	-	-	2,48,54,484	2,67,37,196
TOTAL	**74,30,29,504**	**5,82,78,463**	**84,89,664**	**79,28,18,303**	**47,90,77,421**	**3,51,58,548**	**-**	**(71,934)**	**51,43,07,903**	**27,85,10,400**	**26,39,52,083**
Previous year											

i. The land to the extent of 268.37 cents (Re-survey No. 2) at Thycaud village of Thiruvananthapuram district was mortgaged with Punjab National Bank, Thiruvananthapuram for credit facility.

ii. The land to the extent of 310 cents (Survey No. 463 & 466) at Attipra village, Thiruvananthapuram district was mortgaged with Kerala Financial Corporation Limited for Working Capital Revolving Fund facility.

iii. The above fixed assets have been verified by the Management during the year.

iv. Out of the 15.62 acres of land in possession of Keltron Equipment Complex,Karakulam title deed of only 1.17 acres is available.In accordance with the survey conducted by Nedumangad Taluk it is confirmed that 10.22 acres of land is held by company and is recommended by Taluk for regularisation of the same and also they have recommended for mutation of 4.94 acres of land under Rule 28 transfer of RegistryRules and the regularisation is pending.

Note 11 : NON-CURRENT INVESTMENT (Trade at Cost)

(Amount in Rs)

Sl No	COMPANY NAME	Type of shares	COST: Total cost as at 01.04.2019	COST: Additions /(Deletions) during the year	COST: Total Cost as at 31.03.2020	PROVISION FOR DIMINUTION: Provision upto 01.04.2019	PROVISION FOR DIMINUTION: Deletion / Provision for the year	PROVISION FOR DIMINUTION: Total provision upto 31.03.2020	NET VALUE: As at 31.03.2020	NET VALUE: As at 31.03.2019
	A. Investment in Subsidiary Companies									
1	KELTRON COMPONENT COMPLEX LIMITED.(KCCL) (26190833 (PY:26190833) Nos of face value Rs. 10/- each fully paid up) (Present Market value is not available as shares are not traded)	Equity	26,18,50,320	-	26,18,50,320	-	-	-	26,18,50,320	26,18,50,320
2	KELTRON COUNTERS LIMITED (4879865 Nos of face value Rs.10/- each fully paid up	Equity	4,87,08,049	-	4,87,08,049	4,87,08,049	-	4,87,08,049	-	-
3	KELTRON COUNTERS LIMITED (1955 Nos of face value Rs.100/- each fully paid up)	9.5% Cumulative redeemable Preference shares	1,95,500	-	1,95,500	1,95,500	-	1,95,500	-	-
4	KELTRON ELECTRO CERAMICS LIMITED (KECL) (3144408 Nos of face value Rs. 10/- each fully paid up)	Equity	3,14,44,080	-	3,14,44,080	-	-	-	3,14,44,080	3,14,44,080
5	KELTRON RECTIFIERS LIMITED (2743641Nos of face value Rs. 10/- each fully paid up)	Equity	2,74,36,410	-	2,74,36,410	2,74,36,410	-	2,74,36,410	-	-
6	KELTRON POWER DEVICES LIMITED (4102317 Nos of face value Rs. 10/- each fully paid up)	Equity	4,10,23,170	-	4,10,23,170	4,10,23,170	-	4,10,23,170	-	-
	TOTAL (A)		41,06,57,529	-	41,06,57,529	11,73,63,129	-	11,73,63,129	29,32,94,400	29,32,94,400
	B. Investments in Other Companies									
	QUOTED									
1	AGC Networks Limited (Formerly AVAYA GLOBALCONNECT LIMITED.) (64000 Nos of face value Rs. 10/- each fully paid up) Market Value as on 31st March 2020- Rs. 1,45,12,000)	Equity	80,00,080	-	80,00,080			-	80,00,080	80,00,080
	UNQUOTED									
1	KELTRON PROJECTORS LIMITED. (19567 Nos of face value Rs. 10/- each fully paid up)	Equity	1,95,670	-	1,95,670	1,95,670		1,95,670	-	-
2	SIDKEL TELEVISIONS LIMITED (105000 Nos of face value Rs. 10/- each fully paid up)	Equity	10,50,000	-	10,50,000	10,50,000		10,50,000	-	-
3	KELTRON VARISTERS PRIVATE LIMITED (45 Nos of face value Rs. 1000/- each fully paid up)	Equity	45,000	-	45,000	45,000	-	45,000	-	-
4	ELCERA SUBSTRATES LIMITED (280500 Nos of face value Rs. 10/- each fully paid up)	Equity	28,05,000	-	28,05,000	28,05,000		28,05,000	-	-
5	COCONICS PVT LTD (2,60,000 Nos of face value Rs.100./- each fully paid up)	Equity		2,60,00,000	2,60,00,000				2,60,00,000	
	TOTAL (B)		1,20,95,750	2,60,00,000	3,80,95,750	40,95,670	-	40,95,670	3,40,00,080	80,00,080
	GRAND TOTAL (A+B)		42,27,53,279	2,60,00,000	44,87,53,279	12,14,58,799	-	12,14,58,799	32,72,94,480	30,12,94,480
	Previous year		42,27,53,279	-	42,27,53,279	12,14,58,799	-	-	32,72,94,480	30,12,94,480

Note:

1. No provision for diminution in the value of investments in subsidiaries in Sl No.1 & 4 above have been made.
2. In the case of investment in the shares of KCCL and KECL, the difference in face value of investment viz-a -viz the share capital in those companies are on account of share holding by Company's nominees who are not having beneficial interest in these shares.

Note 12 : LONG-TERM LOANS AND ADVANCES	**As at 31st March 2020**	**As at 31st March 2019**
	(Amount in Rs)	(Amount in Rs)
a) Unsecured - Considered good		
Advance-Employees	92,130	1,18,976
Subsidiary Companies*	12,64,29,698	12,64,29,698
Investments pending allotment **	17,03,74,850	17,03,74,850
Advance -Others	1,05,42,754	1,03,05,075
Deposit with Customs authorities	9,620	11,000
Deposit with Central Excise Dept.	1,68,878	1,68,878
Excise duty paid under protest	1,27,232	1,27,232
Other Deposits	6,35,83,375	2,00,05,632
Sub-total (a)	37,13,28,537	32,75,41,341
b) Unsecured-Considered doubtful	15,19,77,133	15,19,27,558
Less: Provision for doubtful advances	(15,19,77,133)	(15,19,27,558)
Sub-total (b)	-	-
Total [(a) + (b)]	**37,13,28,537**	**32,75,41,341**

* The details of loans and advances to subsidiary and associate companies (Related parties as per Accounting Standard -18) are disclosed in Note No.38

* The non current dues of loans and advances to subsidiary companies are shown in this Note and current dues are shown under Note No.17, 'Short Term Loans and Advances'

* Long Term loans and advances considered doubtful Rs.15,19,77,133 disclosed under Long Term Loans & advances includes Rs.13,12,85,459 due from Keltron Counters Limited .Since the company is under winding up process and the chances of recoverability of this amount is doubtful,100% provision to the extent of Rs.13,12,85,459 was created in the previous two financial years(50% each). Refer 42(ii)(1)

** The Investment pending allotment pertains to the pending allotment of shares to the subsidiary companies, the details are disclosed in Note No.42 (i)

Note 13 : OTHER NON-CURRENT ASSETS	**As at 31st March 2020**	**As at 31st March 2019**
	(Amount in Rs)	(Amount in Rs)
(a)Trade receivable*		
Unsecured:		
Considered good; outstanding for more than six months from the date they are due for payment	44,14,11,127	7,80,17,100
Considered doubtful; outstanding for more than six months from the date they are due for payment**	10,61,43,078	10,61,43,078
Less : Provision for bad and doubtful debts	(10,61,43,078)	(10,61,43,078)
Total	44,14,11,127	7,80,17,100
(b) Non-current Bank balance:		
Term deposits with Banks (more than 12 months maturity)***	20,38,043	45,79,234
Margin on Bank Guarantee****	10,82,31,010	6,40,06,555
Total	11,02,69,053	6,85,85,789
(c) Others: Accrued Income	61,89,451	40,87,998
Total [a + b + c]	**55,78,69,631**	**15,06,90,887**

* Trade Receivable includes, long outstanding dues from customers which are beyond the normal operating cycle of business, which are being followed up and the same is expected to realize in future years.

** Trade Receivable considered doubtful includes an unreconciled debit balance of Rs.1,87,410 (PY : Rs.1,87,410)as at year end being the difference between the balance as per the Company's books with that of its subsidiaries

*** Refer to Note No.16 for the term deposits having maturity of not more than 12 months as on reporting date.

**** Term deposit receipts are kept as margin for sanctioning letter of credit and bank guarantee with banks.

Note 14 : INVENTORIES	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
(Inventories as taken, valued and certified by the Managing Director)		
Loose tools and jigs	56,16,677	49,67,108
Consumable stores and spares	1,18,04,463	1,08,94,645
Work-in-progress	11,73,15,130	10,77,08,386
Raw materials and components	30,49,29,922	27,60,95,365
Goods-in-transit	48,08,882	7,57,512
Goods purchased for resale	6,27,36,669	2,00,09,265
Finished goods	1,06,76,175	1,38,04,243
Total	**51,78,87,918**	**43,42,36,524**

For mode of valuation refer point III-Inventories under Significant Accounting Policies under Notes.

Note 15 : TRADE RECEIVABLES	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment	1,79,96,55,360	1,47,02,52,196
Receivables outstanding for a period less than six months	1,46,08,41,965	2,12,87,29,789
Considered doubtful; outstanding for a period exceeding six months from the date they are due for payment	1,94,57,515	1,94,57,515
Less : Provision for bad and doubtful debts	(1,94,57,515)	(1,94,57,515)
Total	**3,26,04,97,325**	**3,59,89,81,985**

(a) Trade receivable includes an amount of Rs 56,34,880 due from subsidiary companies being the 'Related parties' as specified in AS 18. This has been disclosed in Note No.38. Related Party Transactions.

(b) Trade receivable does not include any amount receivable from Directors or other Officers of the Company.

Note 16 : CASH AND BANK BALANCES	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
A. Cash and Cash Equivalents:		
Cash and stamp in hand	4,13,568	6,43,728
Remittance in transit	-	76,267
Balance in Scheduled Banks:		
Current account	12,64,31,656	24,02,57,626
Term deposits (less than 3 months maturity)	5,66,05,506	14,07,392
Government of Kerala - Treasury savings bank account	19,32,057	26,81,422
Total	18,53,82,787	24,50,66,435
B. Other Bank balances:		
In Term deposit with maturity of more than 3 months but less than 12 months	64,43,699	1,30,51,817
Margin on Letter of Credit*	51,81,930	8,24,25,475
Margin on Bank Guarantee*	24,05,82,336	25,58,91,171
Total	25,22,07,965	35,13,68,463
Total (A+B)	**43,75,90,752**	**59,64,34,898**

Cash and cash equivalents as above meet the definition of cash and cash equivalents as per Accounting standard 3 'Cash Flow Statement'.

Term Deposit Accounts which have maturity of more than 12 months are disclosed in Note No.13 'Other Non-current Assets'

* Term deposit receipts are kept as margin for arranging letter of credits and bank guarantee with banks.

Cash and stamp in hand include bank balances in the name of the site-in-charges of the Company and is not material.

Note 17 : SHORT-TERM LOANS AND ADVANCES	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
a) Unsecured - considered good		
Advance-Employees	29,51,845	38,10,281
Subsidiary Companies*	6,13,53,297	5,96,58,038
Advance - Others	15,49,19,665	17,19,03,105
Deposit with Customs authorities	29,271	1,40,468
Deposit with Central Excise Department	9,736	9,736
Other deposits	2,80,20,796	4,25,35,703
Keltron Toolroom Research and Training Centre (KELTRAC)	22,27,353	5,02,128
Income Tax Refund Due	8,30,30,711	10,09,97,356
GST TDS Receivable	8,85,093	26,61,401
Total	**33,34,27,767**	**38,22,18,216**

*Refer Note 43

Current maturities of loan and advances to subsidiary companies are disclosed in this Note and non current maturities are disclosed under Note No.12 'Long Term Loans and Advances' above.

Note 18 : OTHER CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
	(Amount in Rs)	(Amount in Rs)
Accrued income	1,43,50,168	2,48,49,391
Total	**1,43,50,168**	**2,48,49,391**

Note 19 : REVENUE FROM OPERATIONS	For the year ended 31st March 2020	For the year ended 31st March 2019
	(Amount in Rs)	(Amount in Rs)
a. Sales		
Manufacturing sales	75,84,64,667	64,38,99,577
Project sales	2,55,96,66,748	2,77,62,06,950
Trading sales	36,99,24,561	22,03,76,546
Sub total	3,68,80,55,976	3,64,04,83,073
b. Services		
Income from servicing	56,36,91,471	64,28,33,131
Income from training	11,64,59,806	16,69,66,408
Income from manpower supply	4,57,31,292	4,21,80,805
Sub total	72,58,82,569	85,19,80,344
c. Other operating revenue		
Sales commission	24,00,000	24,00,000
Cash discount on purchase	7,43,226	9,57,400
Scrap sales	3,50,290	9,11,263
Freight and forwarding collected	4,69,342	3,72,178
Warranty written back	1,95,98,441	2,44,09,371
Exchange rate fluctuation	14,50,141	1,46,695
Sub total	2,50,11,440	2,91,96,907
	-	
Total	**4,43,89,49,985**	**4,52,16,60,324**

Note 20 : OTHER INCOME	For the year ended 31st March 2020	For the year ended 31st March 2019
	(Amount in Rs)	(Amount in Rs)
Interest	3,43,94,624	2,00,29,978
Rent	80,79,964	90,36,422
Other sundry receipts/adjustments	35,55,505	29,06,441
Unadjusted credit in creditors a/c written back	10,03,026	46,34,074
Agricultural income	1,64,819	2,38,845
Total	**4,71,97,938**	**3,68,45,760**

Note 21 : MATERIAL CONSUMED AND SERVICE EXPENSES	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
	(Amount in Rs)	(Amount in Rs)
a. Material Consumed		
Opening stock	27,60,95,365	23,22,97,339
Add: Purchases	2,72,86,66,311	2,84,86,25,164
	3,00,47,61,676	3,08,09,22,503
Less:Closing stock	30,49,29,922	27,60,95,365
	2,69,98,31,754	2,80,48,27,138
Add:Stores and spares consumed	1,22,05,379	85,14,736
Total	2,71,20,37,133	2,81,33,41,874
b. Service expenses		
Sub contracting charges	40,65,40,716	41,72,61,956
Errection and commissioning	23,72,683	23,65,462
Testing and quality control	10,79,544	36,34,911
Warranty expenses	1,78,24,000	1,80,19,212
Computer /project training	10,31,06,875	13,23,40,772
After sales service	2,74,886	2,84,355
Total	53,11,98,704	57,39,06,668
c. Purchase for resale	32,36,52,680	17,90,55,108
Total (a+b+c)	**3,56,68,88,517**	**3,56,63,03,650**

Note 22 : CHANGE IN INVENTORY FOR FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
	(Amount in Rs)	(Amount in Rs)
Closing Stock:		
Finished goods:		
Manufacturing items	1,06,76,175	1,38,04,243
Trading items	6,27,36,669	2,00,09,265
Work-in-progress:	11,73,15,130	10,77,08,386
Total	19,07,27,974	14,15,21,894
Less:		
Opening Stock -		
Finished goods:		
Manufacturing items	1,38,04,243	63,37,554
Trading items	2,00,09,265	1,29,01,257
Work-in-progress	10,77,08,386	5,74,65,602
Total	14,15,21,894	7,67,04,413
Net	**(4,92,06,080)**	**(6,48,17,481)**

Note 23 : EMPLOYEE COST	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
	(Amount in Rs)	(Amount in Rs)
Salaries, wages and bonus	47,95,35,669	49,79,87,586
Gratuity	4,29,58,627	3,38,91,793
Leave encashment	1,84,73,260	1,81,91,049
Employer's contribution to PF and other Funds	5,19,05,675	5,63,87,105
Leave travel concession	47,361	1,00,201
Canteen expenses	1,09,83,110	1,12,58,103
Uniforms	3,32,690	3,31,569
Staff training expenses	1,47,623	2,62,310
Maternity benefit	14,81,507	10,82,639
Other staff welfare expenses	2,09,35,651	1,87,14,654
Total	**62,68,01,173**	**63,82,07,009**

Note 24 : FINANCE COST	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
	(Amount in Rs)	(Amount in Rs)
Interest on government loan	3,20,30,611	1,35,57,270
Interest on KFC loan	77,29,300	65,57,563
Interest on Loan - KSIDC	56,56,830	-
Interest on Bill Discounting Scheme - KFC	6,32,406	-
Interest on loans (Government Companies)	35,90,704	35,56,134
Interest on cash credit and overdraft from banks	57,51,353	35,38,920
Interest -Others	64,30,592	64,29,782
Bank charges	31,96,023	15,56,213
Total	**6,50,17,819**	**3,51,95,882**

Note 25 : DEPRECIATION/AMORTIZATION	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
	(Amount in Rs)	(Amount in Rs)
Depreciation on tangible assets	2,52,17,232	2,66,48,597
Amortization on intangible assets	99,41,316	1,09,46,237
	3,51,58,548	**3,75,94,834**

Note 26 : OTHER EXPENSES	For the year ended 31st March 2020	For the year ended 31st March 2019
	(Amount in Rs)	(Amount in Rs)
Power, fuel and water	1,41,83,620	1,30,88,907
Rent	35,17,293	28,23,548
Rates and taxes	66,78,377	23,07,846
Interest and Late Fees	34,48,077	18,12,813
Arbitration Award	-	3,30,02,054
Insurance charges	19,25,739	31,69,109
Repair and maintenance:		
Motor vehicle	14,87,612	17,03,220
Building	23,23,211	7,90,559
Plant and machinery	8,62,677	20,62,998
Other assets	93,41,005	1,05,10,413
Travelling expenses	3,28,90,758	3,08,21,784
Travelling expenses-Directors	1,56,992	5,01,013
Advertisement and publicity	6,27,141	7,06,990
Sales and business promotion expenses	95,53,033	65,22,002
Freight and forwarding charges	53,86,691	59,30,215
Audit fee and expenses		
Statutory audit fee	10,33,500	11,08,500
Tax audit fee	2,80,400	2,70,400
GST audit fee	4,38,600	4,43,600
Reimbursement of expenses	49,725	5,07,090
Internal audit fee	8,62,300	8,43,538
Cost audit fee and other services	1,25,000	1,25,000
Director's sitting fee	9,800	4,200
Legal charges	20,79,244	21,64,653
Printing and stationery	40,22,694	42,88,244
Royalty	40,21,606	55,68,478
Other professional fee	36,34,891	41,38,182
Bank guarantee commission	21,35,515	19,25,186
Postage and telephone charges	1,27,53,539	1,28,24,796
Security charges	1,28,40,238	1,31,62,886
Exchange rate/customs duty variation	-	5,54,796
Site office expenses	10,18,874	9,26,146
Recruitment expenses	1,59,508	11,17,505
Corporate social responsibility expenses	1,20,920	
Transit house expenses	-	15,090
Agriculture expenses	2,99,286	3,74,793
Moulds, tools and jigs written off	12,01,222	16,63,923
Other charges	45,79,934	33,46,098
Total	**14,40,49,022**	**17,11,26,575**

Note 27 : PRIOR PERIOD ADJUSTMENT	For the year ended 31st March 2020	For the year ended 31st March 2019
	(Amount in Rs)	(Amount in Rs)
Prior period expenses	5,53,20,123	88,85,248
Less:		
Prior period Income	37,45,506	44,16,972
Net	**5,15,74,617**	**44,68,276**

Refer to Note 35 for details

Note 28 : EXCEPTIONAL ITEMS	For the year ended 31st March 2020	For the year ended 31st March 2019
	(Amount in Rs)	(Amount in Rs)
Sundry debits written off	57,745	21,475
Sundry credits written back	(48,45,715)	(1,33,10,916)
Provision for bad and doubtful debts/advances	-	7,73,71,696
Provision for loans and advances to Associate/Subsidairy Companies (Refer Note No.42 (ii) & (iii)(b))	-	6,56,42,729
Provision for other loans and advances	49,575	1,19,78,077
	-	-
Bank Guarantee Invocation Expenses	31,08,999	
Bank Guarantee Invocation Income	(16,91,854)	
Litigation Settlement	1,85,000	
Net	**(31,36,250)**	**14,17,03,061**

(a) Exceptional Items includes the write off/provision of long pending trade receivable, loans and advances for which separate disclosure is required to depict the performance of the Company for the reporting period.

(b) The unrealisable trade receivables owing to liquidated damages, sundry debits etc has been written off in the reporting period and provision for bad debts/advances/deposits in the Accounts has been created.

(c) Bad Sundry credits written back includes the write back of excess provision for bonus amounting to Rs.48,00,000. Refer Note-55.

(d) Bank Guarantee invoked by Kerala Police against Keltron Equipment Complex in connection with the work order for supply of security equipments for Sabarimala is disclosed under Bank Guarantee Invocation Expenses

(e) M/s Tecnics Integration Technologies Pvt Limited was awarded work order for the supply,installation of software and development of Decision Support Sysytems. Keltron Equipment Complex,Karakulam invoked the bank guarantee submitted by M/s Tecnics Integration Technologies Pvt Ltd for non performance and this has been disclosed as Bank Guarantee Invocation Income.

(f) Out of court settlement made by Keltron Equipment Complex,Karakulam with respect to Case-OS/1154/14,EP109/18 has been disclosed as Litigation Settlement .

Note 29 : CONTINGENT LIABILITIES NOT PROVIDED FOR		As at 31st March 2020 (Amount in ₹)	As at 31st March 2019 (Amount in ₹)
i)	Guarantees issued by the banks on behalf of the Company for which counter guarantees have been issued by the Company	29,14,80,828	22,15,88,133
ii)	Letter of credit issued by the banks on behalf of the Company and outstanding.	51,81,930	1,70,99,000
iii)	Indemnity bonds executed in favour of:		
	a) Customers for advances/performance	11,64,48,894	35,19,97,280
	b) Sales tax authorities	13,72,000	13,72,000
iv)	Claims against the Company not acknowledged as debts as debts		
	a) On account of central excise demands pending on appeal	4,72,67,175	4,72,67,175
	b) Sales tax Central and State under dispute	1,27,49,881	1,27,49,881
	c) PF interest and damages	1,81,16,584	1,81,16,584
	d) On account of interest and service tax	15,32,07,257	16,54,18,918
	e) On account of KVAT	56,16,665	56,47,165
	f) Official Liquidator High Court of Madras in respect of liquidation of FD Stewart Private Limited	10,859	10,859
	g) *License fee payable as per the Order of Arbitration in respect of South Central Railway project.	14,52,000	14,52,000
	h) On account of Wage Revision arrear 2012-17	2,94,80,138	2,94,80,138
	i) Others	3,85,00,623	1,48,65,280

* Note:

During 2008-09, the Company received an order from South Central Railway for implementation of CCTV and allied works vide agreement dated 22nd September 2008.As per the terms of agreement the company should pay license fee to South Central Railway upon which they will provide connectivity and central server to carry out CCTV operations.Even though the company paid the first installment of license fee,South Central Railway failed to provide technical facilities .Since the project could not be completed as per the terms of agreement, the Company approached the Hon'ble High Court of Andhra Pradesh disputing the payment of second installment. As per the direction of the Court, the Company had to pay the second installment.Disputing the payment of third and final installment, Company approached the Arbitrator for non performance of the agreement by South Central Railway. The Arbitrator has passed an award against the Company and the Company has preferred an Appeal before the City Civil Court, Hyderabad, which is pending.

	Note 30 : PARTICULARS OF TURNOVER	For the year ended 31st March 2020 (Amount in ₹)	For the year ended 31st March 2019 (Amount in ₹)
A	REVENUE FROM MANUFACTURING		
1	Control Instrumentation systems	9,64,61,142	8,10,68,595
2	Power electronics products/systems	4,89,13,872	5,96,94,858
3	Special products/systems	39,67,83,719	30,72,37,252
4	Strategic service products/systems	7,80,02,356	9,85,25,502
5	Computer and accessories	14,46,646	29,14,474
6	Traffic Signals products/enforcement systems	67,42,186	1,00,79,641
7	ID card projects	1,81,55,275	1,09,49,999
8	Products for differently abled	1,39,83,957	1,63,47,374
9	Security and surveillance products/systems	4,82,78,386	-
10	Lighting products	2,40,43,735	3,02,94,310
11	Hearing Aids	2,52,07,229	2,54,02,863
12	Others	4,46,164	13,84,709
		75,84,64,667	**64,38,99,577**
B	REVENUE FROM PROJECTS		
1	Solar light	12,17,46,378	13,23,56,316
2	Traffic signal/enforcement system	3,89,37,780	7,82,83,266
3	Speed violation detection system		52,26,446
4	Security and surveillance	13,19,91,205	18,05,09,296
5	Computer and accessories	1,82,00,36,715	2,18,48,27,877
6	Smart card/Identity card	11,07,240	1,30,50,053
7	Lighting Systems	2,08,82,925	3,76,83,980
8	Strategic service products/systems	1,68,42,554	8,77,22,090
9	Others	40,81,21,951	5,65,47,626
		2,55,96,66,748	**2,77,62,06,950**
C	RESALE		
1	Computer and accessories	33,47,95,807	15,45,97,704
2	Products for differently abled	2,18,98,979	2,48,01,448
3	Security systems	15,25,860	2,74,41,418
4	ID card	85,81,646	73,07,909
5	Intelligent vehicle tracker		4,98,480
6	Others	31,22,269	57,29,587
		36,99,24,561	**22,03,76,546**
D	REVENUE FROM SERVICES		
1	Income from training	11,64,59,806	16,69,66,408
2	Income from manpower supply	4,57,31,292	4,21,80,805
3	Service income	44,95,84,562	62,92,50,541
4	Income from maintenance or repair	2,49,80,103	
5	Erection and commissioning	2,12,08,334	1,35,82,590
6	Business auxiliary	6,79,18,472	-
		72,58,82,569	**85,19,80,344**
	Total sales (A+B+C+D)	**4,41,39,38,545**	**4,49,24,63,417**

Note 31 CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS	FOR THE YEAR 2019-20 Current year (Amount in ₹)	% OF CONSUM-PTION	FOR THE YEAR 2018-19 Previous year (Amount in ₹)	% OF CONSUM-PTION
Imported	10,71,94,083	4%	11,95,58,030	4%
Indigenous	2,60,48,43,050	96%	2,69,37,83,844	96%
Total:	**2,71,20,37,133**	**100%**	**2,81,33,41,874**	**100%**

Note: Imported figures are as determined by the Management.

