KELTRON®

Kerala State Electronics Development Corporation Ltd.

50th ANNUAL REPORT 2021-22

50th ANNUAL REPORT

2021-22

KELTRON®

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED

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CORPORATE INFORMATION

Chairman & Managing Director : Shri.N Narayanamoorthy

Board of Directors (as on 31.03.2022):

1.	Shri N Narayanamoorthy	-	Chairman & Managing Director
2.	Shri V Jayaprakash	-	Director
3.	Shri.V Narayanan	-	Director
4.	Shri S Anoop	-	Director
5.	Shri Suresh Mohan	-	Director
6.	Shri S Hemachandran	-	Director

COMPANY SECRETARY:
Shri. B Bilu, F.C.S

GENERAL MANAGER i/c, FINANCE
Shri Sreejan A.S, F.C.A, A.C.S

STATUTORY AUDITORS:
Issac & Suresh
Chartered Accountants, Thiruvananthapuram

COST AUDITORS:
Blaise & Associates
Cost Accountants, Kochi

BANKERS:
Punjab National Bank
State Bank of India

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

FINANCIAL PERFORMANCE
(Based on Balance Sheet)

Rs. in lakhs

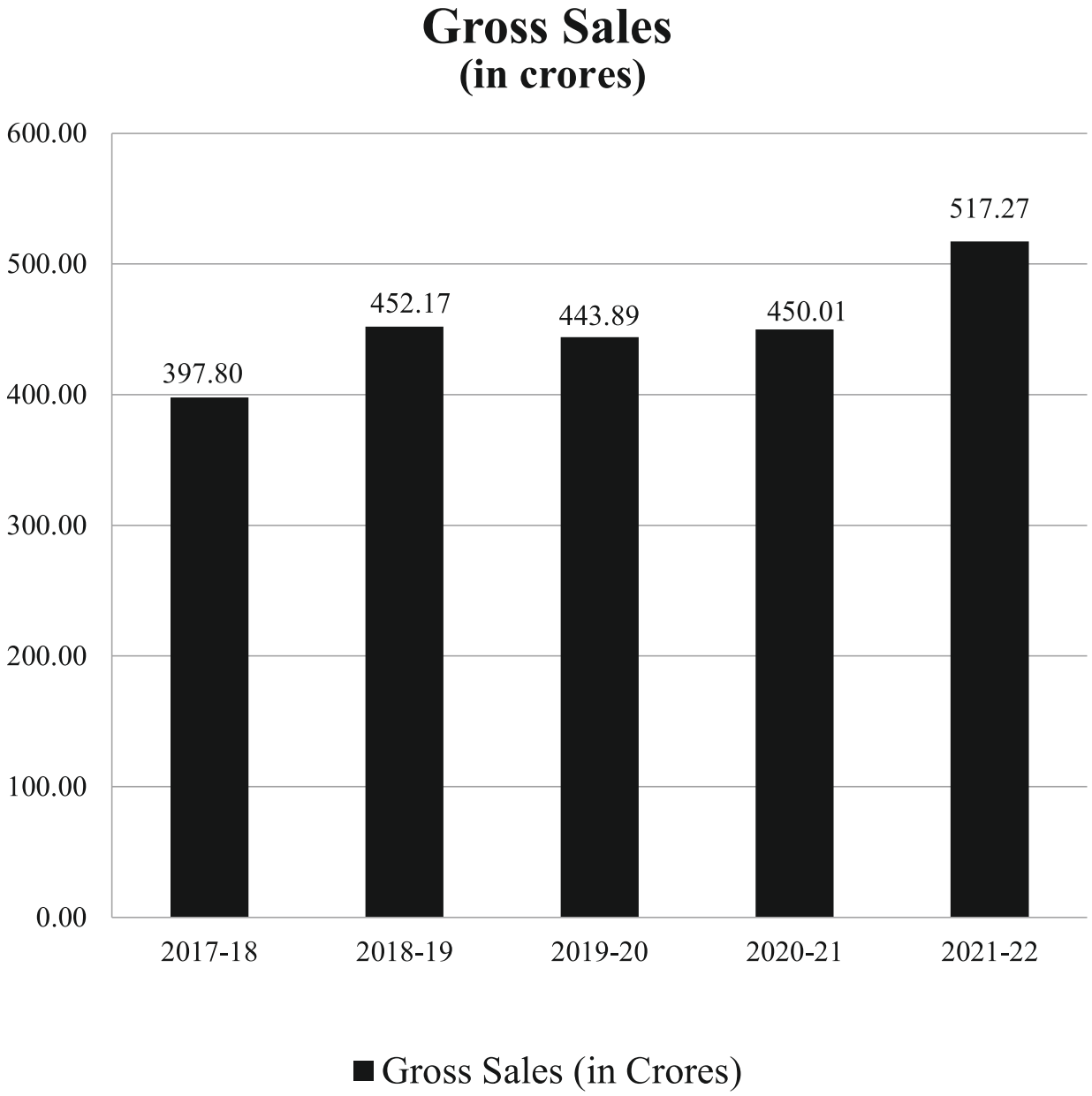
Balance Sheet	2017-18	2018-19	2019-20	2020-21	2021-22
Fixed Assets	2,329.68	2,639.52	2,785.10	2,759.90	2,996.89
Investments	3,012.94	3,012.94	3,272.94	3,272.94	3,205.44
Net Asset (Current &Non-Current)	4,899.78	5,543.10	18,350.23	18,591.99	22,661.53
Total	**10,242.40**	**11,195.56**	**24,408.27**	**24,624.83**	**28,863.86**
Share Capital	20,355.18	20,355.18	20,355.18	20,355.18	20,355.18
Share money pending allotment			17,030.80	17,030.80	17,030.80
Reserves & Surplus	(19,996.22)	(19,680.81)	(19,757.45)	(19,423.30)	(14,954.86)
Loan Funds	9,883.44	10,521.19	6,779.74	6,662.15	6,432.74
Total	**10,242.40**	**11,195.56**	**24,408.27**	**24,624.83**	**28,863.86**

FINANCIAL PERFORMANCE

(Based on Statement of Profit & Loss)

Rs. in lakhs

Statement of Profit & Loss	2017-18	2018-19	2019-20	2020-21	2021-22
Net Sales	39,660.69	45,216.60	44,389.50	45,001.05	51,727.49
Profit/(Loss) for the year before exceptional and extra ordinary items	1,793.66	1,732.44	491.99	385.90	4,019.37
Profit before taxation	564.72	315.41	523.36	334.14	2,910.95
Profit after taxation	564.72	315.41	523.36	334.14	4,468.45
Earnings Per Share	2.77	1.55	2.57	1.64	21.95


Gross Sales
(in crores)
600.00
500.00
400.00
300.00
200.00
100.00
0.00
397.80
452.17
443.89
450.01
517.27
2017-18
2018-19
2019-20
2020-21
2021-22
Gross Sales (in Crores)

DIRECTORS' REPORT 2021- 2022

To the Shareholders

Your Board of Directors has immense pleasure in presenting the 50th Annual Report of your Company together with Audited Accounts for the year ended 31st March 2022.

FINANCIAL RESULTS

During the year under review, the Company registered a turnover of Rs.517.27 Crores as against Rs.450.01 Crores during the previous year. The operating profit for the year under review was Rs.51.30 Crores as against Rs. 14.22 Crores during the previous year, but posted a net profit of Rs.44.68 Crores against Rs.3.34 Crores in the corresponding previous year. The net profit for the year under review is after adjusting extra ordinary items of Rs.11.08.Crores and deferred tax adjustment of Rs 15.58 crores.

Financial results of the Company for the year 2021-22 and the year 2020-21 are given below:

	(Rs. in Lakhs)	
	2021-22	**2020-21**
Net Sales	51,727.49	45,001.05
Gross Operating Profit	5,130.47	1,422.03
Less:		
1. Financing Charges	771.16	698.86
2. Depreciation	339.94	337.28
Profit/(Loss) for the year	4,019.97	385.89
Extra ordinary/ Exceptional	(1,108.42)	(51.75)
Profit/ Loss before taxation	2,910.95	334.14
Provision for Income Tax	-	-
Deferred Tax Adjustment	1,557.50	
Profit/ Loss after taxation	4,468.45	334.14
Brought forward Loss	(19,452.81)	(19,786.95)
Balance (Loss) carried to Balance Sheet	(14,984.36)	(19,452.81)

CAPITAL STRUCTURE

As on 31.03.2022 the authorized capital of the company stood at Rs.210 Crores and paid-up capital at Rs.203.55 Crores.

LOANS AND BORROWINGS

During the year the secured loans have decreased from Rs.24.88 Crores to Rs.18.59.Crores and the unsecured loans have stood at Rs.45.74 Crores. The Company was having fund based credit facility of Rs 7.50 crores and non fund based Credit facility of Rs 3.75 crores with Punjab National Bank and was having loan from KFC to the extent of Rs 9.50 crores for meeting its working capital requirement. Further the company availed various project specific working capital loans from KSIDC to the extent of Rs.10 Crores.

AUDITORS' REPORT

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

CONTRIBUTION TO GOVERNMENT REVENUE

During the year under report, the Company has contributed to the exchequer an amount of Rs.24.96 Crores by way of duty, taxes and other levies.

SUBSIDIARY COMPANIES

Keltron Component Complex Limited (KCCL) at Kannur

Production and Profitability

During the period, the Company had achieved a total production value of Rs.6585 Lakhs as against the figure of Rs. 5706.41 lakhs achieved during the preceding year. The Company made a profit of Rs.256.03 Lakhs as against the previous year figure of Rs.138.31 Lakhs during the year.

Sales

The Sales turnover of the Company during the financial year 2021-22 was Rs.8132.35 lakhs as against the figure of Rs.7177.32 lakhs in the previous year.

Achievements

The company made profit for the first time in 2017-18, with a net profit of Rs.52 Lakhs. This performance improvement continued and company made net profit all during the last 5years. (Rs.1.91 Crores, Rs.2.79 Crores, Rs.1.38 Crores, Rs.2.56 Crores in 2018-19, 2019-20,2020-21and 2021-22 respectively. The company is running on net profit for the Past 5 years.

Notable achievements during the financial year 2021-22

Other notable achievements of KCCL during the financial year 2021-22 are listed below:

In Financial year 2021-22, KCCL achieved a record Turnover of Rs.81.32 Crores with a Net Profit 2.56 Crores.In 2021-22, KCCLreceived Rs.10.22 Crores as Equity investment from Government of Kerala.Details of developmental initiatives during 2021-22 given below:

1. **Expansion of Electrolytic Capacitor Plant-**Stitcher cum winder machine imported from China at an investment of Rs.60 Lakhsinstalledand commissioned.Also, construction of the new warehouse at an investment of Rs. 60 Lakhs is completed.

2. **New MPP Rectangular Capacitor Plant-** For this project,Purchase Order given for 9 machineries costing Rs.1.8 Crores.

3. **New Supercapacitor Production Facility-** For this project, building contract for Rs.5 Crores given and the building construction is progressing.Also,Purchase Order given for machineries worth Rs.3 Crores.

4. "Tin sheet roofing work above KXL building for leak proofing", costing Rs.11 Lakhs completed.

Financial Results of the Company for the year 2021-22 & 2020-21 are given below:

	(Rs. in Lakhs)	
	2021-22	**2020-21**
Net Sales	8132.35	7177.32
Gross Operating Profit	**899.48**	**713.87**
Less:		
1. Financing Charges	488.56	450.38
2. Depreciation	103.59	95.10
Profit/(Loss) for the year	307.33	168.39
Extra ordinary income	0.00	0.00
Profit before taxation	307.33	168.39
Provision for Income Tax	51.30	30.08
Profit after taxation	**256.03**	**138.31**
Brought forward Loss	4426.81	4565.12
Balance (Loss) carried to Balance Sheet	4170.77	4426.81

Keltron Electro Ceramics Limited (KECL) at Kuttipuram

During the year 2021-22, your Company could achieve a sales turnover of Rs.1386.73 Lakh. The Company sold 333 pcs. of Token Display units and 2892 pcs. of Transducers. The profit/(loss) after tax during the year was Rs.40.40 Lakhs against the profit of Rs.120.28 Lakhs during the previous period.

Company is planning to start the production of Small Capacity UPS by 2022-23 for which there are requirement from various customers including holding company KSEDC. Presently we are one of the renowned manufactures of underwater sensors and Transmitters in India, using piezo electric technology. We have got full-fledged production and testing facility and competent work force for the manufacture of these sensors and Transmitters. The company has already executed transducer orders for major customers like NPOL – Kochi, BEL – Bangalore, NIOT – Chennai, BDL – Vizag, NSTL – Vizag, IIT – Delhi, NIT – Calicut, CUSAT, and so on. The company is expanding its manufacturing capacity with new equipment and test facilities to meet the new requirements of our customers using better technologies. Company in future is planning to build in-house facility for production of major raw material components of transducers which will further increase the profit margin.

Financial Results of the Company for the year 2021-22 & 2020-21 are given below:

	(Rs. in Lakhs)	
	2021-22	**2020-21**
Net Sales	1397.15	1153.44
Other Income	5.57	4.53
Total Income	**1402.72**	**1157.97**
Gross Operating Profit	**157.73**	**170.02**
Less:		
1. Financing Charges	96.03	62.64
2. Depreciation	47.88	34.36
Profit for the year	13.82	73.02
Extra ordinary income	0.00	0.00
Profit before taxation	13.82	73.02
Provision for Income Tax/Deferred Tax	26.58	47.26
Profit after taxation	**40.40**	**120.28**
Brought forward Loss	(341.54)	(461.82)
Balance (Loss) carried to Balance Sheet	(301.14)	(341.54)

BOARD OF DIRECTORS

No Director was appointed/ceased during the year under report.

NUMBER OF BOARD MEETINGS:

The company has convened 4 Board Meetings (22/07/2021, 06/10/2021, 14/12/2021, 31/03/2022) during the financial year under report.

EXTRACT OF ANNUAL RETURN:

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

AUDIT COMMITTEE

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

As on 31.03.2022 the Audit Committee composes as follows:

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

STATUTORY AUDITORS

The Comptroller & Auditor General of India has appointed M/s Issac & Suresh., Chartered Accountants, Thiruvananthapuram as Statutory Auditors of the Company for the year 2021-22.

HUMAN RESOURCES

In the FY 2021-22, 33 employees retired from the service on attaining superannuation. Total staff strength as on 31.03.2022 was 596. Company recognizes that key resources for achieving high levels of excellence are its people who need to be motivated and developed. During FY 2021-22, training was imparted to 563 employees through different training programmes and promotion given to 8 officers creating immense goodwill and motivation among employees.

CORPORATE GOVERNANCE

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

PARTICIPATIVE MANAGEMENT

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

PERSONNEL

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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

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

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

CONTRACTS OR AGREEMENTS MADE WITH RELATED PARTIES

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

DIRECTORS' RESPONSIBILITY STATEMENT

Directors report that:

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

2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

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

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

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

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

ACKNOWLEDGEMENT

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

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

Sd/-

N.NARAYANAMOORTHY
CHAIRMAN

Thiruvananthapuram
Dated: 20.06.2024

ANNEXURE - TO DIRECTORS' REPORT 2020-21

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

1) Conservation of Energy (i) the steps taken or impact on conservation of energy; (ii) the steps taken by the company for utilising alternate sources of energy; (iii) the capital investment on energy conservation equipments.	• Conventional tube lights/Fans changed to LED Lights/BLDC. • Steps taken to change the air conditioner with energy saving one. • By using the new technology, star rated Electrical Equipment's installed and subsequent awareness were given to employees. • Periodical Maintenance is ensured of all electrical equipments for enhancing efficiency/ longevity.
2) Technology Absorption : (i) the efforts made towards technology absorption;	Technology absorption from NPOL / CDAC of products for the Navy. a) Customization of orders was done in-house based on requirements of the customers and new orders were bagged. b) We developed 2x200 VA Digital Inverter for the first time for NPCIL, Kudankulam with

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution; (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (iv) The expenditure incurred on Research and Development.	latest DSP technology by optimizing cost. c) We are in the final stage development of in-house manufacturing of amorphous based inductors for high frequency applications for our future projects. In ITBG solar power plant (20 Kv) was installed partially.
3) Foreign Exchange earnings and outgo: The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows a) Foreign exchange earnings i) Export of Goods ii) Others b) Foreign exchange outgo i. CIF value of imports ii. Others	 Rs.23,13,021 Rs.4,13,808 Rs.7,18,76,762/-

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR THE FINANCIAL YEAR 2021-22

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

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

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

II. CSR Committee:

Not Applicable.

