

Date: 02.11.2023

**Request for Expression of Interest**  
**For financing working capital requirements to execute orders in hand**

*Transformers and Electricals Kerala Limited (herein after called TELK) is a joint venture of Government of Kerala and NTPC Ltd engaged in designing, manufacturing and installing high voltage power transformers and allied electrical equipment since 1963. TELK is looking for forward looking banks/financial institutions to finance its additional working capital requirements of around Rs. 40 crores to execute its robust order book. The Government of Kerala vide its order bearing No. G.O (Ms) NO. 71/2023/ID dated 25/09/2023 has sanctioned fresh Government Guarantee for an amount of Rs. 40 crore to Transformers and Electricals Kerala Limited for availing credit facility from banks/ financial institutions subject to certain term and conditions. All banks/financial institutions interested in financing additional working capital requirements of around Rs. 40 crores of TELK against Guarantee sanctioned by the Government of Kerala are invited to submit their expression of interest.*

**About TELK**

Incorporated in 1963 under the ownership of Government of Kerala with Technical Collaboration with M/s Hitachi Limited Japan. The aim is to revolutionise the Indian Electric Power Equipment Field by designing and manufacturing extra high voltage transformers. The First product rolled out from TELK in 1966. Starting off with power transformers, it later extended its product range to Instrument Transformers, SF6 Gas Circuit Breakers, Shunt and Series Reactors, Isolated Phase Bus Ducts, Tap Changers etc. TELK gave India, its first 400kV Class Transformer, First 315MVA Auto Transformer and Transformer for India's first 500MW Thermal Unit. TELK, an ISO 9001 certified company since 1995, has been a pride of the State of Kerala. TELK is a synonym for quality in the EHV power field in India and at TELK; quality is a way of life. TELK is an approved high quality supplier to all power utilities in India and many prestigious utilities abroad.

TELK realises that customers are their strength and thus service to customers is of highest priority to TELK. Recognizing the importance of customer service, TELK has set up an exclusive division catering to the timely repair, maintenance, monitoring and servicing of transformers and other vital installations.

TELK first exported its products to Tanzania in 1972 by supplying two 50 MVA, 132 kV Transformers. In the 1990s TELK revamped its export activities and exported transformers to the Sultanate of Oman and 330 kV Gas Circuit Breakers to Nigeria in 1994. This was followed by a number of export contracts executed to various countries such as Indonesia, Malaysia, Nigeria, Mauritius, Singapore, Nepal, and Bangladesh etc. A milestone in TELK's export operations was an order from M/s DUKE FLOUR DANIEL, USA, in 1997, for the supply of 11 power transformers of capacity ranging from 50 MVA to 100 MVA.

A new era in TELK's history has been ushered in the year 2007, when TELK entered into a Business Collaboration & Shareholders Agreement with M/s. NTPC Limited, the largest Power Utility in India. This has paved the way for TELK to augment its efforts for higher orbit of success and growth. By joining hands with NTPC, a Maharatna Company, TELK will be able to attain the path of high growth and will be able to beat competition in the Industry in the highly challenging industrial scenario. TELK is aiming for a prosperous future in the wake of the Joint Venture between Government of Kerala and NTPC Limited.

As of now, the company have secured large orders from the prestigious companies in the electricity generation, transmission and distribution industry including state electricity boards for the designing, manufacturing and installing of power transformers. Besides the company is also known for its quality transformer in the industrial sector. The Company is also servicing to its companies by supplying OLTC, Bushings, and Spares etc... The order position of the company hits its peak level.

Key performance indicators of past five years are attached herewith as Annexure 1

## **Objectives**

TELK is looking for a working capital financing partner (WCFP) who can effectively support our working capital needs in executing its robust order book. Generally, Working Capital requirement in Transformer Industry is relatively high due to lengthy production cycle of transformers when compared to other products. Also the major materials costs need to incur at the initial stage of production (E.g.: Copper, CRGO). The WCFP will play a key role in accomplishing envisaged mission of TELK of timely execution of its prestigious orders by financing required working capital to ensure seamless flow of funds for the procurement of raw materials and for other production activities as well as discounting of bills receivable from its customers. Approximate order position is nearly Rs. 400 crores. In addition TELK is in competitive position in tenders valuing Rs. 300 crores to be executed in next 1-2 years.

## **Scope**

- 1. Working capital term loan of Rs.40 crores with payback period of 8 years in which first 2 years are moratorium periods, with payment of interest only and after that repayment will start.  
or
- 2. A combination of
  - a. fund based facility like OD or CC,
  - b. non fund based facility of Letter of Credit for procurement of raw materials and
  - c. discounting of bills receivable from customers.aggregating Rs.40 crores.  
or
- 3. Any combination of facilities mentioned in 1 and 2 aggregating Rs.40 crores
- Rate of Interest should be the best of the prevailing rates available.
- Need to ensure very competitive processing fees and other bank charges

## **Profile of working capital finance partner (WCFP)**

Any nationalised banks, scheduled commercial banks, State Co –operative banks, other co –operative banks or any other private/public financial institutions or a consortium of the above like banks/financial institutions.

## **EOI Response Procedure**

Interested banks/financial institutions shall submit response to the EOI to the address or Email ID given below within 15 days from the date of this advertisement.

Managing Director  
Transformers and Electricals Kerala Limited  
Angmally South P.O, Ernakulam District  
Kerala, PIN -683573

E – Mail ID: [telkeofund40@gmail.com](mailto:telkeofund40@gmail.com)  
Website: [www.telk.com](http://www.telk.com)

The response should contain particulars such as types of facility offered, interest rates, repayment periods, processing fees and other charges, additional non fund based facilities offered, documentation requirements and name, designation, official address, phone number and e mail ID of contact personnel.

## **Selection Procedure**

The response to EOI will be evaluated and ranked on the overall basis of nature facilities offered, interest rates, processing fees and other charges, repayment periods, profile, minimum documentation requirements etc....Shortlisted banks/financial institutions will be contacted for further negotiations on the proposal.

*This EOI does not entail any commitment on the part of TELK, either financial or otherwise. TELK reserve the right to accept or reject any or all EOI without incurring any obligation to inform the affected applicant/s of the grounds. The banks/financial institutions shall bear all cost related to the preparation and/or submission of the EOI. TELK shall in no case be responsible for or liable for those costs, regardless of the conduct or outcome of the process.*

**Annexure 1 to the invitation to Expression of Interest (EOI)****(Figures in Lakhs)**

<b>Partiuculars</b>	<b>2022-23*</b>	<b>2021-22*</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>
Revenue From Operations	18310.25	13748.28	14648.35	20313.34	20447.29
Other Income	1139.68	111.55	389.01	356.04	644.41
Total Income	19449.93	13859.83	15037.36	20669.38	21091.7
Profit /(-)Loss Before Tax	520.73	-5697.29	-3020.66	632.11	505.05
Networth	3783.48	3262.75	7098.52	9165.97	8641.51
Current Ratio	1.04	1.02	1.63	1.91	1.62
Debt Equity Ratio (Total Borrowings/Equity)	1.81	2.00	0.49	0.24	0.24
Installed Capacity in MVA	4500.00	4500.00	4500.00	4500.00	4500.00
Production in MVA	2410.67	2081.17	2389.73	3703.50	4660.00

\* As per provisional and unaudited accounts and may subject to material changes upon finalisation and audit