Note 32 : FOREIGN EXCHANGE EARNINGS	For the current financial year 2019-20 (Amount in ₹)	For the previous financial year 2018-19 (Amount in ₹)
Export of goods	17,09,279	9,19,001
Others	13,78,039	-

Note 33 : EXPENDITURE IN FOREIGN CURRENCY	For the current financial year 2019-20 (Amount in ₹)	For the previous financial year 2018-19 (Amount in ₹)
Capital expenditure	5,57,354	67,44,050
Travelling and business promotion	56,510	-

Note 34 : VALUE OF IMPORTS CALCULATED ON CIF BASIS	2019-20 (Amount in ₹)	2018-19 (Amount in ₹)
Raw materials and components	13,47,18,282	10,20,92,734
Capital goods	5,83,803	82,02,501

(Amount in ₹)

Note 35 : PRIOR PERIOD ITEMS	For the year ended			
	31st March 2020		31st March 2019	
	Dr	Cr	Dr	Cr
a) PRIOR PERIOD EXPENSES				
Materials and components	1,16,640			
Salaries and wages	1,60,624		2,27,086	4,702
Gratuity			1,40,674	
Purchase	9,409		2,02,700	
Bonus/Exgratia	72,157		2,11,050	92,750
Testing & Quality Control			25,000	
Freight and forwarding			5,820	
Repairs and Maintenance	2,363		4,868	
Excise duty			2,629	
Interest on Sales tax			45,935	
Purchase Consumables	151			
Service Tax			8,89,425	
Service Tax / GST	8,06,469		1,43,225	
Depreciation on fixed assets	71,934		18,88,396	3
Diminution in value of Inventory			87,635	
Medical Aid	51,770			
Site Allowance	54,488			
Insurance Charges	4,780			
Interest accrued on Government Loan	3,45,58,281			
Freight outward	1,935			
Telephone charges			6,444	
Postage &Telephone charges	55		4,088	
Audit fees and expenses	2,500		1,16,260	
Rent			17,823	270
Loading & Cartage	3,275			
Printing and stationary	125			
Travelling expense and conveyance	38,062		13,970	
Conveyance	10,255		265	
Canteen Expenses			50,747	
Other Expense on Sales	1,325			
Recruitment Expense			81,553	
Refund of MoU				
Other staff welfare expenses	17,311		48,328	
Refund of Filing Fee				
Sales reversal	1,21,46,784		46,31,758	
Other sundry expenses	7,866		1,200	
Other Sundry Receipts		1,28,384	1,00,000	
News paper ,books & Periodicals	230		569	
Reversal of Accrued Income Provision	67,82,053			
Others	5,27,665		35,525	
Sub total	5,54,48,507	1,28,384	89,82,973	97,725
Net	**5,53,20,123**		**88,85,248**	

b) PRIOR PERIOD INCOME

Service income		3,36,771		6,78,413
Income from maintenance / Repair service		35,18,284		19,04,212
Income From Computer Training				63,227
Sub contracting charges		1,900		10,75,312
Rent		25,876		
Salaries and wages		10,07,548		40,757
Insurance Premium				39,873
Excess Provision Creditors Debit balance		3,73,808		48,925
Interest				21,240
Depreciation on Fixed assets				13,70,381
Tender Fee				
Sales rejection			8,25,368	
Festival Allowance		33,000		
Sales reversal	15,51,681			
Other sundry receipts				
Other sundry expense				
Sub total	15,51,681	52,97,187	8,25,368	52,42,340
Net		**37,45,506**		**44,16,972**
Net prior period Items	**5,15,74,617**		**44,68,276**	

Note 36 : PROVISION FOR WARRANTIES

Warranties against the manufacturing and other defects, as per terms of contract with the customers, are provided on the basis of estimate made by the Company except where the Company has back to back arrangement with the suppliers.

(Amount in ₹)

	As at 31st March 2020	As at 31st March 2019
Balance as at the beginning of the year	3,75,77,609	4,09,88,476
Provision made during the year	1,78,24,000	1,80,19,211
Unutilised provision written back (Net of utilised)	2,16,77,784	2,14,30,078
Provision required at the end of the year	**3,37,23,825**	**3,75,77,609**
Classified as Non-Current		-
Classified as Current	3,37,23,825	3,75,77,609

(Amount in ₹)

Note 37	Gratuity		Leave encashment	
PROVISION FOR GRATUITY & LEAVE ENCASHMENT	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	16,58,09,171	19,82,21,075	5,82,99,825	6,73,63,868
Less: Paid during the year on account of retirement /resignation	7,43,66,384	6,09,46,406	2,96,54,076	2,72,55,092
Add: Provided during the year	4,29,58,627	3,38,91,793	1,84,73,260	1,81,91,049
Less: Contribution to Plan Asset with LIC of India	52,82,406	53,57,291		-
Balance at the end of the year	**12,91,19,008**	**16,58,09,171**	**4,71,19,009**	**5,82,99,825**
Classified as Non-Current	8,54,04,477	9,91,13,717	3,48,44,896	3,78,35,081
Classified as Current	4,37,14,531	6,66,95,454	1,22,74,113	2,04,64,744

FAIR VALUE OF PLAN ASSET FOR FUNDED GRATUITY WITH LIC OF INDIA	As at 31st March 2020	As at 31st March 2019
Fair value of asset at the beginning	4,35,71,779	3,70,47,295
Expected Return on the Plan	32,67,883	27,78,547
Acturial Gain/(Loss)	2,52,777	3,33,823
Employer's Contribution	60,00,000	60,00,000
Fund management charges	7,17,594	6,42,708
Benefits paid	24,38,842	19,45,178
Fair value of asset at the year end	4,99,36,003	4,35,71,779
Actual return on plan asset	35,20,660	31,12,370

i. The Company has started funded gratuity for employees having more than 10 years of remaining service as on the date of commencement of scheme during the previous year. The Scheme operated through the Trust created for the purpose and funds are being managed by the LIC of India

Note 38 : RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH 2020

(A) Related Party and their relationship

I Subsidiaries:

1 Keltron Component Complex Limited (KCCL)
2 Keltron Electo Ceramics Limited (KECL)
3 Keltron Counters Lmited (KCL)
4 Keltron Rectifiers Limited (KRCL)
5 Keltron Power Devices Limited (KPDL)

II Associates:

1 Keltron Varisters Private Limited
2 Sidkel Televisions Limited
3 Keltron Entertainments Systems Limited (KESL)
4 Keltron Projectors Limited (KPL)

III Key Management Personnel:

1 T R Hemalatha, Managing Director
2 B.Bilu, Company Secretary

(B) Transactions with related parties: (Amount in ₹)

	Particulars	For the year ended 31st March 2020			For the year ended 31st March 2019		
		Subsidiaries	Associates	Key Management Personnel	Subsidiaries	Associates	Key Management Personnel
i.	Purchase of goods	74,23,992	-	-	3,32,96,864	-	-
ii	Sale of goods	19,74,634	-	-	44,92,489	-	-
iii.	Service rendered (Sole selling Agency)*	24,00,000	-	-	24,00,000	-	-
iv.	Loan given to Subsidiaries	-	-	-	-	-	-
v.	Loan refunded by Subsidiaries	-	-	-	-	-	-
vi.	Loan taken from Subsidiaries	-	-	-	-	-	-
vii.	Loan refunded to Subsidiaries	-	-	-	-	-	-
viii.	Interest on loan	1,31,295	-	-	1,18,308	-	-
ix.	Managerial Remuneration	-	-	36,80,435	-	-	25,97,286
x.	Share of retirement benefits paid	-	-	-	-	-	-

Based on the figures certified by the Management.
* excluding service tax.

(C) Balance with related parties:

(Amount in ₹)

	Particulars	As at 31st March 2020			As at 31st March 2019		
		Subsidiaries	Associates	Key Management Personnel	Subsidiaries	Associates	Key Management Personnel
i.	Trade receivable	56,34,880	-	-	58,82,914	-	-
ii.	Trade payable	2,91,14,745	-	-	5,48,57,566	-	-
iii.	Loans and advances*	48,94,43,304	-	-	48,77,48,045	-	-

* Loans and advances include ₹ 13,12,85,459 due from Keltron Counters Limited which is under winding up process and 100% provision against the amount due from them has been made during the previous two financial years.Refer E(a)

(D) i Trade receivable and Trade payable includes the following amounts due from /payable to Subsidiaries/Associate Companies:

(Amount in ₹)

	Subsidiaries	Trade receivable		Trade payable	
		Outstanding as on 31st March 2020	Outstanding as on 31st March 2019	Outstanding as on 31st March 2020	Outstanding as on 31st March 2019
i.	Keltron Component Complex Limited	3,78,360	13,01,158	2,04,182	16,776
ii.	Keltron Electro Ceramics Limited	52,56,520	45,81,756	2,89,10,563	5,48,40,790
		56,34,880	58,82,914	2,91,14,745	5,48,57,566

(E) i Amount of loans and Advances to Subsidiaries/Associate Companies:

(Amount in ₹)

	Subsidiaries/Associates	Outstanding as on 31st March 2020	Outstanding as on 31st March 2019
a.	**Subsidiaries:**		
i.	Keltron Component Complex Limited.	86,37,408	81,05,261
ii.	Keltron Electro Ceramics Limited	5,27,15,889	5,15,52,777
iii.	Keltron Counters Limited**	13,12,85,459	13,12,85,459
iv.	Keltron Rectifiers Limited* (i)	9,90,06,336	9,90,06,336
v.	Keltron Power Devices Limited* (i)	19,77,98,212	19,77,98,212
	Total	48,94,43,304	48,77,48,045
	Less: Provision for doubtful advances:		
	Keltron Counters Limited(provision)	13,12,85,459	13,12,85,459
	Total	13,12,85,459	13,12,85,459
	Net Total	35,81,57,845	35,64,62,586

b. Associates:

i. Keltron Varisters Private Limited***	-	
ii. Sidkel Televisions Limited**	-	
iii. Keltron Entertainments Systems Limited***	-	
iv. Keltron Projectors Limited**	-	
Total	-	-
Less: Provision for doubtful advances:		
i. Keltron Varisters Private Limited	-	
ii. Keltron Entertainments Systems Limited	-	
iii. Keltron Projectors Limited	-	
iv. Sidkel Televisions Limited	-	
Total	-	-
Net Total	-	-
Gross Total	**35,81,57,845**	**35,64,62,586**

(i) Included Investments pending allotment.
* are Companies are under liquidation and balances are drawn as per last available records
** are defunct Company and balances are drawn as per last available records.
*** are Companies which are non existent.

Note 39 : MANAGERIAL REMUNERATION

(Amount in ₹)

	For the year ended 31st March 2020	For the year ended 31st March 2019
1 N.Narayana Moorthy(Chairman)		
Salaries & PF	11,31,994	1,10,000
Medical benefits	-	
	11,31,994	1,10,000
2 Hemalatha.T.R (Managing Director)		
Salaries & PF	15,40,463	14,67,103
Medical benefits	-	
	15,40,463	14,67,103
3 B.Bilu (Company Secretary)		
Salaries & PF	10,07,978	9,58,204
Medical benefits		61,979
	10,07,978	10,20,183

Directors Sitting Fee

Name of the Directors	For the year ended 31st March 2020	For the year ended 31st March 2019
1 K.Ramachandran		1,200.00
2 V Narayanan	1,200.00	
3 V Jayaprakash	600.00	3,000.00
4 R.Suresh Mohan	8,000.00	-
	9,800.00	4,200.00

40. Grant and Loan from Government of Kerala:

The Company submitted a Financial Restructuring Proposal to Government of Kerala during the month of April 2018 with the main objective of improving the net-worth position of the Company. The proposals included the following:

(i) Set-off of Investment and loan in defunct subsidiaries amounting to Rs.72,00,18,157 against Government loan liability which are covered under freezing (as a part of BIFR Scheme) amounting to Rs.82,65,84,000. Balance amount of Rs.10,65,65,843 may be converted to equity.

(ii) The conversion of interest accrued on Government loan to the extent of Rs.103,71,88,324 to equity.

(iii) Re-consideration of Government Order GO(Rt) No.329/2014/ID dated 11th March 2014 converting the OTS instalments given below:

(i)Government Grant of Rs.6,00,00,000 and
(ii) Already converted Government loan to Equity of Rs.12,50,00,000 again back to working capital loan

The Government of Kerala vide GO(MS) No.53/2020/ID dated 15th May 2020 has approved the Financial Restructuring proposal of the Company as detailed below:

1) Conversion of Government loan of Rs.72,00,18,157 to equity.
2) The working capital loan as per GO(Rt) No.329/2014/ID dated 11th March 2014 of Rs.18,50,00,000 shall be converted to equity
3) Waiver of interest accrued on aforesaid loan aggregating to Rs.92,30,61,414
4) Increase of Authorized Share Capital of the Company to accommodate the issue of shares to the Government on accounts of (1) and (2) above, and consequent amendment in Memorandum and Article of Association.

The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020.Accordingly the converted Government Loan of Rs.72,00,18,157 and Government grant of Rs.6,00,00,000 is disclosed as "Share Application Money Pending Allotment" under Other Long Term Liabilities .

The Government Loan of Rs.12,50,00,000 as covered under GO(Rt) No329/2014/ID dated 11.03.2014 was included under Note -1 Share Capital, as the shares are already converted and allotted to Government of Kerala vide GO (MS) No.183/11/ID dated 26th August 2011.

Further to improve the net worth, the company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021represented before Government to consider the conversion of interest accrued on Government Loan amounting to Rs.92,30,61,414 to equity share capital in line with the recommendation of Public Enterprises Board.

This has been sanctioned vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020 sanctioning the financial restructuring proposal of the company and accordingly disclosed the interest accrued on Government Loan amounting to Rs.92,30,61,414 as "Share Application Money Pending Allotment" under Other Long Term Liabilities.

Thus the Share money pending allotment amounting to Rs.170,30,79,571/- is included and disclosed under Other Long-term liabilities.

The increase of authorized share capital of the company to accommodate the issue of shares to Government and the procedures of consequent amendment in Memorandum and Articles of Association is pending and the inclusion of the same in Equity share capital would be effected immediately after the compliance procedures are complete.

41. The details of interest accrued on government loan are as under:

Sl No	Particulars	Loan & Interest outstanding as on 31st March 2020		Interest provided up to
		Principal	Interest(including penal interest)	
a	Interest Accrued on loans not included in financial restructuring as per GO (MS) No.53/2020/ID dated 15th May 2020	Rs.5,32,82,921	Rs.2,51,89,440	31st March 2006
b	Interest Accrued on Loan Converted To Equity vide GO (MS) No 183/11/ID dated 26.08.2011(Refer Note Below)		Rs.8,89,37,470***	31st March 2010
c	Loan taken vide GO(Rt)No.1538/2017/ID dt 08.11.2017-Current portion of principal & Interest accrued thereon shown under Sl.No-h	Rs.1,10,00,000	----	31st March 2020
d	Loan taken vide GO(Rt)No.367/2018/ID dt 28.03.2018- Current portion of principal & Interest accrued thereon shown under Sl.No-i	Rs.2,20,00,000		31st March 2020

e	Loan taken vide GO(Rt)No.13007/2018/ID dt 24.11.2018-Current portion of principal & Interest accrued thereon shown under Sl.No-j	Rs.3,50,00,000		31st March 2020
f	Loan taken vide GO(Rt)No1115/2019/ID dt 10.11.2019 Current portion of principal & Interest accrued thereon shown under Sl.No-k	Rs.45,94,349		31st March 2020
	Sub Total	**Rs.12,58,77,270**	**Rs.11,41,26,910**	Interest accrued disclosed under Note-4-Other Long Term Liabilities
g	Loan taken vide GO (MS) No.559/12/IDdt 30.03.2012	Rs.6,00,00,000	Rs.6,46,47,677	31st March 2020
h	Loan taken vide GO(Rt)No.1538/2017/ID dt 08.11.2017(refer Sl No-c above)	Rs.90,00,000	Rs.39,20,390	31st March 2020
i	Loan taken vide GO(Rt)No.367/2018/ID dt 28.03.2018(refer Sl No-d above)	Rs.1,80,00,000	Rs.62,92,608	31st March 2020
j	Loan taken vide GO(Rt)No.13007/2018/ID dt 24.11.2018 and interst accrued thereon(refer Sl no-e)	Rs.1,50,00,000	Rs.63,55,370	31st March 2020
k	Loan taken vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 & interest accrued thereon shown under Sl.No f	Rs.5,00,000	Rs.1,28,508	31st March 2020
l	Interest Accrued on Loan taken vide GO(Rt)No.193/2020/ID dt 29.02.2020 which has been resumed on 31.03.2020		Rs.12,770	31st March 2020
m	Loans not included in financial restructuring as per GO (MS) No.53/2020/ID dated 15th May 2020	Rs.5,32,82,922	Rs.4,71,17,102	31st March 2020
	Sub Total	**Rs.15,57,82,922**	**Rs.12,84,74,425**	Interest accrued disclosed under Note-8-Other Current Liabilities
	Grand total	**Rs.28,16,60,192**	**Rs.24,26,01,335**	

***Note: Interest of Rs.8,89,37,471 had accrued on Loan amounting to Rs.71,87,21,863 which was earlier converted to Equity vide GO (MS) No 183/11/ID dated 26.08.2011

42. Loans and Advances include

(i) A sum of Rs.17,03,74,850 is pending allotment of shares by the following subsidiary Companies:-

(a)) Keltron Rectifiers Limited- Rs. 5,76,43,070
(b) Keltron Power Devices Limited Rs.11,27,31,780
Total : Rs.17,03,74,850

The Hon'ble High Court of Kerala in its judgment dated 06th March 2006 and 14th November 2005 issued orders for the winding up of Keltron Rectifiers Limited and Keltron Power Devices Limited respectively and appointed the Official Liquidator. The Government of Kerala vide G.O.(MS) No. 165/08/ID dated 22nd October 2008 ordered to take over the aforesaid subsidiary companies (a) & (b) with all liabilities including future liabilities, simultaneously with its assets by the Company. Government of Kerala also filed an affidavit before the Hon. High Court of Kerala for the above take over. The Scheme for takeover of the above two subsidiary companies as per the Government G.O. is under process and hence no provision has been made in the accounts regarding the investment pending allotment in respect of these two companies

(ii) Loans and Advances outstanding from defunct Subsidiary Companies include the following:

Sl No	Name of the Company	Subsidiary /Associate	Amount Outstanding as on 31 st March 2020	Remarks
1	Keltron Counters Limited	Subsidiary Company	------	The company was ordered for winding up by the Hon'ble High Court of Kerala, vide its judgment dated 26th July 2006 and the Official Liquidator took charge with effect from 26th July 2006. The Government

				of Kerala filed an affidavit in the Hon'ble High Court of Kerala for keeping in abeyance the liquidation proceedings. Later vide judgment in CA Nos. 396,396B and 396C of 2009 in CA No.723 of 2006 in CP No.11 of 2002 dated 08th October 2009 of the Hon'ble High Court of Kerala, release of the immovable properties owned by Keltron Counters Limited to State of Kerala in order to establish Gulati Institute of Finance and Taxation (GIFT) was permitted. The possession of above land has already been handed over as per the above direction and GIFT transferred an amount of Rs.5,00,00,000 to M/s Keltron Counters Limited for settling of its liabilities with a condition that shortfall if any will be compensated by the Government of Kerala, which is deposited in separate account bearing interest. As there are no fixed assets available with Keltron Counters Limited the Company has made adjustments to account for the diminution in value of total investment in the financial year 2009-10. Keltron Counters Limited made an application to the Registrar of Companies to strike off the name of the company from the Register of Companies under Fast Track Exit Mode Scheme 2011.The Government of Kerala vide G.O.(Ms) No-21/2019/ID dated 28th February 2019 sanctioned the transfer of all existing and future liabilities of

				Keltron Counters Limited(KCL) to Keltron and all liabilities of KCL including future liabilities will be settled by Keltron In view of the above, the company decided to create a provision against Rs.13,12,85,459 outstanding from KCL in two equal installments commencing from the financial year 2017-18. Accordingly , provision of Rs.6,56,42,730 being 50% of loans and advances due from Keltron Counters Limited was created during the financial year 2017-18 and the balance provision of Rs.6,56,42,730 was created during the previous financial year 2018-19. Thus the total provision created against loans and advances given to Keltron Counters Limited is Rs.13,12,85,459.
2	Keltron Power Devices Limited	Subsidiary Company	Rs.8,50,66,432	As mentioned in 41(i) above, the Hon.High Court of Kerala has ordered winding up of Keltron Power Devices Ltd (KPDL) and Keltron Rectifiers Limited (KRCL).The Company has filed an application before the Hon. High Court of Kerala on 9th October 2017 for recalling the winding up order of KPDL and KRCL, discharge the official liquidator and to take over the assets and liabilities by the holding company. As per the direction of Hon.High Court of Kerala, a Revival Scheme for the manufacturing of 100MW Solar Panel was submitted. The scheme is yet to be heard by the Hon.High Court of Kerala.
3	Keltron Rectifiers Limited	Subsidiary Company	Rs.4,13,63,266	

				Meanwhile, Government of Kerala vide GO (RT) No 883/2018/10 dated 26/07/2018 has issued Administrative Sanction towards the Budget-Support for the company for the setting up of manufacturing facilities for Solar Modules. The Special Government Pleader (Taxes) informed that the Revival proposal has to be filed by the Government of Kerala and hence an Affidavit of the Chief Secretary has to be filed. Due to the pendency of the above situation, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation.
	Total		**Rs.12,64,29,698**	

43. The company received a request from its subsidiary company, Keltron Electro Ceramics Limited for considering the decision taken in the 203rd Board Meeting of KECL with respect of conversion of term loan of Rs.1,35,26,650 received from the holding company and interest accrued thereon amounting to Rs.1,35,90,572 in to equity share capital. The company in its 257th Board Meeting held on 15th December 2020 approved the conversion of loan and interest accrued thereon. The company intimated KECL vide Letter No-KSEDC/KECL/2020-21/176 dated 11th January 2021 that the conversion of loan to equity has been approved and that the same is effective from 31st March 2020.However the legal formalities with respect to the aforesaid conversion as per the provisions of Companies Act, 2013 is progressing at KECL. Hence the loan and interest accrued thereon is disclosed under Note No-7 Short Term Loans & Advances which is in conformity with the financial statement of KECL for the year ended 31st March 2020.

44. The Current Accounts and Collection Accounts of Subsidiary Companies/Associate Companies are subject to confirmations from the respective companies. As per the provisions of Section 129 of the Companies Act, 2013 during the FY 2014-15 the Company has prepared the Consolidated Financial Statements incorporating the Accounts of all the subsidiary companies. However, audited Accounts of the following two subsidiaries namely Keltron Component Complex Limited, Kannur and Keltron Electro Ceramics Limited, Kuttipuram, could only be incorporated in accordance with AS-21 'Consolidated Financial Statements' notified through Companies (Accounting Standards) Rules, 2006, and since the accounts of other subsidiaries viz. Keltron Counters Limited, Keltron Rectifiers Limited and Keltron Power Devices Limited are not available as these Companies are either under liquidation or are defunct the same could not be included in the Consolidated Financial Statements.

The Current Accounts and Collection Accounts of aforesaid two subsidiaries are un-reconciled for a long period of time, owing to the non accounting of debit notes raised by the holding company to respective subsidiaries on account of Interest on Current/Collection Account balances, sales commission etc in the earlier years.

The un reconciled differences in the balances with KECL & KCCL is as under:

Sl No	Particulars	KCCL	KECL	Total
1	Current Account	Rs.3,50,84,200	Rs. (234,589)	Rs.3,48,49,611
2	Collection Account	Rs.3,04,75,882	Rs.13,54,405	Rs.3,18,30,287
	Total	**Rs.6,55,60,082**	**Rs.11,19,816**	**Rs.6,66,79,898**
3	Trade Receivable	Rs. 5,72,585	Rs. (7,59,995)	Rs. (1,87,410)
4	Trade Payable	Rs. 4,27,477	Rs. (17,11,946)	Rs. (12,84,469)

As mentioned above the difference in current and collection account between the books of holding company and subsidiary companies amounting to Rs.6,66,79,898 were written off in the FY 2014-15 as exceptional item and with respect to Trade Receivable /Trade Payable an amount of Rs.10,97,060 was booked as an expense in the books of the holding company in the financial year 2014-15.

45. Credit balance in Trade Receivable Account amounts to Rs. 2,62,63,556 (Previous year : Rs. 86,32,954)and debit balance in Trade Payable Account amounts to Rs.2,65,30,325(Previous year : Rs. 2,11,86,835) are subject to

confirmation / reconciliation and consequent adjustments, if any, upon confirmation.

46. The Company is certain that sufficient immediate future taxable income will not be available against which deferred tax asset can be realised. Hence the deferred tax asset was not recognized.

47. Every year, the Company used to provide for the amount due to increase or decrease in exchange rate on the amount due to foreign suppliers. During the year, due to decrease in exchange rate, the net liability has decreased by Rs.14,50,141 (Previous year: increased by Rs.4,08,101) which has reflected in Sundry Creditors for goods supplied. The above change is accounted in exchange rate fluctuation under the head 'Other operating revenue' under Revenue from operations.

48. The company has disclosed the outstanding Trade payable to MSME in the Note No 4 and 7.There are Micro, Small and Medium Enterprises to whom the Company owes, which are outstanding for more than 45 days as at 31st March 2020 as per the terms of agreement with them. The interest due to such outstanding as per MSMED Act has not been provided in the financial statements.

49. The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the result is known / materialized.

50. The Keltron Marketing Office – Delhi has been occupying the office space in Travancore Palace, New Delhi since 14th November 1997. But the lease agreement was not executed and rent was pending until 31st March 2016. However, as a prudence the Company has created provision for rent payable on an year on year basis aggregating to Rs. 5,44,15,359/- as on 31st March 2015. As per the request of the Company, Government of Kerala vide GO(Rt) No.1832/2017/GAD dated 21st March 2017 has fixed the rent at the rate of Rs. 35 per sq.feet for an area of 1714 sq.feet which amounts to Rs.1,25,10,134/- up to 31st March 2015 and the excess provision of Rs.4,19,05,225/-has been written back during the FY 2015-16 as exceptional item and rent up to
31st March 2016 has been paid during the financial year 2017-18.