The Board in its 258th meeting decided to avail the exemption provided through Companies (Amendment) Act, 2020 in relation to constitution of mandatory CSR Committee.

As per the Amendment if the requirement of CSR spending under section 135(5) of the Act does not exceed Rs. 50 lakh in a financial year, such companies, the functions of CSR Committee as provided under section 135 of the Act shall be discharged by the Board of Directors of such company.

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

Rs. 5.24 Crore

IV. Prescribed CSR Expenditure:

Rs. 10.48 Lakhs

V. Details of CSR spending during the financial year:

a) Total amount to be spent for the financial year: **10,48,000/-**
b) Amount un-spent if any: **N/A**

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SL. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or Programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1.	To Ambedkar District Level Charitable Society	Promoting health care including preventive health care	Trivandrum	Rs.10,000	Rs.10,000	Rs.10,000	Directly
2.	800 Pulse Oximeter to various Govt. organisations.	Promoting health care including preventive health care	Various locations	Rs.6,80,001	Rs.6,80,001	Rs.6,80,001	Directly
3.	12 Pulse Oximeter	Promoting health care including preventive health care	Various locations	Rs.10,200	Rs.10,200	Rs.10,200	Directly
	TOTAL			**Rs.7,00,201**	**Rs.7,00,201**	**Rs.7,00,201**	

*Balance amount adjusted against excess CSR amount spend during 2020-21.

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

Not Applicable

VII. Responsibility statement of the CSR Committee:

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

Managing Director

Place: Thiruvananthapuram
Date:

ANNEXURE TO DIRECTORS' REPORT 2021-22

Form No.MGT-9

EXTRACT OFANNUAL RETURN AS ON THE FINANCIALYEAR ENDED ON 31.03.2022

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing – Computer electronic Communication and scientific measuring control equipment	DIVISION 26 2620 2610 2630 2651	28.02
2	Trade – Retail Trading	DIVISION 47 4741	7.20
3	Information and communication – Other information & communication service activities	DIVISION 61,63 6190 6399	58.43
4	Professional, Scientific and Technical – Other professional, scientific and technical activities	DIVISION 70,74 74909	4.8
5	Education	DIVISION 85 8550	1.55

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	**KELTRON COMPONENT COMPLEX LIMITED**	**U31904KL1974SGC002630**	**Subsidiary**	**76.54**	**2(87)**
2.	**KELTRON ELECTRO CERAMICS LIMITED**	**U29299KL1974SGC002601**	**Subsidiary**	**98.79**	**2(87)**
3.	**COCONICS PRIVATE LIMITED**	**U30001KL2018PTC055194**	**Associate**	**26**	**2(6)**

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

i. Category-wise Share Holding

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

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

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

ii.Shareholding of Promoters

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

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

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

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24,88,49,504	41,73,65,843		66,62,15,347
ii) Interest due but not paid	9,65,136	19,60,89,780		19,70,54,916
iii) Interest accrued but not		11,41,26,910		11,41,26,910
Total (i+ii+iii)	**24,98,14,640**	**72,75,82,533**		**97,73,97,173**
Change in Indebtedness during the financial year				
- Addition		8,53,37,184		8,53,37,184
- Reduction	(6,25,91,995)			(6,25,91,995)
Net Change	**(6,25,91,995)**	**8,53,37,184**		**2,27,45,189**
Indebtedness at the end of the financial year				
i) Principal Amount	18,59,08,550	45,73,65,843		64,32,74,393

ii) Interest due but not paid	13,14,095	24,14,26,964		24,27,41,059
iii) Interest accrued but not due		11,41,26,910		11,41,26,910
Total (i+ii+iii)	**18,72,22,645**	**81,29,19,717**		**1,00,01,42,362**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1.	Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary under section17(3) Income-tax Act, 1961	**Shri. N.Narayanamoorthy,Chairman & Managing Director** 18,77,000		18,77,000
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			

	- as % of profit - Others, specify…			
5.	Others, please specify			
6.	**Total(A)**	18,77,000		18,77,000
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl. No.	**Particulars of Remuneration**	**Name of MD/WTD/ Manager**					**Total Amount**
	Independent Directors ·Fee for attending board committee Meetings ·Commission ·Others, please specify						
	Total(1)						

	Other Non-Executive Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify	R SURESH MOHAN Rs.14000/-					Rs.14000/-
	Total(2)	Rs.14000/-					Rs.14000/-
	Total(B)=(1+2)	Rs.14000/-					Rs.14000/-
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

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

Sl. no.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2)Income-tax	NIL	NIL	NIL	NIL

	Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961				
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit -others, specify…	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:

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

MANAGEMENT'S RESPONSE TO THE COMMENTS OF STATUTORY AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENT OF KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LTD. FOR THE YEAR 2021 – 2022

Sl. No.	Comments of Statutory Auditor	Management's Response
	Basis for Qualified Opinion	
1.	**Share Application Money Pending Allotment Note No.3**	
	As per the Guidance Note on the Schedule III to the Companies Act, 2013, "If the Company's issued capital is more than the authorized capital and approval of increase in authorized capital is pending, the amount of share application received over and above the authorised capital should be shown under the head "other current liabilities". Since as on Balance sheet date (31/03/2022) issued capital of the Company after considering share application money pending allotment comes to Rs.37,385,98 lakhs is more than the authorized capital Rs.21,000 lakhs and approval of increase in authorized capital is pending (Approval for increase in authorized capital has been obtained subsequently) the Share application money pending allotment amounting to Rs.16385.98 lakhs should have been shown under current liabilities instead of showing as a separate line item on the face of the balance sheet. This has resulted in understatement of current liabilities to the extent of Rs.16385.98 lakhs and overstatement of shareholder's fund.	The Government of Kerala vide GO(MS) No.53/2020/ID dated 15th May 2020 has approved the Financial Restructuring proposal of the Company as detailed below: 1) Conversion of Government loan of Rs.72,00.18 lakhs to equity. 2) The working capital loan as per GO(Rt) No.329/2014/ID dated 11th March 2014 of Rs.1,850 lakhs shall be converted to equity 3) Waiver of interest accrued on aforesaid loan aggregating to Rs.9230.61 lakhs 4) Increase of Authorized Share Capital of the Company to accommodate the issue of shares to the Government on accounts of (1) and (2) above, and consequent amendment in Memorandum and Article of Association. The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020. Subsequently, the company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021 represented before

Sl. No.	Comments of Statutory Auditor	Management's Response
		Government to consider the conversion of interest accrued on Government Loan amounting to Rs.9230.61 lakhs to equity share capital in line with the recommendation of Public Enterprises Board. Government vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020 sanctioned conversion of interest accrued on Government Loan amounting to Rs.9230.61 lakhs and increase of Authorized Share Capital of the Company to accommodate the issue of shares to the Government on account of such conversion. The Authorized Share Capital and Paid-Up Share Capital of the Company were Rs.21,000 lakhs and Rs.20,355.18 lakhs respectively. In order to accommodate the issue of shares to the Government of Kerala, Extraordinary General Meeting was convened on 20th February 2023 and sanctioned the increase of Authorized Share Capital to Rs.37,500 lakhs and also approved the alteration of clause (v) in Memorandum and Article 11(6) in Articles of Association. All the procedural aspects of increasing the Authorized Share Capital such as filing of required forms with ROC and payment of filing fees etc. has been complied with. As above, the Equity Shares worth Rs 17,030.80 lakhs were also allotted to Government of Kerala, and thereafter the Paid-Up Share Capital of the Company stood at Rs.37,385.98 lakhs with effect from 10th March 2023. It may be noted that as the procedures with regard to increase of Authorised Share capital were completed during the subsequent financial year (i.e. 2022-23). In view of the above, we have accounted for the aggregate amount of Rs.17,030.80/- lakhs as "Share Application Money Pending Allotment" under Note-3 with necessary disclosure in the Note 42 forming part of Financial Statements.

Sl. No.	Comments of Statutory Auditor	Management's Response
2.	**Other Long – Term Liabilities (Note : 5)**	
2.1	Trade payables as per Note No. 5 "Other long term liabilities" includes Rs.6510.58 lakhs and trade receivables as per Note No.14 "other non – current assets' includes Rs.9577.70 lakhs (net of provision). Point No. 7.1.3 and 7.1.1 of the guidance note on the Schedule III of Companies Act, 2013 issued by the Institute of Chartered Accountants of India lays down the criteria for classifying liability and asset as current. On verification of branch audit reports, it was observed that the company has treated items falling under this criterion as non-current. It has been explained by the management that Company grouped only those payables and receivables for which Company have an unconditional right to defer settlement of the liability or asset for at least twelve months after the reporting date. However adequate supporting documents to substantiate the claim of the Company was not provided for verification. Hence, we are not in a position to comment on the same.	It may be noted that out of the Rs.6,510.58 lakhs of Trade Payable under Note - 5 "Other Long-Term Liabilities", Rs.6,200.65 lakh pertain to Keltron Communication Complex, Manvila (KCC). Further, out of the Rs.9,577.70 lakhs of Trade Receivable under Note-14 "Other Non-Current Assets" Rs. 9,013.92 lakh also pertain to KCC. KCC has classified each line items of Trade Receivable and Trade payable into current and non-current in accordance with the General Instructions for preparation of Balance Sheet as contained in the Schedule III of the Companies Act 2013. Accordingly, the unit has classified the Trade Receivable which are outstanding beyond a period of one year as non – current and such Trade Receivables are disclosed under Note – 14 - Other non-current assets in the Financial Statements for the year ended 31st March 2022. Similarly Trade Payable due after a period of 1 year has been classified under Note -5 Other Long-Term Liabilities. Moreover, the Company has disclosed as a footnote to Note - 14 of the Standalone Financial Statements, the methodology adopted for current and non-current classification as "Trade Receivable includes, long outstanding dues from customers which are beyond normal operating cycle of business, which are being followed up and the same is expected to be realize in future years". For instance, in the matter of receivable from Motor Vehicle Department, Government of Kerala with respect to Safe Kerala Project, as per the payment terms, realisation of Trade Receivable is spread over a future period of time. This a project with back to back payment terms, i.e, the payment will be due to the supplier only on receipt of the collection from the end customer.

Sl. No.	Comments of Statutory Auditor	Management's Response
		Hence, the company has complied with the General Instructions for preparation of Balance Sheet as contained in the Schedule III of the Companies Act 2013.
2.2	Other long term liabilities include interest accrued but not due on loans from Govt. of Kerala amounting to Rs.1,141.27 lakhs comprising of Rs.889.37 lakhs being the interest accrued until 31.03.2010 on Government loan of Rs.7187 lakhs, which was converted into equity vide G.O. (Ms) No. 183/11/ID dated 26.08.2011 and Rs.252.90 lakhs being the interest and penal interest accrued until 31.03.2006 on the Government loan of Rs.1066 lakhs. No action seems to have been taken by the company or GOK in respect of accrued interest of Rs.1,141.27 lakhs. Hence, we are unable to comment on the company's classification of Rs.1,141.27 lakhs as Long-Term Liabilities, since there is no clarity on the due date for repayment of interest (Refer Note: 42 & 43).	Interest accrued on Government Loan disclosed under Note 5 – 'Other Long-Term Liabilities' comprises of the following: (i) Rs.252 lakhs being the Interest accrued on Loans not converted in to equity vide G.O. (Ms) No.53/2020/ID dated 15th May 2020. The Government of Kerala approved the conversion of Government Loan of Rs.7200 lakhs in to equity vide G.O. (Ms) No.53/2020/ID dated 15th May 2020. Further to improve the net worth, the company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021represented before Government to consider the conversion of interest accrued on Government Loan amounting to Rs.9230.61lakhs to equity share capital in line with the recommendation of Public Enterprises Board. This has been sanctioned vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020. (ii) Regarding Rs.889 lakhs, it is the interest accrued on Government loan aggregating to Rs.7187.56 lakhs converted to Equity Share Capital vide GO(MS)No 183/11/ID dated 26th August 2011, as a part of Financial Restructuring with respect to the Sanctioned Scheme of BIFR. As observed by the Statutory Auditor we have classified the interest accrued amounting to Rs.1,141 lakhs as non-current on the assumption that the same is not repayable in the near future. This fact has already been disclosed under Note 42 and 43 forming part of Financial Statements for the reporting period.

Sl. No.	Comments of Statutory Auditor	Management's Response
3	**Short term Borrowings (Note No.7)**	
	Current portion of Government of Kerala loan to be disclosed under Current maturities of Long-term borrowings (unsecured) Rs.485.76 lakhs. However, Company disclosed Government loan wholly due for payment amounting to Rs.1958.15 lakh along with current maturity of Government of Kerala loan under Current maturities of Long-term borrowings (unsecured).	As per the General Instructions in the preparation of Balance Sheet contained in the Schedule III of the Companies Act, 2013, under the clause "Short-term borrowings" it specifically mentioned that the 'Current maturities of long-term borrowings shall be disclosed'. In accordance with instructions of Schedule III read with the Guidance Note issued by ICAI, the Company has rightly classified the current portion of Government Loan installments aggregating to Rs.2443.91 lakh under Note 7 – Short-term borrowings mentioning the line item as "Current maturities of Long Term Borrowings – Loan from Government of Kerala", with detailed disclosure by giving footnote (Note 7(f)), which are forming part of Financial Statements.
4.	**Other Current Liabilities Note No.9**	
	Current liabilities – Other finance & statutory dues include Rs.224.95 lakhs being sundry creditors for expenses for which disclosure is not made regarding ageing and payable to MSME.	We have noted the observation of the Statutory Auditor, we will take necessary measures to include the 'sundry creditors for expenses' classified under Current liabilities – Other finance & statutory dues for the purpose of MSME disclosure.
5.	**Non-current Investments (Note No.12)**	
5.1	Company is holding investment in the shares in its subsidiary Keltron Component Complex Limited (KCCL) to the tune of Rs.2618.50 lakhs (Previous year Rs.2618.50 lakhs) disclosed under Non – current investments (Note No.12). There is a diminution in the value of investments to the extent of Rs.2618.50 lakhs and there is erosion in the net worth of this subsidiary. The company could not reasonably establish that the decline in net worth is of temporary nature and there the company is required by the Accounting Standard: 13-Accounting for	Regarding the investment in Keltron Component Complex Ltd. (KCCL) and Keltron Electro Ceramics Ltd. (KECL), it is submitted that these entities are going concerns and the Company expected that these Subsidiary Companies will continue to operate in the foreseeable future. The turnover of both the Subsidiary Companies has increased compared to the previous years. The trend in profitability of both the

Sl. No.	Comments of Statutory Auditor	Management's Response
	Investments to provide for the diminution in the value of investments in this subsidiary. However, the company has not made provision for the diminution of Rs.2,618.50 lakhs and to that extent, the company has not complied with Accounting Standard 13 (Note:12), resulting in overstatement of profit by Rs.2618.50 lakhs and understatement of short term provisions (Note : 10) by Rs.2618.50 lakhs.	Subsidiary Companies has shown a growth pattern. Moreover, KCCL is in the growth trajectory by setting up of Super Capacitor Production Plant, R&D facility and modernization of existing production line. These initiatives will enable the Company enhance the production capacity as well as the efficiency in production process. As explained above, the Company has considered the diminution in the value of investment as temporary in nature as envisaged in the Accounting Standard -13 – 'Accounting for Investments'.
5.2	Investment made by the company in Coconics Private Ltd. has diminution in the value based on the negative net worth and other aspects existing in the company. However, company has not provided for diminution in the value of accounts as required by Accounting Standard – 13 'Accounting for Investment' issued by the Institute of Chartered Accountants of India even though company could not establish such decline in net worth is of temporary nature which has resulted in overstatement of profit and understatement of short term provisions by Rs.260 lakhs.	As observed by the Statutory Auditor, the net-worth of Coconics Private Limited (Coconics), the Associate Company under KELTRON Group was negative on the reporting date. This circumstance has arise owing to the reason that, there was no mechanism available for the Coconics to procure Orders from Government Sectors on priority basis. Considering these aspects, based on the due diligence study conducted on Coconics, a proposal for investment restricting was given by KELTRON to Government of Kerala. Accordingly, the Government vide GO (MS) No.20/2023/ID dated 20th March 2023, has accorded sanction to increase the equity investment of KELTRON in Coconics Private Limited from 26% to 28.90% by the conversion of rent receivable to equity share capital. This has resulted in the holdings by State PSUs in the SPV , ie KELTRON and KSIDC together as 51%, and hence the Coconics become a 'Deemed Government Company" . Further the control and management of Coconics has also been taken over by KELTRON. We anticipate that, this will turnaround the Coconics. In view of the above, we consider the diminution in the value of our investment in Coconics is of temporary in nature and hence no provision has been created in the Financial Statements against our investment in Equity Shares.

