

# TRANSFORMERS AND ELECTRICALS KERALA LIMITED

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



**53<sup>rd</sup> ANNUAL REPORT**  
**Year ended 31<sup>st</sup> March 2016**

**TELK****Board of Directors**

Adv. N.C. Mohanan	:Chairman
Shri. S. Roy	:Technical Director
Shri. A.K. Gupta	:Director
Shri. Sudhir Arya	:Director
Shri. S. Muraleedharan	: Director
Shri. K.S. Rajagopal	: Director
Shri. KMA Shukoor	: Director
Shri. K. Manmathan Nair	: Independent Director
Shri. S. Venkadeeswaran	: Independent Director
Shri. Prasad B.	: Managing Director

**Chief Financial Officer**

Shri. S.V. Ganapathy Iyer

**Company Secretary**

Dr. Joffy George

**Registered Office:**

Angamally South  
Ernakulam District  
PIN 683 573

E-mail: edp@telk.com

Website: www.telk.com

CIN: U31102KL1963SGC002043

**Factory:** Angamally

**Statutory Auditors:**

M/s. G. Joseph & Associates

**Bankers**

State Bank of Travancore  
Federal Bank Limited  
South Indian Bank Limited

**Registrar & Share Transfer Agent**

Integrated Enterprises (India)Ltd.

Kences Towers, T Nagar

Chennai - 600 017

Ph.: 044 28140801

E-mail: corpserv@iepindia.com

**Shareholders Helpdesk**

Telephone: 0484 - 2454597

Fax No: 0484 - 2452873

E-mail: cs@telk.com

**CONTENTS**

1. Board's Report .....	02
2. Auditors' Report .....	22
3. Balance Sheet .....	35
4. Statement of Profit and Loss .....	36
5. Cash Flow Statement .....	37
6. Notes .....	39
7. Addendum to Board's Report .....	66
[ Comments of Additional Chief Secretary (Finance), Government of Kerala & Company's Reply and Comments of C&AG & Company's Reply]	

# **Transformers and Electricals Kerala Limited**

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



**53<sup>rd</sup> ANNUAL REPORT  
Year Ended 31<sup>st</sup> March 2016**



## BOARD'S REPORT

### Dear members,

The Board of Directors of your Company are pleased to submit the 53<sup>rd</sup> Annual Report on the business and operations of the company along with the audited financial Statements for the Financial Year ended 31<sup>st</sup> March 2016.

The trend of slowdown in Indian power transformer industry continued during the year, owing to intense competition due to significant overcapacity and higher raw material expenses. Given the backdrop of a slowing market, a volatile input cost environment and heightened competitive intensity, the operating environment for your Company during the year continued to be challenging.

The margins are expected to witness a growth trend as utilisation levels for domestic players improve on the back of better demand and rationalisation of capacities.

### Performance of Business

During the year, the Sales Turnover net of excise duty of the Company increased by 16.88% from Rs. 130.02 Crore in 2014-15 to Rs. 151.97 Crore in 2015-16 and had decreased its operational loss to Rs. 14.79 Crore as against Rs. 33.16 Crore in 2014-15. Your Company achieved a production of 3017 MVA.

The Company has net worth of Rs. 86.28 Crore as on March 31, 2016. Company's performance for the year 2015-16 has to be viewed in the context of pricing pressures in the market place, reduction in order booking as well as trend of slowdown in industry.

### Financial Results

(Rs. in lakhs)

Particulars	2015-16	2014-15
<b>Revenue from operations</b>	15197	13002
	(3426 MVA)	(2805 MVA)
<b>Other Income</b>	267	233
<b>Total Revenue</b>	15464	13235
<b>Expenses</b>		
Cost of materials consumed	9522	9246
Changes in inventories of finished goods, work in progress	1086	(+)1068
Employee benefits expenses	4419	4807
Finance costs	166	61
Depreciation & amortization expenses	124	127
Manufacturing, Administration & Selling Expenses	1626	1242
Prior period Items (net)		Nil
<b>Total Expenses</b>	16943	16551
<b>Profit Before Tax</b>	(-)1479	(-)3316
<b>Tax expenses</b>	(+) 479	(+)1056
<b>Profit After Tax</b>	(-)1000	(-)2260

## Dividend

Board of Directors do not recommend any dividend for the year under review in view of losses incurred.

## Note on Joint Venture

TELK is a joint venture between Government of Kerala and NTPC Limited since 2007. As per the Business Collaboration & Shareholders' Agreement, the Board of Directors of the Company has been reconstituted with four nominees of Government of Kerala and four nominees of NTPC Limited. The Chairman of the Board shall be the nominee of Government of Kerala and the Managing Director shall be a nominee of NTPC Limited.

## Directors

The following inductions and retirements took place in the Board of Directors: Shri. Prasad B. (DIN - 07423849) was appointed as the Managing Director of the Company in January 2016. Shri. K.S Rajagopal (DIN-06530058), Shri A.K Gupta (DIN-07269906) and Shri. S. Muraleedharan (DIN-07601580) were appointed as directors on the Board of Directors in July 2015, September 2015 and October 2016 respectively.

Adv. N.C. Mohanan was nominated and appointed as the Chairman of the Company vide Government of Kerala's Order dt. 08.09.2016.

Shri. Deepak Trehan (DIN-07033968) stepped down from the Office of the Managing Director of TELK in January 2016. Shri. Abbey Paul (DIN-06777802) ceased

to be director of the Company with effect from July 2015 and Shri. A.K Jha (DIN-03590871) ceased to be director of the Company with effect from September 2015. Shri. M.P. Salim (DIN-05275353) ceased to be director of the Company with effect from 27.10.2016. Shri. P.H. Kurian IAS (DIN-00027596) ceased to be the Chairman of the Company with effect from 08.09.2016.

Board of Directors places on record their gratitude and appreciation for the guidance and the valuable services rendered by Shri. P.H. Kurian IAS as Chairman of the Company and Shri. Deepak Trehan, Shri. Abbey Paul, Shri. A.K. Jha and Shri. M.P. Salim as directors during their tenure.

## Declaration by Independent Directors

Company has received necessary declaration from each of the Independent Directors at the first meeting of the Board for this Financial Year. Shri. K. Manmathan Nair (DIN-00173417) and Shri. S. Venkadeeswaran (DIN-01807369) have declared under section 149 (7) of the Companies Act 2013, that they meet the criteria of Independence laid down under section 149 (6) of the Companies Act, 2013.

## Key Managerial Personnel

In accordance with section 2 (51) and section 203 read with rules made thereunder and other applicable provisions of the Companies Act, 2013, Shri. Prasad B., Managing Director, Shri. S.V Ganapathy Aiyer, CFO [Joint General Manager (Finance and Accounts)] and Dr. Joffy George, Deputy General Manager (HR) and Company Secretary are the Key Managerial Personnel of the Company.



## **Directors' Responsibility Statement**

The Directors confirm that:

(a) in the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis; and

(e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **Transfer to Reserves**

Company has not transferred any amount to reserves in the year 2015-16.

## **Fixed Deposits**

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

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

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

## **Events occurring after the Balance sheet date**

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

## **Auditors and Auditors' Report**

M/s. G. Joseph & Associates, Chartered Accountants, Kochi who were appointed as Statutory Auditors of the Company, hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2016. The Company has received a Certificate from them that their appointment, is within the limits and that they are not disqualified for such an appointment under the Companies Act, 2013.

Qualification made by the Statutory Auditors on the Annual Accounts of the Company for the year ended 31<sup>st</sup> March 2016 and Company's reply is given below:

Comments of the Statutory Auditors	Company's Reply
<p>The Company has recognized Deferred Tax Asset amounting to Rs. 1,071.06 lakhs on the carry forward tax losses for Financial Year 2014-15 and Deferred Tax Asset amounting to Rs.220.84 lakhs on the tax losses for Financial Year 2015-16 in contravention of the provisions of Accounting Standards 22, Accounting for Taxes on Income, which mandates that Deferred Tax Assets should be recognized where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized. Given the above, the loss for the year is understated by Rs. 1,291.89 lakhs and the Deferred Tax Asset overstated by Rs. 1,291.89 lakhs.</p>	<p>The Company is expected to generate taxable profits in the coming years and the carry forward losses relating to current year in the Income Tax Assessment is expected to be set off against the future profits and as such recognition of its Tax credit in the Statement of Profit and Loss Account and Deferred Tax Asset in the Balance Sheet is considered to be appropriate.</p>

## Number of meetings of the Board

The Board met four times during the financial year viz., 26.05.2015, 18.08.2015, 15.12.2015 & 22.03.2016. The maximum interval between two meetings did not exceed 120 days as prescribed in the Companies Act, 2013. The composition and category of the Directors along with their attendance at Board Meetings are given below:

Name of Director	Board meetings attended			
	26 <sup>th</sup> May 2016	18 <sup>th</sup> August 2015	15 <sup>th</sup> December 2015	22 <sup>nd</sup> March 2016
Shri. P.H. Kurian IAS (Non-Executive)	Present	Present	Present	Present
Shri. Deepak Trehan (Managing Director)	Present	Present	Present	NA *
Shri. Prasad B (Managing Director)	NA *	NA *	NA *	Present
Shri. U.P.Pani (Non-Executive)	Present	Absent	Present	Absent
Shri. A.K.Jha (Non-Executive)	Present	Absent	NA ***	NA ***
Shri. A.K. Gupta (Non-Executive)	NA ***	NA ***	Present	Absent
Shri. Sudhir Arya (Non-Executive)	Absent	Present	Present	Absent
Shri. Abbey Paul (Non-Executive)	Present	NA ***	NA **	NA **
Shri. K.S. Rajagopal (Non-Executive)	NA **	Absent	Present	Absent
Shri. M.P. Salim (Non-Executive)	Present	Absent	Present	Present
Shri. K.M.A. Shukkoor (Non-Executive)	Present	Present	Present	Present
Shri. K. Manamathan Nair (Independent)	Present	Present	Absent	Present
Shri. S. Venkadeeswaran (Independent)	Absent	Absent	Absent	Present

\* Shri. Prasad B. appointed as Managing Director w.e.f 09.01.2016 in place of Shri. Deepak Trehan.

\*\* Shri. K.S. Rajagopal appointed w.e.f 25.07.2015 in place of Shri. Abbey Paul.

\*\*\* Shri. A.K. Gupta appointed w.e.f 18.09.2015 in place of Shri. A.K. Jha



## Internal Control and its Adequacy

M/s. Elias George & Co., Chartered Accountants, Kochi conducted Internal Audit of your Company during the financial year 2015-16. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and provide reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorization and ensure compliance of corporate policies. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and follows up the implementation of corrective actions strengthening the Company's risk management policies and systems.

## Particulars of Employees

There were no employees who were in receipt of remuneration within the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, the particulars as required to be disclosed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are 'NIL'.

## Committees of Board

Currently Board has four Committees: Audit Committee, Nomination and

Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

## Audit Committee

Audit Committee acts as an effective tier to the Board in the matter of audit and internal control systems, and offers useful suggestions in the conduct and management of the business of the Company. Company has adopted a Charter for the Audit Committee of the Board of Directors of the Company. The Committee met twice during the year viz., 19.05.2015 and 12.02.2016. The composition and category of the Directors along with their attendance at Board Meetings are given below:

Name of the Director	Audit Committee Meetings attended	
	19 <sup>th</sup> May 2015	12 <sup>th</sup> February 2016
Shri. M.P. Salim (Non-Executive)	Present	NA*
Shri. Sudhir Arya (Non-Executive)	NA*	Present
Shri. K. Manmathan Nair (Independent director)	Present	Present
Shri. S. Venkadeeswaran (Independent Director)	Present	Absent

*\*Membership changing every alternative year between Government of Kerala and NTPC*

There will be a special invitee to the Audit Committee. The position of "Special invitee" and "Member, Audit Committee" shall be changed on a yearly rotational basis amongst Government of Kerala and NTPC Limited. Presently, the nominee director of Government of Kerala, Shri. M.P. Salim is the "Special Invitee" till 09.12.2016.



## **Nomination & Remuneration Committee**

Pursuant to Section 178 of Companies Act, 2013 Company has constituted Nomination and Remuneration Committee with four members.