As per GONo-1613/RC1/2015 dated 28th January 2016 the company was ordered to shift its office space to staff quarters behind Travancore Palace, New Delhi belonging to Government of Kerala .No rent has been fixed for this premises. As it is very difficult to ascertain the rent payable for the staff quarters, the company has not made any provision in the books of accounts for the rent payable from the financial year 2016-17 to 2019-20.The company has requested Government of Kerala to fix the rent for the premises.

51. Earnings per share (EPS)

	Basic & Diluted EPS	31st March 2020	31st March 2019
a	Profit attributable to Equity Shareholders before extraordinary items (Numerator used for calculation of diluted and basic EPS)	5,23,36,135	3,15,41,147
b	Profit attributable to Equity Shareholders (Numerator used for calculation of diluted and basic EPS)	5,23,36,135	3,15,41,147
c	Number of Equity Shares used as denominator for calculating : Basic Diluted	 2,03,55,181 3,73,85,977	 2,03,55,181 2,03,55,181
d	EPS of Rs.100/- before extraordinary items Basic Diluted	Rs. 2.57 Rs. 1.40	Rs. 1.55 Rs. 1.55
e	EPS of Rs. 100/- each Basic Diluted	Rs. 2.57 Rs. 1.40	Rs. 1.55 Rs. 1.55

52. Balances under receivables, deposits, loans and advances, trade payables and current liabilities are subject to confirmation / reconciliation and consequent adjustments, if any, upon confirmation.

53. The carry forward loss and depreciation as per Return of Income filed by the Company for the financial year 2006-07 to 2016-17 amounts to Rs. 1,30,00,415 whereas the assessed losses by the Tax Department for the

same period amounts to NIL only. However, the Company has preferred appeals to higher authorities against the reduction in the carry forward loss/depreciation while completing the assessment. This has resulted in a shortfall between the claim by the Company and as allowed by the Assessing Officers. Considering the appeals filed, the Company continues to treat its claim of Rs. 1,30,00,415 based on the return as the Company is confident of winning the appeals. The company has claimed additional carry forward loss and unabsorbed depreciation of Rs.69,21,81,059 for the financial years 2016-17 , 2017-18 & 2018-19. After including the loss of the current year Rs.18,43,70,344 the total carry forward unabsorbed depreciation and loss carried forward to future assessment year is Rs. 88,95,51,818.

54. The Company has recognized the TDS credit as per 26AS. However, in certain cases, though the credit is appearing in 26AS, the Company did not receive the TDS certificate. In certain other cases, though the credit is appearing in 26AS, the Income Tax Department did not allow such tax credit while completing the assessment on which the Company has preferred appeal. While the 26AS shows a tax credit of Rs. 15,81,94,828 for the Assessment year 2007-08 to 2020-21, the Company's books of account shows the balance of Rs. 8,30,30,711 only. The Company did not account for the balance credit of Rs.7,51,64,117 in the books considering the uncertainty attached in getting full tax credit while completing the assessment. The Company is confident that tax credit as per 26AS will be allowed in appeal proceedings. Hence, no provision towards doubtful of recovery is considered necessary as it is fully recoverable.

55. Consequent to the amendment made by The Payment of Bonus Act, 1965 vide The Payment of Bonus (Amendment) Act 2015 dated 31st December 2015, the threshold limit of wages of employees eligible for bonus has been increased from Rs. 10,000/- to Rs. 21,000 with retrospective effect from 1st April 2014. The Company has implemented the amended provisions in the disbursement of bonus from the financial year 2015-16 onwards. Further, the Company has estimated the extra liability of Rs. 48,00,000 pertaining to financial year 2014-15 owing to the retrospective effect of this amendment and provision has been created in the books of account, though not disbursed. However, no final decision has been taken on this by the Company as the Hon. High Court of Kerala has stayed the retrospective operation of the provisions of the Bonus Act on a petition filed by another Company and we have written back the provision during the reporting period under Bad Sundry Credits Written Back

56. The Government of Kerala vide GO(MS) No.105/17/ID dated 28th October 2017 has revised the scale of pay of the regular employees of the Company including its subsidiary Companies with retrospective effect from 01st April 2012. The arrears with respect to implementation of pay revision will be subject to the resolution of Board of Directors of the Company and the availability of fund. Accordingly, after series of discussion between the

Management and Recognized Trade Unions, a consensus was arrived and signed the Memorandum of Settlement (MoS) on 30th November 2017.

However on implementation of revised scale of pay from November 2017, various anomalies such as drop in pay, stagnation in scale, duplication of scale of pay for multiple grades etc has been noted. Moreover, 105 employees of the Company having drop in pay on implementation of pay revision as per the GO stated above has filed a writ petition before the Hon'ble High Court of Kerala and obtained an interim stay in order to protect the total emoluments being drawn by them. The matter has resolved by compensating the drop in pay by giving Ad-hoc pay effected employees.

Further, with respect to the disbursement of arrears of the period from 01st April 2012to 31st October 2017,after a series of discussions with the representatives of Recognized Trade Union, consensus was arrived and the matter has been considered in the 248th meeting of the Board of Directors of company held on 11th October 2018 and decided to disburse 85% of the arrears of the employees in the rolls of the Company on 1st November 2017 in 12 equal installments starting from the month of November 2018 and thereafter to the employees retired from service/ expired between 1st April 2012 to 31st October 2017.

The pay revision arrears for the period from 1st April 2012 to 31st March 2017,amounting to Rs.10,81,14,936 has been provided during the financial year 2016-17 and an amount of Rs.126,13,119 has been provided during the financial year 2017-18 and an additional provision of Rs.44,79,791 was made during the financial year 2018-19 in the books of accounts.

The disbursement of wage revision arrear commenced from October 2018 and wage revision arrears outstanding in the books as on 31st March 2020 is Rs.6,19,09,610.

57. Based on accumulated loss as on 31st March 1998, the Company became a Sick Industrial Company under Section 3(O) of the Sick Industrial Companies (Special provision) Act 1985 (SICA) and BIFR vide order dated 04th July 2006 declared the Company as Sick Industrial Company. The Rehabilitation Scheme was sanctioned by the BIFR in the hearing held on 20th December 2012 and is under implementation. Further to the constitution of National Company Law Tribunal (NCLT) under Companies Act, 2013 with effect from 01st December 2016 the matter was being taken over by NCLT. The management has come to the conclusion that it will not pursue the matters before the NCLT, taking into account the fact that the company is not a sick company as per the provisions of Companies Act, 2013 nor IBC, 2016 since the company has not failed to pay its debts amounting to 50% or more of its outstanding dues with the Secured Creditors I,e: Banks and Financial Institutions.

58. Actuarial valuation of liability in respect of gratuity and leave encashment is done at corporate office level and the same is provided in the books of

accounts of units/ KMO's on the basis of instructions issued by corporate office in this regard.

59. The Company has received an Order from Damodar Valley Corporation (DVC) with respect to Control and Instrumentation turnkey job for three units of Mejia Project during the financial year 1992-93 and the purchase order for 3 units amounting to Rs.27.70 crore was released during 1994-95. The three units mentioned above were to be executed in different schedules as stipulated in the terms and conditions of the Order. But due to delay in finalising design Engineering and release of purchase order the schedule could not be met and thus the purchase order was altered and the period was rescheduled.

Meanwhile there were foreign exchange problems and also Banks required 100% guarantees for opening LC's. DVC issued Rs.4Crs which was disbursed in two installments of Rs.3 Crs in 12/93 and Rs.1 Cr in 1/94. This amount was utilised by Keltron for opening LC's. Keltron placed Purchase Orders for Unit I in '94 and L.C was opened in '94 with a delivery period of 10 months. Due to delay in finalising design Engineering and release of purchase order the L.C could not be opened. The company expressed inability to meet the schedule and to meet the contingencies offered 9020 analog systems to be installed to meet the schedule as decided on the meeting dated.1.07.94 between Keltron, DVC and BHEL, Order was placed.
However in 08.02.1995, Unit II +III were delinked from the contract by DVC. This was not acceptable to the company as the action for procurement of imported materials has been initiated by the company with the concurrence of DVC.Hence, the delinking of Unit II and III has resulted in substantial losses to the company.

Meanwhile, the DVC tried to invoke the Bank guarantee of Rs.2,77,03,048 availed by the company from State Bank of India towards the Security deposit for the execution of the project. The company has approached the Hon'ble High Court of Kerala and obtained stay against the invocation of Bank Guarantee from the Hon'ble High Court of Kerala

Thereafter, the Company has resorted to Arbitration during the financial year 2007-08 and after a prolonged legal proceeding, the Arbitral Award was pronounced on 15th October 2018, allowing claims of DVC as well as KELTRON, squire off the claims and ordered final payment of Rs.3,30,02,054/- to DVC.

The Arbitral Award was challenged by the Company in the District Court, Barasat, Kolkata and which was transferred to Commercial Court, Alipore. KELTRON had issued a total Bank Guarantee for the amount of Rs.3,30,02,054/- as per the direction of the Hon'ble Court. The appeal challenging the award is dismissed by Commercial Court, Alipore on 29th September 2021.

The matter was placed before the 260th meeting of the Board of Directors held on 06th October 2021 and informed about the status of the case to the Board and the Board had considered all the aspects of the case, has decided not to go for appeal against the Order dated 29th September 2021.

Consequently, the Company allowed DVC to invoke the Bank Guarantee of Rs.3,30,02,054/-.As the Contingent Liability with respect to the Bank Guarantee of Rs.3,30,02,054/- as reported in the Financial Statements up to 31st March 2018 crystalized, provision was created in the financial year 2018-19 and the same is included and disclosed under Note 8-"Other Current Liabilities".

During the financial year 2018-19 provision for interest on award amounting to Rs.15,14,541 calculated @8.77% from 22nd September 2018(date of award) to 31.03.2019 was created and during the reporting period provision was created for Rs.28,94,280 being interest calculated @ 8.77%.The interest is included "Interest & Late Fees" and disclosed under Note No-26 "Other Expenses".

DVC invoked the BG amounting to Rs.2,77,03,048/- on 22nd April 2022 and the BG amounting to Rs.52,99,006 was invoked on 05th August 2022.

60. The Company engaged M/s.Krishna Retna & Associates, Chartered Accountants to conduct an evaluation of balances reflected under Trade Receivable, Trade Payable, Sundry debits and Sundry credits in the books for a period up to 31st March 2015.The study was conducted in three major units of the company and accordingly they recommended the write off of debtors amounting to Rs.8,62,73,968,write off of bad sundry assets of Rs.1,42,96,774 and write back of bad sundry credits of Rs.1,24,90,590.

The company decided to create provision for bad and doubtful debts/assets in the financial year 2018-19 and to effect to write off in the subsequent financial year. The write back of bad sundry credits of Rs.1,24,90,590 was effected in the financial year 2018-19. The provision for bad & doubtful debts amounting to Rs.1,82,43,090 and provision for doubtful advances amounting to Rs.23,18,697 was available in the books and hence an additional provision of Rs.6,80,30,879 for bad and doubtful debts and provision of Rs.1,19,78,077 for doubtful advances after adjusting the existing provision was created in the books during financial year 2018-19 and which is continuing as such in the Financial Statements as on 31st March 2020.

During the reporting period, on the basis of recommendation of Branch Auditors provision has been created for bad & doubtful debts and have written off/written back long pending sundry debits/sundry credits in the Financial Statement under Note 28-Exceptional Items as detailed below:

Name of Unit	Provision for Doubtful advances	Write off	Write back
Corporate Office*		5,316	48,03,200
Keltron Equipment Complex		3,000	6,115
Keltron Marketing Office,Kolkata		881	5,000
Keltron Marketing Office ,Mumbai	49,575	48,548	31,400
Total	**49,575**	**57,745**	**48,45,715**

- Refer Note 55 above

61. Figures for the previous year have been regrouped/ recast wherever necessary to confirm to this year's classifications

On behalf of Board of Directors
CIN: U74999KL1972SGC002450

Per our report attached

	Sd/-	Sd/-
For Sridhar & Co Chartered Accountants, Firm Reg: 003978S	N.NarayanaMoorthy Chairman and Managing Director DIN : 05251681	Anoop.S Director DIN: 03399884
Sd/-	Sd/-	Sd/-
R.Sripriya Partner, Membership No.209371 UDIN:22209371BECKJG9249	B.Bilu Company Secretary	CA Sreejan.A.S DGM(Finance)

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013
PARTICULARS OF SHARES HELD BY KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED (KSEDC) TRIVANDRUM AS AT 31ST MARCH 2020

Sl.No.	Name of Subsidiary	Reporting Period	Share Capital	Reserves & Surplus	Total Assets	Total Liability	Class of Shares	Investment	Turnover	Profit before taxation	Profit after taxation	Proposed dividend	% of shareholding
1	Keltron Component Complex Limited	2019-20	342,281,269	(420,307,320)	583,241,702	661,267,753	Equity	261,850,320	701,805,977	34,324,659	27,925,296	NIL	76.54%
2	Keltron Electro Ceramics Limited	2019-20	31,827,820	(43,651,713)	182,322,211	194,146,104	Equity	31,444,080	103,618,309	(8,235,920)	(6,216,458)	NIL	98.79%
3	Keltron Rectifiers Limited	2005-06	27,436,470	102,056,347	241,225,895	54,090,008	Equity	27,436,410	-	(697,362)	(697,362)	NIL	99.99%
4	Keltron Power Devices Limited	2005-06	41,023,230	1,937,453	5,842,203	6,799,006	Equity	41,023,170	-	(5,301,504)	(5,301,504)	NIL	99.99%
5	Keltron Counters Limited	2011-12	49,690,000	1,000,000	300,669,515	249,979,515	a) Equity b) 9.5% cum Pref	48,798,650 195,500	-	(488,185)	(488,185)	NIL	98.21%

Note: The Companies mentioned in Sl No.3 & 4 are under liquidation. The Company in Sl No.5 is a defunct company which ceases its operation from the financial year 2004-05.

On behalf of Board of Directors
CIN : U74999KL1972SGC002450

For Sridhar & Co.,
Chartered Accountants,
Firm Registration No:003978S

Sd/-
N.Narayana Moorthy
Chairman & Managing Director
DIN:05251681

Sd/-
S.Anoop
Director
DIN:03399884

Sd/-
R.Sripriya
Partner
Membership No.209371
UDIN:22209371BECKJG9249

Sd/-
B.Bilu
Company Secretary

Sd/-
CA Sreejan.A.S
DGM (Finance)

Thiruvananthapuram
18th November 2022

सत्यमेव जयते

OFFICE OF THE PRINCIPAL 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 KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2020** 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 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 **18 November 2022.**

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2020** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

ANIM CHERIAN
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II), KERALA

Thiruvananthapuram
Dated:08-07-2023

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDANT AUDITORS' REPORT

To the members of Kerala State Electronics Development Corporation Limited

Report on the Audit of Consolidated Financial Statements

Qualified opinion

1. We have audited the accompanying consolidated financial statements of KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED (“the Holding Company) and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information(“Consolidated financial statements”).
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the Subsidiary Companies, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2020, its profit and cash flows for the year ended on that date.

Basis for Qualified Opinion

3. Consolidated financial statements does not include financial statements of certain subsidiary companies; namely Keltron Counters Limited, Keltron Rectifiers Limited, Keltron Power Devices Limited and associate companies such as Keltron Projectors Limited, SIDKEL Televisions Limited, KeltronVaristers Private Limited and Keltron Entertainment Systems Limited which are either under liquidation or defunct, in the absence of financial statements. Being so, we are unable to determine the impact on non - consolidation of such companies in the consolidated financial statements (Refer Note # 1).
4. Other Long-Term Liabilities (Note-5) include interest accrued but not due on loans from Govt. of Kerala amounting to Rs.1,141 lacs comprising of Rs.889 lacs being the interest accrued until 31-03-2010 on Government loan of Rs.7187 lacs, which was converted into equity vide GO (MS) No.183/11/ID dated 26.08.2011 and Rs.252 lacs being the interest and penal interest accrued until 31-03-2006 on Government loan of Rs.1,066 lacs. No action seems to have been taken by the company or GOK in respect of accrued interest of Rs.1,141 lacs. Hence, we are unable to comment on the company’s classification of Rs.1,141 lacs as Long Term Liabilities, since there is no clarity on the due date for repayment of Interest (Refer Note: 35).
5. Investment pending allotment of Rs.1,704 lacs (Previous year: Rs.1,704 lacs) disclosed under Note:13 “Long term loans and Advances” was made to subsidiary companies which are under liquidation. This comprise of Rs.576 lacs to Keltron Rectifiers Limited and Rs.1,127 lacs to Keltron Power devices Limited.

   Advance to subsidiary companies amounting to Rs.1265 lacs (Previous year: Rs.1265 lacs) disclosed under Note:13 “Long term loans and Advances” represents the advances made to subsidiary companies, which are under liquidation, net off full provision of Rs.1312 lacs (Previous year Rs.1312 lacs) against the advance to Keltron Counters Ltd. Present balance comprise of Rs.414 lacs to Keltron Rectifiers Limited (PY:Rs. 414 lacs) and Rs.851 lacs to Keltron Power Devices Limited (PY:Rs.851 lacs).

   The company has stated reasons for non-provision of the above said advances to subsidiary companies (Note 36 (i) and 36 (ii)). However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are of the opinion that provision for non-recoverability of the Investment pending allotment of Rs.1704 lacs and Advance of Rs.1265 lacs [aggregate amount Rs.2,969 lacs] (Previous year Rs.2969 lacs). To the extent of this non-provisioning of Rs.2969 lacs, the profit of the company and Long term loans and Advances are overstated.

6. Regular write-off/write back of bad and doubtful debts/liabilities and provision for bad and Doubtful debts and advances of Rs.-(47.38) lacs (Previous year: Rs.1417 lacs) are classified as exceptional item and included and disclosed under Note No.29 though the items are the outcome of regular business transactions. We are of the opinion that the same should have been classified under Note No.27-“Other Expenses”

7. Keltron Lighting division of the holding company has not made provision for amount due from M/s.Soft grip power solutions Pvt. Ltd., for Rs.16,21,119/- wich is overdue for long period. To that extent, profit and Non-current Assets had been overstaed.

8. Keltron Marketing Office, Kolkatta of the holding company has not made provision for non-collectible Earnest Money Deposit of Rs.13,27,780/- To that extent, deposit had been over stated and loss had been understated.

9. We are unable to comment on

   i) The compliance of Accounting Standards (AS)-28 on 'Impairment of Assets', in the absence of appropriate evidence. (Refer Significant Accounting Policies - Point II(b) under Profit and Loss)

   ii) The compliance of AS -17 on 'Segment Reporting' in view of the claim of the Company that it is not having reportable segments (Significant Accounting Policies- Point II (i) under Profit and Loss).

10. The audited financial statements of 6 units and 7 Keltron Marketing Offices (KMOs) of the holding company, audited by the auditors of respective units/KMOs, are not in compliance with the amended provisions of disclosures of Trade Payables under Schedule III applicable from the financial year 2018-19, which required to disclose the (i) total outstanding dues of micro enterprises and small enterprises; and the (ii) total outstanding dues of creditors other than micro enterprises and small enterprises, separately, on the face of the Balance Sheet. However, this disclosure is included in the Consolidated Financial statement of the company as a whole and the same are included in consolidated financial statements. We are unable to comment on the correctness or otherwise of this classification under Current Liabilities, in the absence of such classification in the audited financial statements of units/KMOs considered for the preparation of the Holding company’s Financial Statement and the financial impact of the same is also not ascertainable.

    Interest due on outstanding Trade payable to MSME as per MSMED Act has not been provided in the financial statements. (Refer Note: 47). Details relating to MSME as specified under points (a) to (e) under FA under General Instructions for preparation of Balance Sheet as per Notification bearing No.F.No.17/62/2015-CL-V Vol-I, dated 11.10.2018 was not disclosed. Since details to ascertain the financial effect of the same is not readily available with the company, we are unable to comment on the financial effect of the non-provision and non-disclosure of the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year and other disclosures specified against FA.

11. According to Section 7(3-A) of the Payment of Gratuity Act, 1972 the subsidiary company, Keltron Component Complex Limited,(KCCL) had to pay simple interest at the rate specified by the Government on delay in payment of gratuity. No interest has been provided by the company on the gratuity payable amount outstanding beyond the 30 days period as specified under section 7(3) of the Payment of Gratuity Act, 1972. In the absence of adequate details and information pertaining to these delayed payments in the gratuity account, we are unable to quantity the effect of the interest burden not provided for the company in its financial statements.

12. The Audit Committee of KCCL does not comprise of a majority of Independent Directors and therefore the Company has not complied with the provisions of section 177 of the Companies Act, 2013.

13. The Fixed Assets register of KCCL includes assets, which have completed their normal useful life. However, the Company does not have a policy in place to identify assets required to be discarded /written off or to identify impairment of these fixed assets.

14. The subsidiary company, KCCL does not have any policy in place to identify Non-moving / slow moving inventories and list of items of inventories with non-moving / slow moving have not been produced for verification.

15. In accordance with the terms of supply to one of the customers of the subsidiary company, Keltron Electro Ceramics Ltd. (KECL) a liability to pay liquidated damages is incurred on account of delay in supply as against agreed timelines for each contract of supply. The customer deducts the Liquidated Damages from the value of invoice and the net amount is paid by them. However, the amount charged as damages is neither communicated by the customer nor ascertained by the company. An amount of Rs. 21.94 lakhs being Liquidated Damages pertaining up to the financial year 2014-15 has been ascertained. However, such damages have not been recognized in the financial statements. The liquidated damages were liable to be recognized as expenditure in the financial statements but not so recognized. For the periods from financial years 2015-16 to 2018-19, the Liquidated Damages have also not been ascertained. An amount of Rs.15.68 lakh being Liquidated Damages for the financial year 2019-2020 has been ascertained. Accordingly the Loss for the period would have been higher by Rs.37.94 Lakhs and the balance of Reserves and Surplus and Trade Receivables would have been lower by the same amount. In respect of the financial year from 2015-16 to 2018-19, we are unable to quantify the amount as complete data is not available with the Company to ascertain the amount.

16. The subsidiary company, KECL does not made provision for doubtful debts and advances have been made. The quantum of such balances are incapable of being ascertained in the absence of a procedure being followed for the same

17. We further report that:-

    a) Had the quantifiable qualifications in paragraph 4,5, 7 and 8 above been effected, the Profit for the year before exceptional and extra ordinary items read with our qualification would have been Loss for the year of Rs.2243.68 lacs, the current liabilities would have been higher by Rs.2998.49 lacs,

    b) We are unable to determine the financial impact of the qualifications in para 6 and Para 9 to 16 in the absence of sufficient and appropriate details.

18. **Emphasis of Matter:**

We draw attention to the following matters in the Notes to financial Statements:

a) Note 11 of financial statements, Property, plant and equipments are physically verified by the Management and not observed by us. The title deeds of certain land and its tax paid receipts are not available for our verification and the holding Company does not have the practice of obtaining non-encumbrance and possession certificates as at year end of various landed properties.
b) Note.35 to the financial statements with regard to the approval of financial re-structuring proposal of the holding company by Government of Kerala.
c) Note 37 to the financial statements with regard to conversion of term loan to subsidiary company (KECL) and its accrued interest into equity share capital.
d) Note 43 of the financial statements with regard to the decision of the management to not to pursue the matter of earlier classification of the holding company as Sick Industry with the National Company Law

Tribunal as the company is not, in the opinion of the management, a sick company as per the Act or Insolvency and Bankruptcy Code 2016.

e) Note 44 of the financial statements with regard to accounting for the Tax Deducted at Source by the holding company

f) Note:56 of the financial statements with regard to write back of excess provision of earlier year in respect of Bonus

g) Balances under Long-term borrowings (Note-4), Other long term liabilities (Note -5), Short term borrowings (Note -7), Trade payables (Note-8), Other current liabilities (Note-9), Long term loans and advances (Note-13), Trade receivables under Other non-current assets (Note-14), Trade receivables (Note-16) under Current assets, Short term loans and advances (Note - 18) are subject to confirmation/ reconciliation and consequent adjustments if any, upon confirmation/ reconciliation.

19. Other Matters:

a) We did not audit the financial statements of 5 units and 7 branches (marketing offices) of the Company, whose financial statements reflect total net assets of Rs.34,750 lacs as at March 31,2020, total revenues of Rs.35,142 lacs and net cash outflow amounting to Rs.(685) lacs for the year-ended on that date as considered in the financial statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the financial statements, in so far as they relate to the amounts and disclosures included in respect of these units and branches and our report, in so far as it relates to the aforesaid units and branches, is based solely on the reports of the other auditors.

b) We did not audit the financial statements of two subsidiary companies, whose financial statement reflect total net assets of Rs. 7,656 lacs as at March 31 2020, total revenues of Rs.8,209 lacs and net cash outflow amounting Rs. (25) lacs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and in our opinion on the consolidated financial statements; in so far as it relates to the amount and disclosures included in respect of the subsidiary companies and our report in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as relates to the aforementioned subsidiaries, is based solely on the reports of the auditors.

20. Information other than Consolidated Financial Statements and Auditors Report thereon.

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report other than the financial statements and our auditors' report thereon. The Annual Report 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 or conclusion thereon.

In connection with the audit of these financial statements, our responsibility is to read the other information identified above 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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

21. Management Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015.

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

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

22. Auditor's Responsibilities for the Audit of the Financial Statements :

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Sec.143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial reporting 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 a Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

23. Report on other Legal and Regulatory Requirements

1. As required by section 143(5) of the Act, we give in Annexure 1, a statement on the compliance to the Directions issued by the Comptroller and Auditor General of India.

2. As required by Sub Section 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statement of the subsidiaries as noted in the Other Matter Paragraph, we report to the extent that;

   i) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   ii) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the units/marketing offices not audited by us.

   iii) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

   iv) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

   v) 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 2" to the report

   vi) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have any adverse effect on the functioning of the Company.

vii) Being a government company, the provisions of sub section 2 of section 164 of the Companies Act, 2013 is not applicable.

viii) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.

ix) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. (Refer Note:30 to the Consolidated Financial statements)

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company.