Sl. No.	Comments of Statutory Auditor	Management's Response
6	**Long term loans and advances Note No.13**	
6.1	Investment pending allotment of Rs.1,974.92 lakhs (Previous year: Rs.1703.75 lakhs) disclosed under Note:13 "Long term loans and Advances" includes Rs.1703.75 lakhs which was made to subsidiary companies which are under liquidation. This comprise of Rs.576.43 lakhs to Keltron Rectifiers Limited and Rs.1,127.32 lakhs to Keltron Power Devices Limited. The Company has stated reasons for non – provision of the above said investment pending allotment to subsidiary companies vide Note 44 (i). In the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, provision need to be created for non – recoverability of the investment pending allotment of Rs.1,703.75 lakhs. The non provision of the same has resulted in overstatement of profit and Long-term loans and advances to the tune of Rs.1703.75 lakhs	The Hon'ble High Court of Kerala in its judgment dated 06th March 2006 and 14th November 2005 issued orders for the winding up of Keltron Rectifiers Limited and Keltron Power Devices Limited respectively and appointed the Official Liquidator. The Government of Kerala vide G.O.(MS) No. 165/08/ID dated 22nd October 2008 ordered to take over the aforesaid subsidiary companies with all liabilities including future liabilities, simultaneously with its assets by the Company. Government of Kerala also filed an affidavit before the Hon. High Court of Kerala for the above take over. As mentioned in Note 44(i) forming part of Financial Statement, the Hon.High Court of Kerala has ordered winding up of both the Companies. The Company has filed an application before the Hon. High Court of Kerala on 09th October 2017 for recalling the winding up order of KPDL and KRCL, discharge the Official Liquidator and to take over the assets and liabilities by the holding company. As per the direction of Hon.High Court of Kerala, a Revival Scheme for the setting up of plan for the manufacturing of 100MW Solar Panel at the landed property of KPDL and KRCL was submitted. Meanwhile, Government of Kerala vide GO (RT) No. 883/2018/10 dated 26/07/2018 has issued Administrative Sanction towards the Budget-Support for the company for the setting up of manufacturing facilities for Solar Modules. But the Hon'ble High Court of Kerala has dismissed the petition vide Order dated 31st July 2023 with a direction to file the Scheme of Revival of those subsidiary companies in the statutory formats as per the provision of the relevant law. At present, the Company is in the process of filing the application before the Hon'ble High Court of Kerala in the format as

Sl. No.	Comments of Statutory Auditor	Management's Response
		mentioned in Sec.391 to Sec.394 of the Companies Act, 1956. KELTRON is working closely with National Institute of Oceanography (NIO), Goa, National Technical Research Organisation (NTRO) as well as Indian Navy towards exploring feasibility of the repairs/refurbishment of the Large Acoustic Arrays in use by these Organizations. Since the Company has expertise and is already in the business of Naval applications, the manufacture of similar arrays for NIO and NTRO is also being explored. For undertaking the above activities facilities such as a test bench coupled with oil filling, shock vibration tests, acoustic testing etc. needs to be setup for which the landed property of KPDL and KRCL can be utilized effectively. In view of the above, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation. However, the Company will ensure that necessary book adjustments with respect to the said 'Long term Loan and Advances' will be dealt with, once the subject matter reaches finality as envisaged in the Revival Scheme. This fact was also been disclosed under Note 44(ii) forming part of Financial Statements.
6.2	Advance to Subsidiary Companies amounting to Rs.1264.30 lakhs (Previous year : Rs.1264.30 lakhs) disclosed under Note : 13 " Long term loans and Advances" represents the advances made to subsidiary companies, which are under liquidation. This includes advance of Rs.413.63 lakhs to Keltron Rectifiers Limited (PY : Rs.413.63 lakhs) and Rs.850.67 lakhs to Keltron Power Devices Limited (PY: Rs.850.67 lakhs). The Company has stated reasons for non – provision of the above said advances to subsidiary companies vide Note No.44 (ii).	As mentioned in para 6.1 above, the Company is in the process of filing the application before the Hon'ble High Court of Kerala in the format as mentioned in Sec.391 to Sec.394 of the Companies Act, 1956. KELTRON is working closely with National Institute of Oceanography (NIO), Goa, National Technical Research Organisation (NTRO) as well as Indian Navy towards exploring feasibility of the repairs/refurbishment of the Large Acoustic Arrays in use by these Organizations.

Sl. No.	Comments of Statutory Auditor	Management's Response
	However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these advances provision need to be created for Rs.1264.30. To the extent of this non – provisioning of Rs. 1264.30 lakhs, the profit of the company and Long term loans and Advances are overstated.	Due to the pendency of the above situation, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation. However, the Company will ensure that necessary book adjustments with respect to the said 'Long term Loan and Advances' will be dealt with, once the subject matter reaches finality as envisaged in the Revival Scheme under the consideration of Hon.High Court. This fact was also been disclosed under Note 44(ii) forming part of Financial Statements.
7.	**Short Term Loans and Advance – Note :18**	
7.1	Advance to subsidiaries companies of Rs.396.88 lakhs (Previous Year: Rs.659.41 lakhs) includes Rs.109.88 lakhs (PY : Rs.123.03 lakhs) given to Keltron Component Complex Limited (KCCL). The net worth of KCCL is negative based on the audited financial statements as on 31st March, 2022. The company could not reasonably establish that the decline in net worth is of temporary nature and no provision has been made towards non – recoverability of this advance of Rs.109.88 lakhs. To this extent the profit of the company and Short-Term Loans and Advances are overstated to the tune of Rs.109.88 lakhs. Advance to subsidiary company are subject to confirmation.	Regarding the investment in Keltron Component Complex Ltd. (KCCL) and Keltron Electro Ceramics Ltd. (KECL), it is submitted that these entities are going concerns and the Company expected that these Subsidiary Companies will continue to operate in the foreseeable future. Regarding the diminution in the value of investment also, as explained in the earlier paragraph, the decline in value of share may be considered as a temporary in nature in terms of AS-13 – Accounting for Investment. In view of the above, no provision has been created in the books of accounts with respect to the Advances to the said Subsidiary Companies also.
7.2	As per Note No.56, company disclosed that "The Company has recognized the TDS credit as per 26AS. While the 26AS shows a tax credit of Rs.2004.62 lakhs for the Assessment year 2007 – 08 to 2022 – 23, the Company's books of account show the balance of Rs.706.04	In the earlier years, in accordance with the provision of Income Tax Act, 1961 with respect to TDS and issuance of Form 16A, the Company used to account the TDS credits based on the Form 16A issued by the Customers. It may be noted that most of the Customers of

Sl. No.	Comments of Statutory Auditor	Management's Response
	lakhs only. The Company did not account for the balance credit of Rs.1298.58 lakhs in the books considering the uncertainty attached in getting full tax credit while completing the assessment". However, no details/reconciliation is available to substantiate the same. During current year, company credited a refund of Rs.602.72 lakhs relating to assessment year 2020 – 21 even though the TDS accounted in the respective head is only Rs.319.88 lakhs. This has resulted in understatement of short-term loans and advances amounting to Rs.282.84 lakhs with corresponding overstatement of assets of the Company.	the Company are Government Departments. Since, the TDS Certificates in Form 16A are not issued to the Company in a timely manner, there is an understatement in the 'IT deducted Account' which is grouped under Note 18- Short term loans and advances and corresponding Trade Receivables under Note 16 are also overstated. However, with respect to the filing of Income Tax Returns and Assessment proceedings, the Company used to consider the entire credit available in the 26AS Statements of respective years. In order to mitigate these anomalies in the Accounts, the Company has modified the Accounting Policy with effect from financial year beginning from 01st April 2021, in order to account the TDS credits reflected in the 26AS Statement after tracing the same with the Customer Accounts under Trade Receivables, on a quarterly basis. This system seems to be effective, and over a period of time the wide variation in the reconciliation between IT deducted Account and 26AS Statements will be reduced. As observed by the Statutory Auditors, this matter has already been disclosed by Note 56 forming part of Financial Statements.
8.	**Accounting standards**	
	We are unable to comment on	
	a) The compliance of Accounting Standard – 16 (AS – 16) 'Borrowing Cost' issued by the Institute of Chartered Accountants of India in the absence of necessary information. (Refer Significant Accounting Policies Point II (h) of expenses.)	The company has complied with the provisions Accounting Standard – 16 (AS – 16) 'Borrowing Cost' issued by the Institute of Chartered Accountants of India read with the Significant Accounting Policy in this regard.
	b) The compliance of Accounting Standard – 17 (AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India in view of the claim of the Company that it is not having reportable segments (Significant Accounting Policies Point VIII under Balance Sheet).	The company is primarily dealing with manufacturing, supply installation and maintenance of electronic systems. As envisaged in AS-17, there is no distinguishable business segment or geographical segment which is subject to different risk and return. Hence, Segment Reporting in accordance with AS-17 is not applied. This has also been mentioned in Note-A (VII)-Significant Accounting Policies forming

Sl. No.	Comments of Statutory Auditor	Management's Response
		part of the Financial Statements.
	c) The compliance of Accounting Standard – 28 (AS) – 28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, in the absence of appropriate evidence. (Refer Significant Accounting Policies Point II (b) under Profit and Loss).	As envisaged in AS-28, Impairment of Assets, the company has made an assessment of each item of assets at unit level as on the reporting date with respect to indications of any impairment. Accordingly, necessary adjustments if any will be made in the Financial Statements, disclosed in Note-28 Exceptional Items.
9.	Interest due on outstanding Trade payable to MSME as per MSMED Act has not been provided in the financial statements. (Refer Note : 49). General Instructions for preparation of Balance Sheet as per Notification bearing No.F.No.17/62/2015-CL-V Vol-1, dated 11.10.2018 requires companies to disclose points (a) to (e) under FA. The Company has disclosed the principal amount payable to MSME suppliers. Since details to ascertain the financial effect of the interest portion is not readily available with the company, we are unable to comment on the financial effect of the non-provision and non-disclosure of the same remaining unpaid to any supplier at the end of each accounting year and other disclosures specified against FA. The company has not filed MSME-1 as required under MSMED Act.	There are Micro, Small and Medium Enterprises to whom the Company owes, which are outstanding for more than 45 days as at 31st March 2022 as per the terms of agreement with them. The interest due to such outstanding as per MSMED Act has not been provided in the Financial Statements. This fact was already been disclosed in the Note 49 forming part of Financial Statements for the reporting period.
10.	In respect of Keltron Marketing Office, Bangalore and KEC Karakulam there were differences between notes and ageing schedule of trade payables (Note No.7) in branch audited financial statements.	The discrepancies noted with respect to notes and ageing schedule of trade payables (Note No.7) of Keltron Marketing Office, Bangalore and KEC Karakulam have been rectified in the Standalone Financial Statements of the company.
11.	In respect of Units and KMO's audited by Unit/KMO auditors, they have made certain qualifications in respect of transactions specific to that Unit or KMO which are reproduced in Annexure – I to this report. The effect of changes, if any, made by the Company in respect of the Units and KMO's audited in Corporate Office after branch audit has not been considered.	In the preparation of Standalone Financial Statement for the year ended 31st March 2022, the Company has considered the observations of Branch Auditors to the extent possible. For remaining points, it is ensured that the observations will be considered as guidance for future.
12.	We further report that:-	

Sl. No.	Comments of Statutory Auditor	Management's Response
	a) The aggregate effect of our qualifications described above in Point No.1 and Point 5 to 7, is that assets are overstated by Rs.3077.93 lakhs, Liabilities are understated by Rs.19264.48 lakhs, Profit/ Reserves are overstated by Rs.5956.43 lakhs and shareholders fund is overstated by Rs.16385.98 lakhs.	Refer to the Management's Response to the respective observations stated above.
	b) We are unable to determine the financial impact of the qualifications in points (2) to (4) and (8) to (11) in the absence of sufficient and appropriate details.	Refer to the Management's Response to the respective observations stated above.

MANAGEMENT'S RESPONSE TO THE COMMENTS OF STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT OF KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED FOR THE YEAR 2021 – 22

Sl. No.	Comments of Statutory Auditor	Management's Response
	Basis for Qualified Opinion	
1.	Consolidated Financial Statement does not include financial statements of certain subsidiary companies; namely Keltron Counters Limited, Keltron Rectifiers Limited, Keltron Power Devices Limited and associate companies such as, SIDKEL Televisions Limited, and Keltron Entertainment Systems Limited which are either under liquidation or defunct. Hence, we are not in a position to determine the impact of non consolidation of such companies in the Consolidated Financial Statements. Note No. 1 (III) of consolidated financial statements is silent about the non consolidation of Keltron Counters Limited (Subsidiary Company) and Keltron Entertainment Systems Limited (Associate Company). Further above note has disclosed that the financial statements of associate companies such as Keltron Varisters Private Limited and Keltron Projectors Limited are not consolidated. However as per Note No.74 company disclosed these two companies as struck off which is contrary to the disclosure made by company in Note No.1 (III).	The Audited Financial Statements of Subsidiaries/Associate Companies mentioned by the auditors are either defunct or under liquidation which are not available as on the reporting date. Further, as a part of sanctioned scheme by BIFR, the Company has moved a Financial Restructuring proposal before Government of Kerala for adjusting the investments, loans and advances of these subsidiaries/associates which are under liquidation against the liability in respect of loans from Government of Kerala availed by the Company. The proposal has been considered by the Government of Kerala and finally approved by Public Enterprises Board (PEB), Government of Kerala on the meeting held on 16th January 2020 and later on sanctioned vide GO(MS) No.53/2020/ID dated 15th May 2020. Hence, as envisaged in the para 11 of AS – 21, the consolidation of such defunct subsidiaries/associates are excluded from consolidation and treated as nil value investment in respective companies as per AS – 13, "Accounting for investments
2.	**Share Application Money Pending Allotment Note No. 4**	
	As per the Guidance Note on the Schedule III to the Companies Act, 2013, "If the Company's issued capital is more than the authorized capital and approval of increase in authorized capital is pending, the amount of share application received over and above the authorized capital should be shown under the head "other current liabilities". Since	The Government of Kerala vide GO(MS) No.53/2020/ID dated 15th May 2020 has approved the Financial Restructuring proposal of the Company as detailed below: 1) Conversion of Government loan of Rs.72,00.18 lakhs to equity.