### Composition of the Committee:

Shri. K.S. Rajagopal - Non-Executive Director (Director representing Government of Kerala.)
Shri. Sudhir Arya - Non-Executive Director (Director representing NTPC Limited)
Shri. K. Manmathan Nair -Independent Director
Shri. S.Venkadeeswaran -Independent Director

## **Stakeholders Relationship Committee**

Stakeholders Relationship Committee of the Board oversees redressal of shareholder and investor grievances, and, inter alia, approves sub-division / consolidation / issue of duplicate share certificates, transmission of shares and transfer of shares.

### Composition of the Committee:

Adv. N.C. Mohanan - Non-Executive Chairman
Shri. K.S. Rajagopal - Non-Executive Director (Director representing Government of Kerala.)
Shri. Prasad B - Managing Director

## **Corporate Social Responsibility Committee**

Pursuant to Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company has been constituted comprising of the following Directors of the Company as members:

1. Adv. N. C. Mohanan, Non-Executive Chairman (representing Government of Kerala)
2. Managing Director (representing NTPC)
3. Shri. S. Venkadeeswaran, Independent Director

The terms of reference of CSR Committee *inter-alia*, include the following:

- (i) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- (ii) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- (iii) To monitor the CSR policy of the Company from time to time;
- (iv) Any other matter as may be directed by the Board of Directors from time to time.

Your Company had made a net profit before tax of Rs.19.27 Crore during the financial year 2011-12. Board of Directors is of the view that there will not be any spending for CSR activities since the Company is continuing in huge losses.

Accordingly, the amount of Rs.0.14 Crore required to be spent for CSR activities during 2014-15 will not be spent for CSR activities for the reason that "the Company is in to serious cash flow issues due to huge losses faced by the Company in 2014-15 and 2015-16".

## **Human Resources Management**

Your Company's Human Resource agenda continues to remain focused on reinforcing the key thrust areas of employer of choice, building an inclusive culture and a strong talent pipeline, building capabilities in the organization and continuing to focus on



progressive employee relations policies. Company strongly believes that employees are central to the company's transformation agenda.

Your Company's capabilities are centered on its highly dedicated employees numbering 531 as on 31<sup>st</sup> October 2016. Our employees rose to the challenges posed by rapidly changing economic landscape, particularly in the electrical manufacturing industry which witnessed one of its worst periods, and aligned themselves with Company's Vision.

Our continued focus on proactive involvement, employee-friendly policies, two way communication and grievance redressal mechanism, and interface with families of employees helped us to enhance engagement level of our employees. Voluntary active participation of employees was witnessed in activities like family visits, sports, recreation, health related initiatives, TELK Day etc. Through all these activities and interventions, Human Resource Department is playing a pivotal role in improving the competitive edge of the business and is all set to further drive the vision of the Company.

### **Safety**

Your Company places utmost importance on ensuring safety of its employees, visitors to our premises and the communities we operate in. Safety is an overarching area of management, and company has been achieving continuous improvement in safety performance through a combination of systems and processes as well as co-

operation and support of all employees. We are taking adequate precautions and care of all our employees and visitors while they are on our premises. Company is providing all suitable personal protection equipments as well as awareness and training to its employees.

A committed Safety Committee is functioning in the Company and it deals with all matters concerning Health, Safety and Environment and arrives at practical solutions to problems encountered.

### **ISO Certification**

Your Company is an ISO certified company since 1995. As on date Company holds ISO 9001:2008 QMS certification. The management system of the Company meets the requirements of the standard: ISO 9001:2008. This certification is valid until March 2017 and its scope covers design, development, production, installation and servicing of transformers, series and shunt reactors, switchgears, tap changers and bushings.

### **NABL Accreditation**

At TELK, quality checks are mandatory at each phase of production. TELK's testing department is equipped with a multitude of sophisticated testing equipments apart from NABL accreditation for Company's Transformer Testing Lab w.e.f. 06.06.2011. Every product of TELK goes through stringent quality tests before reaching the customer. Being one of the first Indo-Japanese ventures in the Country, TELK has imbibed 'Total Quality' concepts in its culture.

## Corporate Governance

Your Company is committed to defining, following and practising the highest level of accountability, efficiency, responsibility, fairness and transparency in all areas of operations. The company believes that good corporate governance is essential for achieving long-term corporate goals and to enhance stakeholder's value. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance.

Your company follows the best corporate governance practices founded on the principle of transparency, in the interest of all stakeholders. The Board of Directors of the company is at the core of our corporate governance practice. The Board of Directors of the Company consists of ten Directors including the Chairman, Managing Director, Directors and Independent Directors. Except the Managing Director, all other Directors are non-executive Directors. During the Financial Year 2015-16, there were four Board Meetings and two Audit Committee Meetings. The compliance of all statutory and regulatory requirements has been prompt and up to date. The Company has adequate internal control systems and procedures in place.

### Right to Information Act, 2005

Your Company has put in place an appropriate mechanism to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005 in order to promote transparency and accountability in its working. In line with

the implementation of the Right to Information Act, 2005, Company had nominated a Public Information Officer and an Assistant Public Information officer. An Appellate Authority has also been nominated for considering the appeals of information seekers, who may not be satisfied with the response of Public Information Officer.

To assist and facilitate citizens in obtaining information, details have been placed on TELK's website, spelling out the procedure for securing access to information and filing of first appeal under the Act. Instructions have been given to administrative units to ensure compliance to the mandatory requirements of the Act. TELK's journey in adopting RTI as a tool of transparency also helps in improving efficiency of systems and processes. During the year 31 applications and 13 appeals were received. All the aforesaid applications and appeals were disposed off by the authorized authority within the stipulated time frame.

### Risk Management

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



are systematically addressed through mitigating actions on a continuing basis. Some of the identified risks relate to competitive intensity and cost volatility.

### **Related Party Transactions**

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

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

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

### **Certification**

A Certificate duly signed by Shri. Prasad B., Managing Director and Shri. S.V. Ganapathi Aiyer, Chief Financial Officer is given in Annexure - II to this Report.

### **Corporate Social Responsibility**

Your Company considers 'Corporate Social Responsibility' as one of its main purpose. TELK, as a corporate citizen has done all the acts in order to stand guard for the well-being of all stakeholders as well as the general community through preservation of environment; strengthening of backward

sections of the society, promotion of communities and so on.

### **Extract of Annual Return as on 31.03.2016**

In accordance with Section 134 (3) (a) of the Companies Act, 2013, an extract of annual return as prescribed under Section 92 (3) of the Companies Act, 2013 is appended as Annexure-III to the Board's Report.

### **Industrial – Economic Scenario**

Indian Economy is the 5<sup>th</sup> largest economy in the world measured by nominal GDP and the 3<sup>rd</sup> largest by Purchasing Power Parity. According to the RBI's Annual Report 2015-16, India's economy is likely to expand at 7.6% in 2016-17. Overall Gross Value Added growth is projected at 7.6% in 2016-17, up from 7.2% in 2015-16. RBI is hopeful that the near-term growth outlook for India seems brighter than last fiscal and the economy is likely to expand faster. However, industrial activity has been in contraction mode in the early months of 2016-17, pulled down by manufacturing and there seems to be no strong drivers that could engineer a turnaround. India's economy has witnessed a significant economic growth in the recent past, growing by 7.3 per cent in FY 2015-16 as against 6.9 per cent in FY 2014-15.

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

## Road ahead

Over the last two years, the transformer market has grown at a very moderate rate at less than 4 percent, due to the slowdown of power generation capacity addition and T&D infrastructure expansion. The Indian Transformer Industry is facing some market challenges which include inadequate supply of CRGO steel, failure rate of Transformers and lack of testing facilities. Also, the industry growth is increasingly coming under pressure due to the growing competition from foreign manufactures and investment slowdown.

The growth of transformer industry is witnessing improvement because of social, economic and industrial development. Government's attempt of attaining 100 percent electrification across the country by 2017 would contribute to the demand for Transformers. Continuous support from the Central and State Governments would be required to promote the Transformer Industry through investments, tax benefits, subsidies etc.

## Contribution to Exchequer

Your Company contributed an amount of Rs. 2275 Lakhs in the form of Excise Duty, Customs Duty, Sales Tax, Service Tax, Income Tax etc. during the year 2015-16.

## Significant and Material orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and company's operation in future.

## Cautionary Statement

Statements in the Annual Report, particularly those which describing the Company's objectives, projections, estimates and

expectations, may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

## Acknowledgements

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

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

For and on behalf of the  
Board of Directors of TELK

Sd/ -  
(Adv. N.C. Mohanan)  
CHAIRMAN

Trivandrum  
11.11.2016



**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY  
ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO  
[Particulars pursuant to the Companies (Accounts) Rules, 2014]**

**(A) Conservation of Energy**

During the year 2015-16, there was 11.9% increase in the production MVA compared to the previous year. Total consumption of Electric Power decreased by 9.55% and that of furnace oil decreased by 40.97%. Total cost of Furnace oil & Electricity decreased by 8.3%. Average Electricity consumption per MVA decreased by 19.17%. Expense on power & fuel in terms of quantity (MVA) of production was less than that of the previous year. This brought a saving of Rs.65.42 lakhs.

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

As part of energy conservation, several efforts were undertaken in the year 2015-16, which helped us to save 4.31 lakhs electricity consumption units (KWH).

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

We are considering replacing electric water heater in the Canteen area with that of solar water heater.

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

No capital investments were made by the Company on energy conservation equipments in 2015-16. However, Company has a proposal to procure APFC Panel for Plate Work Shop on a trial basis based on Energy Audit Report for which technical feasibility is under review.

**(B) Technology absorption**

(i) The efforts made towards technology absorption

- Development work of 400kV 2000A Condenser Bushing being carried out. Manufacturing of bushing completed, Temperature rise test to be carried out.
- Successfully Short Circuit Tested the following transformers at CPRI:
  - a) 12.5MVA 11.5/6.9kV , 3 phase
  - b) 16MVA 15.7/6.9kV , 3 phase
  - c) 47MVA 220/33/6.6kV , 3 phase

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

- On successful development of the 400kV 2000A Bushing, TELK can use the same for TELK made Transformers thereby achieving cost reduction. TELK can also tap the new requirements of Bushings of the above rating from utilities like PGCIL, NTPC, DVC, ALSTOM etc.
- With the above test reports, TELK can give competitive quotes for Transformers of the concerned ratings.

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

- (a) the details of technology imported: NA
- (b) the year of import: NA
- (c) whether the technology been fully absorbed: NA
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

(iv) the expenditure incurred on Research and Development: NIL

### **(C) Foreign exchange earnings and Outgo**

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

#### **Activity in foreign currency**

	<b>2015-16</b> (Rs. in lakhs)	<b>2014-15</b> (Rs. in lakhs)
Earnings	1116.36	3414.5
Expenditure	331.79	724.63
Net foreign exchange earnings(NFE)	784.57	2689.87
NFE/Earnings (%)	70.28%	78.78%

Trivandrum  
Date: 11.11.2016

Sd/-  
(Adv. N.C. Mohanan)  
**CHAIRMAN**



## ANNEXURE - II



### CERTIFICATION

To  
**The Board of Directors**  
**Transformers and Electricals Kerala Limited**

We, Shri. Prasad B., Managing Director and Shri. S.V. Ganapathy Iyer, Chief Financial Officer of Transformers and Electricals Kerala Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31<sup>st</sup> March, 2016 and based on our knowledge and belief, we state that:
- these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading with respect to the period covered by this report.
  - these statements and other financial information included in this Report, present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent or illegal.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have disclosed, based on our most recent evaluation of Company's internal control over financial reporting during the year, to the Auditors and Audit Committee:
- significant changes, if any, in the internal control over financial reporting during the year;
  - significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - any instances of significant fraud of which we are aware, that involve the management or other employees who have a significant role in the Company's internal control system.