For SRIDHAR & CO. (FRN: 003978S)
CHARTERED ACCOUNTANTS

Sd/-

R. SRIPRIYA
PARTNER (M.NO.209371)
UDIN: 22209371BECMHG8529

Date: 18.11.2022
Place: Thiruvananthapuram

Annexure 1 to the Independent Auditor's Report
Directions under section 143(5) of Companies Act 2013

Sl No	Directions under section 143(5) of the Companies Act, 2013	Report	Action Taken	Impact in accounts and Financial Statements
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 implication, if any	Yes. Except in the case of KCA, wherein the Fixed assets module, tender and training fees collected not integrated and the unit have to prepare manual report of asset and GST liability for tender and training fee collected. The financial implication of above is not quantifiable. KCCL, wherein the implications of processing of accounting transactions outside the IT system are as follows: 1. EDP system of the company not able to provide as with closing stock valuation report of stock in trade (i.e. only closing stock in trade quantity can be generated) 2. It was noted that in case of PPD sales items EDP system of the company not able to provide us with closing stock of PPD sales item. The same was calculated manually which has direct impact on Profit and Loss account as well as Balance Sheet. 3. EDP system of the company not able to generate ageing report as 31.03.2020.	-	The financial implication is not quantifiable in the case of KCA, unit of holding company.
2	Whether there is any restructuring of an 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.	No. Government of Kerala vide GO(MS) No.53/2020/ID dated 15th May 2020 has approved a Financial Restructuring proposal in respect of loans issued by GOK, which included conversion of loan into equity and waiver of interest. The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020. GO(Rt) No:108/2022/ID dated 18th October	Not Applicable	Refer Note 35 to Financial statements of 2019-20

		2022 amending the GO(MS) No.53/2020/ID dated 15th May 2020 (sanctioning the financial restructuring proposal of the company) to the extent of waiver of interest, sanctioned the conversion of accrued interest to Share capital. Hence, the loans along with accrued interest amounting to Rs.170,30,79,571/- hd been transferred to "Share application money pending allotment" and the inclusion of the same in Equity share capital is awaiting the completion of compliance procedures.		
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilised as per its term and condition? List the cases of deviation	No such cases	-	-

Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2013

SL NO		KSEDC LTD	KCCL	KECL
A	**Agriculture and Allied Sector**	Not Applicable	Not Applicable	Not Applicable
B	**Finance Sector**	Not Applicable	Not Applicable	Not Applicable
C	**General and Social Sector**	Not Applicable	Not Applicable	Not Applicable
D	**Power Sector**	Not Applicable	Not Applicable	Not Applicable
E	**Industrial Promotion:**	Not Applicable	Not Applicable	Not Applicable
F	**Infrastructure Sector:**	**KSEDC LTD**	**KCCL**	**KECL**
1	Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.	The Company is having adequate safety measures to prevent encroachment of land. No litigation is pending with respect to encroachment as on date.	Not Applicable	Not Applicable
2	Whether the system in vogue for identification of projects to be taken up under Public Private	The auditors of the units under this sector have reported that there are no	Not Applicable	Not Applicable

	Partnership is in line with the guidelines/ policies of the Government? Comment on deviation, if any.	projects identified for Public Private Partnership.		
3	Whether a system for monitoring the execution of works vis-a-vis milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.	The Company is having a system of monitoring the Projects being undertaken by its units at various level, in line with the terms and conditions of respective Orders from the Customers. All impact in the cost incurred in the project are being reflected in the books.	Not Applicable	Not Applicable
4	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/utilized? List the cases of deviation.	Not Applicable	Not Applicable	Not Applicable
5	Whether the bank guarantees have been revalidated in time?	Yes	Not Applicable	Not Applicable
6	Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	Confirmation of Cash, bank and Term Deposits were obtained while Trade receivables and Trade Payables were not obtained.	Not Applicable	Not Applicable
7	The cost incurred on abandoned projects may be quantified and the amount actually written-off may be mentioned.	Not Applicable	Not Applicable	Not Applicable
G	**Manufacturing Sector:**	**KSEDC LTD**	**KCCL**	**KECL**
1	Whether the Company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?	The auditors of the units under this sector have reported that based on the records of the division examined and the information and explanations given they are of the opinion that the pricing policy of the division absorbs all fixed	The company's pricing policy absorbs all the fixed and variable cost of production as well as allocation of variable overheads. However, in determining some of such costs the company uses a standard costing model. Based on our examination of the records of the company we are of the opinion that the company does not have a proper policy of revisiting such standard costs which are taken for pricing. We are informed that this exercise of revisiting the standard cost will be implemented soon, as part of implementation of new ERP software.	Company has general pricing policy which absorbs all the fixed and variable cost of production. The Company's products are manufactured against specific customer orders and against negotiated prices. However: 1) We observed that the company maintain no cost records required to ascertain the cost of production of a particular project. These include the

		and variable cost of production.		material usage register, labour hour utilised, overhead incurred at manufacturing unit, etc. It is suggested to maintain the cost records, which also facilitates in analysing the yield from material used, profitability or in identifying if any project is incurring a loss to the company. 2) The company is not recording the value of wastage and damage incurred during manufacturing, due to which cost of production is understated. 3) The materials required for each project are issued to the production unit. However, after the order is completed, the usage of material is not matched with the materials issued from stores. The surplus material, if any, is not returned to the stores, but utilized for another forthcoming project. This dilutes the control over the cost of production of each project.
2	Whether the Company has utilized the Government assistance for technology up gradation/ modernization of its manufacturing process and timely submitted the utilization certificates.	The auditors of KLD and KEC have confirmed the utilisation of the Government assistance and timely submission of utilisation certificates while KCA and KTTC auditors have reported that there were no receipt of such assistance during reporting period.	The company has been applying and utilizing the government assistance for technology up gradation/ modernization from time to time and is complying with the sanction terms of such assistance by submitting the necessary documents/ certificates as is required under each assistance program.	Yes, The modernization project was completed in earlier years.
3	Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.	The auditors of the units under this sector have reported that as per the information produced, the company has fixed policies for treating normal losses and evaluation of abnormal losses.	The company has standard norms for accounting for normal losses. Abnormal losses are evaluated and remedial actions are initiated like reuse of materials etc. to bring down the overall loss component.	As mentioned in above Para 1, the control over normal and abnormal losses is diluted and is inadequately monitored.
4	What is the system of valuation of by-products and finished products? List out the cases of deviation from	The auditors of the units under this sector have reported that there are no by-	The by- products and finished products are valued at cost or market value whichever is lower. The market value is arrived at by using the retail method.	Finished products held in stock are valued at lower of cost or net realizable value. No deviations were observed.

	its declared policy.	products. Finished goods are valued at lower of cost or net-realisable value. It is also reported that no deviation from its declared policy is noted.		
5	Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books.	The auditors of the units under this sector have reported that no such item exist as at the year end.	The company has made adequate provision for depletion in value of stores and spares based on an internal technique evaluation of the usability of such stores and spares. The inventory carrying amount in the balance sheets as on the reporting date is after adequately accounting for such depletion in value.	Value of dead stock is taken at 10% of cost. Such stock is reportedly identified during physical verification exercise.
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 auditors of KLD and KEC confirmed the existence of effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification. While KCA auditor has reported that in their opinion, the procedures for physical verification of inventory are not adequate and reasonable in relation to the size of the division and nature of its business. KTTC auditor has reported that no effective methods exist to identify stock of consumable held as at the year end and hence no provision made for short/ excess of such consumables.	The company has an effective system in place for physical verification of inventory, making provision for non-moving inventory and accounting the effect of such shortage/excess which are noticed on physical verification.	The Company has reported an effective system for physical verification of stock. However, they have not observed the actual process of physical verification and therefore unable to comment on its effectiveness. Non moving items are identified during the verification process and are valued at 10% of cost. As regards accounting for the effect of the shortage or excess of stock noticed during the physical verification, no effect has been given in the accounts as the process of reconciliation is reported to be incomplete.
7	State the extent of utilization of plant and machinery during the year vis-à-vis installed capacity.	The auditors of KCA and KTTC have reported that the manufacturing activity is based on the Customer specific Orders.KLD	The installed capacity vis-a-vis utilization of capacity of machinery is as follows:- By considering the practical impossibility to assess machinery and component wise capacity utilization of the machineries, a study on the installed capacity and utilized capacity of products manufactured during the year is given below which gives details for the capacity of products manufactured during the year is	Current production is against confirmed order. No installed capacity is determined for the products currently produced by the company

<table>
<tr>
<td></td>
<td></td>
<td>auditor has reported 96.29% for LED lights manufacturing and 22.61% for hearing aids.and it is reported as 100% utilisation at KEC.</td>
<td>given below which gives details for the capacity utilization of the production function as whole:
Aluminium Capacitors
<table>
<tr><td>Installed Capacity</td><td>Utilized Capacity</td><td>Percentage (%) of Utilization</td></tr>
<tr><td>15,00,00,000</td><td>7,07,19,530</td><td>47.15</td></tr>
</table>
Crystals
<table>
<tr><td>Installed Capacity</td><td>Utilized Capacity</td><td>Percentage (%) of Utilization</td></tr>
<tr><td>20,84,000</td><td>64,260</td><td>3.08</td></tr>
</table>
MPP Capacitors
<table>
<tr><td>Installed Capacity</td><td>Utilized Capacity</td><td>Percentage (%) of Utilization</td></tr>
<tr><td>1,00,00,000</td><td>1,45,48,515</td><td>145.49</td></tr>
</table>
Resistors
<table>
<tr><td>Installed Capacity</td><td>Utilized Capacity</td><td>Percentage (%) of Utilization</td></tr>
<tr><td>21,70,00,000</td><td>6,43,43,060</td><td>29.65</td></tr>
</table>
</td>
<td></td>
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<tr>
<td>8</td>
<td>Report on the cases of discounts/ commission in regard to debtors and creditors where the Company has deviated from its laid down policy.</td>
<td>The auditors of the units under this sector have reported that no such instances were observed.</td>
<td>Based on our examination of the discounts/ commission given to debtors and received from creditors, we report that we have not come across any deviation from the laid down policies of the company regarding such discounts/commission.</td>
<td>We have not noticed any deviations in the discounts/commissions as against laid down policy. In respect of Liquidated damages charged/ claimed by one of the customers of the Company, Bharat Electronics Limited, no details of such damages claimed/accepted are available from the year 2015-16 till 2018-19. Up to the year 2014-15, the liquidated damages claimed have been ascertained at Rs. 21.94 lakhs and for the year 2019-2020, liquidated damages of Rs.15.68 Lakhs have been claimed. However no provision has been made for the same in the accounts of the Company.</td>
</tr>
<tr>
<td>H</td>
<td>Service Sector:</td>
<td>KSEDC LTD</td>
<td>KCCL</td>
<td>KECL</td>
</tr>
<tr>
<td>1</td>
<td>Whether the Company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price?</td>
<td>With respect to Projects undertaken by manufacturing units executed through KMOs at respective locations, the pricing may be regulated by the former units, as per the project plan decided on case to case basis.
With respect to</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</table>

		businesses executed by KMOs of their own pricing is managed by KMOs independently following internal procedures. In general, the Company's pricing policy absorbed all fixed and variable cost of production.		
2	Whether the Company recovers Commission for work executed on behalf of Government/ other organizations that is properly recorded in the books of accounts? Whether the Company has an efficient system for billing and collection of revenue?	It is reported by the following units/KMO's that they are not generating any revenue in the form of commission from the government or other organisations during the year:- Hyderabad, Ahmedabad, Bangalore, Delhi, KCA, Kolkaata, Mumbai and KEC. The following units/KMO's auditors have confirmed the recovery and record in the books of accounts: KLD, Chennai, KTTC. It is also reported that the company has an effeicient system for billing and collection of revenue.	Not Applicable	Not Applicable
3	Whether the Company regularly monitors timely receipt of subsidy from Government and is properly recording them in its books?	The auditors of the units under this sector have reported that no subsidy has been received from government during the year 2019-20.	Not Applicable	Not Applicable
4	Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?	The auditors of the units under this sector have reported that no such instance has occurred during 2019-20.	Not Applicable	Not Applicable

		With respect to Plan Fund parking at Government Treasury, the interest will not accrue as per the nature of such Account.		
5	Whether the Company has entered into Memorandum of Understanding with its Administrative Ministry, if so, whether the impact thereof has been properly dealt with in the financial statements.	The auditors of the units/KMO's under this sector have reported that they have not entered into Memorandum of Understanding with any of its Administrative Ministry during 2019-20.	Not Applicable	Not Applicable
I	**Trading Sector:**	**KSEDC LTD**	**KCCL**	**KECL**
1	Whether the Company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	The auditors of the units/KMO's under this sector have reported that there is an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts except in the following cases: KMO Chennai: It is reported that realization of Sundry debtors is not satisfactory and debtors outstanding for more than 3 years is Rs. 1,07,99,220. KMO Mumbai: It is reported that there are dues outstanding for more than 3 years on the reporting period.	Not Applicable	The company has reported an effective system for recovery of dues from its sales activities. The bulk of the dues from trading activities are from the Government of Kerala or its executing agencies and programs. However, the company has no regular system of obtaining confirmation of balances from its debtors. In the absence of such a process, the effectiveness of the quality and quantity of the receivables cannot be vouchsafed. This will render the company's financial stability vulnerable to unknown doubtful debts, whose non recovery may have a deep impact of the financial condition of the company. We have observed that 425 Receivables accounts, Which have no transactions during the year with aggregate balances of Rs. 130.52 lakhs. As these dues are more than at least 365 days old, we are unable to comment on the recoverability of the same, in the absence of any confirmation of balances. We further observed that under Advance from customers aggregating Rs. 25,39,011.64/-, an amount of Rs. 5,73,398/- is included being receipts from an unidentifiable parties.

2	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 auditors of the units/KMO under this sector have reported that there is 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. While the following units/KMO's have reported as follows: KCA auditor has reported that in their opinion, the procedure for physical verification of inventory are not adequate and reasonable in relation to the size of the division and nature of its business. KMO Bangalore auditor has reported that there are a number of slow moving items in inventory which needs periodic review by management.	Not Applicable	The company has reported an effective system for physical verification of stock. However, we have not observed the actual process of physical verification and therefore unable to comment on its effectiveness. Non moving items are identified during the verification process and are valued at 10% of cost. As regards accounting for the effect of the shortage or excess of stock noticed during physical verification, no effect has been given in the accounts as the process of reconciliation is reported to be incomplete. Normally, trading commodities are delivered by the company's vendor directly at the program locations of the Government of Kerala. However, in respect of trading commodities which are received at the company's premises, Goods Received Notes (GRN)/ Gate passé are not raised. The practice dilutes the control over inventory and may result in material misstatement of the sales and the value of inventory.
3	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported	The auditors of the units/KMO's under this sector have reported that there exists an effective system to follow the recovery of dues in respect of sale activities	Not Applicable	See Para 3 above.
J	**Miscellaneous Sector** **a) Technology Oriented**	**KSEDC LTD**	**KCCL**	**KECL**
1	Examine and report the cases of dispute, if any, on contracts relating to supply of hardware as well as software. In the event of such assets remaining with the Company please report on its valuation and accounting in the books.	The auditors of KMO's have reported that no such instances were noted.	Not Applicable	Not Applicable

2	What is the system of recovering fees/ charges in regard to providing manpower to various agencies? Report the cases where no such recovery has been affected and accounted for.	KMO's Ahmedabad and Chennai have reported that the company has been following the terms and conditions as per the agreement in this regard while Kolkata and Mumbai auditors have reported that no such transactions were observed during the period.	Not Applicable	Not Applicable
3	What is the system of receiving revenue share from franchise, if any?	The auditors of KMO's under this sector have reported that no such revenue was received by the units.	Not Applicable	Not Applicable
4	Report the cases where software, hardware or IT enabled system is lying redundant/ outdated.	The auditors of KMO's under this sector have reported that no such instances were observed.	Not Applicable	Not Applicable
5	What is system of accounting of grants/ subsidies received from Central/ State Government or its agencies? Comment on the cases of diversion wherein the grants were not utilized for the purpose for which these were received.	The auditors of KMO's under this sector have reported that no grants / subsidies have been received from the Central / State Government or its agencies to the branch during the reporting period.	Not Applicable	Not Applicable
	Miscellaneous Sector **b) Other**	**KSEDC LTD**	**KCCL**	**KECL**
1	Examine-the system of effective utilization of Loans/Grant-in-Aid/ Subsidy. List the cases of diversion of funds.	The auditors of units/ KMO's under this sector have reported that the unit/KMO has not taken any loans or received any grant in aid or subsidy during reporting period.	Not Applicable	No additional loans/Grant has been received during the year. Loan and grant revived in earlier years have been reported to be effectively utilised. No diversions of funds have been reported.
2	Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period.	No major capital expenditure /expansion were incurred during the period under report.	Not Applicable	No such cost benefit analysis is reported to be undertaken for the expansion project.
3	If the audited entity has computerized its operations	The auditors of units/ KMO's under	Not Applicable	Accounting, Sales, Payroll and Inventory are

	or part of it, assess and report, how much of the data in the Company is in electronic format, which of the areas such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and whether the company has evolved proper security policy for data/ software. Hardware?	this sector have reported that they have a computerised system for its financial accounting purpose and proper security measures had been taken for security of data/software/hardware, except KMO Mumbai who has reported that The unit is using tally package only for financial accounting and inventory management. The tally needs to be strengthened for stores management. It is found that the Tally system has been secured with password for all the users.		computerised. The data in the above area are in electronic format. No security policy document is reported to be prepared and issued. The security over data/ software and hardware are reported to be effective. However, we have not conducted a detailed system security review of the above areas.

For SRIDHAR & CO. (FRN: 003978S)
CHARTERED ACCOUNTANTS

Sd/-

R. SRIPRIYA
PARTNER (M.NO.209371)
UDIN: 22209371BECMHG8529

Date: 18.11.2022
Place: Thiruvananthapuram

Annexure 2 to the Independent Auditor's Report

(Referred to in paragraphn13 (e) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Report on the Internal Financial Controls

(Under Clause (i) of Sub Section 3 of the section 143 of the Companies Act, 2013)

We have audited the internal financial controls over financial reporting of **KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED ("the Holding Company)** and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") as at 31 March 2020, in conjunction with our audit of the financial statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the Group, 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 internal financial controls of the Group 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 the 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 ICAI. 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 were 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 auditors' 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 Group'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 authorizations of the management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020:

a) Unrestricted access to the Enterprise Resource Planning (ERP) Software to all employees and under utilization of ERP software without integrating with payroll and other functions.

b) Non-reconciliation of debtors with the financial records and lack of proper follow-up with debtors for recovery.

c) Deficiencies in physical control of property, plant and equipment including unique numbering, incomplete fixed assets register and absence of proper physical verification.

d) The system of internal control with respect to maintenance of adequate records of ascertainment of slow moving and non moving items of inventory of Mumbai branch was not maintained adequately for inventories records.

e) Non accounting of the possible future liability in respect of warranty obligations accepted with the sales of project in Mumbai branch.

f) Non reconciliation of the old service tax liability outstanding for more than 10 years s found in Mumbai branch

g) The internal control regarding review of long pending advances, deposits and Trade payables needs further strengthening.

h) Information Technology (IT) System of KCCL was not operating effectively which could potentially result in the Company to forcefully perform many of its functions manually which could also possibly result in human errors and duplication. This could further lead to wrong disclosure with respect to revenue, expenditure, assets and liabilities.

i) On verification of the KCCL godown where the stock has been kept and maintained, it was noticed that adequate Fire Extinguisher or other fire preventive equipment's were not kept. This creates a substantial risk for the company w.r.t the day to day operations and a threat to the Company's assets.

j) The Fixed Asset Register (FAR) of KCCL includes assets, which have completed th eir normal useful life. However, the company does not have a policy in place to identify assets to discard/ write off or impairment of these assets, at regular intervals.

k) KECL's internal control system of receiving goods purchased for trading purposes has weaknesses which may result in material misstatement of the sales, Receivables, and Inventory

l) KECL's internal Control system of issue of materials to specific project has material weaknesses which may result in material misstatement of cost of production and value of Inventories

m) KECL's internal Control system of recording cost of production of a particular project/ product which may lead to a material misstatement of cost of production and, value of inventories.

n) KECL's internal Control system over Receivables has material weaknesses which may result in material misstatement of Trade Receivables and provision for doubtful receivables.

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.

Qualified Opinion

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 Group 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, 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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, 2020 consolidated financial statements of the Group, and these material weaknesses may affect our opinion on the consolidated financial statements of the Group.

For SRIDHAR & CO. (FRN: 003978S)
CHARTERED ACCOUNTANTS

Sd/-

R. SRIPRIYA
PARTNER (M.NO.209371)
UDIN: 22209371BECMHG8529

Date: 18.11.2022
Place: Thiruvananthapuram

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

Particulars	Note No.	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	2	2,03,55,18,100	2,03,55,18,100
(b) Reserves and surplus	3	(2,22,90,74,926)	(2,24,66,53,762)
Minority Interest		-	-
Non-current liabilities			
(a) Long-term borrowings	4	15,20,41,585	84,17,69,794
(b) Other long-term liabilities	5	2,10,63,49,123	1,11,22,92,907
(c) Long-term provisions	6	18,84,09,461	20,96,24,795
(d) Deferred tax liabilities (Net)		16,63,829	36,83,291
Current liabilities			
(a) Short-term borrowings	7	39,99,41,713	9,58,27,988
(b) Trade payables	8		
i)Dues to Micro,Small & Medium Enterprises	(i)	93,11,31,973	95,08,46,028
ii)Dues to Others	(ii)	1,27,61,21,835	1,72,40,04,487
(c) Other current liabilities	9	1,59,85,45,650	1,55,95,82,160
(d) Short-term provisions	10	13,70,75,696	17,49,85,018
TOTAL		**6,59,77,24,039**	**6,46,14,80,806**
ASSETS			
Non-current assets			
(a) Fixed assets	11		
(i) Property, plant and equipment		32,43,94,623	30,82,30,391
(ii) Intangible assets		1,08,40,035	2,05,12,592
(iii) Goodwill on consolidation		14,78,39,801	14,78,39,801
(iv) Capital work-in-progress		3,02,76,976	2,75,39,417
(b) Non-current investments	12	80,00,080	80,00,080
(c) Investment in Associate Company		96,94,880	-
(d) Long-term loans and advances	13	37,65,37,794	33,26,34,035
(e) Other non-current assets	14	55,78,69,631	15,06,90,886
Current Assets			
(a) Inventories	15	75,70,53,842	61,68,39,308
(b) Trade receivables	16	3,57,76,46,985	3,82,81,52,208
(c) Cash and cash equivalents	17A	22,66,94,358	27,99,30,558
(d) Other bank balances	17B	27,60,83,258	38,42,08,578
(e) Short-term loans and advances	18	28,02,10,323	32,99,22,734
(f) Other current assets	19	1,45,81,453	2,69,80,218
TOTAL		**6,59,77,24,039**	**6,46,14,80,806**
Significant Accounting Policies	A		

Significant Accounting Policies and Notes 1 to 62 are integral part of this Consolidated Financial Statement.

On behalf of Board of Directors
CIN : U74999KL1972SGC002450

Per our report attached

	Sd/-	Sd/-
For Sridhar & Co	**N.Narayana Moorthy**	**Anoop.S**
Chartered Accountants,	Chairman and Managing Director	Director
Firm Registration No:003978S	DIN:05251681	DIN:03399884
Sd/-	Sd/-	Sd/-
R.Sripriya	**B.Bilu**	**CA Sreejan.A.S**
Partner	Company Secretary	DGM(Finance)
Membership No.209371		
UDIN:22209371BECMHG8529		

Thiruvananthapuram
18th November 2022

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Note No.	For the year ended 31st March, 2020 ₹	For the year ended 31st March, 2019 ₹
Gross Revenue from operations	20	5,24,33,43,498	5,33,19,43,883
Less: Excise duty		-	-
Net Revenue from operations		5,24,33,43,498	5,33,19,43,883
Other income	21	5,17,74,295	4,11,24,648
Total Revenue		**5,29,51,17,793**	**5,37,30,68,531**
Expenses			
Material consumed and service expenses	22	4,03,79,52,740	4,04,14,19,299
Changes in inventory of finished goods, work-in-progress and stock-in -trade	23	(6,93,72,766)	(5,55,11,402)
Employee benefits expense	24	82,19,66,979	84,33,58,147
Finance cost	25	11,27,95,763	7,34,27,462
Depreciation and amortization expense	26	4,76,48,485	5,01,26,006
Other expenses	27	21,99,44,495	24,35,98,720
Prior period adjustment	28	5,20,36,735	48,92,130
		5,22,29,72,431	**5,20,13,10,362**
Add/(Less): Consumption for captive capital items		(33,35,578)	(28,16,869)
Total Expenses		**5,21,96,36,853**	**5,19,84,93,493**
(Loss)/Profit for the year before exceptional and extraordinary items		**7,54,80,940**	**17,45,75,038**
Less : Exceptional items	29	(28,94,711)	14,11,94,960
(Loss)/Profit for the year before extraordinary items		**7,83,75,651**	**3,33,80,078**
Extraordinary items		-	-
(Loss)/Profit for the year before Tax		**7,83,75,651**	**3,33,80,078**
Current tax		63,99,363	1,57,229
Deferred tax		(20,19,462)	(46,13,820)
(Loss)/Profit before minority interest		**7,39,95,750**	**3,78,36,669**
Minority interest		66,03,895	43,19,504
Share of profit/(loss) in Associate Company		(1,63,05,120)	
Balance of (Loss)/Profit carried over to Balance Sheet		**5,10,86,735**	**3,35,17,165**
Earnings per share:	42		
Basic		2.51	1.65
Diluted		1.37	1.65
Nominal value per share		100	100
Significant Accounting Policies	A		

Significant Accounting Policies and Notes 1 to 62 are integral part of this Consolidated Financial Statement.