Sl. No.	Comments of Statutory Auditor	Management's Response
	as on balance sheet date (31/03/2022) issued capital of the Holding Company after considering share application money pending allotment comes to Rs.37385.98 lakhs is more than the authorized capital Rs.21000 lakhs and approval of increase in authorized capital is pending (Approval for increase in authorized capital has been obtained subsequently) the share application money pending allotment amounting to Rs.16385.98 lakhs should have been shown under current liabilities instead of showing as a separate line item on the face of the balance sheet. This has resulted in understatement of current liabilities to the extent of Rs.16385.98 lakhs and overstatement of shareholder's fund.	2) The working capital loan as per GO(Rt) No.329/2014/ID dated 11th March 2014 of Rs.1,850 lakhs shall be converted to equity 3) Waiver of interest accrued on aforesaid loan aggregating to Rs.9230.61 lakhs 4) Increase of Authorized Share Capital of the Company to accommodate the issue of shares to the Government on accounts of (1) and (2) above, and consequent amendment in Memorandum and Article of Association. The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020. Subsequently, the company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021 represented before Government to consider the conversion of interest accrued on Government Loan amounting to Rs.9230 .61 lakhs to equity share capital in line with the recommendation of Public Enterprises Board. Government vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020 sanctioned conversion of interest accrued on Government Loan amounting to Rs.9230.61 lakhs and Increase of Authorized Share Capital of the Company to accommodate the issue of shares to the Government on account of such conversion. The Authorized Share Capital and Paid-Up Share Capital of the Company were Rs 21,000 lakhs and Rs. 20,355.18 lakhs respectively. In order to accommodate the issue of shares to the Government of Kerala, Extraordinary General Meeting was convened on 20th February 2023 and sanctioned the increase of Authorized Share Capital to Rs.37,500 lakhs and also approved the alteration of clause (v) in Memorandum and Article 11(6) in

Sl. No.	Comments of Statutory Auditor	Management's Response
		Articles of Association. All the procedural aspects of increasing the Authorized Share Capital such as filing of required forms with ROC and payment of filing fees etc. has been complied with. As above, the Equity Shares worth Rs. 17,030.80 lakhs were also allotted to Government of Kerala, and thereafter the Paid-Up Share Capital of the Company stood at Rs. 37,385.98 lakhs with effect from 10th March 2023. It may be noted that as the procedures with regard to increase of Authorised Share capital were completed during the subsequent financial year (i.e. 2022-23). In view of the above, we have accounted for the aggregate amount of Rs. 17,030.80/- lakhs as "Share Application Money Pending Allotment" under Note-4 with necessary disclosure in the Note 37 forming part of Financial Statements.
3.	**Other Long – Term Liabilities (Note : 6)**	
a.	Trade payables as per Note No.6 "Other long term liabilities" includes trade payables of holding company Rs.6510.58 lakhs and trade receivables as per Note No.15 'other non – current assets' includes trade receivables of holding company Rs.9577.70 lakhs (net of provision). Point No.7.1.3 and 7.1.1 of the guidance note on the Schedule III of Companies Act, 2013 issued by the Institute of Chartered Accountants of India lays down the criteria for classifying liability and asset as current. On verification of branch audit reports of holding company, it was observed that the company has treated items falling under this criteria as non – current. It has been explained by the management that Holding Company grouped only those payables and receivables for which Company have an unconditional right to defer settlement of the liability or asset for at least twelve months after the reporting date. However adequate supporting documents to substantiate the claim of the holding company was not provided for verification. Hence w are not in a position to comment on the same.	It may be noted that out of the Rs 6,510.58 lakhs of Trade Payable under Note - 6"Other Long Term Liabilities", Rs. 6,200.65 lakhs pertains to Keltron Communication Complex, Manvila.(KCC).Further ,out of the Rs 9,577.70 lakhs of Trade Receivable under Note-15 Other Non Current Assets Rs.9,013.92 lakhs pertains KCC. KCC has classified each line items of Trade Receivable & Trade payable into current and non-current in accordance with the General Instructions for preparation of Balance Sheet as contained in the Schedule III of the Companies Act 2013. Accordingly, the unit has classified the Trade Receivable which are outstanding beyond a period of one year as non – current and such Trade Receivables are disclosed under Note – 15 - Other non-current assets in the Financial Statements for the year ended 31st March 2022. Similarly Trade Payable due after a period of 1 year has been classified under Note -6 Other Long Term Liabilities. Moreover, the Company has disclosed as a footnote to Note - 15 of the

Sl. No.	Comments of Statutory Auditor	Management's Response
		Consolidated Financial Statements, the methodology adopted for current and non-current classification as "Trade Receivable includes, long outstanding dues from customers which are beyond normal operating cycle of business, which are being followed up and the same is expected to be realize in future years". For instance, in the matter of receivable from Motor Vehicle Department, Government of Kerala with respect to Safe Kerala Project, as per the payment terms, realisation of Trade Receivable is spread over a future period of time. This a back to back project,i.e, the payment will be due to the supplier only on receipt of the collection from the end customer. Hence, the company has complied with the General Instructions for preparation of Balance Sheet as contained in the Schedule III of the Companies Act 2013.
b	Other long term liabilities includes interest accrued but not due on loans from Govt. of Kerala of holding company amounting to Rs.1141.27 lakhs comprising of Rs.889.37 lakhs being the interest accrued until 31.03.2010 on Government loan of Rs.7187 lakhs, which was converted into equity vide G.O. (Ms) No.183/11/ID dated 26.08.2011 and Rs.251.90 lakhs being the interest and penal interest accrued until 31.03.2006 on the Government loan of Rs.1066 lakhs. No action seems to have been taken by the company or Government of Kerala in respect of accrued interest of Rs.1141.27 lakhs. Hence, we are unable to comment on the company's classification of Rs.1141.27 lakhs as Long Term Liabilities, since there is no clarity on the due date for repayment of interest.	Interest accrued on Government Loan disclosed under Note 6 – 'Other Long-Term Liabilities' comprises of the following: (i) Rs 252 lakhs being the Interest accrued on Loans not converted in to equity vide G.O. (Ms) No.53/2020/ID dated 15th May 2020. The Government of Kerala approved the conversion of Government Loan of Rs 7200 lakhs in to equity vide G.O. (Ms) No.53/2020/ID dated 15th May 2020. Further to improve the net worth, the company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021represented before Government to consider the conversion of interest accrued on Government Loan amounting to Rs9230.61lakhs to equity share capital in line with the recommendation of Public Enterprises Board. This has been sanctioned vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020. (ii) Regarding Rs 889 lakhs, it is the interest accrued on Government loan aggregating to Rs.7187.56 lakhs converted to Equity Share Capital vide GO(MS)No 183/11/ID dated 26th August 2011, as a part of Financial Restructuring with respect to

Sl. No.	Comments of Statutory Auditor	Management's Response
		the Sanctioned Scheme of BIFR. As observed by the Statutory Auditor we have classified the interest accrued amounting to Rs.1,141 lakhs as non-current on the assumption that the same is not repayable in the near future.
4	**Short term Borrowings (Note No.8)**	
	Current portion of Government of Kerala loan to be disclosed under Current maturities of Long – term borrowings (unsecured) of holding company is Rs.485.76 lakhs. However holding company disclosed Government loan wholly due for payment amounting to Rs.1958.15 lakh along with current maturity of Government of Kerala loan under current maturities of Long – term borrowings (unsecured)	As per the General Instructions in the preparation of Balance Sheet contained in the Schedule III of the Companies Act, 2013, under the clause "Short-term borrowings" it is specifically mentioned that the 'Current maturities of long-term borrowings shall be disclosed' In accordance with instructions of Schedule III read with the Guidance Note issued by ICAI, the Company has rightly classified the current portion of Government Loan installments aggregating to Rs.4353.48 lakh under Note 8 – Short-term borrowings mentioning the line item as "Current maturities of Long Term Borrowings – Loan from Government of Kerala", with detailed disclosure by giving footnote (Note 8(j)), which are forming part of Financial Statements.
5.	**Other Current Liabilities Note No.10**	
	Current liabilities – Other finance & statutory dues of holding Company includes Rs.224.95 lakhs being sundry creditors for expenses for which disclosure is not made regarding ageing and payable to MSME.	We have noted the observation of the Statutory Auditor, we will take necessary measures to include the 'sundry creditors for expenses' classified under Current liabilities – Other finance & statutory dues for the purpose of MSME disclosure.
6.	**Long Term loans and advances Note No.14**	
a.	Investment pending allotment of Rs.1703.75 lakhs (Previous year: Rs.1703.75 lakhs) of holding company disclosed under Note:14 "Long term loans and advances" was made to subsidiary companies which are	The Hon'ble High Court of Kerala in its judgment dated 06th March 2006 and 14th November 2005 issued orders for the winding up of

Sl. No.	Comments of Statutory Auditor	Management's Response
	under liquidation. This comprise of Rs.576.43 lakhs to Keltron Rectifiers Limited and Rs.1127.32 lakhs to Keltron Power Devices Limited. The Company has stated reasons for non – provision of the above said investment pending allotment to subsidiary companies vide Note 38 (i). In the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, provision need to be created for non – recoverability of the investment pending allotment of Rs.1703.75 lakhs. The non provision of the same has resulted in overstatement of profit and long term loans and advances to the tune of Rs.1703.75 lakhs.	Keltron Rectifiers Limited and Keltron Power Devices Limited respectively and appointed the Official Liquidator. The Government of Kerala vide G.O.(MS) No. 165/08/ID dated 22nd October 2008 ordered to take over the aforesaid subsidiary companies with all liabilities including future liabilities, simultaneously with its assets by the Company. Government of Kerala also filed an affidavit before the Hon. High Court of Kerala for the above take over. As mentioned in Note 38(i) forming part of Financial Statement, the Hon'ble High Court of Kerala has ordered winding up of both the companies. The Company has filed an application before the Hon. High Court of Kerala on 09th October 2017 for recalling the winding up order of KPDL and KRCL, discharge the Official Liquidator and to take over the assets and liabilities by the holding company. As per the direction of Hon.High Court of Kerala, a Revival Scheme for the setting up of plan for the manufacturing of 100MW Solar Panel at the landed property of KPDL and KRCL was submitted. The scheme is yet to be heard by the Hon.High Court of Kerala. Meanwhile, Government of Kerala vide GO (RT) No. 883/2018/10 dated 26/07/2018 has issued Administrative Sanction towards the Budget-Support for the company for the setting up of manufacturing facilities for Solar Modules. But the Hon'ble High Court of Kerala has dismissed the petition vide Order dated 31st July 2023 with a direction to file the Scheme of Revival of those subsidiary companies in the statutory formats as per the provision of the relevant law. At present, the Company is in the process of filing the application before the Hon'ble High Court of Kerala in the format as mentioned in Sec.391 to Sec.394 of the Companies Act, 1956. KELTRON is working closely with National Institute of Oceanography (NIO), Goa, National Technical Research Organisation (NTRO) as well as

Sl. No.	Comments of Statutory Auditor	Management's Response
		Indian Navy towards exploring feasibility of the repairs/refurbishment of the Large Acoustic Arrays in use by these Organizations. Since the Company has expertise and is already in the business of Naval applications, the manufacture of similar arrays for NIO and NTRO is also being explored. For undertaking the above activities facilities such as a test bench coupled with oil filling, shock vibration tests, acoustic testing etc. needs to be setup for which the landed property of KPDL and KRCL can be utilized effectively. In view of the above, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation. However, the Company will ensure that necessary book adjustments with respect to the said 'Long term Loan and Advances' will be dealt with, once the subject matter reaches finality as envisaged in the Revival Scheme. This fact was also been disclosed under Note 38(ii) forming part of Financial Statements.
b.	Advance to subsidiary companies disclosed under Note : 14 "Long term loans and advances" includes Rs.1264.30 lakhs (Previous year : Rs.1264.30 lakhs) made to subsidiary companies, which are under liquidation. This includes advance of Rs.413.63 lakhs to Keltron Rectifiers Limited (PY: Rs.413.63 lakhs) and Rs.850.67 lakhs to Keltron Power Devices Limited (PY: Rs.850.67 lakhs). The Company has stated reasons for non – provision of the above said advances to subsidiary companies vide Note No.38(ii) However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these advances provision need to be created for Rs.1264.30 lakhs. To the extent of this non – provisioning of Rs.1264.30 lakhs, the profit of the company and long term loans and advances are overstated.	As mentioned in para 6(a) above, the Company is in the process of filing the application before the Hon'ble High Court of Kerala in the format as mentioned in Sec.391 to Sec.394 of the Companies Act, 1956. KELTRON is working closely with National Institute of Oceanography (NIO), Goa, National Technical Research Organisation (NTRO) as well as Indian Navy towards exploring feasibility of the repairs/refurbishment of the Large Acoustic Arrays in use by these Organizations. Due to the pendency of the above situation, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation. However, the Company will ensure that necessary book adjustments with respect to the said 'Long term Loan and Advances' will be dealt with, once the subject matter reaches finality as envisaged in the Revival Scheme under

Sl. No.	Comments of Statutory Auditor	Management's Response
		the consideration of Hon.High Court. This fact was also been disclosed under Note 38(ii) forming part of Financial Statements.
7	**Inventories Note : 16**	
	Inventory of Keltron Electro Ceramics Limited (KECL) includes non – moving items of manufacturing finished goods and trading finished goods worth for Rs.28.17 lakhs and Rs.0.48 lakhs respectively. The company has not provided any provision for non – moving and obsolete inventory items. As a result, the profit for the year was overstated by this amount.	It has been explained by KECL that, they have already written off non-moving stocks and also reduced the value of slow-moving stocks during the previous year due to the deterioration and non-marketability. KECL has to check the quality of finished goods stock to be disposed of and ascertain its market value for further action. A committee need to be constituted for ascertaining the value of non-moving inventory and the same will be written off after Board Approval.
8	**Trade Receivable Note : 17**	
a)	As stated in the Note No.47, the subsidiary company, Keltron Electro Ceramics Limited (KECL) has not provided Rs.20.19 lakhs towards liquidated damages for the year 2020 – 21 for delayed deliveries to one of the main customers. The company has not provided the liquidated damages claim in its books. As a result, the Trade receivable amount and profit for the year were overstated by this amount.	It has been explained by KECL that, the Liquidated Damages amounting to Rs. 20.19 lakhs is on account of delayed supply of the item-NACS Stave by KECL to M/s Bharath Electronics Limited, Bangalore. The delay was not due to the fault of KECL but due to the late receipt of certain documents like approved ATP/QAP from the competent authority.80% of the raw materials are custom built and require lead time of minimum 3 months. KECL has requested the customer to waive the LD citing the above reasons Hence no provision was made in the financial statements for FY 2021-22.
b)	On an analysis of Accounts Receivables of Keltron Component Complex Limited (KCCL), it is observed that long outstanding receivables to the tune of Rs.187.95 lakh is included in receivables. The company has made provision for doubtful debts in respect of these debts. These accounts may be scrutinized and suitable cases may be written off.	It has been explained by KCCL that, they have availed Long Term Loans from Government of Kerala only. KCCL has received balance confirmation for short term loans other than from DOE and had sent balance confirmation letters to all debtors and creditors. Debtors and creditors having no dispute regarding balance as per KCCL's books have not responded. KCCL has classified debtors above 3 years as doubtful and made sufficient provision in the books.

Sl. No.	Comments of Statutory Auditor	Management's Response
c)	Trade receivables of Keltron Electro Ceramics Limited (KECL) include an amount of Rs.433.16 lakhs outstanding for a period more than 1 year. The company has not identified and booked any provision towards irrecoverable Trade Receivables. Furthermore, reconciliation of trade receivable accounts and confirmation of balances were not available. Hence, w are unable to quantify impact on the financial statements arising out of not providing provision for the Trade Receivables.	It has been explained by KECL that, out of Rs.433.16 lakhs, Rs. 263.04 lakhs pertain to holding company and remaining from regular customers like BEL- Bangalore and NPOL-Kochi and there is no doubt regarding the collection. The balance outstanding Rs.60 lakhs due from customers of ceramic capacitors and thermistors, majority of whom has closed down business which needs roper reconciliation in order to quantify the non-recoverable debt and corresponding provision.
9	**Short Term Loans and Advance – Note:19**	
a)	As per Note No.45. company disclosed that "the Holding Company has recognized the TDS credit as per 26 AS. While the 26 AS shows a tax credit of Rs.2004.62 lakhs for the Assessment year 2007 – 08 to 2022 – 23, the Company's books of account show the balance of Rs.706.04 lakhs only. The Company did not account for the balance credit of Rs.1298.58 lakhs in the books considering the uncertainty attached in getting full tax credit while completing the assessment ". However, no details/reconciliation is available to substantiate the same. During current year, holding company credited a refund of Rs.602.72 lakhs relating to assessment year 2020–21 even though the TDS accounted in the respective head is only Rs.319.88 lakhs. This has resulted in understatement of short term loans and advances amounting to Rs.282.84 lakhs with corresponding overstatement of assets of the Company.	In the earlier years, in accordance with the provision of Income Tax Act, 1961 with respect to TDS and issuance of Form 16A, the Company used to account the TDS credits based on the Form 16A issued by the Customers. It may be noted that most of the Customers of the Company are Government Departments. Since, the TDS Certificates in Form 16A are not issued to the Company in a timely manner, there is an understatement in the 'IT deducted Account' which is grouped under Note 19- Short term loans and advances and corresponding Trade Receivables under Note 17 are also overstated. However, with respect to the filing of Income Tax Returns and Assessment proceedings, the Company used to consider the entire credit available in the 26AS Statements of respective years. In order to mitigate these anomalies in the Accounts, the Company has modified the Accounting Policy with effect from financial year beginning from 01st April 2021, in order to account the TDS credits reflected in the 26AS Statement after tracing the same with the Customer Accounts under Trade Receivables, on a quarterly basis. This system seems to be effective, and over a period of time the wide variation in the reconciliation between IT deducted Account and 26AS Statements will be reduced. As observed by the Statutory Auditors, this matter has already been disclosed by Note 45 forming part of Financial Statements.