**Prasad B.**  
**Managing Director**

**S.V. Ganapathy Iyer**  
**Chief Financial Officer**

Angamally  
31.10.2016



**ANNEXURE - III**  
**FORM NO. MGT. 9**  
**EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and  
rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U31102KL1963SGC002043
2.	Registration Date	09.12.1963
3.	Name of the Company	Transformers And Electricals Kerala Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	ANGAMALLY SOUTH P.O. ERNAKULAM DISTRICT KERALA PIN – 683 573 TELEPHONE: 0484 2510251 FAX: 0484 2452873 E Mail: cs@telk.com
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Enterprises (India) Ltd, 2 <sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street, T-Nagar, Chennai – 600 017. Ph:-044 28140801 corpserv@iepindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Transformers	31102	92%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Nil**

Sl. No.	Name & Address	Country	CIN	Holding / Subsidiary/ Associate	Percentage of shareholding	Applicable Section
1						



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

Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	2,34,44,102	-	2,34,44,102	54.56	2,34,44,102	-	2,34,44,102	54.56	-
d) Bodies Corp.	1,91,63,438	-	1,91,63,438	44.60	1,91,63,438	-	1,91,63,438	44.60	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	4,26,07,540	-	4,26,07,540	99.16	4,26,07,540	-	4,26,07,540	99.16	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>									
	-	-	-	-	-	-	-	-	-

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	200	11,450	11,650	0.03	200	10,400	10,600	0.03	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	36,500	2,50,110	2,86,610	0.67	38,950	2,48,710	2,87,660	0.67	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	52,500	-	52,500	0.12	52,500	-	52,500	0.12	-
c) Others (specify)									
Non Resident Indians	-	8,950	8,950	0.02	-	8,950	8,950	0.02	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	100	-	100	-	100	-	100	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>89,300</b>	<b>2,70,510</b>	<b>3,59,810</b>	<b>0.84</b>	<b>91,750</b>	<b>2,68,060</b>	<b>3,59,810</b>	<b>0.84</b>	<b>-</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	89,300	2,70,510	3,59,810	0.84	91,750	2,68,060	3,59,810	0.84	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4,26,96,840</b>	<b>2,70,510</b>	<b>4,29,67,350</b>	<b>100</b>	<b>4,26,99,290</b>	<b>2,68,060</b>	<b>4,29,67,350</b>	<b>100</b>	<b>-</b>

**B) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Governor of Kerala	2,34,44,102	54.56	-	2,34,44,102	54.56	-	-
2	NTPC Limited	1,91,63,438	44.6	-	1,91,63,438	44.6	-	-



**C) Change in Promoters' Shareholding (please specify, if there is no change): No Change**

SN	Particulars	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	4,26,07,540	99.16	4,26,07,540	99.16
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	4,26,07,540	99.16	4,26,07,540	99.16

**D) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	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
1	<b>Shri. Keshav Parasramka</b> At the beginning of the year Increase / Decrease during the year At the end of the year	17,500 - 17,500	0.0407 - 0.0407	17,500 - 17,500	0.0407 - 0.0407
2	<b>Shri. Krishnam Parasramka</b> At the beginning of the year Increase / Decrease during the year At the end of the year	17,500 - 17,500	0.0407 - 0.0407	17,500 - 17,500	0.0407 - 0.0407
3	<b>Shri. Arvind Kumar Parasramka</b> At the beginning of the year Increase / Decrease during the year At the end of the year	17,500 - 17,500	0.0407 - 0.0407	17,500 - 17,500	0.0407 - 0.0407
4	<b>M/s. The Western India Plywoods</b> At the beginning of the year Increase / Decrease during the year At the end of the year	10,000 - 10,000	0.0232 - 0.0232	10,000 - 10,000	0.0232 - 0.0232
5	<b>Shri. P. P. Zibi Jose</b> At the beginning of the year Increase / Decrease during the year At the end of the year	9,000 - 9,000	0.0209 - 0.0209	9,000 - 9,000	0.0209 - 0.0209
6	<b>Smt. Jayashree Venkatesh</b> At the beginning of the year Increase / Decrease during the year At the end of the year	5,000 - 5,000	0.0116 - 0.0116	5,000 - 5,000	0.0116 - 0.0116
7	<b>Arch Diocese Of Vera Poly</b> At the beginning of the year Increase / Decrease during the year At the end of the year	5,000 - 5,000	0.0116 - 0.0116	5,000 - 5,000	0.0116 - 0.0116

8	<b>Smt. Sudha Soman</b>				
	At the beginning of the year	4,000	0.0093	4,000	0.0093
	Increase / Decrease during the year	-	-	-	-
	At the end of the year	4,000	0.0093	4,000	0.0093
9	<b>Shri. M.M. Karunakara Menon</b>				
	At the beginning of the year	3,000	0.0069	3,000	0.0069
	Increase / Decrease during the year	-	-	-	-
	At the end of the year	3,000	0.0069	3,000	0.0069
10	<b>Shri. K. Sankaranarayanan</b>				
	At the beginning of the year	3,000	0.0069	3,000	0.0069
	Increase / Decrease during the year	-	-	-	-
	At the end of the year	3,000	0.0069	3,000	0.0069

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	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
	<b>S.V. Ganapathi Iyer – CFO</b>				
	At the beginning of the year	100	0.0002	100	0.0002
	Increase / Decrease during the year	-	-	-	-
	At the end of the year	100	0.0002	100	0.0002

The following Directors / Key Managerial Personnel (KMP) did not hold any shares in the Company during the Financial Year – 2015-16:

P.H. Kurian IAS – Non-Executive Chairman  
A.K. Jha – Non - Executive Director\*\*  
A.K. Gupta – Non - Executive Director\*\*  
Abbey Paul – Non - Executive Director\*\*  
K.S. Rajagopal - Non - Executive Director\*\*  
Deepak Trehan – Managing Director\*  
Prasad B. – Managing Director\*

U.P. Pani – Non- Executive Director  
Sudhir Arya – Non – Executive Director  
M.P. Salim - Non –Executive Director  
KMA Shukkoor - Non –Executive Director  
S. Venkadeeswaran – Independent Director  
K. Manmathan Nair – Independent Director  
Joffy George – Company Secretary (KMP)

\* Managing Director for part of the Financial Year – 2015-16

\*\* Directorship held for part of the Financial Year – 2015-16

**V) INDEBTEDNESS**

The Company has not availed any loans during the year and is a debt-free company.



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of Managing Director		Total Amount
		Deepak Trehan*	Prasad B*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,12,260	8,45,945	34,58,205
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,88,204	43,755	2,31,959
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	28,00,464	8,89,700	36,90,164
	Ceiling as per the Act	Section 197 of the Companies Act, 2013 regarding overall maximum managerial remuneration shall not apply to a Government Company vide MCA Notification dt.		

\* Managing Director for part of the Financial Year – 2015-16

### B. REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount (Rs.)
		S. Venkadeeswaran	K. Manmathan Nair								
1	Independent Directors										
	Fee for attending board / committee meetings	2,000	5,000								
	Commission	-	-	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	-	-	
	Total (1)	2,000	5,000	-	-	-	-	-	-	-	7,000
2	Other Non-Executive Directors	P.H.Kurian	U.P. Pani	A.K. Jha	Sudhir Arya	A.K. Gupta	K.S. Rajagopal	Abbey Paul	M.P.Salim	KMA Shukkoor*	
	Fee for attending board / committee meetings	600	300	150	450	150	150	150	600	600	
	Commission	-	-	-	-	-	-	-	-	-	
	Others	-	-	-	-	-	-	-	-	-	
	Total (2)	600	300	150	450	150	150	150	600	600	3,150
	<b>Total (B)=(1+2)</b>										10,150
	<b>Total Managerial Remuneration</b>										10,150
	<b>Overall Ceiling as per the Act</b>	Section 197 of the Companies Act, 2013 regarding overall maximum managerial remuneration shall not apply to a Government Company vide MCA Notification dt. 05.06.2015.									

\* Except for KMA Shukkoor, fee for attending board / committee meetings are paid to the respective nominating authorities viz., Government of Kerala and NTPC Limited.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD***(Amount in Rs.)*

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	12,62,072	17,52,007	30,14,079
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	12,62,072	17,52,007	30,14,079

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There has been no instance of non-compliance by the Company on any matter related to Companies Act and hence, no Penalties/ Punishments/ Compounding of offences have been imposed on the Company or Directors or any other officers in default.



## INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS,  
M/s.TRANSFORMERS AND ELECTRICALS KERALA LIMITED,  
ANGAMALLY ,  
KERALA.

### **Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of M/s.Transformers and Electricals Kerala Limited ("the Company"), which comprise the Balance Sheet as at 31st March,2016, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act,2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and



disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

***The Company has recognized deferred tax asset amounting to Rs.1,071.05 lacs on the carry forward tax losses for the FY 2014-15 and deferred tax asset amounting to Rs. 220.84 lacs on the tax losses for the FY 2015-16 in contravention of the provisions of Accounting Standards 22, Accounting for Taxes on Income, which mandates that deferred tax Assets should be recognised where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Given the above, the loss for the year is understated by Rs.1,291.89 lacs and the deferred tax asset overstated by Rs.1,291.89 lacs.***

### **Qualified Opinion**

***In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by 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, 2016, and its profit/loss and its cash flows for the year ended on that date.***

### **Emphasis of Matter**

As mentioned in A.3 of the significant accounting policies and notes on accounts, the revenue in respect of sales of products is recognized when the goods are despatched to the customers even though it may not be delivered. The company has been following a similar treatment of accounting for sale of products since inception. Further, based on the information and explanations provided to us we are given to understand that all such sale of products which were not delivered to the location of the customer as at the end of the financial year have been delivered successfully as on the date of this report.



## **Report on other legal and other regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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.

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

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. 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.
3. The Company does not have any branches and so provisions of section 143(8) are not applicable.
4. The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
5. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
6. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
7. The provisions of Section 164(2) of the Act is not applicable to the Company since it is a Government company by virtue of notification dated June 5, 2015.
8. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
9. The company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note B.14 to the Significant Accounting Policies and Notes to accounts forming part of the financial statements;
10. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
11. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For G Joseph & Associates**  
**Chartered Accountants**  
Firm Reg. No. 006310S

Place: Kochi  
Date: 18.07.2016

**Allen Joseph**  
Partner  
M. No.228498

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

**The Annexure referred to in under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of TRANSFORMERS AND ELECTRICALS KERALA LIMITED on the accounts of the company for the year ended 31<sup>st</sup> March, 2016**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) ***As per the information and explanations given to us, the fixed assets have not been physically verified by the management at reasonable intervals. During the year, the company has initiated the process for physically verifying fixed assets.***
- (c) As per the information and explanations provided to us, title deeds of immovable properties are held in the name of the company.
- (ii) (a) Physical verification of inventory has been conducted by the management at reasonable intervals during the year.
- (b) In our opinion and on the basis of examination of the records, no material discrepancies were noticed on physical verification of inventory by the management as compared to the book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3 (iii)(a) & 3 (iii)(c) of the Order are not applicable to the company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, to any directors and company has not made any investment during the year.
- (v) The Company has not accepted any deposit from public within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
- (vi) As per information and explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 148 of the Companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess to the extent applicable and any



other statutory dues have generally been regularly deposited with the appropriate authorities. According to the informations and explanations given to us there were no statutory dues on the last day of the financial year outstanding for a period of more than six months from the date they became payable.

- (b) As per the information given to us, the following statutory dues have not been deposited on account of any disputes:-

**ANNEXURE TO CLOUSE 3 (Vii)(b)**

<b>Nature of Statute</b>	<b>Nature of dues</b>	<b>Amount (Rs. in lacs)</b>	<b>Period to which the amount relate</b>	<b>Forums where dispute is pending</b>
Central Excise Act, 1944	Excise Duty	24.88	2004-05 to 2008-09 and 2011-12 to 2015-16	The Commissioner (Appeals) and High Court of Kerala
Service Tax under the Finance Act, 1994	Service Tax	229.99	2009-10 to 2014-15	The Commissioner (Appeals)
Kerala General Sales Tax & CST	Sales Tax	144.37	1982-83 to 2005-06	The Deputy Commissioner (Appeals) and High Court of Kerala

- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- (ix) Based on our audit procedures and on the information given by the management, we report that the Company has not raised any moneys by way of initial or further public offer or any term loans during the year.
- (x) Based on the audit procedures performed and the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) The provisions of section 197 read with schedule V of Act is not applicable to the Company since it is a Government Company in accordance with Notification dated June 5, 2015
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (Xii) of the Order is not applicable to the Company.
- (xiii) All transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been suitably disclosed in the Financial Statements as required by the accounting standards.