On behalf of Board of Directors
CIN : U74999KL1972SGC002450

Per our report attached to Balance Sheet

For Sridhar & Co
Chartered Accountants,
Firm Registration No:003978S

Sd/-
N.Narayana Moorthy
Chairman and Managing Director
DIN:05251681

Sd/-
Anoop.S
Director
DIN:03399884

Sd/-
R.Sripriya
Partner
Membership No.209371
UDIN:22209371BECMHG8529

Sd/-
B.Bilu
Company Secretary

Sd/-
CA Sreejan.A.S
DGM(Finance)

Thiruvananthapuram
18th November 2022

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	(Amount in ₹)	(Amount in ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit for the year before extraordinary items	**7,83,75,651**	**3,33,80,079**
Adjustments for :	-	-
Depreciation/amortisation	4,76,48,484	5,01,26,006
Provision for bad debts	-	7,73,71,696
Provision for loans, advances and deposits	-	6,56,42,729
Bad sundry debits written off	57,745	21,475
Bad sundry credits written back	(48,45,715)	(1,33,10,916)
Interest expenses	14,36,42,916	7,14,75,041
Interest income	(3,73,53,854)	(2,25,82,827)
Profit on sale of property, plant and equipment	-	(7,289)
Unrealised Foreign Exchange gain	6,45,096	5,25,333
Transfer to reserve	(1,11,794)	(1,36,185)
Operating Profit Before Working Capital Changes	**22,80,58,529**	**26,25,05,142**
Adjustments for (increase)/decrease in operating assets:	-	-
Trade and other receivables	6,79,63,087	(63,69,28,751)
Inventories	(14,02,63,756)	(7,80,53,444)
Other loans and advances	(5,65,53,971)	(14,14,34,366)
Adjustments for increase/(decrease) in operating liabilities:	-	-
Trade payables and other liabilities	(43,78,02,863)	45,60,75,281
Cash generated from operation	**(33,85,98,974)**	**(13,78,36,138)**
Income tax paid	-	
Net Cash from operating activities	**(33,85,98,974)**	**(13,78,36,138)**
	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES:	-	-
Purchase of property, plant and equipment	(5,68,28,496)	(6,89,04,785)
Proceeds from sale of property, plant and equipment	-	68,927
Intangible assets	0	(1,05,43,962)
Interest received	2,65,51,228	1,41,56,562
Term deposits with more than 1 year maturity	(4,16,83,264)	1,76,04,282
Others	(1,13,324)	
Net cash used in investing activities	**(7,20,73,856)**	**(4,76,18,976)**
	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:	-	-
Receipt of Government loan	6,42,81,317	4,58,13,032
Demand loan from Bank	1,75,53,083	87,81,026
Grant Received	2,00,00,000	-
Working Capital Term Loan from KSIDC	5,00,00,000	-
Working Capital facility from KFC-BDS	12,69,38,870	1,99,75,423
Working capital revolving fund loan-KFC	5,26,44,399	
Interest paid	(2,59,89,147)	(4,42,08,179)
Increase/(decrease) in short term borrowings	5,20,08,108	(20,13,281)
Net cash used in financing activities	**35,74,36,630**	**2,83,48,021**
	-	-
ABSTRACT:	-	-
A. Net Cash from Operating Activities	(33,85,98,974)	(13,78,36,138)
B. Net Cash used in Investing Activities	(7,20,73,856)	(4,76,18,976)
C. Net Cash used in Financing Activities	35,74,36,630	2,83,48,021
	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,32,36,200)**	**(15,71,07,093)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**27,99,30,558**	**43,70,37,651**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**22,66,94,358**	**27,99,30,558**
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,32,36,200)**	**(15,71,07,093)**

Note:

i) As given in Standalone, KCCL and KECL.

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and cash equivalents consists of:	(Amount in ₹)	(Amount in ₹)
a) Cash and stamp in hand	6,59,874	8,29,784
b) Remittance in transit	-	76,267
c) Balance in Scheduled Banks:		
Current account	16,74,96,921	26,92,94,814
Term deposits (less than 3 months maturity)	5,66,05,506	65,42,364
d) Government of Kerala - Treasury savings bank account	19,32,057	31,87,329
Total	22,66,94,358	27,99,30,558

Per our report attached to Balance Sheet

On behalf of Board of Directors
CIN : U74999KL1972SGC002450

For Sridhar & Co
Chartered Accountants,
Firm Registration No:003978S

Sd/-
N.Narayana Moorthy
Chairman and Managing Director
DIN:05251681

Sd/-
Anoop.S
Director
DIN:03399884

Sd/-
R.Sripriya
Partner
Membership No.209371
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Sd/-
B.Bilu
Company Secretary

Sd/-
CA Sreejan.A.S
DGM(Finance)

Thiruvananthapuram
18th November 2022

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared and presented under the historical cost convention on accrual basis as a going concern and in accordance with the Generally Accepted Accounting Principles (GAAP), Accounting Standards notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 and relevant provisions applicable thereof.

Use of estimate

The preparation of financial statement requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the result of operations during the year. Differences between actual results and the estimates are recognized in the year in which the results are known or materialized. Examples of such estimates are; estimated useful life of assets, classification of assets/liabilities as current or non-current in certain circumstances, provision for doubtful receivables etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

BALANCE SHEET

I. a) Property, plant and equipment

Property, plant and equipment of the holding company are stated at cost as increased by revaluation in 1983-84 less depreciation. All costs (including technical know-how wherever applicable) relating to acquisition and installation of property, plant and equipment are capitalized. In the case of subsidiaries, property, plant and equipment are stated at cost.

Intangible assets are stated at acquisition cost, net of accumulated amortization. Intangible assets are amortized over the license period or five years, whichever is lower.

b) Research and Development

Research and Development expenses incurred during the year are shown under Intangible assets and are written off to Statement of Profit and Loss during the succeeding 3 years.

Research is the original and planned investigation undertaken with the prospect of gaining new scientific and technical knowledge and understanding and the expenses incurred by the Company during the research stage are charged to revenue. Development is the application of the research findings or other knowledge to a plan or design for the production of new or substantially improved material, devices, products, process, systems or services prior to the commencement of commercial production or use and the expenses incurred during the development stage will be capitalized.

II. Investments

Long term investments are stated at cost, less provisions for other than temporary diminution in value

III. Inventories

a) Raw Materials and Components

Raw materials and components are valued at cost or net realizable value whichever is lower. Cost is arrived at on weighted average basis.

In the case of Keltron Electro Ceramics Limited, Raw materials, Finished goods and work in progress have been valued at lower of cost and net realizable value. While arriving the cost of materials FIFO method has been used and AS-2 has been complied.

b) Work-in-progress

Work in progress of manufacture items is valued at lower of cost or net realizable value.

c) Finished goods

Closing stock of finished goods is valued at lower of cost including applicable excise duty payable or net realizable value.

d) Trading goods
Closing stock of trading goods is valued at lower of cost or net realizable value.

e) Consumable stores and Spares
Closing stock of Stores and Spares is valued at lower of cost or net realizable value.

f) Loose Tools and Jigs
Loose tools and jigs are stated at cost less depreciation charged at the rate of 25% on written down value basis.

The Cost of Inventory items stated above will be arrived on the basis of Weighted Average method of valuation in holding Company and Keltron Component Complex Limited. In the case of Keltron Electro Ceramics Limited, FIFO method is being used for the purpose of valuation.

Net realizable value is the estimate selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary for sale.

Those items of inventory which are technically identified as obsolete / unserviceable/ not fit for use, out of slow moving / non moving items are written down to scrap/NIL values, as estimated by the Management on the basis of technical evaluation and the excess prices, if any, realized over such estimated values on sale / disposal are reckoned as income on cash basis.

IV. Government Grant

Government Grant in the nature of promoter's contribution are classified under Capital Reserve and treated as a part of Shareholders fund.

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

V. Taxes on income

In compliance with AS 22 deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

VI. Operating Cycle

For the purpose of classifying the Assets and Liabilities as current and non-current, operating cycle is considered to have duration of 12 months in all cases except the cases where the customer/supplier/sub-contractor order terms include design/drawing/development/retention or any other specific condition compliance of which will result in an operating cycle beyond 12 months. In such cases, the operating cycle ends on the expiry of the mandated date in the specific condition of the order.

PROFIT AND LOSS

I. Revenue recognition

Revenue is recognized to the extent of the economic benefits which are reliably measured. If there is any uncertainty in the ultimate collectability, then revenue recognition is postponed till the uncertainty is resolved.

a) Sales on account ofManufacturing/ Projects/Resale

Sales are inclusive of Excise and Octroi duty wherever applicable and are net of trade discount. Income from supply to Government Departments/Government Agencies is recognized based on dispatches/work done at project site without waiting for the completion certificate, as this is a long drawn process and sometimes it may not be feasible.

The revenue from projects undertaken which involves both supply of materials, its installation and commissioning and after sales services as per the terms of the contract, are recognized as “Project Sales” in respect of initial supply part, and the later part such as installation and commissioning, after sales services etc. under “Service Income”. The revenue from mere supply of end use products of other manufactures which are dealt by the Company are recognized as “Resale”.

b) Contract jobs

Proportionate income in respect of contract jobs is taken credit only if the percentage of completion of each job is 25% or more, while losses including those anticipated on completion of jobs are absorbed in the Statement of Profit and Loss.

c) Service income

In the case of service jobs, income is accounted on completion of jobs.
In the case of annual maintenance contracts, the income is spread evenly over the period of contract.

d) Income from Computer Training

Income from Computer training is spread evenly over the period of training.

e) Other Operating revenue

Other operational revenue represents income earned from the activities incidental to the core business and is recognized when the right to receive the income is established.

f) Other Income

Interest on Margin on Margin Money/Fixed Deposits, Rental Income, Insurance claim receivable and Sales Commission are recognized on the accrual basis. Dividends from Companies are accounted in the year in which they are declared. Income in respect of sale of agriculture produce etc. is accounted on cash basis.

II. Expenses

a) Depreciation

Depreciation on property, plant and equipment has been provided on straight line method on the basis of useful life as specified in Part-C of Schedule II of the Companies Act 2013, except on those assets whose useful lives are determined based on the technical evaluation made by the Company and in the manner provided therein.

The depreciation on additions during the year is calculated on pro-rata basis depending on number of days put into use and the additions to property, plant and equipment costing ₹5000/- or less are fully depreciated in the year of acquisition itself, irrespective of date from which it is put to use.

In case of sale/disposal of asset depreciation will not be charged during the year in which the asset has been disposed.

In respect of transfer of asset between units within the Company the depreciation will be provided in the books of transferee unit for the whole year.

The Company has opted for adopting a residual value of ₹1/- per asset until disposal or discarding of the asset.

b) Impairment of Assets

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss of prior accounting period is increased/ reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the asset's net selling price or determined value

c) Excise duty

Excise duty on goods is accounted at the time of removal of goods from the factory custom boundary.

d) Retirement Benefits

i) Gratuity

Liability in respect of defined benefit fund is provided on the basis of actuarial valuation as on the date of Balance Sheet. The method of actuarial valuation adopted is the Projected Unit Credit method.

In respect of employees covered under plan with Life Insurance Corporation of India, the liability for payment of gratuity is determined by actuarial valuation as per Accounting Standard-15 (Revised).

ii) Leave encashment

Liability towards accrued leave encashment at the time of retirement is provided in accordance with AS 15 based on actuarial valuation as at the Balance sheet date.

iii) Defined Contribution Plans

Company's contribution during the year towards General Provident Fund, Family Pension Fund, Employees State Insurance Corporation and Labour Welfare Fund are charged to the Profit and Loss account as and when incurred.

e) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction or at the exchange rate under the related foreign exchange contracts when covered by such contracts. Assets and liabilities relating to foreign currency transaction outstanding at the end of the year are converted at contract rates when covered by forward exchange contracts and in other cases at the rate at which they have been since settled and if not settled till the finalisation of accounts, they are converted at the year end rates. In respect of exchange differences on settlement / conversion if any are adjusted to the Profit and Loss account.

f) Warranties and indemnities

The Provision for warranty is created considering the estimate cost of repairs or replacement of products / systems etc. supplied by the Company, which fail to perform satisfactorily during the warranty period. Such cost is reckoned exclusive of cost of inventory items purchased along with products to be used for undertaking the service jobs and carried forward in stock at cost.

The Warranty cost is provided for in the accounts on effecting sale of product or service, and such cost is spread over the period of warranty on the basis of technical assessment of the estimate of cost expected to be incurred during each year of warranty period. Such estimates are arrived at based on historical data maintained by the companies.

g) Provision and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for contingent liabilities made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation /present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

h) Borrowing Cost

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost are charged to Statement of Profit and Loss.

i) Segment Reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services that is subject to risks and returns that are different from those of other business segments, and a geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments. AS 17 envisages as a reportable segment is a business segment or a geographical segment identified on the basis mentioned above for which segment information is required to be disclosed by this statement. Thus there are no reportable segments either business or geographic, which is subject to the risk and returns different from those for the business as a whole since there is only one product being dealt with by the company viz. the electronic components where the selling rates and other conditions both in business as well as geographical areas are similar.

NOTE 1: BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

I. The Consolidated Financial Statements (CFS) consists of Kerala State Electronics Development Corporation Limited ("the Company") and its subsidiary companies (collectively referred to as "the Group"). The CFS have been prepared to comply in all material aspects with applicable Generally Accepted Accounting Principles in India (Indian GAAP), the applicable Accounting Standards prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules 2014, the provisions of the Act (to the extent notified) and in particular the Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

II.

a) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulted in unrealized profits or losses.

b) The difference between the cost of investment in the subsidiaries and the group's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

c) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in a subsidiary.

d) Minority interest's share of net profit/ (loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the Group in order to arrive at the net profit/ (loss).

e) Minority interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders. Minority interest in the net asset of consolidated subsidiaries consists of :

- The amount of equity attributable to minority on the date of last audited Balance sheet of the subsidiary in which investment is made. However the minority share of movements in equity since the date the parent subsidiary relationship came into existence has not been considered as these are very old and in the absence of complete details.

f) In case of losses applicable to the minority in a consolidated subsidiary exceeds the minority interest in the equity of the subsidiary, such excess and any further losses applicable to the minority as adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses.

g) As far as possible, the consolidated financia1 statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. The accounting policies adopted in the preparation of Financial Statements are consistent with those of previous years except where indicated.

h) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

III. The list of subsidiary companies which are included in the consolidation and the Groups holdings therein are as under:

Name of the Subsidiaries /Associates	Proportion (%) of shareholding as on 31st March, 20 20 and number of shares held	Proportion (%) of shareholding as on 31st March, 2019 and number of shares held
Keltron Component Complex Limited [KCCL]	76.54% 2,61,90,833 equity shares of ₹10 each fully paid up	76.54% 2,61,90,833 equity shares of ₹10 each fully paid up
Keltron Electro Ceramics Limited [KECL]	98.79% 31,44,408 equity shares of ₹10 each fully paid up	98.79% 31,44,408 equity shares of ₹10 each fully paid up
Coconics Private Limited	26% 2,60,000 equity shares Rs.100./- each fully paid up	--

Apart from the aforesaid subsidiaries, the Company is having three other subsidiary companies and three associate companies which are presently defunct and under liquidation. The details are as follows:

Name of the subsidiaries	Proportion (%) of shareholding as on 31st March 20 20 and number of shares held	Present Status of the Subsidiaries/Associated Companies
Subsidiaries		
Keltron Counters Limited	99.20%	The Company has close

Name of the subsidiaries	Proportion (%) of shareholding as on 31st March 20 20 and number of shares held	Present Status of the Subsidiaries/Associated Companies
	48,79,865 equity shares of ₹10 each fully paid up & 1,955 preference shares of ₹100 each fully paid up	down its operation during the FY 2004-05. The landed property of the Company transferred to Gulati Institute of Taxation and the liabilities has been settled by Advocate Commission appointed by Hon.High Court of Kerala. The latest audited Financial Statement was FY 2003-04.
Keltron Rectifiers Limited	100% 27,43,641 equity shares of ₹10 each fully paid up	The Official Liquidator has taken over the possession of the effects of the Company. The latest available audited Financial Statements was for the FY 2006-07.
Keltron Power Devices Limited	100% 41,02,317 equity shares of ₹10 each fully paid up	The Offcial Liquidator has taken over the possession of the effects of the Company. The latest available audited Financial Statements was for the FY 2006-07.
<u>Associated Companies</u>		
Keltron Projectors Limited	50% 19,567 equity shares of ₹10 each fully paid up	The Company was Ordered to be liquidated by Hon.High Court of Kerala vide Order dated 29th September 2005.
SIDKEL Televisions Limited	31.82% 1,05,000 equity shares of ₹10 each fully paid	The proceeding for the striking off the name of the Company as per the Fast Track Exit Scheme

Name of the subsidiaries	Proportion (%) of shareholding as on 31st March 20 20 and number of shares held	Present Status of the Subsidiaries/Associated Companies
	up	of Ministry of Corporate Affairs. The latest audited Accounts are available up to 1999-2000.
Keltron Varisters Private Limited	45 equity shares of ₹1000 each fully paid up (% of shareholding not available)	Defunct Company

The audited Financial Statements of such defunct subsidiaries/associate Companies are not available as on the reporting date. Further, as a part of Sanctioned Scheme by BIFR, the Company has moved a proposal before Government of Kerala for the adjusting the investments, loans and advances to these subsidiaries/associates which are under liquidation against the liability of the Company in respect of Loans from Government of Kerala which is under the consideration of Government. Hence, as envisaged in the Para 11 of AS – 21, the consolidation of such defunct subsidiaries/associates are excluded from consolidation and treated as nil value investment in respective companies as per AS-13, "Accounting for Investments".

Additional information as required by Paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to Schedule III of the Companies Act, 2013.

Name of Entity	Net Assets		Share in profit/(loss)	
	As % of consolidated Net Assets	Amount in (₹)	As % of consolidated Profit/(Loss)	Amount in (₹)
Parent				
KSEDC.Ltd	60.71%	(11,75,00,778)	50.25%	2,56,72,645
Subsidiaries				
KCCL	30.60%	(5,92,18,728)	61.13%	2,86,52,444
KECL	8.70%	(1,68,37,320)	-120.84%	(98,42,249)
Minority Interest	-	-	12.89%	66,03,895
Total	100%	(19,35,56,826)	100%	5,10,86,735

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

Note 2 : SHARE CAPITAL	**As at 31st March, 2020**	**As at 31st March, 2019**
	(Amount in Rs)	(Amount in Rs)
Authorised Share Capital		
2,10,00,000 equity shares of Rs.100/- each		
(Previous year : 2,10,00,000 equity shares of Rs.100/- each)	2,10,00,00,000	2,10,00,00,000
Issued, subscribed and paid up		
2,03,55,181 equity shares of Rs.100/- each fully paid up		
(Previous year : 2,03,55,181 equity shares of Rs. 100/- each)	2,03,55,18,100	2,03,55,18,100
Total	**2,03,55,18,100**	**2,03,55,18,100**

(a)

Reconcilation of number of shares outstanding:	**As at 31st March 2020**		**As at 31st March 2019**	
	No of Shares	**Amount in Rs**	**No of Shares**	**Amount in Rs**
Shares outstanding at the beginning of the year	2,03,55,181	2,03,55,18,100	2,03,55,181	2,03,55,18,100
Shares outstanding at the end of the year	2,03,55,181	2,03,55,18,100	2,03,55,181	2,03,55,18,100

(b) **Rights, preference and restrictions attached to shares:**

i. The holding Company has only one class of equity shares having a par value of Rs.100 per share.

ii. Upon show of hand every member present in person shall have one vote and upon a poll every member present in person or by proxy or duly authorised representative shall have voting right in proportion to his share of paid up capital of the holding Company.

iii. In case of joint registered holders of any shares, any one person may vote at any meeting either personally or by proxy, in respect of such shares and such person shall be determined in the order in which the name stands first in the register of members.

iv. The Company in the General Meeting may declare dividend, but no dividend shall exceed the amount recommended by the Board of Directors. The Company from time to time pay to members such interim dividend as may be decided by them having regard to the position of the Company.

v. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

(c) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31st March 2020		**As at 31st March 2019**	
	No of Shares	**% holdings**	**No of Shares**	**% holdings**
Government of Kerala	1,99,55,181	98%	1,99,55,181	98%

(d) **Shares allotted as fully paid by way of bonus shares/pursuant to contract(s) without payment being received in cash.**
During the period of five years immediately preceeding 31st March 2020, no shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash.

(e) Refer Note No.35

Note 3 : RESERVES AND SURPLUS	**As at 31st March, 2020**	**As at 31st March, 2019**
	(Amount in Rs)	(Amount in Rs)
(i) Capital Reserve		
a) Investment subsidy for Controls Division	15,00,000	15,00,000
b) Subsidy for Printed Circuit Board Division	5,19,630	5,19,630
c) Grant from Government of Kerala	-	6,00,00,000
d) Grant from Government of Kerala for Co-operative projects	9,30,000	9,30,000
e) Forfeited shares in Keltron Component Complex Limited (Refer Note No.39)	75,239	75,239
f) Consideration for Shares of Keltron Component Complex lower than par value	58,010	58,010
	30,82,879	**6,30,82,879**
(ii) Revenue Reserve	**2,86,84,385**	**1,34,87,776**
(iii) Surplus/(Deficit) as per Statement of Profit and Loss.		
Balance of Loss as per last Balance Sheet	(2,32,32,24,417)	(2,36,10,59,443)
Add : Net (Loss)/Profit for the year	5,10,86,735	3,35,17,165
Add: Minorities share of losses absorbed	1,12,95,492	43,17,861
Net balance of loss	**(2,26,08,42,190)**	**(2,32,32,24,417)**
Total [(i) + (ii)+(iii)]	**(2,22,90,74,926)**	**(2,24,66,53,762)**

(a) The amount in Item No.(f) under Capital Reserve above pertains to the consideration paid for shares of Keltron Component Complex Limited transferred to the holding Company which is lower than the par value of shares in the earlier years.

(b) Share of minority interest has been computed as per stipulations in AS 21 in as much as that the losses applicable to the minority in excess of minority interest in the equity of subsidiary have been adjusted against the majority interest and disclosed separately in Reserves & Surplus.

(c) The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government grant of Rs.6,00,00,000 to equity and the holding company on its 256th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020. Accordingly the converted Government Grant of Rs.6,00,00,000 is disclosed as "Share application money pending allotment upon conversion of loan" under Other Long Term Liabilities.

(d) Refer Note No.35

Note 4 : LONG-TERM BORROWINGS	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs)	(Amount in Rs)
Unsecured		
Loan from Government of Kerala	15,20,41,585	84,17,69,794
Total	**15,20,41,585**	**84,17,69,794**

(a)(i) An amount of Rs.82,65,84,000 being loan sanctioned vide various GO's in earlier financial years was due as on 01st April 2019.As part of the rehabilitation of the Company, Government of Kerala has frozen the interest and granted moratorium on repayment of principal on Government Loan amounting to Rs.82,65,84,000 upto 31st March 2016 under order dated GO (MS) No.183/11/1D dt 26.08.2011.During the financial year 2016-17, the Government of Kerala vide GO (MS) No.86/16/ID dated 17.06.2016 has extended the relief and concessions as a part of rehabilitation up to 31st March 2021 subject to the condition that the principal amount should be repaid in 10 annual instalments.The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan of Rs.72,00,18,157 to equity and the company on its 256th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020. Accordingly the converted Government Loan of Rs.72,00,18,157 is disclosed as "Share application money pending allotment upon conversion of loan" under Other Long Term Liabilities.With regard to government loan of Rs.10,65,65,843 for which conversion in to equity has not been approved the non current portion amounting to Rs.5,32,82,921 is shown under Long Term Borrowings.

(ii) During the financial year 2017-18 the holding company received loan of Rs.4,00,00,0000 vide GO(Rt) No.367/2018/ID for modernisation and expansion of manufacturing units.The Government resumed Rs.4,00,00,0000 vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.On 31st March 2019 the Government of Kerala resumed Rs.91,86,968 and refunded the same on 2nd April 2019.The balance outstanding against this loan as on 31st March 2020 is Rs.4,00,00,000.Out of which the non current portion of Rs.2,20,00,000 is shown under Long Term Borrowings.

(iii) During the financial year 2017-18 the holding company received loan of Rs.2,00,00,000 vide GO(Rt)No.1538/2017/ID dated 08.11.2017 for modernisation and expansion of manufacturing units.The Government resumed Rs.1,50,00,000 vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.The balance outstanding against this loan on 31st March 2020 is Rs.2,00,00,000.Out of which the non current portion of Rs.1,10,00,000 is shown under Long Term Borrowings.

(iv) During the financial year 2018-19 the holding company received loan of Rs.5,00,00,0000 vide GO(Rt)No.13007/2018/ID dt 24.11.2018 for setting up of Manufacturing facility for Laptops and Servers and the Government resumed the same on 31.03.2019 and subsequently refunded the same on2nd April 2019.The balance outstanding against this loan as on reporting date is Rs.5,00,00,000 and the non current portion amounting to Rs. 3,50,00,000 is shown under Long Term Borrowings.

(v) The holding company received loan of Rs.1,00,00,000 vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 for setting up reasearch and development facilities at Keltron Equipment Complex,Karakulam.The Government resumed Rs.49,05,651 on 31st March 2020 and the balance outstanding against this loan as on 31st March 2020 is Rs.50,94,349.Out of which the non current portion amounting to Rs.45,94,349 is shown under Long Term Borrowings.

(vi) During the financial year 2019-20,the holding company received a loan of Rs.41,00,000 vide GO(Rt)No.193/2020/ID dt 29.02.2020 for expansion of Space Electronics Group at Keltron Equipment Complex,Karakulam and the government resumed the same on 31st March 2020.

(b) The Keltron Component Complex Limited has availed working capital loan @ 13.5% from Government of Kerala amounting to Rs.9,50,00,000 repayable in 5 years and the entire loan amount is outstanding as on 31.03.2020 . The non current portion amounting to Rs. 17,89,315 is shown under Long Term Borrowings.

(c) KCCL has availed an Investment Loan of Rs.2,00,00,000 repayable in 5 years and the loan amount outstanding as on 31st March 2020 is Rs.2,00,00,000.The non current portion amounting to Rs.1,75,00,000 is shown under Long Term Borrowings

(d) KECL received term loan amounting to Rs.47,00,000 from Government of Kerala on 13-11-2009 for setting up of additional manufacturing facility for transducers.The period of loan is 5 years.The rate of interest is @ 11.50% pa.Terms of repayment is in equal quarterly instaments.The rate of penal interest is 2.5%.From the year 2018-19 onwards the Government of Kerala has reduced rate of interest on all loans to 9.50% compounding annually vide GO 169/2018/Fin dated 16-06-2018.