Sl. No.	Comments of Statutory Auditor	Management's Response
10.	**Accounting Standards**	
	We are unable to comment on	
	a) The compliance of Accounting Standard – 16 (AS – 16) 'Borrowing Cost' issued by the Institute of Chartered Accountants of India by holding company in the absence of necessary information. (Refer Significant Accounting Policies Point II (h) of expenses under profit and loss under Note A)	The company has complied with the provisions Accounting Standard – 16 (AS – 16) 'Borrowing Cost' issued by the Institute of Chartered Accountants of India read with the Significant Accounting Policy in this regard.
	b) The compliance of Accounting Standard – 17 (AS – 17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India in view of the claim of the Holding Company that it is not having reportable segments (Point II (j) of expenses under profit and loss under Note A)	The company is primarily dealing with manufacturing, supply installation and maintenance of electronic systems. As envisaged in AS-17, there is no distinguishable business segment or geographical segment which is subject to different risk and return. Hence, Segment Reporting in accordance with AS-17 is not applied. This has also been mentioned in Note-A (II (j))-Significant Accounting Policies forming part of the Financial Statements.
	c) The compliance of Accounting Standard – 28 (AS) – 28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, by holding Company in the absence of appropriate evidence. (Refer Significant Accounting Policies Point II (b) of expences under profit and loss under Note A).	As envisaged in AS-28, Impairment of Assets, the company has made an assessment of each item of assets at unit level as on the reporting date with respect to indications of any impairment. Accordingly, necessary adjustments if any will be made in the Financial Statements, disclosed in Note-30 Exceptional Items.
11.	According to Section 7 (3-A) of the Payment of Gratuity Act, 1972 the subsidiary company, Keltron Component Complex Limited (KCCL) is required to pay simple interest at the rate specified by the Government on delay in payment of gratuity. No interest has been provided by the company on the gratuity payable amount outstanding beyond the 30 days period as specified under Section 7(3) of the Payment of Gratuity Act, 1972. In the absence of adequate details and information pertaining to these delayed payments in the Gratuity Account we are unable to quantify the effect of the interest burden not provided for the company in its financial statements. Though the company has issued cheque, it stands returned by the employee.	It has been explained by KCCL that, they already paid all eligible undisputed terminal benefits to the retired employees of the Company as per payment of Gratuity Act, 1972, except Rs.0.90 lakhs payable to one employee who is absconding. Hence KCCL is not liable to pay any interest on the same. KCCL is trying to trace the details of the said employee to pay him the terminal benefits

Sl. No.	Comments of Statutory Auditor	Management's Response
12.	The Audit Committee of Keltron Component Complex Limited does not comprise of a majority of Independent Directors and therefore the Company has not complied with the provisions of Section 177 of the Compliance Act, 2013.	It has been explained by KCCL that, the process of appointment of Independent directors is in progress. As soon as the appointments of independent directors are made, the audit committee will be reconstituted with majority of independent auditors.
13.	Interest due on outstanding Trade payable to MSME as per MSMED Act has not been provided in the financial statements. (Refer Note:48). General instructions for preparation of Balance Sheet as per Notification bearing No.F.No.17/62/2015-CL-V Vol – 1, dated 11.10.2018 requires companies to disclose points (a) to (e) under FA. The company has disclosed the principal amount payable to MSME suppliers. Since details to ascertain the financial effect of the interest portion is not readily available with the company, we are unable to comment on the financial effect of the non – provision and non – disclosure of the same remaining unpaid to any supplier at the end of each accounting year and other disclosures specified against FA. The holding company has not filed MSME – 1 as required under MSMED Act.	There are Micro, Small and Medium Enterprises to whom the Company owes, which are outstanding for more than 45 days as at 31st March 2022 as per the terms of agreement with them. The interest due to such outstanding as per MSMED Act has not been provided in the Financial Statements. This fact was already been disclosed in the Note 48 forming part of Financial Statements for the reporting period.
14	We further report that	
	a) The aggregate effect of our qualifications described above in Point No.2,4,6,7,8 and Point 9, is that assets are overstated by Rs.3016.89 Lakhs, Liabilities are understated by Rs.16385.98 lakhs, Profit/ Reserves are overstated by Rs.3016.89 Lakhs and shareholders fund is overstated by Rs.16385.98 lakhs.	Refer to the Management's Response to the respective observations stated above.
	b) We are unable to determine the financial impact of the qualifications in points (1), (3), (5), 8(b), 8(c) and (10) to (13) in the absence of sufficient and appropriate details.	Refer to the Management's Response to the respective observations stated above.

MANAGEMENT RESPONSES TO THE COMMENTS OF PRINCIPAL SECRETARY (FINANCE) ON THE AUDITED ANNUAL ACCOUNTS OF THE KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED (KELTRON) FOR THE FINANCIAL YEAR 2021–22

Sl. No.	Comments of Principal Secretary (Finance)	Management's Response
a.	Total income of the company increased during the year 2021 – 22. Also the net profit of the company increased to Rs.4468.45 lakh from Rs.334.14 lakh. The company may make earnest efforts for sustaining the level of performance.	The reported Profit/(loss) of Rs.4468.45 lakh includes an amount of Rs.1557.50 lakh as "Deferred Tax Adjustments" which is having the impact of increase in profits in the Statement of Profit and loss Account for the year ended 31st March 2022. This adjustment is in accordance with the AS-22 – "Accounting for Taxes on Income" issued by ICAI and accordingly the amount of net deferred tax asset has been recognised and taken credit for in the reporting period considering the trends/projections relating to future profits which are likely to arise and consequential tax liability thereon. This fact was already been disclosed under Note 47 forming part of Financial Statements. Notwithstanding the facts mentioned above, as opined by Finance Department, the Company will ensure maintaining the level of performance with a steady Compounded Annual Growth Rate (CAGR).

Sl. No.	Comments of Principal Secretary (Finance)	Management's Response
b.	As per G. O. (P) No. 61/2023/Fin dated 23.06.2023, companies with profit after Tax (PAT) above Rs.50 crore has to pay a m inimum dividend of 20% and those with PAT below Rs.50 crore has to pay 15% as dividend. But the Company has not paid dividend to the Government in the FY 2021 – 22. The Company may take immediate steps to remit dividend to Government as per the above stipulations.	As per the proviso to sub-section (1) of Section 123 of the Companies Act, 2013, "…no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year." Reference to the Note 2 – Reserves and surplus of the Balance Sheet, the accumulated losses of the Company as on 31st March 2022 amounts to Rs.14984.36 lakh. Hence, these accumulated losses need to be fully set off against the year on year profits in order to declare dividend as per the provisions of Companies Act, 2023 referred above. Considering the past and future growth trajectory with respect to revenue and profits, it is anticipated that the Company will be in a position to declare the dividend after a period of five years down the line.
c.	Guarantee Commission amounting to Rs.1805.83 lakh has been outstanding as on 30.11.2023. the Company may take immediate steps to pay the Guarantee Commission	The Company has not availed any guarantees from Government of Kerala on any credit facilities for the past several years (more than a decade) and no such guarantee is outstanding as on date. However, the Guarantee Commission amounting to Rs.535.81 lakh which were pertaining to the old expired guarantees given by Government having aging of more than 20 years and interest accrued thereon amounting to Rs.1173.56 lakh was outstanding as on 31st March 2022. This was reflected under Note 9 - Other Current Liabilities under the head "Current liabilities – Other finance & statutory dues" forming part of Financial Statements. Regarding the repayment of aforementioned Guarantee Commission along with interest accrued thereon, the present financial position was not good enough for prioritise such considerable remittances at this point of time. The fund available with the Company is just sufficient for meeting its working capital requirements for its envisaged augmented level of operations. It may also be noted that, the Company is having substantial amount of Trade Receivables which

Sl. No.	Comments of Principal Secretary (Finance)	Management's Response
		are long pending from Government Departments, which has also hampered the cash flows in toto. However, the repayment of Guarantee Commission and interest accrued thereon will be considered after a period of five years when it is anticipated that the financial position will improve.
d.	Government assistance to the company through budget during the FY 2021 – 22 is Rs.1000/- lakh as 'Loan' under the H/A 6859 – 02 – 190 – 99 (P). The Company my take steps to repay the loan amount and pay the interest accrued on it.	It may be noted that, during the financial year 2021-22, the Government of Kerala has released loan amount of Rs.200 lakh vide GO (RT) No.895/2021/ID dated 18.08.2021 towards the manufacturing of medical equipment and the augmentation of testing facility and an another loan of Rs.200 lakh of vide GO (RT) No.1104/2021/ID dated 02.10.2021 towards the modernisation of production facilities of KELTRON. This has been rightly disclosed in Note 4 &7 with appropriate foot notes. Regarding the servicing of Government loans and interest accrued thereon, as explained in the earlier point once the financial position improves, the Company will definitely consider the repayment of principal instalments and interest, which will take a minimum time of five years down the line to turnaround.
e.	'Other long term liabilities' include interest accrued but not due on loans from GoK amounting to Rs.1,141.27 lakh comprising of Rs.889.37 lakh being the interest accrued until 31.03.20210 on Govt. loan of Rs.7,187 lakh, which was converted into Equity vide GO (Ms) No.183/11/ID dated 26.08.2011 and Rs.252.90 lakh being the interest and penal interest accrued until 31.03.2006 on the Government loan of Rs.1066 lakh. The Company may make earnest efforts to pay this interest accrued.	Regarding the interest accrued on Government Loan as observed by the Finance Department, as explained in the earlier points once the financial position improves, the Company will definitely consider the repayment of principal instalments and interest, which will take a minimum time of five years down the line to turnaround.
f.	The Company has not revalued its Property, Plant and Equipment (including right – of – use assets) or intangible assets or both during the year. Steps should be taken for revaluation of the same	Noted, will take necessary steps for the revaluation of Property, Plant and Equipment.

INDEPENDENT AUDITORS' REPORT

To
The Members of Kerala State Electronics Development Corporation Limited

Report on the audit of the Standalone Financial Statements

Qualified opinion

We have audited the accompanying standalone financial statements of KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED ("the Company) which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of other auditors on the financial information of the units, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31 March, 2022, its profit and cash flows for the year ended on that date.

Basis for Qualified Opinion

1. **Share Application Money Pending Allotment Note No.3**

As per the Guidance Note on the Schedule III to the Companies Act, 2013, "If the company's issued capital is more than the authorized capital and approval of increase in authorized capital is pending,the amount of share application received over and above the authorized capital should be shown under the head " other current liabilities". Since as on Balance sheet date(31/03/2022) issued capital of the Company after considering share application money pending allotment comes to Rs.37,385.98 lakhs is more than the authorized capital Rs.21,000 lakhs and approval of increase in authorized capital is pending (Approval for increase in authorized capital has been

obtained subsequently) the Share application money pending allotment amounting to Rs.16385.98lakhs should have been shown under current liabilities instead of showing as a separate line item on the face of the Balance sheet. This has resulted in understatement of current liabilities to the extent of Rs.16385.98 lakhs and overstatement of shareholder's fund.

2. **Other Long-Term Liabilities (Note:5)**

2.1 Trade payables as per Note No. 5 "Other long term liabilities" includes Rs.6,510.58 lakhs and trade receivables as per Note No.14 'other non-current assets' includes Rs.9,577.70lakhs (net of provision). Point no.7.1.3 and 7.1.1 of the guidance note on the Schedule III of Companies Act,2013 issued by the Institute of Chartered Accountants of India lays down the criteria for classifying liability and asset as current. On verification of branch audit reports, it was observed that the company has treated items falling under this criteria as non-current. It has been explained by the management that Company grouped only those payables and receivables for which Company have an unconditional right to defer settlement of the liability or asset for at least twelve months after the reporting date. However adequate supporting documents to substantiate the claim of the Company was not provided for verification. Hence we are not in a position to comment on the same.

2.2 Other long term liabilities include interest accrued but not due on loans from Govt. of Kerala amounting to Rs.1,141.27lakhs comprising of Rs.889.37lakhs being the interest accrued until 31.03.2010 on Government loan ofRs.7,187 lakhs, which was converted into equity vide GO (MS) No.183/11/ID dated 26.08.2011 and Rs.252.90lakhs being the interest and penal interest accrued until 31.03.2006 on the Government loan of Rs.1066 lakhs. No action seems to have been taken by the company or GOK in respect of accrued interest of Rs.1,141.27 lakhs. Hence, we are unable to comment on the company's classification of Rs.1,141.27lakhs as Long Term Liabilities, since there is no clarity on the due date for repayment of Interest (Refer Note: 42 & 43).

3. **Short term Borrowings (Note No.7)**

Current portion of Government of Kerala loan to be disclosed under Current maturities of Long-term borrowings (unsecured)Rs.485.76lakhs. However Company disclosed Government loan wholly due for payment amounting to Rs.1958.15 lakh along with current maturity of Government of Kerala loan under Current maturities of Long-term borrowings (unsecured).

4. **Other Current Liabilities Note No.9**

Current liabilities - Other finance & statutory dues includes Rs.224.95 lakhs being sundry creditors for expenses for which disclosure is not made regarding ageing and payable to MSME.

5. **Non-Current Investments (Note No.12)**

5.1 Company is holding investment in the shares in its subsidiary Keltron Component Complex Limited (KCCL) to the tune of Rs.2,618.50 lakhs (Previous year Rs.2,618.50 lakhs) disclosed under Non-Current Investments (Note No.12).There is a diminution in the value of investments to the extent of Rs.2,618.50 lakhs and there is erosion in the net worth of this subsidiary. The company could not reasonably establish that the decline in net worth is of temporary nature and therefore the company is required by the Accounting Standard: 13-Accounting for Investments to provide for the diminution in the value of investments in this subsidiary. However, the company has not made provision for the diminution of Rs.2,618.50 lakhs and to that extent, the company has not complied with Accounting Standard 13 (Note: 12), resulting in overstatement of profit by Rs.2,618.50 lakhs and understatement of short term provisions (Note:10) by Rs.2,618.50 lakhs

5.2 Investment made by the company in Coconics private Ltd. has diminution in the value based on the negative net worth and other aspects existing in the company. However, company has not provided for diminution in the value of accounts as required by Accounting Standard -13 'Accounting for Investment' issued by the Institute of Chartered Accountants of India even though company could not establish such decline in net worth is of temporary nature

which has resulted in overstatement of profit and understatement of short term provisions by Rs.260 lakhs.

6. Long term loans and advances Note No.13

6.1 Investment pending allotment of Rs.1,974.92lakhs (Previous year: Rs.1,703.75lakhs) disclosed under Note: 13 "Long term loans and Advances"includes Rs.1,703.75lakhs which was made to subsidiary companies which are under liquidation. This comprise of Rs.576.43 lakhs to Keltron Rectifiers Limited and Rs. 1,127.32lakhs to Keltron Power DevicesLimited. The company has stated reasons for non-provision of the above said investment pending allotment to subsidiary companies vide Note 44 (i).

In the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, provision need to be created for non-recoverability of the Investment pending allotment of Rs.1,703.75 lakhs. The non provision of the same has resulted in overstatement of profit and Long term loans and advances to the tune of Rs.1,703.75 lakhs

6.2 Advance to subsidiary companies amounting to Rs.1264.30lakhs (Previous year:Rs.1264.30lakhs) disclosed under Note: 13 "Long term loans and Advances" represents the advances made to subsidiary companies, which are under liquidation. This includes advance of Rs.413.63lakhs to Keltron Rectifiers Limited (PY: Rs. 413.63lakhs) and Rs.850.67lakhs to Keltron Power Devices Limited (PY: Rs. 850.67lakhs).