- (xiv) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debetures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For G Joseph & Associates**  
**Chartered Accountants**  
Firm Reg. No. 006310S

Place: Kochi  
Date: 18.07.2016

**Allen Joseph**  
Partner  
M. No.228498



---

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN  
DATE ON THE STANDALONE FINANCIAL STATEMENTS OF  
TRANSFORMERS AND ELECTRICALS KERALA LIMITED**

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

We have audited the internal financial controls over financial reporting of Transformers and Electricals Kerala Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override



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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For G Joseph & Associates**  
**Chartered Accountants**  
Firm Reg. No. 006310S

Place: Kochi  
Date: 18.07.2016

**Allen Joseph**  
Partner  
M. No.228498



**M/s. Transformers & Electricals Kerala Limited****FY 2015-16****General Directions under sub-section (5) of section 143 of the Companies Act, 2013 applicable from the year 2014-15 and onwards**

- 1 If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (Including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined, including the mode and present stage of disinvestment process.

**The Company has not been selected for disinvestment.**

- 2 To report whether there are any cases of waiver/write off of debts/loans/ interest etc; if yes, the reasons thereof, and the amount involved.

**Yes, during the year FY 2015-16, an amount of Rs.4,65,502 was written off as bad debts. Details of the same are as follows:**

<b>Customer</b>	<b>Amount (In Rs.)</b>	<b>Remarks</b>
Himachal Pradesh Power Transmission Corporation Limited	41,741	Price variation difference
Rajasthan Rajaya Vaidyuth Prasaran Nigar Limited	4,23761	Price variation difference
<b>Total</b>	<b>4,65,502</b>	

- 3 Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.

**Yes**

- 4 A report on age-wise analysis of pending legal/ arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

**Case wise details of pending cases are given in Annexure 1. Based on the information and explanations given to us we are of the opinion that the monitoring mechanism is effective.**



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

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

**yes**

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

**No**

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

**yes**

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

**Valuation of finished products - Finished goods are valued at cost or net realizable value whichever is lower**

**The Company does not have by-products**

5. Whether the effect of deteriorated stores and spares have been properly accounted for in the books.

**Yes, stock of scrap is accounted at net realizable value in the books.**

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

**Yes.**

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

**During FY 2015-16, utilization was at 67.04% of installed capacity**

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

**No such deviations were observed**

**Company Specific Sub-directions for Transformers &  
Electricals Kerala Limited**

- I. Whether the company has a proper policy for recognising revenue? Whether this policy is in consonance with the related AS? Whether all items of revenue recognised are as per this policy/AS?

**Yes. Company has complied with Accounting Standards. Please refer to the paragraph 'Emphasis of Matter' forming part of our audit report.**

2. Whether the company has properly disclosed and accounted all statutory/taxation liabilities including Income Tax, Service Tax and Excise Duty? Whether final decisions in tax appeals are properly disclosed and accounted?

**Yes. Necessary disclosures have also been made for contingent liabilities in the notes to accounts.**

3. Whether the company has made adequate disclosure of JV arrangements with NTPC including the impact of the same?

**Yes.**

**For G Joseph & Associates  
Chartered Accountants  
Firm Reg. No. 006310S**

Place: Kochi  
Date: 18.07.2016

**Allen Joseph  
Partner  
M. No.228498**



<b>Annexure 1: Statement of legal proceedings pending with Appeals</b>		
<b>A. Service Tax</b>		
<b>SI.No.</b>	<b>Year of Notice</b>	<b>Amount (In Rs.)</b>
1	2007	4,094,509
2	2008	4,849,025
3	2009	4,477,232
4	2011	227,920
5	2012	5,530,155
6	2013	1,539,628
7	2014	19,240
8	2015	2,261,649
	<b>Total</b>	<b>22,999,358</b>
<b>B. Excise Duty</b>		
<b>SI.No.</b>	<b>Year of Notice</b>	<b>Amount.Rs.</b>
1	2005	203,852
2	2006	93,047
3	2007	428,520
4	2008	78,589
5	2009	49,758
6	2011	54,137
7	2012	84,237
8	2013	848,314
9	2014	126,722
10	2015	521,123
	<b>Total</b>	<b>2,488,299</b>
<b>C. Sales Tax</b>		
<b>SI.No.</b>	<b>Assessment Year</b>	<b>Amount.Rs.</b>
1	1982-83	49,383
2	1983-84	593,190
3	1987-88	662,652
4	1990-91	3,373,898
5	1991-92	3,000,677
6	1992-93	1,433,097
7	1998-99	2,019,542
8	1985-86	478,100
9	2005-06	2,825,982
	<b>Total</b>	<b>14,436,521</b>

**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District, Kerala.**  
**BALANCE SHEET As at 31<sup>st</sup> March, 2016**

(Rs. in lakhs)

As at March, 31	Note	2016	2015
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a Share Capital	2	4,296.96	4,296.96
b Reserves and Surplus	3	<u>4,331.84</u>	<u>5,331.45</u>
		8,628.80	9,628.41
<b>2 Non-Current Liabilities</b>			
a Long-Term Borrowings			
b Other Long Term Liabilities			
c Long-Term Provisions			
<b>3 Current Liabilities</b>			
a Short Term Borrowings	4a	1,310.36	
b Trade Payables	4	410.09	1,291.70
c Other Current Liabilities	5	3,464.69	3,296.59
d Short-Term Provisions	6	295.25	227.24
<b>Total</b>		<u><b>14,109.19</b></u>	<u><b>14,443.94</b></u>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
a Fixed Assets			
i. Tangible Assets	7	1,580.84	1,687.20
ii. Intangible Assets	7	19.04	22.43
iii. Capital Work-in-Progress	8	87.95	87.71
iv. Intangible Assets under Development	8	-	-
		1,687.83	1,797.34
b Non-Current Investments	9	0.70	0.70
c Deferred Tax Assets (Net)	10	1,559.52	1,080.20
d Long-Term Loans and Advances	11	42.12	40.70
e Other Non-Current Assets	12	-	48.42
<b>2 Current Assets</b>			
a Current Investments		-	-
b Inventories	13	2,556.58	4,121.27
c Trade Receivables	14	7,503.84	5,814.60
d Cash and Bank Balances	15	355.23	689.03
e Short-Term Loans and Advances	16	133.15	279.43
f Other Current Assets	17	270.22	572.25
		10,819.02	11,476.58
<b>Total</b>		<u><b>14,109.19</b></u>	<u><b>14,443.94</b></u>
Significant Accounting Policies and Other Notes	1		

The accompanying notes 1 to 25 form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Joffy George)  
Company Secretary

(Prasad.B)  
Managing Director

Date : 18.07.2016

(S.V. Ganapathi Aiyer)  
Chief Financial Officer

(M.P. Salim)  
Director

As per our report of even date

For G. Joseph & Associates,  
Chartered Accountants,  
Firm Regn. No.006310S

Allen Joseph  
Partner (M.No.228498)



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
Angamally South PO, Ernakulam District, Kerala.  
**STATEMENT OF PROFIT AND LOSS**

(Rs. in lakhs)

<b>For the Year ended March, 31</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>I Revenue from Operations</b>	18	15,196.84	13,002.24
<b>II Other Income</b>	19	267.04	232.54
<b>III Total Revenue</b>		<b>15,463.88</b>	<b>13,234.78</b>
<b>IV Expenses:</b>			
Cost of Materials Consumed	20	9,522.42	9,245.53
Changes in Inventories of Finished Goods, Work in Progress	21	1,085.92	1,068.42
Employee Benefits Expense	22	4,418.88	4,806.95
Finance Costs	23	165.82	60.77
Depreciation and Amortization Expense	7	123.91	127.23
Manufacturing, Administration & Selling Expenses	24	1,625.86	1,241.59
Prior Period Items (Net)	25	-	-
<b>Total Expenses</b>		<b>16,942.81</b>	<b>16,550.49</b>
<b>V Profit/Loss before Exceptional and Extraordinary Items &amp; Tax</b>		<b>(1,478.93)</b>	<b>(3,315.71)</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/Loss before Extraordinary Items and Tax</b>		<b>(1,478.93)</b>	<b>(3,315.71)</b>
<b>VIII Extraordinary Items</b>		-	-
<b>IX Profit/Loss before Tax</b>		<b>(1,478.93)</b>	<b>(3,315.71)</b>
<b>X Tax Expense:</b>			
Previous Years Tax		-	25.84
Current Tax		-	-
Deferred Tax		479.32	1,030.01
<b>XI Profit / Loss for the Year</b>		<b>(999.61)</b>	<b>(2,259.86)</b>
<b>XII Earnings per Equity Share:</b>			
Basic and Diluted (Rs.)		<b>(2.33)</b>	<b>(5.26)</b>

Significant Accounting Policies and  
Other Notes

1

The accompanying notes 1 to 25 form an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our report of even date

(Joffy George)  
Company Secretary

(S.V. Ganapathi Aiyer)  
Chief Financial Officer

For G. Joseph & Associates,  
Chartered Accountants,  
Firm Regn. No.006310S

(Prasad.B)  
Managing Director

(M.P. Salim)  
Director

Allen Joseph  
Partner (M.No.228498)

Date : 18.07.2016

**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District, Kerala.**  
**CASH FLOW STATEMENT**

(Rs. in lakhs)

For the Year ended March, 31	2016	2015
<b>A. Cash Flow from Operating Activities:-</b>		
Net Profit (+)/ loss (-) before Tax and Extra Ordinary Items	(1,478.93)	(3,315.71)
Adjustments for:-		
Depreciation	123.91	127.23
(Profit)/Loss on Sale of Asset (net)	0.37	(7.16)
Foreign Exchange (Gain)/Loss	7.11	1.11
Interest Received	(52.64)	(107.75)
Interest Paid	93.60	11.65
Bad debts written off	4.66	101.00
Provision for Bad and Doubtful Debts	623.25	-
Operating Profit (+)/Loss(-) before working capital changes	(678.67)	(3,189.63)
Adjustments for:-		
Loans & Advances & other current assets	287.93	(192.45)
Trade and Other Receivables	(2,317.14)	475.92
Inventories	1,568.10	1,088.44
Trade Payables, Provisions and Other Liabilities	(645.49)	239.44
Cash Generated from Operations	(1,785.27)	(1,578.28)
Foreign Exchange (Gain)/Loss	(7.51)	(14.85)
Direct Tax paid/Refund	154.40	81.66
Cash flow before Extra Ordinary Item	(1,638.38)	(1,511.47)
Extra Ordinary Item	-	-
<b>Net Cash from /(used) in Operating Activities</b>	<b>(1,638.38)</b>	<b>(1,511.47)</b>
<b>B. Cash flow from Investing Activities :-</b>		
Purchase of Fixed Assets	(17.96)	(29.82)
Capital Work in Progress	(0.24)	(34.88)
Sale of Fixed Asset	-	8.26
Interest Received	57.59	113.38
<b>Net Cash from/(used) in Investing Activities</b>	<b>39.39</b>	<b>56.94</b>
<b>C. Cash flow from Financing Activities:-</b>		
Borrowings (Less share holders change)	1,310.36	-
Dividend Paid	-	(0.01)
Tax on Dividend	-	-
Interest Paid	(93.59)	(11.65)
<b>Net Cash from/(used) in Financing Activities</b>	<b>1,216.77</b>	<b>(11.66)</b>



### Cash Flow Statement ( Contd.)

Cash and Cash Equivalents in the beginning of the year	737.45	2,203.64
Net increase/decrease in Cash and Cash Equivalents (A+B+C)	(382.22)	(1,466.19)
Cash and Cash Equivalents at the end of the year	355.23	737.45

Note:

Cash and Cash equivalent included in the Cashflow statement comprise of the following balances:

for the year ended March,31	2016 (Rs.in lakhs)	2015
Balances with Bank Current Account	19.03	27.76
Balances in Fixed Deposits*	331.13	704.63
Unclaimed Dividend Account Balance	5.02	5.02
Stamp / Stamp paper	0.05	0.04
Total	<b>355.23</b>	<b>737.45</b>

\*Balances in Fixed Deposits consists of Margin money for Working Capital Facilities amounting to Rs.331.03 lakhs for the year 2015-16 and Rs.704.63 lakhs for the year 2014-15.