(e) KECL received working capital loan amounting to Rs.1,45,00,000 from Government of Kerala 29-12-2015 for establishing infrastructure and testing facilities for manufacture of transducers.The period of loan is 5 years.The rate of interest is @ 13.50% pa.Terms of repayment is in equal quarterly instaments.The rate of penal interest is 2.5%.From the year 2018-19 onwards the Government of Kerala has reduced rate of interest on all loans to 9.50% compounding annually vide GO 169/2018/Fin dated 16-06-2018.The non current portion amounting to Rs. 21,75,000 is shown under Long Term Borrowings.

(f) Current maturities of long term borrowings are disclosed under Note-9 Other Current Liabilities.

(g) Refer Note No.35

Note 5 : OTHER LONG-TERM LIABILITIES	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs)	(Amount in Rs)
i) Dues to MSME		
Trade Payable for supplies*	17,43,81,672	18,84,616
Trade Payable for services*	14,55,625	11,86,791
ii) Dues to Others		
Trade Payable for supplies*	1,70,63,582	1,98,67,958
Trade Payable for services*	94,46,746	43,34,598
Long-term liability-other finance	6,90,24,154	3,87,45,173
Interest accured but not due on loans-Government of Kerala	12,10,91,057	1,04,31,18,158
Interest accued on Loan - Malabar Cements Limited	1,08,06,716	31,55,613
Share application money pending allotment upon conversion of loan	1,70,30,79,571	-
Total	**2,10,63,49,123**	**1,11,22,92,907**

* Dues to Micro, Small and Medium enterprise . Refer Note No.47.Other Long Term Liabilities include Trade Payables outstanding beyond the normal operating cycle of business.

The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan amounting to Rs.72,00,18,157 and Government grant amounting to Rs 6,00,00,000 to equity and the company on its 256th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020.Accordingly Rs.78,00,18,157 is disclosed as "Share application money pending allotment upon conversion of loan" under Other Long Term Liabilities.Refer Note No- 35

The Government of Kerala vide GO No.108/2022/ID dated18th October 2022 approved the conversion of Interest Accrued on Government Loan amounting to Rs.92,30,61,414 and the same is disclosed as "Share application money pending allotment upon conversion of loan" under Other Long Term Liabilities.Refer Note 35.

Note 6 : LONG TERM PROVISIONS		As at 31st March, 2020	As at 31st March, 2019
		(Amount in Rs)	(Amount in Rs)
Provision for gratuity	(Refer Note No.31 & 55)	13,49,80,422	15,11,65,112
Provision for leave encashment	(Refer Note No.31 & 55)	5,33,88,529	5,84,19,173
Provision others		40,510	40,510
Total		**18,84,09,461**	**20,96,24,795**

Note 7 : SHORT TERM BORROWINGS	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs)	(Amount in Rs)
Secured		
Cash Credit from :		
Punjab National Bank	6,00,55,200	80,47,092
State Bank of India	6,70,50,354	4,52,58,461
Catholic Syrian Bank	1,68,26,140	92,91,192
Canara Bank	59,51,327	1,27,55,820
Kerala Financial Corporation-Working Capital Revolving Fund Loan	7,31,19,822	2,04,75,423
Loan from Kerala State Industrial Development Corporation Limited - Working Capital	5,00,00,000	-
Kerala Financial Corporation-Bills Discounting System	12,69,38,870	-
Total	**39,99,41,713**	**9,58,27,988**

(a) The holding Company has availed cash credit facility of Rs. 7,50,00,000 from Punjab National Bank secured by hypothecation of inventories of the Company and it is further secured by mortgage of 268.37 cents of land and building in re-survey no.2 Thycaud village of Thiruvananthapuram district as collateral security.This Cash Credit facility carries an interest of 10.95% p.a. as on 31st March 2020 Further, the holding company has non fund based facility of Rs.3,75,00,000 subject to the overall limit of Rs.10,00,00,000.

(b) The holding company has a Working Capital Revolving Fund loan from Kerala Financial Corporation Limited (KFC), amounting to Rs.9,50,00,000 .This credit facility was secured by the mortgage of land to the extent of 310 cents in survey No.463 and 466 at Attipra village, Thiruvananthapuram together with building, plant and machinery and other equipments of Keltron Communication Complex, Monvila, Thiruvananthapuram for which charge was already created in favour of KFC. The credit facility is being renewed annually and can be renewed for a period of 5 years from the date of first disbursement.

(c) During the financial year 2019-20,the holding company availed a project specific working capital loan amounting to ₹10,00,00,000 from Kerala State Industrial development Corporation Limited(KSIDC) at an interest rate of 11% per annum for the execution of development and solar implementation pojects of the defence sector.The company repaid principal to the extent of Rs.8,57,24,195 against this loan.Later the company submitted a proposal for fresh Project Specific Working Capital Loan of Rs. 5,00,00,000 for the execution of project involving manufacture and supply of Underwater Wireless Accoustic Communication Sysytem(UWACS) to Bharath Electronics Bangalore.KSIDC sanctioned and released the fresh loan after adjusting the balance outstanding against the previous loan.Thus the loan outstanding from KSIDC as on 31st March 2020 is Rs.5,00,00,000.

(d) The holding company has availed Bill Discounting Facility as envisaged vide GO (Rt)No:1555/2020/Fin dated 25.02.2020 in line with G.O(P) No10/2020/FIN dated 24.01.2020 from Kerala Financial Corporation under the Govt -Bill Discounting Scheme to the extent of ₹20,00,00,000 during the reporting period and the liability as on 31st March 2020 is ₹12,69,38,870.The credit facility was secured by the Corporate Guarantee and first charge with promissory notes of Goverment on the Trade Receivable discounted through the Goverment BDS platform.The effective rate of interest is 9.50% of which maximum 5% will be borne by Government of Kerala.This facility is for a period of one year.

(e) Keltron Component Complex Limited has availed cash credit facility of Rs.9,00,00,000 from State Bank of India and it secured by the hypothecation of process stock, finished goods, and other assets and mortgage of the 10.90 acres of land and factory building of the Company .This cash credit facility carries an interest @ 11.50%.p.a.as on 31st March 2020.Further, the company has non fund based cash credit facility of Rs.11,00,00,000 with State Bank of India .

(f) Keltron Component Complex Limited has availed cash credit facility of Rs. 2,25,00,000 from Catholic Syrian Bank Limited. The entire current assets are secured on pari passu basis with Catholic Syrian Bank.This cash credit facility carries an interest @12.20%p.a. as on 31st March 2020.Further, the company has non fund based cash credit facility of Rs.1,75,00,000 with Catholic Syrian Bank.

(g) The Cash Credit from Canara Bank, Valancherry amounting to Rs.1,50,00,000 availed by Keltron Electro Ceramics Limited is secured by hypothecation of inventories and book debts of the Company and it is further secured by mortgage of 10.75 acres of land as collateral security. This cash credit facility carries an interest of 10.25% p.a.

Note 8 : TRADE PAYABLES	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs)	(Amount in Rs)
i)Due to MSME		
Supplies	91,80,09,457	91,43,36,093
Services	1,31,22,516	3,65,09,935
Total(i)	93,11,31,973	95,08,46,028
ii)Due to Others		
Supplies	1,21,83,43,804	1,52,70,16,262
Services	5,77,78,031	19,69,88,225
Total(ii)	1,27,61,21,835	1,72,40,04,487
Total	**2,20,72,53,808**	**2,67,48,50,515**

* Dues to Micro, Small and Medium enterprise. Refer Note 47

The previous year figures have been re-grouped in line with current year classification.

Note 9 : OTHER CURRENT LIABILITIES		As at 31st March, 2020	As at 31st March, 2019
		(Amount in Rs)	(Amount in Rs)
Current maturities of long term debts			
Loan from Government of Kerala	(a)	34,29,82,262	28,89,90,893
Loan from Kerala Minerals and Metals Limited	(b)	4,50,00,000	4,50,00,000
Loan from Travancore Titanium Products Limited	(c)	12,00,000	12,00,000
Loan from Malabar Cements Limited	(d)	4,00,00,000	4,00,00,000
Interest accrued and due - Government of Kerala		13,67,69,215	6,79,45,420
Interest accrued and due - Travancore Titanium Products Limited.		36,28,599	34,54,239
Interest accrued and due -PNB		11,10,411	-
Interest accrued and due-Malabar Cements Limited		2,47,60,660	2,16,85,950
Interest accrued and due on loan from Department of Electronics		60,97,000	60,97,000
Interest accrued on Working Capital Loan-Government of Kerala		2,02,66,425	1,64,36,434
Interest accrued on Capacity Enhancement Loan		3,93,60,526	3,13,49,148
Interest accrued on Modernisation Loan		4,24,46,687	3,34,54,850
Interest accrued on Kerala State Power & Infrastructure Corporation		4,73,462	-
Interest accrued on working capital loan		5,46,59,687	4,12,34,481
Advance from customers		14,12,14,391	16,78,25,255
Income received in advance		2,03,92,535	2,38,62,092
Current liabilities - Other finance		64,51,81,736	73,80,44,344
Arbitration Award Payable		3,30,02,054	3,30,02,054
Total		**1,59,85,45,650**	**1,55,95,82,160**

(a)(i) During the financial year 2012-13, the holding company received a loan of Rs. 6,00,00,000 vide GO (Rt) No 559/12/ID dated 30.03.2012 which is repayable in 5 years commencing from April 2013 bearing an interest at 11.50% per annum.The balanace outstanding as on reporting date is Rs.6,00,00,000 and the same is shown under Other Current Liabilities.During the financial year 2017-18 company received loan of Rs.4,00,00,0000 vide GO(Rt) No.367/2018/ID for modernisation and expansion of manufacturing units.The Government resumed Rs.4,00,00,0000 vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.On 31st March 2019 the Government of Kerala resumed Rs.91,86,968 and refunded the same on 2nd April 2019.The balance outstanding against this loan as on 31st March 2020 is Rs.4,00,00,000.Out of which the current portion of Rs.1,80,00,000 is shown under Other Current Liabilities.During the financial year 2017-18 company received loan of Rs.2,00,00,000 vide GO(Rt)No.1538/2017/ID dated 08.11.2017 for modernisation and expansion of manufacturing units.The Government resumed Rs. 1,50,00,000 vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.The balance outstanding against this loan on 31st March 2020 is Rs.2,00,00,000.Out of which the current portion of ₹Rs.90,00,000 is shown under Other Current Liabilities.During the financial year 2018-19 company received loan of Rs.5,00,00,0000 vide GO(Rt)No.13007/2018/ID dt 24.11.2018 for setting up of Manufacturing facility for Laptops and Servers and the Government resumed the same on 31.03.2019 and subsequently refunded the same on2nd April 2019.The balance outstanding against this loan as on reporting date is Rs.5,00,00,000 and the current portion amounting to Rs. 1,50,00,000 is shown under Other Current Liabilities.The company received loan of Rs. 1,00,00,000 vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 for setting up reasearch and development facilities at Keltron Equipment Complex,Karakulam.The Government resumed ₹49,05,651 on 31st March 2020 and the balance outstanding against this loan as on 31st March 2020 is Rs.50,94,349.Out of which the current portion amounting to ₹5,00,000 is shown under Other Current Liabilities.During the financial year 2019-20,the company received a loan of Rs.41,00,000 vide GO(Rt)No.193/2020/ID dt 29.02.2020 for expansion of Space Electronics Group at Keltron Equipment Complex,Karakulam and the government resumed the same on 31st March 2020.As a part of rehabilitation of the Company, Government of Kerala has frozen the interest and granted moratorium on repayment of principal on Government Loan amounting to Rs.82,65,84,000 upto 31st March 2016 under order dated GO (MS) No.183/11/1D dt 26.08.2011.During the financial year 2016-17, the Government of Kerala vide GO (MS) No.86/16/ID dated 17.06.2016 has extended the relief and concessions as a part of rehabilitation up to 31st March 2021 subject to the condition that the principal amount should be repaid in 10 annual instalments.The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan of Rs.72,00,18,157 to equity.The government loan of Rs.10,65,65,843 for which conversion in to equity has not been approved is outstanding and the current portion of the same amounting to Rs.5,32,82,922 is shown under Other Current Liabilities.

(ii) Keltron Component Complex Limited has availed working capital loan @ 13.5% and investment loan @ 11.5% from Government of Kerala amounting to Rs. 9,50,00,000 and Rs.9,25,00,000 respectively repayable in 5 years.The balance outstanding against the working capital loan and investment loan as on 31.03.2020 is ₹9,50,00,00 and Rs.7,91,63,655 respectively.Out of which the current portion of working capital loan is Rs.9,32.10,685 and that of investment loan is Rs.7,91,63,655 and is shown under Other Current Liabilities.KECL has availed an Investment loan of Rs.2,00,00,000 during the financial year 2019-20 and the non current portion amounting to ₹ 25,00,000 is shown under Other Current Liabilities

(iii) KECL received working capital loan amounting to Rs. 1,45,00,000 from Government of Kerala 29-12-2015 for establishing infrastructure and testing facilities for manufacture of transducers.The period of loan is 5 years.The rate of interest is @ 13.50% pa.Terms of repayment is in equal quarterly instaments.The rate of penal interest is 2.5%.From the year 2018-19 onwards the Government of Kerala has reduced rate of interest on all loans to 9.50% compounding annually vide GO 169/2018/Fin dated 16-06-2018.The non current portion amounting to Rs. 1,23,25,000 is shown under Other Current Liabilities

(b) Kerala Minerals & Metals Limited released a loan of Rs. 500,00,000 to the holding Company on 18th December 1998 as directed by Government of Kerala vide G.O.(Ms) No.184/98/ID dated 16th December 1998 . The balance payable in our books as on 31st March 2020 and as confirmed by KMML is Rs.4,50,00,000/- and is overdue. Since the Government Vide G.O.(Rt) No. 641/2004 /ID dated 05th July 2004 directed that this loan be treated as interest free and hence no interest has been provided in the accounts.

(c) The holding Company has availed a loan amount of Rs. 12,00,000 for an interest of 14.53% p.a from Travancore Titanium Products Limited during the financial year 1999-2000. Later, Government vide letter No. 32113/H3/2003/ID dated 13th October 2003 directed the Company to repay the loan amount of Rs.12,00,000 availed from Travancore Titanium Products Ltd., with interest, to the State Government and is pending to be settled.

(d) The Government vide GO(MS)No.146/2010/ID dated 30.06.2010 accorded sanction to the Company to avail fund from Malabar Cements Limited for the implementation of Mini Tool Room cum Training Centre at Kuttippuram, Rs.4,00,00,000 in the form of Equity and Rs.4,00,00,000 as interest bearing loan which carries an interest of 7% p.a and repayable in 20 quarterly equal installments of Rs. 20,00,000 each commencing from 30th September 2012 and the same is pending to be settled.

(e) KECL has disclosed Rs.82,94,790 being interest accrued on loan specified in Note No.4(d) under 'Other Long Term Liabilities'.This has been been reclassified here under "Other Current Liabilities"

(f) The previous year figures have been re-grouped in line with current year classification.

The details of defaulted loans and interest thereon as on reporting date:

			(Amount in Rs)
Particulars of defaulted loans and interest thereon		Period of default	Defaulted amount
Loan from Government of Kerala	KSEDC	less than 7 year	8,00,00,000
Loan from Government of Kerala	KSEDC	less than 4 year	4,26,26,336
Interest accrued and due Government of Kerala	KSEDC	less than 7 year	8,12,16,043
Interest accrued and due Government of Kerala	KSEDC	less than 4 year	4,72,58,382
Loan from Kerala Minerals and Metals Limited	KSEDC	20 years	4,50,00,000
Loan from Travancore Titanium Products Limited	KSEDC	20 years	12,00,000
Interest accrued on loan from Travancore Titanium Products Limited	KSEDC	20 years	36,28,599
Loan from Malabar Cements Limited	KSEDC	9 years	4,00,00,000
Interest accrued on loan from Malabar Cements Limited	KSEDC	9 years	2,47,60,660
Loan from Government of Kerala	KCCL	2-6 years	14,25,64,557
Interest accrued and due Government of Kerala	KCCL	1-6 years	15,67,33,325
Interest accrued on loan from Department of Electronics	KCCL	less than 12 years	60,97,000
Loan from Government of Kerala	KECL	2-10 years	1,92,00,000
Interest accrued and due Government of Kerala	KECL	2-10 years	1,52,58,937

Note 10 : SHORT-TERM PROVISIONS		**As at 31st March, 2020**	**As at 31st March, 2019**
		(Amount in Rs)	(Amount in Rs)
Provision for gratuity	(Refer Note No.31 & 55)	7,21,15,667	10,17,44,035
Provision for leave encashment	(Refer Note No.31 & 55)	1,44,63,966	2,29,87,029
Provision for warranty		3,37,23,825	3,75,77,609
Provision - others		1,67,72,238	1,26,76,345
Total		**13,70,75,696**	**17,49,85,018**

Note 11 : FIXED ASSETS

FIXED ASSETS

Amount in Rs

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Total Cost as on 01.04.2019	Additions during the year	Sales / Transfer & Adjustment	Total Cost as on 31.03.2020	Provision up to 01.04.2019	Provided during the year	Transfer to Profit & Loss	Sales / Transfer & Adjustment	Total provision up to 31.03.2020	Written down value as on 31.03.2020	Written down value as on 31.03.2019
I.Property, plant and equipment:											
Land	1,65,27,928	-	-	1,65,27,928	-	-	-	-	0	1,65,27,928	1,65,27,928
Building	21,62,25,942	27,19,595	-	21,89,45,537	11,63,10,248	45,97,623	-	-	12,09,07,871	9,80,37,666	9,99,15,694
Electrical Fittings	4,49,44,256	85,76,447	-	5,35,20,703	3,51,81,144	31,46,697	-	(71,929)	3,83,99,770	1,51,20,933	97,63,112
Plant & Machinery	46,71,30,898	3,21,50,750	-	49,92,81,649	33,92,74,133	1,82,32,691	-	-	35,75,06,824	14,17,74,825	12,78,56,765
Test Instruments	8,01,02,690	23,51,829	-	8,24,54,519	4,76,92,883	37,72,505	-	-	5,14,65,388	3,09,89,131	3,24,09,807
Air Conditioner	1,26,11,838	3,79,000	-	1,29,90,838	80,66,714	8,75,541	-	-	89,42,255	40,48,583	45,45,124
Furniture & Fixtures	4,86,81,296	19,18,066	-	5,05,99,362	4,05,04,784	19,49,182	-	(5)	4,24,53,971	81,45,391	81,76,512
Office Equipments	2,40,59,985	37,65,085	-	2,78,25,070	2,10,81,541	17,55,174	-	-	2,28,36,715	49,88,355	29,78,444
Computer & data processing units	7,64,88,574	16,87,322	-	7,81,75,896	7,25,71,990	28,54,163	-	-	7,54,26,153	27,49,743	39,16,584
Service Equipment	3,28,102	-	0	3,28,102	3,28,046	-	-	-	3,28,046	56	56
Canteen Utensils	27,52,717	91,326	-	28,44,043	15,31,045	2,84,305	-	-	18,15,350	10,28,693	12,21,672
Library Books	19,803	-	-	19,803	19,733	-	-	-	19,733	70	70
Fire extinguishers	8,46,971	94,440	-	9,41,411	5,04,920	94,378	-	-	5,99,298	3,42,113	3,42,051
Water supply installations	21,95,415	1,53,233	-	23,48,648	16,56,711	83,812	-	-	17,40,523	6,08,125	5,38,704
Vehicle	50,11,422	-	(0)	50,11,422	49,87,292	-	-	-	49,87,292	24,130	24,130
Transit house equipments	45,034	-	-	45,034	31,296	4,857	-	-	36,153	8,881	13,738
Sub total	99,79,72,871	5,38,87,093	(0)	1,05,18,59,965	68,97,42,480	3,76,50,928	-	(71,934)	72,74,65,342	32,43,94,623	30,82,30,391
II. Intangible Assets:											
Software/Licenses	58,05,350	3,25,000	-	61,30,350	36,65,049	6,64,168	-	-	43,29,217	18,01,133	21,40,301
Research &development expenses	8,39,94,128	-	-	8,39,94,128	6,74,03,808	81,32,110	-	-	7,55,35,918	84,58,210	1,65,90,320
Technical knowhow	2,36,10,288	-	-	2,36,10,288	2,18,28,317	12,01,279	-	-	2,30,29,596	5,80,693	17,81,971
Sub total	11,34,09,766	3,25,000	-	11,37,34,766	9,28,97,174	99,97,557	-	-	10,28,94,731	1,08,40,035	2,05,12,592
III. Captal work in progress											
Asset under erection	44,39,902	5,00,000	-	49,39,902	-	-	-	-	0	49,39,902	44,39,902
Building under construction	2,04,49,294	66,06,952	84,89,664	1,85,66,582	-	-	-	-	0	1,85,66,582	2,04,49,294
Project Expenses not capitalised	26,50,221	41,20,271	-	67,70,493	-	-	-	-	0	67,70,492	26,50,221
Sub total	2,75,39,417	1,12,27,223	84,89,664	3,02,76,977	-	-	-	-	0	3,02,76,976	2,75,39,417
TOTAL	**1,13,89,22,054**	**6,54,39,317**	**84,89,664**	**1,19,58,71,708**	**78,26,39,654**	**4,76,48,484**	**-**	**(71,934)**	**83,03,60,073**	**36,55,11,635**	**35,62,82,400**
Previous Year	1,03,13,97,507	3,39,94,087	52,20,798	1,06,01,70,796	68,08,12,496	5,30,34,802	-	7,16,489	73,31,30,811	32,70,39,984	35,05,85,011

i. The land to the extent of 268.37 cents (Re-survey No. 2) at Thycaud village of Thiruvananthapuram district was mortgaged with Punjab National Bank, Thiruvananthapuram for arranging Fund and Non-fund based credit facility.
ii. The land to the extent of 310 cents (Survey No. 463 & 466) at Attipra village, Thiruvananthapuram district was mortgaged with Kerala Financial Corporation Limited for Working Capital Revolving Fund facility.
iii. The land to the extent of 1090 cents (Survey No.385) at Kannur Taluk and the factory building of KCCL was mortgaged with State Bank of India for the credit facility.
iv. The land to the extent of 10.75 acres at Kuttipuram was mortgaged with Canara Bank, Valanchery.
v. Capital WIP (Development expenditure) relates to Capacity enhancement project.
vi. The above property, plant and equipment have been physically verified by the Management during the year.
vii. The Companies are in possession of all land. However, with regard to holding Company, out of the 15.62 acres of land in possession of Keltron Equipment Complex,Karakulam title deed of only 1.17 acres is available.In accordance with the survey conducted by Nedumangad Taluk it is confirmed that 10.22 acres of land is held by holding company and is recommended by Taluk for regularisation of the same and also they have recommended for mutation of 4.94 acres of land under Rule 28 transfer of Registry Rules and the regularisation is pending.

Note 12 : NON-CURRENT INVESTMENT (Traded at Cost)

(Amount in Rs)

Sl No	COMPANY NAME	Type of shares	COST: Total cost as at 01.04.2019	COST: Additions during the year	COST: Total Cost as at 31.03.2020	PROVISION FOR DIMINUTION: Provision upto 01.04.2019	PROVISION FOR DIMINUTION: Provision for the year	PROVISION FOR DIMINUTION: Total provision upto 31.03.2020	NET VALUE: As at 31.03.2020	NET VALUE: As at 31.03.2019
	A. Investment in Subsidiary Companies					-		-	-	-
1	KELTRON COUNTERS LIMITED (48,79,865 Nos of face value Rs.10/- each fully paid up	Equity	4,87,08,049	-	4,87,08,049	4,87,08,049	-	4,87,08,049	-	-
2	KELTRON COUNTERS LIMITED (1955 Nos of face value Rs.100/- each fully paid up)	9.5% Cumulative redeemable Preference Shares	1,95,500	-	1,95,500	1,95,500	-	1,95,500	-	-
3	KELTRON RECTIFIERS LIMITED (27,43,641Nos of face value Rs.10/- each fully paid up)	Equity	2,74,36,410	-	2,74,36,410	2,74,36,410	-	2,74,36,410	-	-
4	KELTRON POWER DEVICES LIMITED (41,02,317 Nos of face value Rs.10/- each fully paid up)	Equity	4,10,23,170	-	4,10,23,170	4,10,23,170	-	4,10,23,170	-	-
	TOTAL (A)		11,73,63,129	-	11,73,63,129	11,73,63,129	-	11,73,63,129	-	-
	B. Investments in Other Companies							-	-	-
	QUOTED			-				-	-	-
1	AGC Networks Limited (Formerly AVAYA GLOBALCONNECT LIMITED.) (64,000 Nos of face value Rs.10/- each fully paid up) Market Value as on 31st March 2020- Rs. 1,45,12,000/-	Equity	80,00,080	-	80,00,080	-	-	-	80,00,080	80,00,080
	UNQUOTED		-	-						
1	KELTRON PROJECTORS LIMITED. (19,567 Nos of face value Rs.10/- each fully paid up)	Equity	1,95,670	-	1,95,670	1,95,670	-	1,95,670	-	-
2	SIDKEL TELEVISIONS LIMITED (1,05,000 Nos of face value Rs.10/- each fully paid up)	Equity	10,50,000	-	10,50,000	10,50,000	-	10,50,000	-	-
3	KELTRON VARISTERS PRIVATE LIMITED (45 Nos of face value Rs.1000/- each fully paid up)	Equity	45,000	-	45,000	45,000	-	45,000	-	-
4	ELCERA SUBSTRATES LIMITED (2,80,500 Nos of face value Rs.10/- each fully paid up)	Equity	28,05,000	-	28,05,000	28,05,000	-	28,05,000	-	-
	TOTAL (B)		1,20,95,750	-	1,20,95,750	40,95,670	-	40,95,670	80,00,080	80,00,080
	GRAND TOTAL (A+B)		12,94,58,879	-	12,94,58,879	12,14,58,799	-	12,14,58,799	80,00,080	80,00,080
	Previous year		12,94,58,879	-	12,94,58,879	12,14,58,799	-	12,14,58,799	80,00,080	80,00,080

Note 13 : LONG-TERM LOANS AND ADVANCES	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs)	(Amount in Rs)
Unsecured - Considered good		
Advance-Employees	92,130	1,18,976
Subsidiary Companies*	12,67,05,456	12,67,02,216
Investments pending allotment **	17,03,74,850	17,03,74,850
MAT credit as per Income Tax Act	11,82,990	11,82,990
Deposit with Customs authorities	9,620	13,200
Deposit with Central Excise Department	5,18,878	5,18,878
Excise duty paid under protest	1,27,232	1,27,232
Other Advances and Deposits	7,75,26,638	3,35,95,693
	37,65,37,794	**33,26,34,035**
Unsecured-Considered doubtful	15,23,36,451	15,22,86,876
Less: Provision for doubtful advances	15,23,36,451	15,22,86,876
Total	**37,65,37,794**	**33,26,34,035**

* Loans and advances includes amount due from Subsidiaries/Associates Companies which are defunct/under liquidation.Refer Note No-36

* Long Term loans and advances considered doubtful Rs. 15,23,36,451 disclosed under Long Term Loans & advances includes Rs.13,12,85,459 due from Keltron Counters Limited .Since the company is under winding up process and the chances of recoverability of this amount is doubtful,100% provision to the extent of Rs.13,12,85,459 was created in the previous two financial years(50% each).