The company has stated reasons for non-provision of the above said advances to subsidiary companies vide Note No. 44 (ii).

However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these advances provision need to be created for Rs.1264.30. To the extent of this non-provisioning of Rs.1264.30lakhs, the profit of the company and Long term loans and Advances are overstated.

7. Short Term Loans and Advance- Note: 18

7.1 Advance to subsidiary companies of Rs 396.88lakhs (Previous Year: Rs.659.41lakhs) includes Rs.109.88 lakhs (PY:Rs.123.03lakhs) given to Keltron Component Complex Limited (KCCL).The net worth of KCCL is negative based on the audited financial statements as on 31st March, 2022. The company could not reasonably establish that the decline in net worth is of temporary nature and no provision has been made towards non-recoverability of this advance of Rs.109.88lakhs. To this extent the profit of the company and Short Term Loans and Advances are overstated to the tune of Rs.109.88 lakhs.

Advance to subsidiary companyare subject to confirmation

7.2 As per Note No.56, company disclosed that "The Company has recognized the TDS credit as per 26AS. While the 26AS shows a tax credit of Rs.2004.62 lakhs for the Assessment year 2007-08 to 2022-23, the Company's books of account show the balance of Rs.706.04 lakhs only. The Company did not account for the balance credit of Rs.1298.58 lakhs in the books considering the uncertainty attached in getting full tax credit while completing the assessment". However, no details/reconciliation is available to substantiate the same.

During current year, company credited a refund of Rs.602.72 lakhsrelating to assessment year 2020-21 even though the TDS accounted in the respective head is only Rs.319.88 lakhs. This has resulted in understatement of short term loans and advances amounting to Rs.282.84 lakhs with corresponding overstatement of assets of the Company.

8. Accounting standards

We are unable to comment on

a) The compliance of Accounting Standard-16 (AS-16) 'Borrowing Cost' issued by the Institute of Chartered Accountants of India in the absence of necessary information. (Refer Significant Accounting Policies Point II(h) of expenses.)
b) The compliance of Accounting Standard-17(AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India in view of the claim

of the Company that it is not having reportable segments (Significant Accounting Policies Point VIII under Balance Sheet).

c) The compliance of Accounting Standard-28 (AS)-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, in the absence of appropriate evidence. (Refer Significant Accounting Policies Point II(b) under Profit and Loss).

9. Interest due on outstanding Trade payable to MSME as per MSMED Act has not been provided in the financial statements. (Refer Note:49).General Instructions for preparation of Balance Sheet as per Notification bearing No.F.No.17/62/2015-CL-V Vol-1, dated 11.10.2018 requires companies to disclose points (a) to (e) under FA. The company has disclosed the principal amount payable to MSME suppliers .Since details to ascertain the financial effect of the interest portion is not readily available with the company, we are unable to comment on the financial effect of the non-provision and non-disclosure of the same remaining unpaid to any supplier at the end of each accounting year and other disclosures specified against FA.
The company has not filed MSME-1 as required under MSMED Act.

10. In respect of Keltron Marketing Office, Bangalore and KEC, Karakulam there were differences between notes and ageing schedule of trade payables(Note No.7) in branch audited financial statements.

11. In respect of Units and KMO's audited by unit/KMO auditors, they have made certain qualifications in respect of transactions specific to that Unit or KMO which are reproduced in Annexure-I to this report. The effect of changes, if any, made by the company in respect of the Units and KMO's audited in Corporate office after branch audit has not been considered.

12. We further report that:-

a) The aggregate effect of our qualifications described above in Point No 1 and Point 5 to 7, is that assets are overstated by Rs.3077.93 Lakhs, Liabilities are understated by Rs.19264.48Lakhs, Profit / Reserves are overstated by Rs.5956.43 Lakhs and shareholders fund is overstated by Rs.16385.98 lakhs.

b) We are unable to determine the financial impact of the qualifications in points (2) to (4) and(8) to (11) in the absence of sufficient and appropriate details.

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

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

Emphasis of Matter:

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

1. Note No.7 of financial statements includes loan from Travancore Titanium Products Limited amounting to Rs.12 lakhs and Note No.7(xiii)(h) of financial statements in which company disclosed that “The Company has availed a loan amount of Rs.12 lakhs for an interest of 14.53% p.a from Travancore Titanium Products Limited during the financial year 1999-2000. Later, Government vide letter No. 32113/H3/2003/ID dated 13/10/2003 directed the Company to repay the loan amount of Rs.12 lakhsavailed from Travancore Titanium Products Limited, with interest, to the State Government and the same is pending to be settled”. In our opinion the same needs to be disclosed as loan payable to Government of Kerala.

2. Note No.11 of financial statements. Property, plant and equipment's,the title deeds of certain land and its tax paid receipts are not available with the company.The Company does not have the practice of obtaining non-encumbrance and possession certificates as at year end for the landed properties held by it.

3. Note 29 and 60 of financial statements includes exceptional items such as provision for bad and doubtful debts/sundry debits written off/sundry

credits written back/provision for other loans and advances amounting to Rs.980.17lakhs which in company's opinion needs separate disclosure to depict the performance of the company for the reporting period.
As per note no.60, the company made such provision on the basis of recommendations of CharteredAccountants appointed for this specified purpose and branch auditors.

4. Note No. 42 to the financial statements with regard to the approval of financial re-structuring proposal of the company by Government of Kerala and subsequent increase in authorized and issued capital

5. Note No. 44 to the financial Statements with regard to conversion of Term Loan to Subsidiary company (KECL) and its accrued interest into equity share capital.

6. Note No.44(ii)(1) of financial statements states that Rs.500 lakhs received from Gulati Institute of Finance and Taxation (GIFT) as a compensation for handing over of land is deposited in a separate interest-bearing account. The note is incomplete as it does not provide information about the further utilization of amount deposited.

7. Note No.46 which states about the credit balance in trade receivable account amounting to Rs.1386.87 lakhs and debit balance in trade payable account amounts to Rs.254.88 lakhs are subject to confirmation or reconciliation and consequent adjustments, if any , upon confirmation.

8. Note No.47 of financial statements which states that deferred tax asset on account of brought forward business loss and depreciation amounting to Rs.1556.95 lakhs disallowed on assessment and pending on appeal before higher authorities are not taken credit as a matter of prudence.

9. Note No.51 of financial statements with regard to non-provision of rent payable for the period 2016-17 to 2021-22 to Government of Kerala for the staff quarters building occupied by KMO New Delhi.

10. Note No.52 of financial statements which states that"KELTRAC is an autonomous body registered as a society under the control of Government of

Kerala, which is operating in the portion of premises of Keltron Controls Aroor (KCA).As per the agreement dated 7th January 2008 regarding sharing of facilities and services of KCA with KELTRAC, charges for the building /space provided at the normal rate of Rs.2/-sq.ft for 31,505 sq.ft is payable by KELTRAC. Further, the agreement also contains a clause that the aforesaid service charge may be waived off provided the work requirement of KCA shall be executed by KELTRAC on priority basis at cost. In view of the above and considering the precarious financial condition of KELTRAC the rent for the premises used by them was not being charged."

11. Note No.59 of financial statements regarding non-provision of interest on award amount payable to DVC for the financial years 2020-21 and 2021-22.

12. Note No.60of financial statement disclosed the summary of provision for bad debts/ doubtful advances/ write off and write back disclosed under Note 29-exceptional items which is as follows

Sundry debits written off	0.39 lakhs
Sundry credits written back	2,15.25 lakhs
Provision for bad and doubtful debts/advances	1176.34 lakhs
Provision for other loans and advances	18.69 lakhs

Out of the above, write back Rs.0.82lakhs and write off Rs.0.05 lakhs are not approved by the Board of Directors.

13. Note No.63 of financial statements which had disclosed the quarterly reconciliation of stock statements of Keltron Equipment Complex, Karakulam given to Punjab National bank. As per the Note, current assets filed by the Company with banks or financial institutions are not in agreement with the books of accounts.

14. Note No.54 of financial statements which states that balances of Government loan under Long-term borrowings (Note-4) and short term borrowings (Note 7),Trade payables (Note-8), Other current liabilities (Note-9), Long term loans and advances (Note-13), Trade receivables under Other non-current assets (Note-14), Trade receivables (Note-16) under Current assets, Short term loans and advances (Note - 18) and other current assets (Note 19) are subject to confirmation/ reconciliation. In addition to above Other long-term liabilities (Note-5) is also subject to confirmation.

15. Vide item no.259/12 (M.No.5897), the board "RESOLVED THAT the approval of the Board of Directors of Kerala State Electronics Development Corporation be and is hereby accorded to take over all the assets and liabilities of KeltronPower Devices Limited and Keltron Rectifiers Limited (transferor companies) by way of an amalgamation to Kerala State Electronics Development Corporation (transferee company) for the purpose of utilising the immovable properties of the transferor companies as part of a scheme of arrangement." Company has not disclosed the same in note No.67 of financial statements.

16. Attention is also invited in respect of Units and KMO's audited by unit/KMO auditors, of the points included under Emphasis of Matter Paragraph which are listed here below:

SL. No.	Units	Emphasis of Matter
1	KMO – KOLKATA	a. Confirmation of Sundry Debtors has not been obtained and no provision has made for long outstanding of Debtors. (Refer Note: 42) b. Confirmation of long outstanding of Sundry Creditors has not been obtained. c. GST Returns are subject to revisions and reconciliation.
2	KMO – NEW DELHI	a. Note 42(a) states that the figures appearing in the Standalone Financial Statements of the Delhi branch of the company are not rounded off as per the latest notification issued by MCA dated 24 March 2021, F. No. 17/62/2015-CL-V-VOL-I. b. Note 42(b) states that as per the latest notification issued by MCA dated 24 March 2021,F.No. 17/62/2015-CL-V-VOL-I, additional regulatory information is required to be mentioned in the standalone financial statement which has not been fully disclosed in the standalone Financial Statements of the Delhi branch of the company. c. Note 42(c) states that DVAT Input standing in the books from the previous year's amounting to Rs.16.54 lakhs (Note-17–Short Team loans and advances –point-7(a)) which was booked towards

		DVAT-43 TDS towards WCT based on the TDS Certificates reflecting online on DVAT portal, but the company was unable to claim the same due to some technical issue on DVAT Portal. The company had filed an application with the DVAT authorities and the refund of the same is still under process. d. Note 42(d) states that the balances outstanding as 31/02/2022 of Trade receivables (Note -13 and Note-15), Trade payables (Note-4 and Note–7), Earnest money deposit (Note-12), Other deposits and advances (Note-4 Long term Liability –other finance and Note-8 Current Liabilities–other finance), Subsidiary company Keltron Component Complex Limited –KCCL (Not -17) and other deposits (Note-17) is subject to balance confirmation receivable from the parties. e. Trade payables for Supplies classified under Note-4 (Other LongTerm Liabilities) and Other Deposits and advances classifies under Note-4 (Other Long Term Liabilities) include amount outstanding for more than three years and are subject to balance confirmation receivable from the parties. f. Other Deposit classified under Note-12 (Long Term Loans and advances) and Other Deposits classified under Note-17 (Short Term Loans and advances) include amount outstanding for more than three years and are subject to balance confirmation receivable from the parties. g. Note 42(e) states that Records of Salary and wages, Provident Funds, Pensions, Gratuity and Leave encashment are being maintained at Head office level. Provision in respect of Gratuity and leave encashment are made at branch level on the basis of actuarial valuation done at Head office level.
3	KMO – CHENNAI	a. Accounts having Credit balance disclosed under assets: Long term loans and advances – Payable to Subsidiary Company-Rs.542.95 lakhs. Balance confirmation as per Subsidiary company is Rs.415.29 lakhs. There is no reconciliation provided for the

		difference. b. Accounts having debit balances disclosed under liabilities – Divisional control accounts. Debit Balances- Rs.364.35 lakhs, Credit Balances- Rs.367.91 lakhs-. c. Trade Receivable shown in the Balance sheet as on 31st March 2022 is Rs.228.85 lakhsfor which confirmation of balance and Debtors was not obtained. Further, the above Trade receivables includes Rs.131.48 lakhs which are due and outstanding for a period exceeding three years for which no provision has been made in the book of accounts. d. Trade Receivable include rental income receivable amounting to Rs.39.081akh s. The tenant has been paying rent on adhoc basis since April 2020 and hence the company has filed a suit for recovering the same and the outcome is dependent upon final order by Court of law. e. Other non – current assets shown in the Balance sheet as on 31st March 2022 include earnest money deposit receivable amounting to Rs.21.04 lakhs for which confirmation of balance from parties was obtained. Further, the above other noncurrent assets include Rs.15.22 lakhs which are due and outstanding for a period exceeding three years for which no provision has been made in the books of accounts.
4	KMO – BANGLORE	a. Confirmation of balance and reconciliation statement not held for balances in party's account, branch/division account, and Collection account of KCCL b. Employee benefits in the nature of leave encashment are accounted at Head Office. c. Branch has not made provision for interest on amount overdue to the MSME Vendors in accordance with the section 15 and 16 of The Micro, Small and Medium Enterprises Development Act 2006. d. The current liabilities as on 31.03.2022 (Rs 307.32 lakhs) is in excess of current assets (Rs 117.05 lakhs) as on that date and net worth of the Branch is

		negative (Rs.178.03 lakhs). This may indicate inability of the branch to meet its liabilities as and when it falls due for payment without Head office support. e. Opening stock of Rs.1.09 lakh is carried forward as closing stock of Rs. 1.09 lakh without any stock movement during the year and decline, if any, in net realizable value is not considered. f. Debtors of Rs.36.14 lakhs (out of total debtors of Rs.66.70 lakhs and Creditors of Rs. 157.52 lakhs (out of total creditors of Rs.179.89 lakhs) are outstanding for more than three years old. g. Financial statements are shown in full figures instead of rounding off as envisaged under schedule III of the Companies Act 2013. As undertaken by the company, rounding off will be ensured while consolidation of Branch accounts at Head Office level.
5	INFORMATION TECHNOLOGY AND BUSINESS GROUP (ITBG), VELLAYAMBALAM	a. The units has shown 'Current account –KCCL' (Note No.17) and 'Collection account KCCL' (Note No.12) being subsidiary company of the unit, to the tune of Rs.10.98 lakhs and Rs.132.00 lakhs respectively which are outstanding for more than 10 years. It was explained by the management that there are no details available with regard to the aforesaid figures. Therefore, we are not able to verify the correctness of the balance outstanding as on 31.03.2022. b. Confirmation for rent deposit amounting to Rs.33.16 lakhs shown under 'other deposits' in Note No.12 in the financial statements has not been received from the parties as on 31.03.2022. Therefore existence, correctness and completeness of the same could not be verified by us. c. The Service Tax account shows a debit balance of Rs.10.62 lakhs as on 31.03.2022 due to service tax payment made in the year 2017. Since the corresponding sales were reversed, there was no service tax liability for the unit. Hence, a request for refund has been made for the entire excess amount paid, which is pending with High Court of Kerala. d. The units has "VAT credit receivable (Inputs)

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<td>account" showing a debit balance of Rs.27.06 lakhsas on 31.03.2022, which is the result of excess VAT credit and cash payments made in previous years. It is informed by the management that a refund application was made before the Asst. commissioner GST, Trivandrum, for Rs.27.06 lakhs which is still pending.
e. The company has not renewed rental agreement of the current parties whose details are as follows:

<table>
<tr><th>SI.NO</th><th>Party Name</th><th>Rental Agreement Expiry Date</th></tr>
<tr><td>1</td><td>Calicut Municipal Corporation – 3300 square feet</td><td>15-10-2020</td></tr>
<tr><td>2</td><td>Municipal Corporation Kozhikode – 3388 square feet & 1301 Square Feet</td><td>16-10-2019</td></tr>
</table>

f. We are not able to verify the TDS receivable amount and the corresponding income booked since the unit has not provided details of 26AS which are pertaining to the unit.</td>
</tr>
<tr>
<td>6</td>
<td>KELTRON CONROLS DIVISION (KCA), AROOR</td>
<td>a. Note 8 (Current Liabilities) and Note 4 (Other Long Term Liabilities) shows an item, advance received from customers which should be classified as creditors under the head current liabilities and not under the head non-current liabilities.
b. Provision for taxation is not provided in the divisional level, the same has been provided at H.O Level.
c. Provision for Gratuity is unable to be verified as per accounting standards as it is divisional audit. Further, the expert valuation for provision for gratuity has not been received and it is informed that valuation is at H.O Level.
d. The interest of Rs.28.96 lakhs has been debited to profit and loss account which is payable to H.O based on allocation of loan from KSIDC, however we are unable to verify the mode and way of calculation of said Interest of loan.</td>
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		e. The valuation of loose tools and jigs are made by providing depreciation as per the explanation. However, the said method of valuation is not according to accounting practices and principles following in India, in case of loose tools being it has to be valued as per AS2. f. We are disagreeing with the way of presentation of sundry debtors under Non – Current Assets based on its delay in receipt, and the same has to be disclosed under current assets instead of reporting under notes 13. Non – current assets and Corresponding Note. No. 15 is also incorrectly presented.
7	KELTRON COMMUNICATION COMPLEX (KCC), MONVILA	a. VAT credit receivable account as shown in Note 17 of the financial statements amounting to Rs.43.09 lakhs being excess VAT payment made in earlier years.As informed by the management, refund application has already made to recover this amount. b. The unit is having General sales tax with a debit balance of Rs.2.39 lakhs in respect of previous years for which no details has been provided for our verification. Hence the said amount may be written off after getting approval from the Head office. It is found that a provision has been created by the unit under "Provision for Doubt Advances" for the said amount. c. Under Capital Reserve as shown in Note No:2 an amount of Rs.5.20 lakhs was found stagnant for more than 7 years as "Subsidy for printed circuit". This may be written back after getting due approval from competent authority. d. The unit has shown Excise deposit amounting to Rs.1.69 lakhs which is kept stagnant for a longer period of time for which no confirmation was obtained. Therefore, we are not able to verify the correctness of the same. It is found that a provision has been created by the unit under "Provision for Doubt Advances"for the said amount. e. The unit has shown Excise paid under protest amounting to Rs.1.27 lakhs which is kept stagnant for a longer period of time for which no confirmation was obtained. Therefore, we are not able to verify the correctness of the same.