For and on behalf of the Board of Directors

As per our report of even date

(Joffy George)  
Company Secretary

(S.V. Ganapathi Aiyer)  
Chief Financial Officer

For G. Joseph & Associates,  
Chartered Accountants,  
Firm Regn. No.006310S

(Prasad.B)  
Managing Director

(M.P. Salim)  
Director

Allen Joseph  
Partner (M.No.228498)

Date : 18.07.2016



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South P.O. Ernakulam District, Kerala.**

**Note No. 1 to the Financial Statements**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. AS 1: DISCLOSURE OF ACCOUNTING POLICIES**

Financial statements are prepared under the historical cost convention on a going concern basis and in accordance with the applicable Accounting Standards and requirements of Companies Act, 1956. The presentation of financial statements in conformity with generally accepted accounting principles require estimates and assumptions to be made for arriving at certain figures such as provisions for bad and doubtful debts, company's future obligations under employees' retirement benefit plan, taxes on income and the realizable value of other assets and liabilities. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Difference between the actual and estimates are recognized in the period in which the results are known.

**2. AS 2: INVENTORY VALUATION**

- (a) Stock of raw materials and stores (including materials with fabricators) are valued at lower of average cost net of credit of duty of excise and KVAT input tax credit or net realizable value. Average cost is computed on the basis of weighted mean cost per unit of measurement after taking into account receipts at actual cost and accounting for consumption and/or other stock diminution at the aforesaid weighted mean.
- (b) Stock of materials in bonded warehouse and materials in transit are valued at cost, excluding customs duty payable, if any, on clearance.
- (c) Stock of scrap is valued at realizable value. Stock of fixed assets scrap is however valued at lower of Written down value / Net realizable value.
- (d) Jigs and fixtures and stock of tools are revalued and stated at cost or net realizable value, whichever is lower.
- (e) Finished goods are valued at cost or net realizable value whichever is lower. Excise duty payable on finished goods is provided in the accounts.
- (f) Work-in-process is valued at weighted average cost of materials plus proportionate share of labour and manufacturing overheads including depreciation, but excluding financial overheads or the realizable values based on the cost of completion, whichever is lower.
- (g) Value of materials considered for the above is net of Cenvat and KVAT input tax credit.
- (h) Equipment which has completed repair work and is under Company's possession is valued at lower of repair cost incurred or realisable value and included in the value of finished goods.



### 3. AS 9: REVENUE RECOGNITION

Revenue in respect of sales of products is recognized when the goods are dispatched to the customers or when the invoices are raised but the goods are retained in our premises at the request of the customers to get their site ready for installation.

Price variation both favorable / unfavorable and other sales income are recognized when no significant uncertainty as to determination and realization exists.

### 4. AS 10: FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation.

The Company follows the method of charging depreciation as per the Companies Act, 2013. Depreciation is charged as per the useful life and the residual value prescribed under Schedule II of the Companies Act, 2013 as amended by Notification No G S R 627 (E) dated 29<sup>th</sup> August 2014 and all subsequent Notification/Amendments, for the full year. Depreciation of additions to assets or on sale, discarding, demolishing or destroying of assets is calculated pro-rata from the date of such addition or up to the date of such sale, discarding, demolishing or destroying, as the case may be.

### 5. AS 11: FOREIGN CURRENCY TRANSACTIONS

(a) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of transactions.

(b) Monetary items denominated in foreign currency at the year end are translated at year end rates.

(c) Any gain or loss on account of exchange rate difference either on settlement or at the time of translation is recognized in the Profit and Loss Account.

### 6. AS 13: INVESTMENTS

Long term investments are stated at cost. Decline in value, if any, which is not considered temporary in nature, is provided for.

### 7. AS 15: EMPLOYEE BENEFITS

#### I. Short term employee benefits

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

#### II. Post employment benefits

##### A) Defined Contribution Plans.

1. Contribution to Provident Fund is in the nature of defined contribution plan and is made to a recognized trust.

2. Contribution to Pension Fund is in the nature of defined contribution plan is made to the Central Government.

**B) Defined Benefit Plans**

- a) The Company extends defined benefit plans in the form of leave salary to employees. Provision for leave salary is made on actuarial valuation carried out at the end of the year using projected unit credit method. The scheme is funded by the Company and is managed by Life Insurance Corporation of India in accordance with the schemes framed by the Corporation.
- b) Payment of Gratuity to employees is covered under Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the company makes contributions under the said scheme. The net present value of the obligation for gratuity benefits as determined on actuarial valuation using the projected unit credit method, as adjusted for unrecognised past services cost if any and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.
- c) The liability in respect of medical reimbursement claims as per the TELK Medical Attendance and Treatment Rules for the past service period of the employees is determined based on actuarial valuation of the liability as at the year end and is provided for in the Accounts.

**8. AS 16: BORROWING COSTS**

- a) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use.
- b) All other borrowing costs are recognized as expense in the period in which they are incurred.

**9. AS 20: EARNINGS PER SHARE**

Basic / diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deduction of attributable taxes) by the weighted average number of equity shares / dilutive potential equity shares outstanding as at the end of the year as the case may be.

**10. AS 22: ACCOUNTING FOR TAXES ON INCOME**

Current tax is determined as the tax payable in respect of taxable income for the period. Deferred tax liability and asset are recognized, subject to the consideration of prudence, on timing difference using the tax rates substantively enacted on the Balance Sheet date.

**11. AS 28: IMPAIRMENT OF ASSETS**

The Company makes an assessment on the Balance Sheet date to determine whether there is any indication of impairment in the carrying amount of the Company's Fixed Assets. If any such indication exists, the recoverable amounts are estimated and an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.



## 12 . AS 29: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligations.

Contingent Assets are neither recognised nor disclosed in the accounts.

### **B. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016**

1. Excise duty liability in respect of finished goods provided in the accounts amounts to Rs. 33.05 lakhs (Rs. 116.65 lakhs).
2. The Working Capital facilities provided by the Banks are secured primarily by hypothecation of Stock & Receivables and additional security by way of first charge on all other movables including Plant and Machinery.
3. Freight and insurance included under Note No. 18 C to the Financial Statements – Other Operating Income- Freight and Insurance amounting Rs.134.35 lakhs(Rs.Nil) is net of amount expended Rs.745.86 lakhs. For the year 2014-15, Freight and insurance included under Note No.24 to the Financial Statements – Manufacturing, Administration and Selling Expenses, amounting to Rs.120.56 is net of freight and insurance collected amounting to Rs.427.69 lakhs
4. The Company implemented a system for the confirmation of the balances shown under Debtors, Creditors and advances included under Loans and Advance. In respect of instances where confirmation is received from the parties, there is an ongoing system for reconciliation of the Accounts and the Management does not envisage any significant impact on the Accounts due to this.
5. Sales tax assessments from 2007-08 are pending. Additional liability, if any, on pending assessments has not been provided for. An amount of Rs.71.09 lakhs have been paid in previous years under the Amnesty Scheme announced by the Government of Kerala and it has been contested in Appeal. Such payments up to 31-03-2015 is considered as an advance and shown under Note No. 17 to the Financial Statements - Other Current Assets - Others.

However, the total provided amount of Rs. 71.09 lakhs (Rs. 71.09 lakhs) is shown as a deduction from Other Current Assets as Provisions.

6. Bank balance includes Rs. 4.64 lakhs (Rs. 4.65 lakhs) being the balance of loan from Government of Kerala after effecting VRS payments kept in the joint account with KIRFB. The VRS loan from Government of Kerala was waived vide order Nos. G.O. (Ms)No.74/2007/ID dated 05-06-2007 and G.O. (Ms) No. 157/2008/ID dated 04-10-2008.
7. A Business Collaboration and Shareholders' Agreement was entered into amongst M/s. NTPC Limited, the Government of Kerala and the Company (TELK) on 23-06-2007. The agreement envisages sale and transfer of 44.60 % shares of TELK held by the Government of Kerala and their undertakings to M/s. NTPC Limited. and for the upgradation and expansion of the Company. Further investment in equity will be

made by M/s. NTPC and the Government of Kerala for financing the above upgradation and expansion with debt/equity ratio 65:35. The transfer of shares was effected during the year 2009-10 at a total value of Rs. 3134 lakhs subject to final price to be based on the valuation of the assets of the Company (TELK) as on 31-03-2009.

#### 8. Segment Reporting:

Company operates only in one business segment. Details of Export and domestic sales (excluding income from freight and insurance) are given below: Rs. in lakhs

Particulars	India		Outside India		Total	
	For the year ended 2015-16	For the year ended 2014-15	For the year ended 2015-16	For the year ended 2014-15	For the year ended 2015-16	For the year ended 2014-15
Sales	13946.12	9587.74	1116.36	3414.50	15062.48	13002.24

#### 9. Related Party Disclosures:

##### a) Related Parties:

- (i) Entities with significant influence in the Company - M/s. NTPC Limited.
- (ii) Key Management Personnel (KMP) -  
Shri. Deepak Trehan (MD) upto 09.01.2016.  
Shri. Prasad.B (MD) from 09.01.2016.

##### b) Transactions with the related party are as follows: Rs. in lakhs

Particulars	2015-16	2014-15
Sales of Goods and Services	1374.68	1270.81
Amount recoverable	1422.96	919.16
Sitting Fee (Nominee Directors)	0.02	0.02
Payment to KMP:		
Remuneration to Managing Directors	41.92	42.54
Reimbursement of Travelling expenses	1.80	3.40

#### 10. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31-03-2016. The disclosure pursuant to the said Act is as under: Rs. in lakhs

Particulars	As on 31-03-2016	As on 31-03-2015
Principal amount due to suppliers under MSMED Act, 2006	82.25	163.16
Interest accrued and due to suppliers under MSMED Act On the above amount, unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to supplier under MSMED Act (other than Sec.16)	-	-
Interest paid to supplier under MSMED Act (Sec.16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-



11. Licenses for duty free/concessional duty import entitlement for export/deemed export contracts executed by the Company unavailed, as on 31-03-2016 is Rs.520.14 lakhs (Rs.3174.25 lakhs). The export obligation pending on duty free licenses availed as on 31-03-2016 is Nil (Nil)

12. Disclosure as required by Accounting Standard 15.

Rs. in lakhs

	Leave salary Plan		Gratuity Plan	
	2015 -16	2014 -15	2015-16	2014 -15
a) <u>Expenses recognized in the Profit &amp; Loss Account</u>				
i. Current service cost	143.02	170.46	53.09	62.56
ii. Interest cost	86.34	72.27	156.81	180.06
iii. Expected return on plan assets	(70.61)	(83.02)	(148.54)	(181.53)
iv. Net actuarial loss/(gain) recognized in the year	(56.35)	123.16	(56.99)	(83.72)
<b>TOTAL</b>	<b>102.40</b>	<b>282.87</b>	<b>4.37</b>	<b>(22.63)</b>
b) <u>Change in defined benefit obligation during the year end</u>				
i. Present value of obligation as at the beginning of the year	1079.29	903.31	1960.11	2250.72
ii. Interest cost	86.34	72.27	156.81	180.06
iii. Current service cost	143.02	170.46	53.09	62.56
iv. Benefits paid	(174.16)	(184.40)	(387.78)	(437.50)
v. Actuarial loss on obligation	(56.36)	117.65	(57.01)	(95.73)
vi. Present value of obligations at the end of the period.	<b>1078.13</b>	<b>1079.29</b>	<b>1725.22</b>	<b>1960.11</b>
c) <u>Change in the fair value of plan assets during the year end</u>				
i. Fair value of plan assets at the beginning of the year	938.69	1022.96	1991.93	2185.55
ii. Expected return on plan assets	70.61	83.02	148.54	181.53
iii. Contributions made during the year.	0.56	22.62	0.17	74.36
iv. Benefits paid by Insurer	(174.16)	(184.40)	(387.78)	(437.50)
v. Actuarial gain on plan assets	(0.01)	(5.51)	(0.02)	(12.01)
vi. Present value of plan assets at the end of the year	<b>835.69</b>	<b>938.69</b>	<b>1752.84</b>	<b>1991.93</b>

d) <u>Balance Sheet Movements</u>	Leave salary Plan		Gratuity Plan	
	2015-16	2014-15	2015-16	2014-15
i. Value of net Liability (net assets) at the beginning of the year	140.60	(119.65)	(31.82)	65.17
ii. Expenses	102.40	282.87	4.37	(22.63)
iii. Contributions made during the year	(0.56)	(22.62)	(0.17)	(74.36)
iv. Benefits paid by Company	-	-	-	-
v. Value of net Liability (net assets) at the end of the year	<b>242.44</b>	<b>140.60</b>	<b>(27.62)</b>	<b>(31.82)</b>

e) <u>Actuarial Assumptions</u>	Leave salary Plan		Gratuity Plan	
	2015-16	2014-15	2015-16	2014-15
i. Discount rate used	8%	8%	8%	8%
ii. Expected return on plan assets	8%	8%	8%	8%

## Reconciliation

## (i) Gratuity:

Rs. in lakhs

Expenses as recognized in the above statement	4.37	(22.63)
Other gratuity dues not covered by the above AS 15 disclosure	36.45	56.39
Total	40.82	33.76

## (ii) Leave:

The expense as disclosed above excludes leave encashment charges in respect of leave encashed during the year for employees continuing in service.