** The Investment pending allotment pertains to the pending allotment of shares by the subsidiary companies.Refer Note 36(i)

Note 14 : OTHER NON-CURRENT ASSETS	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
(a)Trade receivable		
Unsecured:		
Considered good; outstanding for more than six months from the date they are due for payment	44,14,11,127	7,80,17,100
Considered doubtful; outstanding for more than six months from the date they are due for payment	10,61,43,078	10,61,43,078
Less : Provision for bad & doubtful debts	(10,61,43,078)	(10,61,43,078)
Total	44,14,11,127	7,80,17,100
(b) Non-current Bank balance:		
Term Deposits with banks (more than 12 months maturity)*	20,38,043	45,79,234
Margin on Bank Guarantee**	10,82,31,010	6,40,06,555
Total	11,02,69,053	6,85,85,789
(c) Others: Accrued Income	61,89,451	40,87,997
Total [a + b + c]	**55,78,69,631**	**15,06,90,886**

* Trade Receivable includes, long outstanding dues from customers which are beyond the normal operating cycle of business, which are being followed up and the same is expected to realize in future years.

** Refer to Note No.17 for the term deposits having maturity of not more than 12 months as on reporting date.

*** Term Deposit Receipts are kept as margin for sanctioning letter of credit and bank guarantee with banks.

Note 15 : INVENTORIES	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
Loose tools and jigs	56,16,677	49,67,108
Consumable stores and spares	1,91,27,378	1,66,10,155
Work-in-progress	15,17,38,200	13,78,87,276
Raw materials and components	40,43,34,721	36,18,68,068
Goods-in-transit	3,73,54,486	1,21,46,163
Goods purchased for resale	7,18,63,732	3,01,90,193
Finished goods	6,70,18,648	5,31,70,345
Total	**75,70,53,842**	**61,68,39,308**

For mode of valuation refer point III-Inventories under Balance Sheet items of Significant Accounting Policies.
Refer Note 61

Note 16 : TRADE RECEIVABLES	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
Unsecured considered good:		
Outstanding for a period exceeding six months from the date they are due for payment	1,83,46,06,880	1,46,72,06,839
Receivables outstanding for a period less than six months	1,74,30,40,105	2,36,09,45,369
Considered doubtful; outstanding for a period exceeding six months from the date they are due for payment	3,56,81,053	3,54,39,513
Less : Provision for bad and doubtful debts	(3,56,81,053)	(3,54,39,513)
Total	**3,57,76,46,985**	**3,82,81,52,208**

(a) Trade receivable does not include any amount receivable from Directors or Other Officers of the Company.

Note 17 : CASH AND BANK BALANCES	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
A. Cash and Cash Equivalents:		
Cash and stamp in hand	6,59,874	8,29,784
Remittance in transit	-	76,267
Balance in Scheduled Banks:	-	-
Current account	16,74,96,921	26,92,94,814
Term deposits (less than 3 months maturity)	5,66,05,506	65,42,364
Government of Kerala - Treasury savings bank account	19,32,057	31,87,329
Total (A)	22,66,94,358	27,99,30,558
B. Other Bank balances:	-	-
In Term deposit with maturity of more than 3 months but less than 12 months *	64,43,699	1,30,51,817
Margin on Letter of Credit	2,90,57,223	11,52,65,590
Margin on Bank Guarantee	24,05,82,336	25,58,91,171
Total (B)	27,60,83,258	38,42,08,578
Total (A+B)	**50,27,77,616**	**66,41,39,136**

Cash and cash equivalents as above meet the definition of cash and cash equivalents as per Accounting Standard 3 'Cash Flow Statement'.
Term Deposit Accounts which have maturity of more than 12 months are disclosed in Note No.14 'Other Non-current Assets'
* Term deposit receipts are kept as margin for arranging letter of credits and bank guarantee with banks.
Cash and stamp in hand include bank balances in the name of the site-in-charges of the Company and is not material.

Note 18 : SHORT-TERM LOANS AND ADVANCES	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
a) Unsecured - considered good		
Advance-Employees	31,68,945	40,52,881
Advance - Others	15,91,85,178	17,50,57,015
Deposit with Customs authorities	3,30,560	8,60,063
Deposit with Central Excise Department	9,736	9,736
Other deposits	2,89,21,187	4,33,30,595
Keltron Toolroom Research and Training Centre (KELTRAC)	22,27,353	5,02,128
Income tax refund due	8,30,30,711	10,09,97,356
GST TDS receivable	8,85,094	26,61,401
MAT Credit (Refer Note.45)	24,51,559	24,51,559
Total	**28,02,10,323**	**32,99,22,734**

(a) Current maturities of deposits, loan and advances are disclosed in this Notes and non current maturities are disclosed under Note No.13 'Long term loans and advances' above.

(b) Loans and advances includes amount due from Subsidiaries/Associates Companies which are defunct/under liquidation.The unreconciled balance of Rs.6,66,79,898 in Current Account and Collection Account balances in respect of Keltron Component Complex Limited and Keltron Electro Ceramics Limited has been written off in the books of holding Company in the FY 2014-15. Refer Note No.33.

(c) Advances - Others includes pre-paid expenses of Keltron Component Complex Limited amounting to Rs.15,56,342 classified under Other Current Assets, has been re-classified under this Note in order to maintain uniformity with holding company and subsidiaries.

Note 19 : OTHER CURRENT ASSETS	As at 31st March, 2020	As at 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
Accrued income	1,43,50,168	2,48,49,391
Others	2,31,285	21,30,827
Total	**1,45,81,453**	**2,69,80,218**

Refer Note No.18(c) above.

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Note 20 : REVENUE FROM OPERATIONS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
a. Sales		
Manufacturing sales	1,50,70,23,861	1,33,33,30,920
Project sales	2,55,96,66,748	2,77,62,06,950
Trading sales	41,48,16,788	32,12,52,276
Sub total	**4,48,15,07,397**	**4,43,07,90,146**
b. Services		
Income from servicing	56,46,49,983	64,82,23,341
Income from training	11,65,73,306	16,71,05,008
Income from manpower supply	4,57,31,292	4,21,80,805
Sub total	**72,69,54,581**	**85,75,09,154**
c. Other operating revenue	-	
Cash discount on purchase	7,43,226	9,57,400
Scrap sales	3,50,290	14,13,263
Freight and forwarding collected	1,12,17,776	1,11,72,927
Warranty written back	1,95,98,441	2,44,09,371
Exchange rate fluctuation	14,50,141	12,06,160
Others	15,21,646	44,85,462
Sub total	**3,48,81,520**	**4,36,44,583**
Total	**5,24,33,43,498**	**5,33,19,43,883**

Note 21 : OTHER INCOME	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
Interest	3,73,53,854	2,25,82,827
Rent	80,89,964	90,46,422
Profit on sale of property, plant and equipment	-	7,289
Other sundry receipts/adjustments	39,56,069	32,76,659
Insurance claim received	6,71,781	8,03,683
Unadjusted credit in creditors written back	10,03,026	46,34,074
Matching grant	1,11,794	1,36,185
Miscellaneous income	5,87,807	6,37,509
Total	**5,17,74,295**	**4,11,24,648**

Note 22 : MATERIAL CONSUMED AND SERVICE EXPENSES	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
a. Material Consumed		
Opening stock	36,18,68,068	33,03,84,491
Add: Purchases	3,12,32,05,799	3,16,02,32,798
	3,48,50,73,867	3,49,06,17,289
Less:Closing stock	40,43,34,721	36,18,68,068
	3,08,07,39,146	3,12,87,49,221
Add:Stores and spares consumed	1,23,13,570	88,59,667
Total	**3,09,30,52,716**	**3,13,76,08,888**
b. Service expenses		
Sub contracting charges	40,65,40,716	41,72,61,956
Erection and commissioning	23,72,683	23,65,462
Testing and quality control	10,79,544	36,34,911
Warranty expenses	1,78,24,000	1,80,19,212
Computer /project training	10,31,06,875	13,23,40,772
After sales service	2,74,886	2,84,355
Total	**53,11,98,704**	**57,39,06,668**
c. Purchase for resale	**41,37,01,320**	**32,99,03,743**
Total (a+b+c)	**4,03,79,52,740**	**4,04,14,19,299**

Note 23 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
Closing Stock:		
Finished goods:		
Manufacturing items	6,70,18,648	5,31,70,345
Trading items	7,18,63,732	3,01,90,193
Work-in-progress:	15,17,38,200	13,78,87,276
Total	**29,06,20,580**	**22,12,47,814**
Less:		
Opening Stock -		
Finished goods:		
Manufacturing item	5,31,70,345	4,89,96,718
Trading item	3,01,90,193	1,57,90,645
Work-in-progress:	13,78,87,276	10,09,49,049
Total	**22,12,47,814**	**16,57,36,412**
Net	**6,93,72,766**	**5,55,11,402**

Note 24 : EMPLOYEE BENEFITS EXPENSE	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	(Amount in Rs.)	(Amount in Rs.)
Salaries, wages and bonus	62,91,14,615	65,22,33,993
Gratuity	6,16,41,987	5,59,41,822
Leave encashment	2,01,00,837	2,06,93,179
Employer's contribution to PF and other funds	6,63,32,773	7,16,43,132
Leave travel concession	47,361	1,00,201
Canteen expenses	1,20,42,224	1,22,84,338
Uniforms	3,32,690	3,31,569
Staff training expenses	1,67,243	2,62,310
Maternity benefit	14,81,507	10,82,639
Other staff welfare expenses	3,07,05,742	2,87,84,964
Total	**82,19,66,979**	**84,33,58,147**

Note 25 : FINANCE COST	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	(Amount in Rs.)	(Amount in Rs.)
Interest on Government loan	6,96,89,534	4,34,12,960
Interest on KFC loan	77,29,300	65,57,563
Interest on KSIDC Working Capital Loan	56,56,830	-
Interest on BDS-KFC	6,32,406	-
Interest on loans (Government Companies)	34,59,409	34,37,826
Interest on cash credit and overdraft from banks	1,17,32,356	81,02,541
Interest -Others	70,23,789	71,45,106
Bank charges	68,72,139	47,71,466
Total	**11,27,95,763**	**7,34,27,462**

Note 26 : DEPRECIATION AND AMORTIZATION EXPENSE	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	(Amount in Rs.)	(Amount in Rs.)
Depreciation on property, plant and equipment	3,76,50,928	3,91,79,769
Amortization on intangible assets	99,97,557	1,09,46,237
Total	**4,76,48,485**	**5,01,26,006**

Note 27 : OTHER EXPENSES	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	(Amount in Rs.)	(Amount in Rs.)
Power, fuel and water	3,45,65,545	3,48,69,178
Rent	36,93,993	29,85,548
Rates and taxes	71,55,737	31,76,941
Interest and Late Fees	34,48,077	18,12,813
Arbitration Award	-	3,30,02,054
Insurance charges	28,85,396	43,68,957
Repair and maintenance:	-	-
Vehicles	15,45,998	18,04,681
Building	24,78,289	9,19,848
Plant and Machinery	48,29,925	72,73,118
Others	1,04,04,118	1,12,88,846
Travelling expenses	3,51,01,650	3,36,34,654
Travelling expenses-Directors	3,76,715	7,28,656
Sales and business promotion expenses	3,47,23,983	2,63,83,152
Freight and forwarding charges	1,80,15,804	1,73,56,854
Audit fee and expenses	-	-
Statutory audit fee	11,43,500	12,18,500
Tax audit fee	4,38,670	3,65,400
GST audit fee	4,68,600	4,73,600
Reimbursement of expenses	1,46,375	6,32,875
Internal audit fee	9,52,300	9,23,538
Cost audit fee and other services	1,25,000	1,25,000
Director's sitting fee	12,200	4,600
Legal charges	21,33,944	21,64,653
Printing and stationery	46,95,182	53,34,068
Royalty	40,21,606	55,68,478
Postage, telegram, telephone and telex charges	1,33,40,515	1,35,11,999
Security charges	1,28,40,238	1,31,62,886
Exchange rate/customs duty variation	3,99,133	5,54,796
Recruitment expenses	1,59,508	11,17,505
Consumption stores and spares	28,12,171	26,06,002
Moulds, tools and jigs written off	12,01,222	16,63,923
Loss on sale/discarding of property, plant and equipment	-	58,877
Research and development expenses	20,63,615	21,95,031
Miscellaneous expenses	1,37,65,486	1,23,11,689
Total	**21,99,44,495**	**24,35,98,720**

Note 28 : PRIOR PERIOD ADJUSTMENT	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
Prior period expenses	5,58,54,711	94,00,883
	-	-
Less:Prior period income	38,17,976	45,08,753
Total	**5,20,36,735**	**48,92,130**

Note 29 : EXCEPTIONAL ITEMS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	(Amount in Rs.)	(Amount in Rs.)
Sundry debits written off	57,745	21,475
Sundry credits written back	(48,45,715)	(1,38,19,017)
Bad and doubtful debts wirtten off	2,41,539	-
Provision for bad and doubtful debts and advances	-	7,73,71,696
Provision for loans and advances	-	6,56,42,729
Provision for other loans and advances	49,575	1,19,78,077
Bank Guarantee Invocation Expenses	31,08,999	-
Bank Guarantee Invocation Income	(16,91,854)	-
Litigation Settlement	1,85,000	-
Total	**(28,94,711)**	**14,11,94,960**

Exceptional Items includes the write off/provision of long pending trade receivable, loans and advances for which separate disclosure is required to depict the performance of the Company for the reporting period.

The unrealisable trade receivables owing to liquidated damages, sundry debits etc has been written off in the reporting period and provision for bad debts/advances/deposits in the Financial Statements has been created.

Bad Sundry credits written back includes the write back of excess provision for bonus amounting to Rs.48,00,000 in the books of the holding company. Refer Note-56.

Bank Guarantee invoked against holding company amounting to Rs.31,08,999 and Bank Guarantee invoked by holding company amounting to Rs.16,91,854 has been disclosed above as Bank Guarantee Invocation Expenses and Income respectively.Out of court settlement made by the holding company amounting to Rs.1,85,000 has been disclosed as Litigation Settlement.

Bad & doubtful debts written off in Keltron Components Complex Limited which was classified under 'Other Expenses',has been re-classified here for maintaining uniformity with holding company.

Note 30 CONTINGENT LIABILITIES NOT PROVIDED FOR		As at 31st March 2020 (Amount in Rs)	As at 31st March 2019 (Amount in Rs)
i)	Guarantees issued by the Banks on behalf of the Company for which counter guarantees have been issued by the Company	29,26,86,553	22,27,93,858
ii)	Letter of credit issued by the banks on behalf of the Company and outstanding.	4,82,29,865	7,44,71,941
iii)	Indemnity Bonds executed in favour of:		
	a) Customers for advances/performance	11,64,48,894	35,19,97,280
	b) Sales tax authorities	13,72,000	13,72,000
iv)	Claims against the Company not acknowledged as debts as debts		
	a) On account of Central Excise demands pending on appeal	4,72,67,175	4,72,67,175
	b) Sales tax - Central and State under dispute	1,27,49,881	1,27,49,881
	c) PF interest and damages pertaining to Central Tool Room case pending with PF Tribunal.	1,81,16,584	1,81,16,584
	d) On account of interest and service tax	15,32,07,257	16,54,18,918
	e) On account of KVAT	56,16,665	56,47,165
	f) Official liquidator High Court of Madras in respect of liquidation of M/s FD Stewart Private Limited	10,859	10,859
	g) Customs duty pending on appeal	11,03,846	11,03,846
	h) VAT appeal pending	-	4,31,538
	i) License fee payable as per the Order of Arbitration in respect of South Central Railways Project.	14,52,000	14,52,000
	j) On account of Pay Revision anomalies under dispute	2,94,80,138	2,94,80,138
	k) Others	4,38,32,025	2,01,96,682

* Note:

During 2008-09, the Holding Company received an order from South Central Railway for implementation of CCTV and allied works vide agreement dated 22nd September 2008.As per the terms of agreement the holding company should pay license fee to South Central Railway upon which they will provide connectivity and central server to carry out CCTV operations.Even though theholding company paid the first installment of license fee,South Central Railway failed to provide technical facilities .Since the project could not be completed as per the terms of agreement, the holding Company approached the Hon'ble High Court of Andhra Pradesh disputing the payment of second installment. As per the direction of the Court, the holding Company had to pay the second installment.Disputing the payment of third and final installment, Company approached the Arbitrator for non performance of the agreement by South Central Railway. The Arbitrator has passed an award against the holding Company and the holding Company has preferred an Appeal before the City Civil Court, Hyderabad, which is pending.

Note 31

(Amount in Rs)

PROVISION FOR GRATUITY & LEAVE ENCASHMENT	Gratuity		Leave encashment	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	25,29,09,147	29,92,60,463	8,14,06,202	9,15,58,964
Less: Paid during the year on account of retirement /resignation	10,21,47,749	9,70,52,987	3,76,99,562	3,66,43,608
Add: Provided during the year	6,16,17,098	5,60,58,962	2,41,45,855	2,64,90,846
Less: Contribution to Plan Asset with LIC of India	52,82,406	53,57,291	-	-
Balance at the end of the year	**20,70,96,090**	**25,29,09,147**	**6,78,52,495**	**8,14,06,202**
Classified as Non-Current	13,49,80,423	15,11,65,112	5,33,88,529	5,84,19,173
Classified as Current	7,21,15,667	10,17,44,035	1,44,63,966	2,29,87,029

Note 32 : Related party disclosures

	Particulars	(Amount in Rs) For the year ended 31st March 2020	(Amount in Rs) For the year ended 31st March 2019
	Kerala State Electronics Development Corporation Limited		
1	N.Narayana Moorthy(Chairman)		
	Salaries & PF	11,31,994	1,10,000
	Medical benefits	-	
		11,31,994	1,10,000
2	Hemalatha.T.R (Managing Director)		
	Salaries & allowances	15,40,463	14,67,103
	Medical benefits	-	-
		15,40,463	14,67,103
3	B.Bilu (Company Secretary)		
	Salaries & allowances	10,07,978	9,58,204
	Medical benefits	-	61,979
		10,07,978	10,20,183
	Directors Sitting Fee		
1	K.Ramachandran		1,200
2	V Narayanan	1,200	-
3	V Jayaprakash	600	3,000
4	R.Suresh Mohan	8,000	-
		9,800	4,200
	Keltron Component Complex Limited		
1	Krishna Kumar.K.G (Managing Director- from October 2016)		
	Salaries & allowances	12,81,581	14,38,092
		12,81,581	14,38,092
2	Jose Joseph (Chief Finance Officer)		
	Salaries & allowances	9,45,713	8,35,532
		9,45,713	8,35,532
3	Thahira P P(Company Secretary from 14/02/2020)		
	Salaries & allowances	50,152	
		50,152	-
	Keltron Electro Ceramics Limited		
1	K.Vijayakumar (Managing Director)		
	Salaries & allowances	6,56,809	6,37,589
		6,56,809	6,37,589

33. As per the Para 16 of AS-21, the intra group balances should be eliminated in full, since the Current Accounts and Collection Accounts of aforesaid two subsidiaries are un-reconciled for a longer period of time, owing to the non accounting of debit notes raised by the holding company to respective subsidiaries on account of Interest on Current/Collection Account balances, sales commission etc in the earlier years. The difference between the books of holding company with subsidiaries is as follows:

Sl No	Particulars	KCCL	KECL	Total
1	Current Account	Rs.3,50,84,200	Rs.(234,589)	Rs.3,48,49,611
2	Collection Account	Rs.3,04,75,882	Rs.13,54,405	Rs.3,18,30,287
	Total	**Rs.6,55,60,082**	**Rs.11,19,816**	**Rs.6,66,79,898**
3	Trade Receivable	Rs.5,72,585	Rs.(7,59,995)	Rs.(1,87,410)
4	Trade Payable	Rs.4,27,477	Rs.(17,11,946)	Rs.(12,84,469)

As mentioned above the the difference in current and collection account between the books of holding company and subsidiary companies amounting to Rs.6,66,79,898 were written off in the FY 2014-15 as exceptional item and with respect to Trade Receivable /Trade Payable an amount of Rs.10,97,060 was booked as an expense in the books of the holding company in the financial year 2014-15.

34. The price paid for acquisition of the shares in the subsidiary companies over and above the net value of assets in the subsidiaries as on the date of each investment made by the holding company and excess amounts so paid have been disclosed under goodwill in the consolidated financial statements. The break-up details of goodwill as at 31.03.2020 is as under based on the cost in respect of each of the investment made in the subsidiaries. Wherever, the investment has been made during a financial year the profit or loss for the period prior to the date of acquisition has been reckoned as a part of pre-acquisition cost for the purposes of working out goodwill / capital reserve as on the date of each investment.

KECL - Goodwill Rs.6,87,64,731 (Previous year : Goodwill: Rs.6,87,64,731)
KCCL - Goodwill Rs.7,90,75,070 (Previous year : Goodwill: Rs.7,90,75,070)

The Company has not gone into the actual valuation of goodwill with reference to the net asset backing of the subsidiaries for the above purpose considering the present market value of landed properties owned and carried forward in the books of subsidiaries.

35. Grant and Loan from Government of Kerala in the books of the holding company-:

The holding company submitted a Financial Restructuring Proposal to Government of Kerala during the month of April 2018 with the main objective of improving the net-worth position of the holding company. The proposals included the following:

(i) Set-off of Investment and loan in defunct subsidiaries amounting to Rs.72,00,18,157 against Government loan liability which are covered under freezing (as a part of BIFR Scheme) amounting to Rs.82,65,84,000. Balance amount of Rs.10,65,65,843 may be converted to equity.

(ii) The conversion of interest accrued on Government loan to the extent of Rs.103,71,88,324 to equity.

(iii) Re-consideration of Government Order GO(Rt) No.329/2014/ID dated 11th March 2014 converting the OTS instalments given below:

(i)Government Grant of Rs.6,00,00,000 and

(ii)Already converted Government loan to Equity of Rs.12,50,00,000 again back to working capital loan.

The Government of Kerala vide GO(MS) No.53/2020/ID dated 15th May 2020 read with Government Letter No.D3/173/2018/ID dated 13th July 2020 has approved the Financial Restructuring proposal of the Company as detailed below:

1) Conversion of Government loan of Rs.72,00,18,157 to equity.
2) The working capital loan as per GO(Rt) No.329/2014/ID dated 11th March 2014 of Rs.18,50,00,000 shall be converted to equity.
3) Waiverof interest accrued on aforesaid loan aggregating to Rs.92,30,61,414.
4) Increase of Authorized Share Capital of the Holding Company to accommodate the issue of shares to the Government on accounts of (1) and (2) above, and consequent amendment in Memorandum and Article of Association.

The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020. Accordingly the converted Government Loan of Rs.72,00,18,157 and Government grant of Rs.6,00,00,000 is disclosed as “Share Application Money Pending Allotment” under Other Long Term Liabilities. The Government Loan of Rs.12,50,00,000 as covered under GO (Rt) No 329/2014/ID dated 11th March 2014 was included under Note -1 Share Capital, as the shares are already converted and allotted to Government of Kerala vide GO MS) No .183/11/ID dated 26th August 2011.

Further, to improve the net worth, the holding company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021represented before Government to consider the conversion of interest accrued on Government Loan amounting to Rs.92,30,61,414 to equity share capital in line with the recommendation of Public Enterprises Board .This has been sanctioned vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020 sanctioning the financial restructuring proposal of the company and accordingly we have disclosed interest accrued on Government Loan amounting to Rs.92,30,61,414 as “Share Application Money Pending Allotment” under Other Long Term Liabilities.

Thus, the Share money pending allotment amounting to Rs.170,30,79,571/- is included and disclosed under Other Long-term liabilities .

The increase of authorized share capital of the company to accommodate the issue of shares to Government and the procedures of consequent amendment in Memorandum and Articles of Association is pending and the inclusion of the same in Equity share capital would be effected immediately after the compliance procedures are complete.

36. Loans and advances of the Holding company include:

(i) A sum of Rs.17,03,74,850 is pending allotment of shares by the following subsidiary Companies:-

a) Keltron Rectifiers Limited	-	Rs.5,76,43,070
b) Keltron Power Devices Limited	-	Rs.11,27,31,780
Total :		Rs.17,03,74,850

The Hon’ble High Court of Kerala in its judgment dated 06th March 2006 and 14thNovember 2005 issued orders for the winding up of Keltron Rectifiers Limited and Keltron Power Devices Limited respectively and appointed the Official Liquidator. The Government of Kerala vide G.O.(MS) No. 165/08/ID dated 22nd October 2008 ordered to take over the aforesaid subsidiary companies (a) & (b) with all liabilities including future liabilities, simultaneously with its assets by the Company. Government of Kerala also filed an affidavit before the Hon. High Court of Kerala for the above take over. The Scheme for takeover of the above two subsidiary companies as per the Government G.O. is under process and hence no provision has been made in the accounts regarding the investment pending allotment in respect of these two companies.