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f. "Advance -Others" shown under long term loan and advances in Note No:12 to the Balance sheetincludes MODVAT credit to the tune of Rs.0.23 lakh which has been outstanding for more than 10 years. Since the confirmation for the same is not made available for our verification, we are unable to confirm the correctness of the balance outstanding as on 31-03-2021. It is found that a provision has been created by the unit under "Provision for Doubt Advances" for the said amount.
g. The Unit is reflecting a credit balance of GST TDS receivable of Rs.5.25 lakh as on 31st March, 2022.
h. Raw Materials, Work-in-Progress and Finished Goods are certified by Management. Loose tools and jigs balance as at 31st March are depreciated at rate of 25%.
i. Warranty provision is created based on the inputs provided by the TSD department.
j. In respect of Accrued liability we have observed stagnancy of the following accounts:
<table>
<tr><th>Particulars</th><th>Balance in Rs. as on 31-03-2022(in lakhs)</th><th>Amount outstanding for more than 3 years in Rs.(in lakhs)</th></tr>
<tr><td>Unpaid Bonus</td><td>19.48</td><td>1.55</td></tr>
<tr><td>Unpaid Ex-gratia</td><td>9.54</td><td>0.36</td></tr>
<tr><td>Unpaid Audit fees</td><td>6.36</td><td>2.08</td></tr>
</table>
k. As per Section 44 of CGST Act, 2017,every registered person is required to furnish GSTR 9/9C if the aggregate turnover exceeds 5 Crores in afinancial year. The total turnover of the Company for the Financial Year is Rs.128 Crores/-.The Unit has failed to furnish the form GSTR- 9/9C within the specified due date of 31st March, 2022. Hence, the Company shall be liable to pay late fee as per Section 47 of CGST Act, 2017.
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<tr>
<td>8</td>
<td>KELTRON</td>
<td>a. KEC consist of 5 SBUs, out of which IDCP (Id Card</td>
</tr>
</table>

	EQUIPMENT COMPLEX (KEC), KARAKULAM	Project Group) was phased out during the year 2021-22 in pursuant to the legal case between Chief Election Commission, Kerala and KSEDC along with the subcontractors. All the employees in the group were transferred to other units of KSEDC as well as to other strategic Business Units (SBUs) in KEC. This has resulted in the reduction of employee cost and related expenses during this year and impacted the item-wise sales and purchases consequently. Keltron the State Level Agency (SLA) to Election Commission was entrusted to supply of man power, print the electoral roll, slips and forms etc pertains to the Election matters in Capacity as SLA. There occurred a data leakage, a case in Crime No: 152/2021 has been registered at Crime Branch Police Station Trivandrum. Considering the seriousness of the data leakage, the SLA agreement with KELTRON has been terminated on 30.06.2021. KEC was yet to receive 50% of the payment due for the work done from Election Commission as the same withheld by them since there was breach of non-disclosure agreement. Meanwhile the Printers who were awarded sub contract approached High Court for pending payments and favorable verdict was obtained to release the amount to petitioners as per the statement filed by 3rd respondent KELTRON. Election department challenged verdict with supreme court through writ petition and the same was dismissed. On pursuant to the above, Election Commissioner released the balance 50% of Rs. 209.55 lakhs on 08.02.2023. b. Keltron Equipment Complex (Keltron-KEC) has capitalized an amount of Rs. 42.37 lakhs under Intangible asset under Development from the advance of Rs. 50 lakhs given to Centre for Development of Advanced Computing, Thiruvananthapuram KCDAC for the development of Echosounder Versions. Though the completion certificate is not received from CDAC, as invoice is raised by them, on the basis of which capitalization

		has been made in KEC books and GST input Tax credit of Rs. 7.63 lakhs was also availed. As per the agreements. Keltron-KEC shall pay royalty at 5% of the order value excluding taxes on the units manufactured using the technical know-how during the validity of agreements. Keltron-KEC has been paying royalty to C-DAC for the last couple of years. In 2021-22 also Unit has provided Rs. 45.76 lakhs towards royalty payment. During the year 2021-22, KEC has also given an advance of Rs. 17 lakhs to CDAC being second installment of SES-MK2 version of echosounder. An amount of Rs. 106.57 lakhs and Rs. 8.28 lakhs is already laying under the Advance to Contractors account given for Tot for Solar PCU and agreement for SES MK2 which is yet to be capitalized since work under progress. c. Unit has entered into an agreement with M/s Altron Digital Systems Pvt Ltd on 10.04.2021 for the transfer of technology and royalty was calculated at Rs.1000 for the first 400 units of sale. An amount of Rs. 1.94 lakhs was provided for royalty for the year 2021-22. d. Keltron-KEC has been providing Gratuity in the books of accounts based on Actuarial Valuation. For the FY 2021-22, provision of Rs. 78.38 lakhs has been made in books which varies significantly from the provisions of previous year which was, Rs.461.18. A portion of variation is due to the closure of IDCP unit and subsequent transfer of employees to other units. Rs. 35.05 lakhs is due to be paid to 39 employees whose employee code has been changed post closure of IDCP Unit. The same will be received from Gratuity fund since the employees joined after 2014. Note No: 47. Keltron has constituted a Gratuity Fund for the employees who have joined to service from 2014 onwards. KEC is providing Gratuity for the entire employees including those who joined after 2014 based on the actuarial valuation. Head office is

		making payment to Gratuity fund which is being accounted against provision for Gratuity in Head office account. Payment to Gratuity fund is not reflected in Unit account as the same is difficult to segregate among units. We feel that the provision for Gratuity liability is overstated in Unit accounts as unit does not have liability to pay gratuity for those employees joined after 2014. e. ESI payable includes Rs. 1.57 lakhs being ESI-employee and employer contribution from employees who have resigned from services from 2017 to 2022. Unit is unable to pay this amount since their code was already removed from ESI site. Note No: 31 regarding cases where Contingent liability not provided and Note No: 42 and 43 regarding Interest on Excise duty payable and ESI dues. f. KEC has accounted Rs. 6.47 lakhs towards prior period expenses due to the omission of certain entries in previous years as disclosed in Note No: 37 g. During the year Bank Guarantee (No: BG003GT02172130010) dtd 01.08.2017 of Rs. 1.30 lakhs is invoked by KEC for non fulfilment of Terms and Conditions of PO by Trinity Touch Private limited on 15.04.2021. This amount has been accounted as Extraordinary Income in Financial Statements. Note No: 46. h. No provision for leave surrender salary has been made in the books of accounts of Keltron-KEC. As stated in Note No:49, Provision for the same will be made at the time of consolidation of Financial Statement at Head Office. i. Unit has not collected and remitted Income Tax TCS on sale of scrap amounting to Rs. 17.40 lakhs. j. No details are available at Keltron-KEC regarding long pending accrued liability of Rs. 147.75 lakhs. We have been informed that these liabilities pertain to 1990s related to unknown Excise dues. k. No confirmation of balance has been received for Current Account balances with Subsidiaries: KECL Rs. 7.35 lakhs (Dr) and KCCL Rs. 0.45 lakh (Cr). l. Impairment has not been assessed and quantified on

		the fixed assets since FY 2014-15. Hence Accounting Standard -28 is not adhered to that extent. m. Unit has a policy of accounting Retention Money and Security Deposit deducted from Suppliers and deducted by customers in the corresponding account of Sundry Creditors and Sundry Debtors itself Hence liability and assets of Retention Money and Security Deposit are merged with Such accounts. n. On our sample verification it is observed Rs. 74.18 lakhs deducted by customers as liquidated damages. Unit has the policy of treating this amount in the respective Sundry Debtors account itself considering the past experience of realizing most of the Liquidated Damage from the Debtors. Likewise Liquidated Damage earned from payment to Sundry Creditors has also been accounted in Sundry Creditors Account itself On our random verification of Liquidated Damages, an amount of Rs.7.92 lakhs has been treated in this way. o. In the case of Sundry debtors, receipt of Rs. 100.98 lakhs is yet to be identified. Similarly, an amount of Rs. 31.82 lakhs relating to GST TDS also to be identified and allocated to respective Debtors. p. In the case of Advance to suppliers an amount of Rs.3.82 lakhs is pending for settlement from the Financial Year 2017-18 till the date of audit. Similarly advance from customers amounting to Rs.284.13 lakhsis yet to be billed from the Financial Year 2014-15. q. We observe that the method adopted for absorption and allocation of labour charges and other overheads are not supported by uniform policies and calculations. We feel that this will have an impact on the allocation of overhead in different SBUs in arriving at value of work in progress and consequently affect the profitability of KELTRON-KEC. However, we are technically unable to quantify its impact on Financial Statements. r. Books of accounts includes provision for advances of Rs. 3.18 lakhs, which is provided against advance given to Creditors, cases of which are pending for settlement. s. No External confirmation has been received for

		Sundry Debtors, Creditors and Advances. Hence Balance represents book figures. t. No provision for doubtful debt has been created during the FY 2021-22. Unit is having Sundry Debtors balance over 5 years amounting to Rs. 1280.08 lakhs for which no provision is created, since Unit is confident of recovering the same in subsequent years. u. Interest on loan from KSIDC amounting to Rs. 27.94 lakhs is accounted in unit books while the corresponding Loan account is in Head Office-KSEDC Vellayambalam- Note No: 46. In addition KEC has accounted Interest on loan taken .from KFC by HO amounting to Rs. 8.28 lakhs. v. During the year Rs. 13.86 lakhs has been incurred by the Unit towards Research and Development of Lithium Batteries, Critical Care Ventilator (CCV), Pulse Oximeter and Solar Pump. For the development of CCV, a Confidentiality cum Non-Disclosure Agreement was entered with the Society for Biomedical Technology on 30.10.2020. 33.33%. of the R&D expenses being Rs. 4.62 lakhs was amortized as per the policy of the unit w. Unit has not provided for warranties on Contracts where significant portion of the work has been executed by subcontracting as unit gets warranty from subcontractors. x. Unit is not remitting GST under Reverse Charge (RCM) on Legal Charges of Rs. 5.27 lakhs and Vehicle hire charges for passenger transport of Rs. 15.58 lakhs. No provision for the liability has been created in the books of accounts. y. Physical verification report of Inventory and Property, Plant and Equipment of unit does not contain quantity as per Books of account. Hence comparison of physical stock with that of stock register is not available in these reports. We feel that the purpose of conducting physical verification is not complied with in the present format of report. On our random verification of purchases, we have observed that product code of some of the items are not found in Goods Receipt Cum Inspection Report. z. Unit is writing off 25 % of all Tools, Jigs and Fixtures

		in every year as per the Company Policy. Since each tool is used for different purpose and in different capacity, the wear and tear may differ from item to item. We are unable to comment whether this percentage of write off is optimal for all kind of tools, jigs, and fixtures. aa. We observe considerable delay in accounting the purchase of materials though the materials were arrived and invoice was raised by party. Goods in transit as on 31.03.2022 includes Rs.11.08 lakhs, purchase of which is accounted after 6 months from 31.03.2022. We have been informed that, this delay is due to the inspection of goods by QA and QC department. As a result of this, many purchases pertain to one FY gets accounted in next FY only in the books of accounts. Similarly, unit takes GST Input on such goods as and when party raises the Invoice, but corresponding purchase is accounted only in the next FY ab. Keltron has taken a medical insurance scheme for those employees who are not subject to ESI coverage to provide medical benefit to such employees. Rs. 36.52 lakhs was paid by HO towards insurance for such permanent employees of KEC. This amount is accounted as medical aid in the books of accounts. ac. Statutory Audit Report on Financial Statement of KSEDC for the FY 2018-19,2019-20 and 2020-21 is not adopted in Company AGM till date. ad. Units is collecting and remitting Employers Contribution to ESI along with employee contribution from Kudumbasree Staff Outside Contractors and Canteen Contractors. Since the respective employers has no ESI registration and being a principal employer, Unit is collecting and remitting both the contributions from the workers as directed b yESI auditors. ae. Accrued liability includes Rs. 58.74 lakhs payables to Subcontractors from the FY 2015-16. af. We have not been provided with Internal Audit Report for the FY 2021-22 till date, though the same was completed during the course of our audit. Hence, we could not consider the comments

		if any in the Internal Audit Report for expressing an opinion on the Financial Statements of the Unit. ag. We have relied upon the classification of Trade payable to MSME and Non MSME provided by the management. ah. Unit has not filed GSTR 9C Audit report for the FY 2017-18 to 2019-20 and 9C Reconciliation statement for the Financial Year 2020-21 and 2021-22 till date. ai. Cost Audit of the Company was completed till Financial Year 2018-19. aj. Work In progress includes products, Rs. 200.47 lakhs the work of which is completed 100%, but pending for installation and inspection. Among them billing has not been done for product worth Rs.171.32 lakhs in all units till the date of our audit.

Our opinion is not qualified in respect of this matter.

Other Matters:

1. We did not audit the financial statements of 6 units and 7 KMOs of the Company, whose financial statements reflect total net assets of Rs.(23623) lakhs as at March 31, 2022, total revenues of Rs.51861lakhs and net cash outflow amounting to Rs.1020lakhs for the year-ended on that date as considered in the financial statement. These financial statements have been audited by other auditors ("branch auditors") whose reports have been furnished to us by the Management and our opinion on the financial statements, in so far as they relate to the amounts and disclosures included in respect of these units and KMOs and our report, in so far as it relates to the aforesaid units and KMOs, is based solely on the reports of the other auditors.