## 13. Deferred Tax Asset / (Liability) consists of:

Rs. in lakhs

	As at 01.04.2015	Additions/ adjustments during the year	As at 31.03.2016
Deferred Tax Liability: Difference of book depreciation and tax depreciation	(85.35)	(17.38)	(102.73)
Deferred Tax Asset: On Other disallowances	1165.55	496.70	1662.25
<b>Net Deferred Tax Asset/(Liability)</b>	<b>1080.20</b>	<b>479.32</b>	<b>1559.52</b>



14. Disclosure as per AS 29

(a) PROVISIONS:

Rs. in lakhs

Nature of Provision	Balances as at 01.04.2015	Additional provision charged during the year	Provision for interest	Amounts used during the year	Unused amount reversed	Balances as at 31.03.2016
i. Service Tax	124.04	90.68	-	-	-	214.72
ii. Sales Tax	76.41	-	-	-	-	76.41
iii. Excise Duty	19.10	-	24.88	-	0.47	43.51

Provisions disclosed above do not include interest / penalty if it is not determinable at this Stage.

- (i) Company has made a provision of Rs.90.68 lakhs (Nil) during the year 2015-16 towards service tax liability on Good Transport Agency Service for the past period. The dispute is pending before various Appellate / Adjudicating Authorities has been provided on conservative basis. An amount of Rs.1.83 lakhs paid as pre deposit for appeal. It is shown under Note No.17 to the Financial Statements – Other Current Assets - Others. The equivalent amount of provision for service tax is shown as deduction from Note No.17 to the Financial Statements – Other Current Assets - Others.
- (ii) Company has provided Nil (Nil) on Excise Duty for which refund claim is pending with Appellate Authorities and the so far total provided amount of Rs.18.63 lakhs (Rs.19.10 lakhs) is shown as deduction from Note No.17 to the Financial Statements – Other Current Assets - Others. An amount of Rs.0.15 lakhs received and excess provision for Rs.0.32 lakhs was written back during the year 2015-16. An amount of Rs.24.88 lakhs ( Nil) is provided during the year 2015-16 being the interest payable on excise duty on price variation bills

(b) CONTINGENT LIABILITIES:

Rs. in lakhs

	31.03.2016	31.03.2015
Contingent liabilities not provided for:		
a. Disputed sales tax liability under appeal	139.05	139.05
b. Disputed excise duty liability	-	19.92
c. Disputed Service tax liability	17.11	90.78
d. Contingent liability to bank towards:		
Counter guarantees given to bank in respect of guarantee issued by them.	5760.98	6840.69
e. Estimated amount of contracts, net of advances, Remaining to be executed on capital account and others not provided for	473.95	790.85

Contingent liability disclosed above does not include interest / penalty since it is not quantifiable.



**ANNEXURE AND NOTES**  
**FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016**

**15 Raw materials and components consumed:**

Particulars	Unit	Figures for the Current Year		Figures for the Previous Year	
		Quantity	Value Rs.in lakhs	Quantity	Value Rs.in lakhs
1 Steel	MT	2063.14	2932.16	2034.00	2124.87
2 Copper	MT	615.06	2720.72	615.00	3062.77
3 Transformer Oil	KL	1636.38	802.74	1334.00	886.14
4 Intermediaries/Components			2904.23		2934.62
		<b>TOTAL</b>	<b>9359.85</b>	<b>TOTAL</b>	<b>9008.40</b>

**16 Goods manufactured :**

OPENING AND CLOSING STOCK OF GOODS PRODUCED											
WORK IN PROGRESS											
Particulars	Licensed Capacity	Installed Capacity	Actual Production	Quantity Opening	Value Rs. In Lakhs	Quantity Closing	Value * Rs. In Lakhs	FINISHED GOODS		Quantity Closing	Value Rs. In Lakhs
								Quantity Opening	Value Rs. In Lakhs		
1 Power Transformers	6000 MVA (6000 MVA)	4500 MVA (4500 MVA)	3016.82MVA (2402.47 MVA)	180.91 MVA (549.54 MVA)	96.96 MVA (180.91 MVA)	375.24 MVA (408.81 MVA)	50 MVA (375.24 MVA)				
2 Current and Potential Trfr.	1000 Nos. (1000 Nos.)	1000 Nos.* (1000 Nos.)	27 Nos. (54 Nos.)	15 Nos. (18 Nos.)	707.37 (2184.07)	5 Nos. (15 Nos.)	931.46 (707.37)	14 Nos. (15 Nos.)	1117.25 (1,263.57)	2 Nos. (14 Nos.)	268.05 (1,117.25)
3 Circuit Breakers	375 Nos (375 Nos.)	Not separately assessed	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
4 Gas Circuit Breakers	100 Nos. (100 Nos.)	100 Nos. (100 Nos.)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5 Shunt Reactors	500 MVA (500 MVA)	500 MVA (500 MVA)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
6 Isolated Phase Bus Ducts	DGTD Registration assessed	Not separately assessed	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

\* The installed capacity is reckoned on the basis of Manufacture of CTs and PTs of range 33 kv to 400 kv only.

\* Where at least 20% of the work is complete.



(Rs. in lakhs)

	31.03.2016	31.03.2015
17. Value of imports during the year (CIF)		
a) Raw Materials		
Direct	89.20	236.86
High Seas Transfer	-	-
	89.20	236.86
b) Components	242.59	476.46
c) Capital Goods	-	11.31
18 Expenditure in Foreign Currency on:		
a) Travelling	-	-
b) Sales commission and others	-	-
19 Value (landed cost) of Imported Raw Materials, Components and Spares consumed		
Direct	167.92	765.17
High Seas Transfer	-	-
	167.92	765.17
	1.76%	8.30%
Value of Indigenous Raw Materials	9392.53	8454.03
	98.24%	91.70%
	<u>9560.45</u>	<u>9219.20</u>
20 Amount of Dividends remitted during the year in foreign currency	Nil	Nil
Number of Non-Resident Shareholders	14	14
Number of Shares	8950	8950
21 Earnings in Foreign Exchange: (FOB)		
Sales	1048.64	3275.91

22. Other Current Liabilities - Others includes an amount of Rs.48.86 lakhs (Rs.41.81 lakhs) towards actuarially estimated probable liability on account of employees' medical claims eligible to be claimed by them but not yet claimed.
23. Other Current Liabilities - Others includes an amount of Rs.15.85 lakhs (Rs.11.80 lakhs) towards estimated probable liability for warranty claims for products supplied for the period of warranty.
24. The Company is expected to generate Taxable Profits in the coming years and the carry forward losses relating to the current year in the Income Tax Assessment is expected to be set off against the future profits and as such recognition of its Tax Credit in the Statement of Profit and Loss and Deferred Tax Asset in the Balance Sheet is considered to be appropriate. In line with this, Deferred Tax Asset amounting to Rs.479.32 Lakhs(Rs.1030.01 lakhs) in respect of the Income Tax benefits on carry forward losses is recognized in the Accounts. The total deferred tax asset so recognized in the Accounts as on 31-03-2016 amounts to Rs. 1559.52 lakhs.
25. In respect of delayed supplies, the Customers has not released an amount of Rs. 623.25 lakhs which is in the nature of liquidated damages/other payments and provision for the same is considered in the Accounts for the year 2015-16 on a conservative basis. The Company is taking all possible steps for the early realization of the amounts.
26. Prepaid expenses, Prior Period Expenses/Incomes of Rs.1 lakh and below are charged to natural heads of Accounts.
27. Previous year's figures are as at 31-03-2015. Previous years figures unless otherwise stated are in brackets.



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
Angamally South PO, Ernakulam District, Kerala.  
**Note No. 2 to the Financial Statements**

(Rs. in lakhs)

<b>As at March, 31</b>	<b>2016</b>	<b>2015</b>
<b>SHARE CAPITAL</b>		
<b>Equity Share Capital</b>		
<b>AUTHORISED</b>		
125000000 shares of par value of Rs.10/- each (Previous year 125000000 shares of par value of Rs.10/- each)	<u>12500.00</u>	<u>12500.00</u>
<b>ISSUED</b>		
42975400 shares of par value of Rs.10/- each (Previous year 42975400 shares of par value of Rs.10/- each)	<u>4297.54</u>	<u>4297.54</u>
<b>SUBSCRIBED AND CALLED-UP</b>		
42967350 shares of par value of Rs.10/- each fully paid up (Previous year 42967350 shares of par value of Rs.10/- each fully paid up)	4296.74	4296.74
Forefeited shares	0.22	0.22
	<u>4296.96</u>	<u>4296.96</u>

During the year, the company has not issued/bought back any equity shares.

The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the company.

The Government of Kerala holds 23444102 (23444102) equity shares being 54.56% (54.56%), NTPC Ltd holds 19163438 (19163438) equity shares being 44.60% (44.60%) of the total equity shares of the company and no other shareholder of the Company holds more than 5% of the equity shares.

Please refer Note.No.1. B. 7

**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District, Kerala.**  
**Note No. 3 to the Financial Statements**

(Rs. in lakhs)

As at March, 31	2016	2015
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	1,619.60	1,619.60
Add: Transfer from Surplus	-	-
Closing Balance	<u>1,619.60</u>	<u>1,619.60</u>
<b>General Reserve</b>		
As per last Balance Sheet	5,085.00	5,085.00
Add: Transfer from Surplus	-	-
Closing Balance	<u>5,085.00</u>	<u>5,085.00</u>
<b>Surplus</b>		
As per last Balance Sheet	(1,373.15)	838.88
Depreciation Previous Year written back	-	47.83
Add :- Profit / Loss after tax for the year from Profit & Loss Statement	<u>(999.61)</u>	<u>(2,259.86)</u>
Amount available for Appropriation	<u>(2,372.76)</u>	<u>(1,373.15)</u>
Less: Appropriations:		
Transfer to General Reserve	-	-
Dividend Paid	-	-
Tax on Dividend Paid	-	-
Proposed dividend	-	-
Tax on proposed dividend	-	-
Closing Balance	<u>(2,372.76)</u>	<u>(1,373.15)</u>
<b>Total</b>	<b>4,331.84</b>	<b>5,331.45</b>

Please refer Note.No.1. B. 20

**Note No. 4a to the Financial Statements**

(Rs. in lakhs)

As at March, 31	2016	2015
<b>SHORT TERM BORROWINGS</b>		
Loans from Banks		
Cash Credit -SBT	558.20	-
Bills Discounted-SIB	752.16	-
<b>TOTAL</b>	<b>1310.36</b>	<b>0.00</b>



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
Angamally South PO, Ernakulam District, Kerala.  
Note No. 4 to the Financial Statements

(Rs. in lakhs)

	As at March, 31	2016	2015
<b>TRADE PAYABLES</b>			
For Capital Expenditure			
- Micro & Small Enterprises		-	-
- Others		-	12.66
For Others			
- Micro & Small Enterprises		82.25	163.16
- Others		327.84	1115.88
<b>TOTAL</b>		<b>410.09</b>	<b>1291.70</b>