(ii) Loans and Advances outstanding from defunct Subsidiary Companies include the following:

Sl No	Name of the Company	Subsidiary/ Associate	Amount Outstanding as on 31st March 2020	Remarks
1	Keltron Counters Limited	Subsidiary Company	---	The company was ordered for winding up by the Hon'ble High Court of Kerala, vide its judgment dated 26th July 2006 and the Official Liquidator took charge with effect from 26th July 2006. The Government of Kerala filed an affidavit in the Hon'ble High Court of Kerala for keeping in abeyance the liquidation proceedings. Later vide judgment in CA Nos. 396,396B and 396C of 2009 in CA No.723 of 2006 in CP No.11 of 2002 dated 08th October 2009 of the Hon'ble High Court of Kerala, release of the immovable properties owned by Keltron Counters Limited to State of Kerala in order to establish Gulati Institute of Finance and Taxation (GIFT) was permitted. The possession of above land has already been handed over as per the above direction and GIFT transferred an amount of Rs. 5,00,00,000 to M/s Keltron Counters Limited for settling of its liabilities with a condition that shortfall if any will be compensated by the Government of Kerala, which is deposited in separate account bearing interest. As there are no fixed assets available with Keltron Counters Limited the Company has made adjustments to account for the diminution in value of total investment in the

				financial year 2009-10. Keltron Counters Limited made an application to the Registrar of Companies to strike off the name of the company from the Register of Companies under Fast Track Exit Mode Scheme 2011.The Government of Kerala vide G.O.(Ms) No-21/2019/ID dated 28th February 2019 sanctioned the transfer of all existing and future liabilities of Keltron Counters Limited(KCL) to Keltron and all liabilities of KCL including future liabilities will be settled by Keltron In view of the above, the holding company decided to create a provision against Rs.13,12,85,459 outstanding from KCL in two equal installments commencing from the financial year 2017-18. Accordingly , provision of Rs.6,56,42,730 being 50% of loans and advances due from Keltron Counters Limited was created during the financial year 2017-18 and the balance provision of Rs.6,56,42,730 was created during the previous financial year 2018-19. Thus the total provision created against loans and advances given to Keltron Counters Limited is Rs.13,12,85,459.

2	Keltron Power Devices Limited	Subsidiary Company	Rs.8,50,66,432	As mentioned in 41(i) above, the Hon.High Court of Kerala has ordered winding up of Keltron Power Devices Ltd (KPDL) and Keltron Rectifiers Limited (KRCL).The Company has filed an application before the Hon. High Court of Kerala on 9th October 2017 for recalling the winding up order of KPDL and KRCL, discharge the official liquidator and to take over the assets and liabilities by the holding company. As per the direction of Hon.High Court of Kerala, a Revival Scheme for the manufacturing of 100MW Solar Panel was submitted. The scheme is yet to be heard by the Hon.High Court of Kerala. Meanwhile, Government of Kerala vide GO (RT) No 883/2018/10 dated 26/07/2018 has issued Administrative Sanction towards the Budget-Support for the company for the setting up of manufacturing facilities for Solar Modules. The Special Government Pleader (Taxes) informed that the Revival proposal has to be filed by the Government of Kerala and hence an Affidavit of the Chief Secretary has to be filed. Due to the pendency of the above situation, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation.
3	Keltron Rectifiers Limited	Subsidiary Company	Rs. 4,13,63,266	
	Total		**Rs.12,64,29,698**	

37. The holding company received a request from its subsidiary company, Keltron Electro Ceramics Limited for considering the decision taken in the 203rd Board Meeting of KECL with respect of conversion of term loan of Rs.1,35,26,650 received from the holding company and interest accrued thereon amounting to Rs.1,35,90,572 in to equity share capital. The company in its 257th Board Meeting held on 15th December 2020 approved the conversion of loan and interest accrued thereon. The company intimated KECL vide Letter No-KSEDC/KECL/2020-21/176 dated 11th January 2021 that the conversion of loan to equity has been approved and that the same is effective from 31st March 2020.However the legal formalities with respect to the aforesaid conversion as per the provisions of Companies Act, 2013 is progressing at KECL. Hence the loan and interest accrued thereon is disclosed under Note No-7 Short Term Loans & Advances which is in conformity with the financial statement of KECL for the year ended 31st March 2020.

38. The Government of Kerala vide GO(MS) No.29/2018/ID dated 10th April 2018 has authorized the Company to form a Special Purpose Vehicle (SPV) with Kerala State Industrial Development Corporation (KSIDC) and existing Kerala based component manufacturers (including UST Global) for the manufacturing of Intel based products like Laptops and Servers. Later, Government of Kerala vide GO(MS) No.45/2018/ID dated 11th June 2018 has decided the stake holdings of joint venture partners in the SPV for the manufacturing of laptops. As per the GO the shareholding was fixed at 26% by KELTRON, 23% by KSIDC, 49% by UST Global and 2% by a startup company. Moreover, KELTRON was permitted to lease the land and building at Monvila to the SPV after completing the renovation work of the building.

    The Government of Kerala vide GO(Rt) No.819/2018/ID dated 12th July 2018 has given Administrative Sanction to KELTRON for a financial assistance of Rs.5,00,00,000 for investing 26% equity portion in the SPV amounting to Rs.2,60,00,000 and balance Rs.2,40,00,000 for the renovation of the building at Monvila.This has eventually resulted in the formation of Coconics Private Limited. The fund was released vide GO(Rt) No.13007/2018/ID dated 24th November 2018. The Company has initiated equity investment of Rs.2,60,00,000on 23rd January 2019. However, it has not been materialized owing to the restrictions in Ways & Means Clearance imposed by Government. Finally, the amount was resumed to Government Account as on 31st March 2019.Hence it was not shown as investment during the financial year 2018-19. The resumed fund was released during the month of April 2019 and investment was done on 26.04.2019.

However, Coconics Private Limited has considered the subscription money of the Company as receivable and shown as Equity Share Capital in the financial statements as on 31st March 2019.During the reporting period in accordance with AS-23 - Accounting for Investments in Associates, the carrying amount of investment is reduced to the extent of share in losses including the losses of preceding period of the associate company, has been disclosed in the Consolidated Financial Statements.

39. The subsidiary company, KCCL has forfeited 12800 Nos. of Equity Shares to the extent of Rs.75,239 (paid up value) as per the Board Resolution dated 04th September 2007. The amount of forfeited shares as mentioned above has been added to the Share Capital Account in the financial statement of subsidiary has been accounted under Capital Reserve in the consolidated financial statements for the purposes of better presentation / disclosure.

40. The Company is primarily dealing with the manufacturing, supply, installation and maintenance of electronic systems on the basis of customer specific orders which are mainly Government Departments/Public Sector Undertakings. As envisaged in AS-17 there is no distinguishable business segment or geographical segment for the Company which was subject to risk and return different from those of other segments. The allied activities undertaken by the Company doesn't constitute a reportable segment as per AS-17. Hence, segment reporting in accordance with AS 17 is not applicable to the Company.

41. The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the result is known / materialized.

42. Earnings per share (EPS)

Basic & Diluted EPS	**31.03.2020**	**31.03.2019**
Profit attributable to Equity Shareholders before extraordinary items (Numerator used for calculation of diluted and basic EPS in Rs.)	7,83,75,651	3,33,80,078
Profit attributable to Equity Shareholders (Numerator used for calculation of diluted and basic EPS in Rs.)	5,10,86,735	3,35,17,165
Number of Equity Shares used as denominator for calculating :	2,03,55,181 3,73,85,977	2,03,55,181 2,03,55,181
Basic Diluted		
EPS of Rs. 100/- each before extraordinary items Basic in Rs. Diluted in Rs.	3.85 2.10	1.64 1.64
EPS of Rs. 100/- each Basic in Rs. Diluted in Rs.	2.51 1.37	1.65 1.65

43. Based on accumulated loss as on 31st March 1998, the Holding Company became a Sick Industrial Company under Section 3(O) of the Sick Industrial Companies (Special provision) Act 1985 (SICA) and BIFR vide order dated 04th July 2006 declared the Company as Sick Industrial Company. The Rehabilitation Scheme was sanctioned by the BIFR in the hearing held on 20th December 2012 and is under implementation. Further to the constitution of National Company Law Tribunal (NCLT) under Companies Act, 2013 with effect from 01st December 2016 the matter was being taken over by NCLT. Themanagement has come to the conclusion that it will not pursue the matters before the NCLT, taking into account the fact that the company is not a sick company as per the provisions of Companies Act, 2013 nor IBC, 2016 since the company has not failed to pay its debts amounting to 50% or more of its outstanding dues with the Secured Creditors I,e: Banks and Financial Institutions.

44. The Holding Company has recognized the TDS credit as per 26AS. However, in certain cases, though the credit is appearing in 26AS, the Company did not receive the TDS certificate. In certain other cases, though the credit is appearing in 26AS, the Income Tax Department did not allow such tax credit while completing the assessment on which the Company has preferred appeal. While the 26AS shows a tax credit of Rs.15,81,94,828 for the Assessment year 2007-08 to 2020-21, the Company's books of account shows the balance of Rs.8,30,30,711only. The Company did not account for the balance credit of Rs.7,51,64,117in the books considering the uncertainty attached in getting full tax credit while completing the assessment. The Company is confident that tax credit as per 26AS will be allowed in appeal proceedings. Hence, no provision towards doubtful of recovery is considered necessary as it is fully recoverable.

45. The KECL is having total amount of MAT credit available on account of the tax paid U/s 115JB of the Income Tax Act for the financial years 2013-14 and 2014-15 were Rs.9,33,508 and Rs.2,39,888 respectively. An amount of Rs.1,79,612 was utilized in the financial year 2015-16.During the year 2016-17 and 2017-18 MAT credit of Rs.3,50,736 and Rs.11,07,040 were paid respectively. Total amount of MAT credit available at the end of financial year 2019-20 is Rs.24,51,559.

46. The main customers of the KECL, the BEL, Bangalore has charged liquidation damages amounting to Rs.37,62,712 on account of delay in

supply of goods. But liquidated damage is not recognized in the books as there is still correspondence going on with BEL authorities regarding this.

47. The company has disclosed the outstanding Trade payable to MSME in the Note No 5 and 8.There are Micro, Small and Medium Enterprises to whom the Company owes, which are outstanding for more than 45 days as at 31st March 2020 as per the terms of agreement with them.

KECL has 21 suppliers falling under MSME category and Rs.1,25,06,809 is payable to these MSME suppliers as on 31st March 2020 as on reporting date. KCCL has 3 suppliers falling under MSME category and Rs.41,360 is payable to these MSME suppliers as on 31st March 2020 as on reporting date.

The interest due to such outstanding as per MSMED Act has not been provided in the financial statements.

48. TheDeferred Tax Liability of in the Financial Statements pertains to Keltron Electro Ceramics Limited which is arrived as per AS-22. The details are as follows:

(Amount in Rs.)

Particulars	As on 31st March 2020	As on 31st March 2019
Deferred tax asset	36,69,497	56,80,436
Deferred tax liability	20,05,668	19,97,145
Net deferred tax liability	(16,63,829)	(36,83,291)

The Holding company and KCCL is certain that sufficient immediate future taxable income will not be available against which deferred tax asset can be realised. Hence the deferred tax asset was not recognized in their financial statements.

49. Note No.1-III regarding disharmony in the Accounting Policy for valuation of inventory by the subsidiary company KECL, which has been done on first in first out method as against the weighted average method followed by the holding company. However, as disclosed in the Notes effect of non-harmonization of the Accounting Policy in this regard is noted to be not material considering the value of inventory held in KECL as at 31.03.2020 is only Rs.1,99,04,394 only (Previous year Rs.1,39,04,625).

50. The Company has received an Order from Damodar Valley Corporation (DVC) with respect to Control and Instrumentation turnkey job for three units of Mejia Project during the financial year 1992-93 and the purchase order for 3

units amounting to Rs.27.70 crore was released during 1994-95. The three units mentioned above were to be executed in different schedules as stipulated in the terms and conditions of the Order. But due to delay in finalising design Engineering and release of purchase order the schedule could not be met and thus the purchase order was altered and the period was rescheduled.

Meanwhile there were foreign exchange problems and also Banks required 100% guarantees for opening LC's. DVC issued Rs.4Crs which was disbursed in two installments of Rs.3 Crs in 12/93 and Rs.1 Cr in 1/94. This amount was utilised by Keltron for opening LC's. Keltron placed Purchase Orders for Unit I in '94 and L.C was opened in '94 with a delivery period of 10 months. Due to delay in finalising design Engineering and release of purchase order the L.C could not be opened. The company expressed inability to meet the schedule and to meet the contingencies offered 9020 analog systems to be installed to meet the schedule as decided on the meeting dated.1.07.94 between Keltron, DVC and BHEL, Order was placed.

However in 08.02.1995, Unit II +III were delinked from the contract by DVC. This was not acceptable to the company as the action for procurement of imported materials has been initiated by the company with the concurrence of DVC.Hence, the delinking of Unit II and III has resulted in substantial losses to the company.

Meanwhile,the DVC tried to invoke the Bank guarantee of Rs.2,77,03,048 availed by the company from State Bank of India towards the Security deposit for the execution of the project.The company has approached the Hon'ble High Court of Kerala and obtained stay against the invocation of Bank Guarantee from the Hon'ble High Court of Kerala.

Thereafter,the Company has resorted to Arbitration during the financial year 2007-08 and after a prolonged legal proceeding, the Arbitral Award was pronounced on 15th October 2018, allowing claims of DVC as well as KELTRON, squire off the claims and ordered final payment of Rs.3,30,02,054/- to DVC.

The Arbitral Award was challenged by the Company in the DistrictCourt, Barasat, Kolkata and which was transferred to Commercial Court,Alipore. KELTRON had issued a total Bank Guarantee for the amount of Rs.3,30,02,054/- as per the direction of the Hon'ble Court. The appeal challenging the award is dismissed by Commercial Court, Alipore on 29th September 2021.

The matter was placed before the 260th meeting of the Board of Directors held on 06th October 2021 and informed about the status of the case to the Board and the Board had considered all the aspects of the case, has decided not to go for appeal against the Order dated 29th September 2021.

Consequently, the Company allowed DVC to invoke the Bank Guarantee of Rs.3,30,02,054/-.As the Contingent Liability with respect to the Bank Guarantee of Rs.3,30,02,054/- as reported in the Financial Statements up to 31st March 2018 crystalized , provision was created in the financial year 2018-19.Accordingly, the expenses was disclosed under Note-26“Other Expenses” as ‘Arbitration Award’ and the liability was disclosed under Note 8-“Other Current Liabilities” in the financial statements of 2018-19.

During the financial year 2018-19 provision for interest on award amounting to Rs.15,14,541 calculated @8.77% from 22nd September 2018(date of award) to 31.03.2019 was created and during the reporting period provision was created for Rs.28,94,280 being interest calculated @ 8.77%.The interest is included “Interest & Late Fees” and disclosed under Note No-27 “Other Expenses”.

DVC invoked the BG amounting to Rs.2,77,03,048/- on 22nd April 2022 and the BG amounting to Rs.52,99,006 was invoked on 05th August 2022.

51. The Government of Kerala vide GO(MS) No.105/17/ID dated 28th October 2017 has revised the scale of pay of the regular employees of the KELTRON Group Companies with retrospective effect from 01st April 2012. The arrears with respect to implementation of pay revision will be subject to the resolution of Board of Directors of the Company and the availability of fund. Accordingly, after series of discussion between the Management and Recognized Trade Unions, a consensus was arrived and signed the Memorandum of Settlement (MoS) on 30th November 2017.

    However on implementation of revised scale of pay from November 2017, various anomalies such as drop in pay, stagnation in scale, duplication of scale of pay for multiple grades etc has been noted. Moreover, 105 employees of the Company having drop in pay on implementation of pay revision as per the GO stated above has filed a writ petition before the Hon’ble High Court of Kerala and obtained an interim stay in order to protect the total emoluments being drawn by them. The matter has resolved by compensating the drop in pay by giving Ad-hoc pay effected employees.

    Further, with respect to the disbursement of arrears of the period from 01st April 2012 to 31st October 2017,after a series of discussions with the representatives of Recognized Trade Union, consensus was arrived and the matter has been considered in the 248th meeting of the Board of Directors of company held on 11th October 2018 and decided to disburse 85% of the arrears of the employees in the rolls of the Company on 1st November 2017 in 12 equal installments starting from the month of November 2018 and thereafter to the employees retired from service/ expired between 1st April 2012 to 31st October 2017.

The pay revision arrears for the period from 1st April 2012 to 31st March 2017,with respect to Holding Company amounting to Rs.10,81,14,936 has been provided during the financial year 2016-17 and an amount of Rs.126,13,119 has been provided during the financial year 2017-18 and an additional provision of Rs.44,79,791 was made during the financial year 2018-19 in the books of accounts.

The disbursement of wage revision arrear commenced from October 2018 and wage revision arrears outstanding in the books of the holding company as on 31st March 2020 is Rs.6,19,09,610.

The pay revision arrears for the period 01st April 2012 to 31st October 2017, with respect to KCCL amounting to Rs.5,22,76,087 and KECL amounting to Rs.92,87,412, has been provided as expense during the financial year 2017-18 and disclosed under Note -24 – Employee benefit expenses and liability thereupon under Note 9 – Other Current liabilities in the Consolidated Financial Statements.

The total wage revision arrears outstanding in the books of KECL & KCCL as on 31st March 2020 is Rs.46,71,428 and Rs.2,56,00,436 respectively.

52. The Keltron Marketing Office – Delhi has been occupying the office space in Travancore Palace, New Delhi since 14th November 1997. But the lease agreement has not been executed and rent was not paid so far. However, as a prudence the Company has created provision for rent payable on an year on year basis aggregating to Rs.5,44,15,359/- as on 31st March 2015. As per the request of the Company, Government of Kerala vide G.O.(Rt) No.1832/2017/GAD dated 21st March 2017 has fixed the rent at the rate of Rs. 35 per sq.feet for an area of 1714 sq.feet which amounts to Rs.1,25,10,134/- up to 31st March 2015 and the excess provision of Rs. 4,19,05,225/-has been written back during the FY 2015-16 as exceptional item and rent up to 31st March 2016 has been paid during the financial year 2017-18.

    As per GONo-1613/RC1/2015 dated 28th January 2016 the company was ordered to shift its office space to staff quarters behind Travancore Palace, New Delhi belonging to Government of Kerala .No rent has been fixed for this premises. As it is very difficult to ascertain the rent payable for the staff quarters, the company has not made any provision in the books of accounts for the rent payable from the financial year 2016-17 to 2019-20.The company has requested Government of Kerala to fix the rent for the premises.

53. The holding Company engaged M/s.Krishna Retna& Associates, Chartered Accountants to conduct an evaluation of balances reflected under Trade Receivable, Trade Payable, Sundry debits and Sundry credits in the books for a period up to 31st March 2015.The study was conducted in three major units of the company and accordingly they recommended the write off of debtors amounting to Rs.8,62,73,968,write off of bad sundry assets of Rs.1,42,96,774 and write back of bad sundry credits of Rs.1,24,90,590.

The company decided to create provision for bad and doubtful debts/assets in the financial year 2018-19 and to effect to write off in the subsequent financial year. The write back of bad sundry credits of Rs.1,24,90,590 was effected in the financial year 2018-19. The provision for bad & doubtful debts amounting to Rs.1,82,43,090 and provision for doubtful advances amounting to Rs.23,18,697 was available in the books and hence an additional provision of Rs.6,80,30,879 for bad and doubtful debts and provision of Rs.1,19,78,077 for doubtful advances after adjusting the existing provision was created in the books during financial year 2018-19 and which is continuing as such in the Financial Statements as on 31st March 2020.

Duringthe reporting period, on the basis of recommendation of Branch Auditors provision has been created for bad & doubtful debts and have written off/written back long pending sundry debits/sundry credits inthe Financial Statement under Note29-Exceptional Items as detailed below:

Name of Unit	**Provision for Bad & Doubtful debts**	**Write off**	**Write back**
Corporate Office		5,316	48,03,200
Keltron Equipment Complex		3,000	6,115
Keltron Marketing Office,Kolkata		881	5,000
Keltron Marketing Office ,Mumbai	49,575	48,548	31,400
Total	**49,575**	**57,745**	**48,45,715**

54. Balances under receivables, deposits, loans and advances, trade payables and current liabilities are subject to confirmation / reconciliation and consequent adjustments, if any, upon confirmation.

55. With respect to the holding company, the actuarial valuation of liability in respect of gratuity and leave encashment is done at corporate office level and the same is provided in the books of accounts of units/ KMO's on the basis of instructions issued by corporate office in this regard.

56. Consequent to the amendment made by The Payment of Bonus Act, 1965 vide The Payment of Bonus (Amendment) Act 2015 dated 31st December 2015, the threshold limit of wages of employees eligible for bonus has been increased from Rs.10,000/- to Rs.21,000 with retrospective effect from 01st April 2014. The Holding Company has implemented the amended provisions in the disbursement of bonus from the financial year 2015-16 onwards. Further, the Holding Company has estimated the extra liability of Rs. 48,00,000 pertaining to financial year 2014-15 owing to the retrospective effect of this amendment and provision has been created in the books of account, though not disbursed. However, no final decision has been taken on this by the Company as the Hon. High Court of Kerala has stayed the retrospective operation of the provisions of the Bonus Act on a petition filed by another Company .During the reporting period the Holding Company has written back theprovision and has disclosed the same under Bad Sundry Credits Written Back.

57. Accrued Liability of KECL includes Rs.2,03,253 being the ESI due as on 31/03/1998.No remittance could be made to ESIC during the reporting period owing to the Stay Order issued by Honourable High Court of Kerala in the matter of extending the provisions under the amended ESI Act.

58. In case of subsidiary company, KECL ,management noticed shortage of copper scrap valued at Rs.7,12,029 on 09.02.2007 and the same has not been given effect to in the accounts, as the Police investigation is still in progress and the income from scrap is recognized at the moment of sale only.No further loss is expected by KECL on this account.

59. With regard to KECL, varistors were imported at Nil rate of customs duty and Customs Authorities issued a show cause notice ,demanding differential duty of Rs.11,03,846 against which an appeal was filed before the appellate Tribunal, Chennai by pre-depositing an amount of Rs.3,50,000.Matter is now pending before the Division Bench of CESTAT. The duty demanded is disclosed as Contingent Liability.

60. In case of KECL ,matching income of Rs. 1,11,794 is considered equivalent to depreciation on assets purchased and capitalized out of government grant for setting up of Transducer Project for financial year 2019-20 as per AS-12.

61. Plant and Machinery of KECL includes 70moulds cost of which amounts to Rs.74,30,190. The WDV of the moulds held with third parties amountsto Rs.36,75,626 as on 31.03.2020.

62. Figures for the previous year have been regrouped / recast wherever necessary to confirm to this year's classifications

On behalf of Board of Directors
CIN: 74999KL1972SGC002450

Per our report attached

	Sd/-	Sd/-
For Sridhar & Co .,	N.Narayana Moorthy	Anoop .S
Chartered Accountants,	Chairman and Managing Director	Director
Firm Registration No. 003978S	DIN : 05251681	DIN: 03399884

Sd/-	Sd/-	Sd/-
R.Sripriya	B.Bilu	CA Sreejan.A.S
Partner,	Company Secretary	DGM(Finance)
Membership No.209371		
UDIN:22209371BECMHG8529		

Thiruvananthapuram
18th November 2022

सत्यमेव जयते

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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of consolidated financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2020** 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) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 **18 November 2022.**

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the consolidated financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2020** under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram and Keltron Electro Ceramics Limited, Kuttipuram** but did not conduct supplementary audit of the financial statements of **Keltron Component Complex Limited, Kannur** for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records.

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

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

Thiruvananthapuram
Dated:08-07-2023

ANIM CHERIAN
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II), KERALA

REGISTERED OFFICE

Keltron House, Vellayambalam, Trivandrum

SUBSIDIARY COMPANIES

Keltron Component Complex Limited, (KCCL)
Kannur

Keltron Electro Ceramics Limited, (KECL)
Malappuram

UNITS / DIVISIONS

IT Business Group (ITBG), Vellayambalam, Trivandrum

Keltron Controls, Aroor, Alleppey

Keltron Communication Complex (KCC)
Monvila, Trivandrum

UNITS / DIVISIONS

Keltron Equipment Complex (KEC), Karakulam, Trivandrum

Keltron Tool Room cum Training Centre,
Kuttippuram Malappuram

Keltron Lighting Division
Moodadi Calicut

OUR BUSINESS DOMAIN

Defence Electronics

- Processor Based Ground Mine
- Echosounder, EM Actuators
- EM Log & Re Transmission Unit
- Under Water Communication System
- Own Noise Analyser , Sonar Simulator
- Steering Gear Control System
- Distress Sonar system
- Data Distribution Unit (DDU)
- Expendable Bathy thermograph (**XBT**)
- Towed Array Systems

Power Electronics

- UPS Systems Commercial and industrial grade
- Rectiformers upto 10000A
- Battery Chargers upto 3000A
- Variable Freq.Drives upto 500KVA
- Active Harmonic Filters, Distribution Boards
- Power Conditioning Unit
- Frequency Converter upto 1000KVA
- Solar Power Plants

Space Electronics

- Harnessing of electrical distribution systems used in Launch vehicles and satellites
- Fabrication, Testing & Evaluation of Electronic Packages, Transducer Assembly & Testing

Security and Surveillance Systems

- Integrated Electronic Security System
- Biometric and Smart Card based Access Control System
- RFID Library Automation, Vehicle Identification System
- GPS Clocks, Tracking Devices etc
- Analog and Mobile Radio Communication System
- Emergency Operational Response Systems

Traffic & Enforcement Systems

- Intelligent Traffic Management System
- Computerized Vehicle Testing Station
- Computerized Driving Testing Track
- Integrated Vehicle Accident Reduction Program
- City Surveillance & Traffic Monitoring System
- Geographic Information System (GIS) Projects

Information Technology

- IT Products and Infrastructure Services
- Networking Solutions
- Video Conferencing Solutions
- E-Governance & Process Automation Solutions
- ERP Solutions
- Consultancy Services, Hosting Services
- Email Solutions, Mobile Applications
- Website Design & Development, Digitization
- Skill Development programs in accordance with the industrial requirements
- Certified Courses, Diploma Courses, Advanced Diploma Courses and Post Graduate Diploma Courses

Other verticals

- Pneumatic actuators & accessories/spares
- Process Control & Instrumentation
- LED lighting products
- ID Card projects
- **Smart City Projects**
- **Digital Hearing Aid**
- Products for physically challenged
- PCB Job works, Machine works

Kerala State Electronics Development Corporation Ltd.

www.keltron.org