Please refer Note.No.1. B. 10

**Note No. 5 to the Financial Statements**

**OTHER CURRENT LIABILITIES**

**Others**

Unclaimed Dividend*	5.02	5.02
Advances from Customers and Others	391.71	514.77
Deposits from Contractors and Others	25.96	25.23
Other Liabilities		
Tax Deducted at Source & Other Statutory Dues	486.26	407.81
Others**	2555.74	2343.76
<b>TOTAL</b>	<b>3464.69</b>	<b>3296.59</b>

\*Represents the amounts which have not been claimed by the Investors.  
Out of the above, no amount is due for payment to Investor Education and Protection Fund

\*\*Other Payable- Others include amount payable to employees, contractors etc

**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District, Kerala.**  
**Note No. 6 to the Financial Statements**

(Rs. in lakhs)

	As at March, 31	2016	2015
<b>SHORT TERM PROVISIONS</b>			
<b>Provision for Employee Benefits</b>			
As per last Balance Sheet		108.78	(54.48)
Additions during the year/period		-	282.87
Less: Amounts paid during the year/period		0.74	96.98
Amounts reversed during the year/period		(106.78)	22.63
<b>Closing Balance</b>		<b>214.82</b>	<b>108.78</b>
<b>Provision for Current Tax</b>			
As per last Balance Sheet		-	-
Additions during the year/ period		-	-
Amounts adjusted during the year/ period		-	-
Less: Netted against Advance Tax and TDS		-	-
<b>Closing Balance</b>		<b>-</b>	<b>-</b>
<b>Provision for Proposed Dividend</b>			
As per last Balance Sheet		-	-
Additions during the year/ period		-	-
Less: Amounts used during the year/ period		-	-
Amounts reversed during the year/ period		-	-
<b>Closing Balance</b>		<b>-</b>	<b>-</b>
<b>Provision for tax on Proposed Dividend</b>			
As per last Balance Sheet		-	-
Additions during the year/ period		-	-
Less: Amounts used during the year/ period		-	-
Amounts reversed during the year/ period		-	-
<b>Closing Balance</b>		<b>-</b>	<b>-</b>
<b>Others</b>			
<b>Provision for Materials to be issued</b>		<b>80.43</b>	<b>118.46</b>
<b>Total</b>		<b>295.25</b>	<b>227.24</b>

\*Disclosure required by AS 15 on "Employee Benefits " has been made in Note No.1. B.12



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District. Kerala.**  
**Note No. 7 to the Financial Statements**

(Rs. In Lakhs)

DESCRIPTION OF ASSETS	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK			
	AS ON 1/4/2015	ADDITIONS OR ADJUSTMENTS	SALE OR ADJUSTMENTS	AS ON 31/3/2016	TILL 31/3/2015	FOR THE YEAR	FOR SALE OR ADJUSTMENTS	TOTAL UPTO 31/3/2016	AS ON 31/3/2016	AS ON 31/3/2015
<b>TANGIBLE ASSETS:</b>										
LAND	5.82	-	-	5.82	-	-	-	-	5.82	5.82
LAND DEVELOPMENT	29.32	-	-	29.32	2.71	0.34	-	3.05	26.27	26.61
BUILDING	1364.37	0.84	-	1365.21	491.19	26.37	-	517.56	847.65	873.18
PLANT AND MACHINERY	2542.12	14.87	73.45	2483.54	1830.34	81.16	69.65	1841.85	641.69	711.78
ELECT. INSTALLATIONS	65.73	0.71	-	66.44	62.13	0.07	-	62.20	4.24	3.60
OFFICE EQUIPMENTS	32.79	-	-	32.79	30.00	0.29	-	30.29	2.50	2.79
FURNITURE & FIXTURES	65.61	0.42	-	66.03	46.83	2.60	-	49.43	16.60	18.78
CANTEEN & DORMITORY FURNITURE & UTENSILS	31.80	-	-	31.80	24.08	2.40	-	26.48	5.32	7.72
WATER SYSTEMS	49.31	-	-	49.31	31.16	1.37	-	32.53	16.78	18.15
AIR CONDITIONERS	26.54	-	-	26.54	23.24	1.29	-	24.53	2.01	3.30
MOTOR VEHICLES	20.12	-	-	20.12	18.20	0.53	-	18.73	1.39	1.92
COMPUTER HARDWARE	136.39	1.12	-	137.51	122.84	4.10	-	126.94	10.57	13.55
TOTAL	4369.92	17.96	73.45	4314.43	2682.72	120.52	69.65	2733.59	1580.84	1687.20
<b>INTANGIBLE ASSETS:</b>										
SOFTWARE	92.08	-	0.00	92.08	69.65	3.39	-	73.04	19.04	22.43
<b>GRAND TOTAL</b>	<b>4462.00</b>	<b>17.96</b>	<b>73.45</b>	<b>4406.51</b>	<b>2752.37</b>	<b>123.91</b>	<b>69.65</b>	<b>2806.63</b>	<b>1599.88</b>	<b>1709.63</b>
PREVIOUS YEAR	4434.28	29.82	2.10	4462.00	2674.99	127.23	49.85	2752.37	1709.63	1759.29

Fixed assets having Original cost of Rs.73.45 lakhs (Nil) with accumulated depreciation of Rs.69.65 lakhs(Nil) have been scrapped and included in Sales or Adjustments.

Please refer Note.No.1. B. 2 & 17



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District. Kerala.**  
**Note No. 8 to the Financial Statements**

(Rs. In Lakhs)					
	As at 4/1/2015	Addition	Deduction/ Adjustment	Capitalised	As at 3/31/2016
<b>CAPITAL WORK-IN-PROGRESS</b>					
Buildings :	0.57	0.27	-	0.84	-
Plant and Machinery	87.14	0.81	-	-	87.95
Others	-	-	-	-	-
<b>Total</b>	<b>87.71</b>	<b>1.08</b>	<b>-</b>	<b>0.84</b>	<b>87.95</b>
<b>Previous Year Total</b>	<b>52.83</b>	<b>35.18</b>	<b>0.30</b>	<b>-</b>	<b>87.71</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>					
Software	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Previous Year Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>87.71</b>	<b>1.08</b>	<b>-</b>	<b>0.84</b>	<b>87.95</b>
<b>Previous Year Grand Total</b>	<b>52.83</b>	<b>35.18</b>	<b>0.30</b>	<b>-</b>	<b>87.71</b>



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
Angamally South PO, Ernakulam District, Kerala.  
**Note No. 9 to the Financial Statements**

(Rs. in lakhs)

	As at March, 31		2016	2015
<b>NON CURRENT INVESTMENTS</b>	Number of shares Current Year/ (Previous Year)	Face value per share Current Year/ (Previous Year) (Rs.)		
<b>(Unquoted, non-trade)</b>				
1. 450 'B' Class (450 'B' class) shares of Rs.100/- each in TELK Employees Multipurpose Co-operative Society Ltd., Angamally, at cost, fully paid.	450 (450)	100 (100)	0.45	0.45
2. 500 'B' class (500 'B' class) shares of Rs. 50/- each in TELK Employees Canteen Co-operative Society Ltd., Angamally, at cost, fully paid.	500 (500)	50 (50)	0.25	0.25
<b>Total</b>			<b>0.70</b>	<b>0.70</b>

**Note No. 10 to the Financial Statements**

(Rs. in lakhs)

	As at March, 31	2016	2015
<b>DEFERRED TAX ASSET(NET)</b>			
Disallowances u/s 43B of the Income Tax Act, 1961 Provisions, Other Disallowances & carry forward of losses for Tax Purposes		1662.25	1,165.55
Less: Deferred Tax Liabilities			
Difference of Book Depreciation and Tax Depreciation		102.73	85.35
<b>Deferred tax Asset (net)</b>		<b>1,559.52</b>	<b>1,080.20</b>

Please refer Note.No.1. B. 13 &24

**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District, Kerala.**  
**Note No. 11 to the Financial Statements**

(Rs. in lakhs)

As at March, 31	2016	2015
<b>Long Term Loans and Advances</b>		
(Unsecured, considered good, unless otherwise stated)		
<b>CAPITAL ADVANCES</b>		
Advance to Suppliers for Capital Equipments	-	-
Security Deposits*	42.12	40.70
<b>Total</b>	<b>42.12</b>	<b>40.70</b>

\* Security Deposits include deposits with Government authorities amounting to Rs. 3.72 lakhs (Rs. 3.72 lakhs)

**Note No. 12 to the Financial Statements**

**Other Non-Current Assets**

(Unsecured, considered good, unless otherwise stated)

Other Non-Current Assets	-	-
Bank balances with original maturity of more than 12 months	-	48.42
<b>Total</b>	<b>-</b>	<b>48.42</b>



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
Angamally South PO, Ernakulam District, Kerala.  
**Note No. 13 to the Financial Statements**

(Rs. in lakhs)

As at March, 31	2016	2015
<b>INVENTORIES</b>		
Stock of Raw materials	1089.00	1403.90
Stock -Goods in Transit	81.23	39.45
Stock of W I P	956.44	1276.76
Stock of Finished Goods	268.05	1117.25
Stock of Tools	14.76	15.71
Stock of Jigs	38.01	46.69
Stock of Scrap	38.33	68.29
Stock of Fixed Assets Scrap	5.13	1.71
Stock of Material with Fabricators	65.63	151.51
<b>Total</b>	<b>2556.58</b>	<b>4121.27</b>

Please refer Note.No.1.B. 1

**Note No. 14 to the Financial Statements**

(Rs. in lakhs)

As at March, 31	2016	2015
<b>TRADE RECEIVABLES</b>		
(Unsecured, considered good, unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment	1114.60	877.95
Considered doubtful	132.52	-
Other debts	6879.97	4936.65
<b>Total</b>	<b>8127.09</b>	<b>5814.60</b>
Less: Provision for Bad & Doubtful Debts*	623.25	-
<b>Total</b>	<b>7503.84</b>	<b>5814.60</b>

Please refer Note.No.1. B. 25

**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District, Kerala.**  
**Note No. 15 to the Financial Statements**

(Rs. in lakhs)

As at March, 31	2016		2015	
<b>CASH AND BANK BALANCES</b>				
<b>Cash &amp; Cash Equivalent</b>				
Balances with Banks				
- Current Accounts	19.03		27.76	
- Deposits with original Maturity of less than three months	59.70		496.70	
Stamp and Stamp paper	0.05	78.78	0.04	524.50
<b>Other Bank Balances</b>				
Deposits with original Maturity of more than 3 months	271.43		207.93	
Others-Unclaimed Dividend Account	5.02	276.45	5.02	212.95
		355.23		737.45
Less: Bank balances with original maturity of more than 12 months disclosed under other non-current assets				
		-	-	48.42
<b>Total</b>		<b>355.23</b>		<b>689.03</b>

Balance with Banks include:

Unclaimed dividend account balance

5.02

5.02

Remittances in transit

-

-

Fixed Deposit under Capital Gain Scheme

-

-

Margin money for Working Capital Facilities

331.03

704.63

(Includes margin money of (Rs.48.42 lakhs) Nil shown under Other Non-Current Assets being Fixed deposit of original maturity for more than 12 months)

Please refer Note.No.1. B. 2 &amp; 6



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
Angamally South PO, Ernakulam District, Kerala.  
Note No. 16 to the Financial Statements

(Rs. in lakhs)

As at March, 31	2016	2015
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good, unless otherwise stated)		
Employee Related	28.94	21.73
Contractors & Suppliers	31.16	29.62
Advance Tax Deposit & Tax Deducted at Source	73.05	228.08
<b>Total</b>	<b>133.15</b>	<b>279.43</b>

**Note No.17 to the Financial Statements**

(Rs. in lakhs)

As at March, 31	2016	2015
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, considered good, unless otherwise stated)		
Interest Accrued :		
Fixed deposits	4.09	9.04
Claims Recoverable	54.99	65.90
Others *	308.15	592.96
Less: Provisions	97.01	95.65
<b>Total</b>	<b>270.22</b>	<b>572.25</b>

\* Others include:

Excise Duty/Service Tax/ Cess Receivable, PLA Balance, EMD Receivable, Prepaid Expenses and amounts paid under Amnesty Scheme of Sales Tax Department.

\*\* Provisions include:

Provisions for Sales Tax Rs. 71.09 lakhs (Rs. 71.09 lakhs), Provisions for ED refund receivable Rs. 18.63 lakhs (Rs.19.10 lakhs) Provision gratuity Deposit (Appeal)Rs. 5.46 lakhs (Rs. 5.46 lakhs), Provision for Service Tax Deposit(Appeal) Rs. 1.83 lakhs (Rs. Nil)

Please refer Note.No.1. B. 5

**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District, Kerala.**  
**Note No. 18 to the Financial Statements**

(Rs. in lakhs)

	For the year ended March, 31			2015		
	Quantity	2016 Unit	Value	Quantity	Unit	Value
<b>Operating Income</b>						
<b>A Sale of products</b>						
1. Power Transformers	3426.01	MVA	14205.57	2804.67	MVA	12188.68
2. Current Transformers	40	Nos.	175.41	52	Nos.	333.95
3. Potential Transformers	9	Nos.	24.25		Nos.	-
4. On Load Tap Changers	14	Nos.	103.96	10	Nos.	41.80
5. Bushings	162	Nos.	910.83	80	Nos.	315.31
6. Spares			523.18			258.28
<b>B Sale of Service</b>						
Service Charges			348.65			248.78
<b>C Other Operating Income</b>						
Sale of Scrap			347.40			314.31
Freight & Insurance			134.35			-
<b>Gross Sales</b>			<b>16773.60</b>			<b>13701.11</b>
Less : Excise Duty on Sales			<b>1576.76</b>			<b>698.87</b>
<b>Total Operating Income</b>			<b>15196.84</b>			<b>13002.24</b>

Please refer Note.No.1. B.3, 8 &amp; 21

**Note No. 19 to the Financial Statements****Other Income**

Profit on Sale of Asset	-	0.32
Profit on sale of Fixed Asset Scrap	-	6.83
Rent	4.39	4.67
Interest	52.64	107.75
Insurance receipts	64.62	3.13
Duty Credit Scip	94.36	77.43
Duty Draw Back	20.56	-
Bad Debt Recovered	4.33	-
Foreign Exchange Fluctuation	-	-
Miscellaneous income	11.80	20.99
Training & Project Income	13.47	-
Dividend Received	0.72	-
Freight and Insurance	-	-
Provision Written back	0.15	-
Unclaimed Balances written back (Net)	-	11.42
<b>TOTAL</b>	<b>267.04</b>	<b>232.54</b>



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
Angamally South PO, Ernakulam District, Kerala.  
Note No. 20 to the Financial Statements

( Rs. in lakhs)

For the year ended March, 31	2016	2015
<b>MATERIALS</b>		
Opening stock	1663.15	1666.00
Add: Purchase	8970.89	9005.55
	<u>10634.04</u>	<u>10671.55</u>
Less: Closing stock	1274.19	1663.15
	<u>9359.85</u>	<u>9008.40</u>
Less: Material consumption for prior years	118.46	92.13
	<u>9241.39</u>	<u>8916.27</u>
Add: Stores and Spares consumed	200.60	210.80
	<u>9441.99</u>	<u>9127.07</u>
Add: Materials to be issued	80.43	118.46
<b>TOTAL</b>	<b><u>9522.42</u></b>	<b><u>9245.53</u></b>

Please refer Note.No.1. B. 15, 17 & 19

**Note No. 21 to the Financial Statements**

**Changes in inventories of Finished Goods, Work in Progress**

**Finished Goods**

Opening Stock	1117.25	1263.57
Closing Stock	268.05	1117.25
Change	849.20	146.32

**Work-in-Progress**

Opening Stock	1276.76	2212.47
Closing Stock	956.44	1276.76
Change	320.32	935.71

**ED on Finished Goods**

Opening stock	116.65	130.26
Closing stock	33.05	116.65
Change	(83.60)	(13.61)

**TOTAL**

**1,085.92**

**1,068.42**



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District, Kerala.**  
**Note No. 22 to the Financial Statements**

(Rs. in lakhs)

For the year ended March, 31	2016	2015
<b>Employee Benefits Expense</b>		
Salaries, Wages and Bonus	3350.02	3730.91
Contribution to Provident Fund	206.19	245.81
Contribution to Pension Fund	86.97	74.25
Gratuity	40.82	33.76
Staff Welfare	734.88	722.22
<b>TOTAL</b>	<b>4418.88</b>	<b>4806.95</b>

Please refer Note No. 1. B. 12 & 22

**Note No. 23 to the Financial Statements**

(Rs. in lakhs)

For the year ended March, 31	2016	2015
<b>FINANCE COST</b>		
Interest on Bank borrowings	90.90	-
Interest Others	2.70	11.65
Bank charges and Guarantee Commission	72.22	49.12
<b>TOTAL</b>	<b>165.82</b>	<b>60.77</b>



**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
Angamally South PO, Ernakulam District, Kerala.  
**Note No. 24 to the Financial Statements**

(Rs. in lakhs)

<b>For the year ended March, 31</b>	<b>2016</b>		<b>2015</b>	
<b>MANUFACTURING, ADMINISTRATION &amp; SELLING EXPENSES</b>				
Factory Expenses		139.61		175.09
Power and Fuel		279.18		328.57
Repairs: Plant and Machinery	10.55		11.51	
Buildings	0.16		1.51	
Others	141.98		146.85	
Repairs and Replacement	12.05	164.74	28.86	188.73
Rates and Taxes		129.21		9.06
Rent (MD)		-		-
Traveling:				
MD	1.80		3.40	
Directors	0.70		1.84	
Others	40.71	43.21	49.68	54.92
Printing and Stationary		8.17		11.85
Postage and Telephones		15.76		13.26
Auditors' Remuneration:				
For Statutory Audit	1.30		1.30	
For Tax Audit	0.22		0.22	
For Cost Audit	0.75		-	
For reimbursement of expenses	0.43	2.70	0.43	1.95
Directors' Sitting Fee		0.13		0.05
Legal Charges		1.13		2.78
General Charges		66.51		40.02
Selling Agency Commission		56.03		80.60
Insurance Charges		37.59		32.81
Advertisement & Publicity		1.79		1.25
Erection Expenses of Transformers		45.08		77.98
Freight & Insurance		-		120.56
Foreign Exchange Fluctuation		7.11		1.11
Bad Debts written off		4.66		101.00
Provision for Bad and Doubtfull Debts		623.25		-
<b>TOTAL</b>		<b>1625.86</b>		<b>1241.59</b>

Please refer Note.No.1. B.3, 18 & 23

**TRANSFORMERS AND ELECTRICALS KERALA LIMITED,**  
**Angamally South PO, Ernakulam District, Kerala.**  
**Note No. 25 to the Financial Statements**

(Amount in Rs. in lakhs)

For the year ended March, 31	2016	2015
<b>PRIOR PERIOD ADJUSTMENTS</b>		
<b>INCOME</b>		
<b>TOTAL</b>	-	-
<b>EXPENSES</b>		
<b>TOTAL</b>	-	-
<b>Net</b>	-	-

For and on behalf of the Board of Directors

As per our report of even date

(Joffy George)  
 Company Secretary

(S.V. Ganapathi Aiyer)  
 Chief Financial Officer

For G. Joseph & Associates,  
 Chartered Accountants,  
 Firm Regn. No.006310S

(Prasad.B)  
 Managing Director

(M.P. Salim)  
 Director

Allen Joseph  
 Partner (M.No.228498)

Date : 18.07.2016



**GOVERNMENT OF KERALA**

No. PU-D3/95/2016-Fin.

FINANCE (PU-D) DEPARTMENT

**COMMENTS OF ADDITIONAL CHIEF SECRETARY (FINANCE) ON  
THE AUDITED ANNUAL ACCOUNTS OF TRANSFORMERS AND  
ELECTRICALS KERALA LTD FOR THE YEAR 2015-2016**

1. The net loss of the Company during the period under review is ₹ 999.61 lakh when compared to the figure of ₹ 2,259.71 lakh during 2014-15.
2. Statutory dues towards Excise Duty, Service Tax, Sales Tax have to be deposited on account of any disputes.
3. Major part of the current assets were held in Inventories and trade receivables. Management of the Company should look into it.
4. Company should take steps for physical verification of fixed assets.
5. The Company should take necessary measures to assess and clear pending Sales tax dues.
6. Amount recoverable under related party transaction should be realised.
7. Timely realisation of trade receivable should be made.
8. Performance of the Company is not satisfactory.

Thiruvananthapuram

Dated 29/09/2016

**Dr. K.M. ABRAHAM**

**ADDITIONAL CHIEF SECRETARY (FINANCE)**

**Comments of the Additional Chief Secretary (Finance) on the Audited Accounts of Transformers and Electricals Kerala Limited, Angamally for the year 2015-16 and Company's reply.**

<b>Comments of Additional Chief Secretary(Finance), Government of Kerala</b>	<b>Company's Reply</b>
1.The net loss of the Company during the period under review is Rs. 999.61 lakh when compared to the figure of Rs. 2,259.71 lakh during 2014-15.	The market situation continues to be difficult. With higher Turnover levels the loss for the year has been brought down
2. Statutory dues towards Excise Duty, Service Tax, Sales Tax have to be deposited on account of any disputes	The monthly dues of Excise Duty, Service Tax and Sales Tax is remitted regularly on time and Returns filed. Additional demands on regular assessment and not accepted by the Company is pending and disputed in Appeal.
3. Major part of the current assets were held in Inventories and trade receivables. Management of the Company should look into it.	The stock of Inventories are for the continued Production requirements and is being regularly used and converted into finished goods. Higher level of Receivables at the year end is on account of higher Turnover in March. Out of the Receivables of Rs. 75.03 crores as on 31-03-2016, an amount of Rs. 64.10 crores is already collected.
4. Company should take steps for physical verification of fixed assets	Physical verification of high value items have been completed. The verification of the balance items will be completed during 2016-17.
5. The Company should take necessary measures to assess and clear pending Sales Tax dues.	The monthly dues of Sales Tax is remitted regularly on time and Returns filed. Additional demands on regular assessment and not accepted by the Company is pending and disputed in Appeal after opting for settlement under the Amnesty Scheme earlier announced by the Government.
6. Amount recoverable under related party transaction should be realised.	Out of the amount of Rs. 14.23 crores due from NTPC Limited as at 31-03-2016, an amount of Rs. 11.77 crores is already collected. Balance amount represents retention which will be due and payable after completion of the erection and commissioning of the Transformers supplied.
7. Timely realization of trade receivable should be made.	Out of the Receivables of Rs. 75.03 crores as on 31-03-2016, an amount of Rs. 64.10 crores is already collected. All possible steps for early realization of receivables are taken.
8. Performance of the Company is not satisfactory	Management is taking all possible pro active steps for the improvement in the performance.



प्रधान महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा) का कार्यालय,  
केरल, तिरुवनन्तपुरम

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (ECONOMIC  
AND REVENUE SECTOR AUDIT) KERALA, THIRUVANANTHAPURAM**

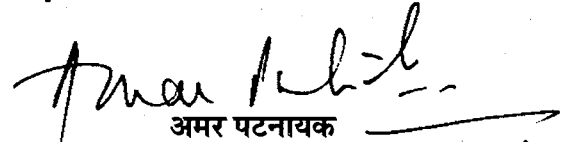
31 मार्च 2016 को समाप्त वर्ष के लिए ट्रान्सफोरमेरस आन्ट इलक्ट्रिकल्स केरला लिमिटेड, के वित्तिय विवरणों पर  
कम्पनी अधिनियम 2013 की धारा 143(6) (b) के अधीन भारत के नियंत्रक - महालेखापरीक्षक की टिप्पणियाँ

**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE  
COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE TRANSFORMERS AND ELECTRICALS  
KERALA LIMITED FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of financial statements of **Transformers and Electricals Kerala Limited** for the year ended **31 March 2016** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 July 2016**.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of **Transformers and Electricals Kerala Limited** for the year ended **31 March 2016**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to enquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' Report.

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

  
अमर पटनायक  
AMAR PATNAIK 19.9.2016

तिरुवनन्तपुरम/ Thiruvananthapuram  
दिनांक/ Dated: 19.09.2016

प्रधान महालेखाकार (आ.एवं रा.क्षे.ले.प) केनल  
PRINCIPAL ACCOUNTANT GENERAL (E&RSA),KERALA



**Strong roots, Sustainable growth**

Printed at KBPS, Kakkanad, Kochi-30