2. Attention is also invited in respect of Units and KMO's audited by unit/KMO auditors, of the points included under Other Matter Paragraph which are listed here below:

Sl.No.	Units	Other Matters
1	KELTRON LIGHTING	• As per note no.1 of the balance sheet, the

	DIVISION (KLD), KOZHIKODE	unit has no share capital. As though, the disclosure in the notes distinguishing between the various classes of capital and stating the particulars in respect of each class of shares is misleading and the presentation in Balance sheet to this extent is not correct. • The total accumulated losses of the unit come to Rs. 1626.59 Lakhs. The Unit runs with the fund support from other Units coming under this company and it owes Rs. 2299.06 Lakhs to them as a whole. If the Unit fails to get support from others the entire operation can come to a standstill. This we are reporting at the cost of repetition. • Other expenses are those that are non-operating and do not relate to the main business operations. However, business expenses which ought to have been disclosed separately is grouped under a general head “Other Expenses on Sales" which totals to Rs. 25.64 lakhs The expenses accounted under this group head includes i. Hearing AID Programming Charges -Rs. 2.47 lakhs ii. Installation Charges (Street lights) -Rs. 18.75 lakhs iii. KSEB Connection Charges -Rs. 2.54 lakhs iv. Hearing AID Camp -Rs. 0.31 lakh v. Audio Meter Rent -Rs. 0.24 lakh vi. Audiologist Fee -Rs. 0.03 lakh vii. Ear mould Fitting Charge -Rs. 0.18 lakh viii. Inauguration Expenses (Mast lights) -Rs. 0.25 lakh ix. Hearing Aid packing material -Rs. 0.43 lakh x. Hearing Aid stickers & labels printing charges -Rs. 0.17 lakh xi. Purchase of stamp paper & stamp

		fee -Rs. 0.24 lakh xii. Tender floating charges -Rs. 0.06 lakh The disclosure /presentation of expenses in Profit and loss statement of the unit are not correct in this respect.
2	KELTRON TOOL ROOM CUM TRAINING CENTRE)KTTC), KUTTIPURAM	• As per note no.1 of the balance sheet, the unit has no share capital. As though, the disclosure in the notes distinguishing between the various classes of capital and stating the particulars in respect of each class of shares is misleading and the presentation to this extent is not correct. • The net loss of the Unit during the year is Rs. 73.90 Lakhs and the total accumulated losses come to Rs. 511.37 Lakhs. The Unit runs with the fund support from other Units coming under this company and it owes Rs.905.66 Lakhs to them as a whole. This we report at the cost of repetition. • The net block of fixed assets of the Unit as on 31/ 03/202 Rs. 407.52 Lakhs and the earning out of the utilization of these assets were only Rs. 8.04 Lakhs. The fixed asset is completely underutilized and needs a review from the top management.

Our opinion is not qualified in respect of this matter.

Information other than Standalone Financial Statements and Auditors Reportthereon.

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

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

In connection with the audit of these financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Sec. 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial reporting in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us and audit reports of branch auditors ,we give in the "**Annexure 2**" a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable, to the company. While making the report we have not considered the report of Keltron Marketing Office, Chennai since the same is in accordance with Companies (Auditor's Report) Order, 2016 .

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

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

a) We have sought and except for the matters described in the Basis for Qualified opinion paragraph and Emphasis of matter paragraph,obtained all the information and explanations which to the best of our knowledge and belief werenecessary for the purposes of our audit.

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

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

d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the units/KMOS offices not visited by us except in respect of Keltron Marketing Office, Bangalore and KEC, Karakulam in which

there were differences between notes and ageing schedule of trade payables in branch audited financial statements

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

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

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

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

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

j) Being a government Company, pursuant to notification No. G.S.R 463(E) dated 05/06/2015 issued by the Government of India provisions of section 197 (16) of the Act , regarding managerial remuneration is not applicable to the Company.

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

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

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

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

iv. a) The management has represented to us that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

b) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies) including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries"). Or provide any guarantee, security or the like from or on behalf of the Ultimate beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) No dividend is declared or paid during the year by the company under section 123 of the Companies Act, 2013.

For Isaac & Suresh,
Chartered Accountants
(FRN 001150S)

Date: 19/12/2023
UDIN: 23225166BGVLRG8369
Place: Trivandrum

Sobha Sethumadhavan, FCA
Partner (M.No.225166)

Annexure – 1 to INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (11) under 'Basis for Qualified Opinion section of our report)

Sl. No.	Units	Qualifications
1	KMO – KOLKATA	No provision has been made for interest on delayed payment for MSME dues on balance outstanding of Rs.9.92 crore, and the consequential effect may affect the profitability of the Company. (Refer Note: 41).
2	KMO – MUMBAI	a. In respect of Inventories during the reporting period the Mumbai branch has not maintained proper and adequate records for ascertainment of non-moving, slow moving and obsolete items. Further no provision has been made on diminution in the value of old and slow moving inventory. The financial impact of the above remarks, are not ascertainable/ quantifiable and, therefore, cannot be commented upon. b. In respect of aggregate Trade Receivables amounting to Rs.812.67 Lakhs (current Rs.645.52 Lakhs gross of provision for doubtful debts, and non-current Rs.70.15 Lakhs) we have not received any balance confirmations from customers. However a provision amounting to Rs.70.15 Lakhs has been maintained by the branch for doubtful debts on an ad-hoc basis. c. The branch is having Earnest Money Deposit, advances others and Other deposits held with PSUs of Central Government/ State Government, and Local Authorities of State Government. The Branch does not have proper system of obtaining confirmations and making reconciliations in respect of Earnest Money Deposits, advances Others and Other Deposits amounting to Rs. 118.48 Lakhs Rs.19.47 Lakhs and Rs.206.05 Lakhs respectively, we have not received balance confirmations and for reconciliations of the above outstanding balances. Therefore, we are unable to quantify the impact of adjustments, if any, on the financial statements of the Branch. d. The Branch is having an outstanding liability payable to the subsidiary companies aggregating to Rs.152.09 Lakhs (net) and the balance is not reconciled with the respective subsidiary companies. Moreover this liability amount is included in the schedule of Short Term Loan and advances (assets side) thus

		having an effect of reducing the balance of Short Term Loans and advances and Other Current liabilities by a similar amount in the Balance sheet of the company. e. In respect of deposits received from dealers and EMD from contractors and classified as Other Current Liabilities, a part of which is outstanding for more than three years amounting to Rs. 229.18 Lakhs and Rs.13.12 lakhs respectively. No proper reconciliations has been made available to ascertain the actual liability payable at Branch level. Also no third party confirmation is available for verification. Therefore, we are unable to quantify the impact of adjustments, if any, on the financial statements of the Branch. f. We have noted that some of the projects / sales undertaken by the Branch are covered under warranty for defect liability of the future period. Whereas the entire contractual income is accounted on completion of the project, the liability on account of the future warranty obligation is provided in the books on estimate basis. In the absence of accurate calculations/certificate from engineer, the impact of the same on the Profit/ Loss of the Branch cannot not be ascertained. g. The balance outstanding on service tax liability amounting to Rs.23.32 Lakhs (Credit) under the head Current Liabilities is unreconciled. Due to non-availability of the reconciliations we are unable to quantify the impact of adjustments, if any. on the financial statements of the Branch. h. It is observed that the Mumbai branch is accounting Rs.60.00 lakhs and Rs.3.40 Lakhs as Share of expenses of Head office and Kelton (ITBG) Branch respectively and debiting it to the profit and loss account. It is observed that the amount is charged by the Head office towards re-imbursement of various administrative charges. However GST was not collected by Kelton Head office at Trivandrum on this transaction with Mumbai Branch in Maharashtra. i. It is observed that the branch is not accounted purchase invoices of Insight Business Machines Pvt Ltd. Invoice of Basic supply value amounting to Rs.92.48 lakhs and Construction cess Charged by WR amounting to Rs.14.27 lakhs in the earlier financial years and the same is now accounted as prior period expenses. j. The company has defaulted in the payment to the MSME viz Insight Business Machines Pvt Ltd amounting to Rs.140.24 lakhs. Interest on such unpaid amounts has also not been

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<tr><td></td><td></td><td>provided. This is in not in consonance with the provisions of the Micro small and Medium Enterprises Act 2016, we are unable to quantify the impact of adjustments, if any, on the financial statements of the Branch.
k. One of the vendor viz Insight Business Machines Pvt Ltd has filed a petition against the company in the Arbitration. The branch has made large amount of payments to Advocates to defend this case but the appointment and fees of such advocates have not been approved by competent authority/ management. Moreover the branch has disclosed the amount of Rs.490.59 lakhs as contingent liabilities in this matter.</td></tr>
<tr><td>3</td><td>KMO – HYDERABAD</td><td>a. The Branch's Trade Receivables consist of receivables continuing for more than 3 years. No provision for doubtful debts is made in the books of accounts during the financial year 2021-22. The list of such trade receivables is enclosed in Annexure.
b. Confirmation of balance for the Trade Receivables and Trade Payables could not be provided by the company.
c. Management informed us that TDS Receivable on services provided to customers, entries are recorded in the Head office books, hence there are no entries relating to TDS receivable in the branch books.
d. Confirmation of balance for the Deposits could not be provided by the company.</td></tr>
<tr><td>4</td><td>INFORMATION TECHNOLOGY AND BUSINESS GROUP (ITBG), VELLAYAMBALAM</td><td>a. The unit has Trade Receivables (Note No. 15 to Balance sheet)of Rs.14326.17 lakhs as on 31st March 2022, of which Rs. 2651.03 lakhs is outstanding for more than 3 years. The balances are carried over in the financial statements since long back without any reconciliation or adjustment. As the chances on the realization of outstanding balances are doubtful/remote, provision has been created in the current year ofRs.430.77 lakhs only resulting in overstatement of Trade Receivables of Rs.2220.26 lakhs. An ageing analysis of Trade Receivables outstanding for more than a year is given below:
<table>
<tr><th>Particulars</th><th>1 to 2 year (Rs. In lakhs)</th><th>2 to 3 year(Rs. In lakhs)</th><th>More than 3 years (Rs. In lakhs)</th></tr>
<tr><td>Trade Receivables</td><td>4412.08</td><td>1780.90</td><td>2651.03</td></tr>
</table></td></tr>
</table>

b. The unit has Trade Payable- Sundry creditors for Purchases (Note No.7 to Balance sheet) of Rs.10460.63 lakhs as on 31st March 2022, of whichRs.1164.15lakhs is outstanding for more than 3 years. Total amount of creditors for written back Rs.127.22 lakhs resulting in the overstatement of Trade Payable- Sundry Creditors by Rs.1036.93 lakhs. An ageing analysis of Trade Payable provided by the management which is outstanding for more than a year is given below:

Particulars	1 to 2 year (Rs. In lakhs)	2 to 3 year(Rs. In lakhs)	More than 3years (Rs. In lakhs)
Trade Payable	3022.77	1486.14	1164.15

c. The unit has Trade Payable- Sundry creditors for Services (Note No. 7 to Balance sheet) of Rs.1134.34lakhs as on 31st March 2022, of which Rs.445.31lakhs is outstanding for more than 3 years, of which Rs.20.62 lakhs has been written back, resulting in the overstatement of Trade Payable by Rs.424.69 lakhs. An ageing analysis of Trade payable provided by the management which is outstanding for more than a year is given below:

Particulars	1 to 2 year (Rs. In lakhs)	2 to 3 year(Rs. In lakhs)	More than 3 years (Rs. In lakhs)
Trade Payable	318.26	40.04	445.31

d. Confirmation regarding outstanding balances of Trade Receivables and Trade Payable was not provided for our verification. Hence, we are not able to comment on the existence, correctness, completeness and recoverability of the outstanding balances shown as on 31-03-2022.

e. The Unit has not disclosed the Trade Receivables and Trade Payables as current and non-current portion.

f. The unit has Trade Receivables having a credit balance of Rs.1221.90 lakhs and trade payables having a debit balance of Rs.58.11 lakhs as on 31.03.2022 as shown under Note No.8 and Note No.17 of the financial statements respectively. Due to the

		unavailability of confirmation regarding these balances, we are not able to comment on the existence, correctness and completeness of the same. The above-mentioned figure may also contain balances that are stagnant which cannot be ascertained since the ageing analysis is not prepared by the management. g. The unit has paid EMD to the tune of Rs.90.57 lakhs as on 31.03.2022, shown under Note No.17 and Note No.12 to financial statements for which no confirmation was provided for our verification. The EMD submitted by the company is neither adjusted nor refunded and is carried over in the financial statements without any reconciliation / adjustment, of which EMD paid amounting to Rs.52.31 lakhs is outstanding for more than 3 years. The company has not raised any claim on the outstanding balances with the customers. Since the chances on realization of the EMD submitted to customers is doubtful / remote, povision has been created in the current year of Rs.18.17 lakhs resulting in the overstatement of EMD of Rs.34.14 lakhs. The unit does not have details regarding continuing and running contracts. h. The unit has received EMD from contractors which aggregates to Rs.134.8 lakhs as on 31.03.2022, and the same is being classified under Note No.8 of Rs. 78.65 lakhs and Note No.4 of Rs. 56.15 lakhs for which no confirmation has been obtained. The balances amounting to Rs.34.40 lakhs are still outstanding for more than 3 years as on 31/ 03/ 2022.Failure to do so has resulted in overstatement of non-current liabilities by Rs.134.8 lakhs and consequent understatement of profit to the same extent. i. The unit has advance from customers balance to the tune of Rs. 849.65 lakhs as on 31.03.2022 shown under Note No.8, 'Other Current liabilities', of which Rs. 300.72 lakhs outstanding for more than three years. However, no confirmation to this effect was made available for our verification. Hence, we are unable to confirm the existence, correctness and completeness of these balances. The advances are carried over in the financial statement since 2012-13 without any reconciliation/adjustment. The customers have not raised any claim on the outstanding amount and therefore the long outstanding amount should be written back. Failure to do so has resulted in overstatement of other current liabilities and consequent understatement of profit. j. Confirmation for Security deposit from dealers which is shown under the head 'Other current liabilities' to the tune of Rs.15.91 lakhs (Note No. 8 of financial statements) has not made available

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<td>for our verification and hence we are not able to comment on the existence, correctness and completeness of the same. The security deposit amounting to Rs.14.06 lakhs has been stagnant for more than three years.
k. During the current financial year, the Unit has included the nonmoving stock pertaining to the previous financial year of Rs.6.98 lakhs in the moving stock. Further no provision for the same has been created during the current financial year. Further, the inventories are as certified by the Management.
l. Outstanding Capital Commitments as at 31st March 2022 has not been disclosed in the financial statements.
m. The Unit has not performed an assessment of impairments of the cash generating units at the year end and consequently no provision has been made in the books of account.</td>
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<tr>
<td>5</td>
<td>KELTRON COMMUNICATION COMPLEX (KCC), MONVILA</td>
<td>a. The unit has Trade receivables (Note No. 13 &15 to Balance sheet)of Rs.23177.32 lakhs as on 31st March 2022, of which Rs. 2808.04 lakhs is outstanding for more than 3 years. The balances are carried over in the financial statements without any reconciliation or adjustment. However, the provision made in the previous year amounting to Rs.308.11 lakhs is being carried forward. No additional provision has been created during the current year. The Debtors Turnover Ratio of the unit is not favorable and it may affect cash flow of the unit in long run. An ageing analysis of Trade receivables outstanding for more than a year is given below:
<table>
<tr><th>Particulars</th><th>1 to 2 year (Rs. In lakhs)</th><th>2 to 3 year (Rs. In lakhs)</th><th>More than 3 years (Rs. In lakhs)</th></tr>
<tr><td>Trade Receivables</td><td>6217.32</td><td>296.68</td><td>2808.04</td></tr>
</table>
b. The unit has Sundry creditors (Note No. 4 & 7 to Balance sheet) of Rs.17964.50 lakhs as on 31st March 2022, of which Rs.1145.41 lakhs is outstanding for more than 3 years. Confirmations for Rs.15534.84 lakhs have been received and reconciled with the books of accounts. The remaining balance of Rs.2429.66 lakhs is subject to confirmation. An ageing analysis of Trade payable provided by the management</td>
</tr>
</table>

which is outstanding for more than a year is given below:

Particulars	1 to 2 year (Rs. In lakhs)	2 to 3 year(Rs. In lakhs)	More than 3 years (Rs. In lakhs)
Trade Payable	4869.02	186.23	1145.41

c. Confirmation regarding outstanding balances of Trade receivables was not provided for our verification. Hence, we are not able to comment on the existence, correctness, completeness and recoverability of the outstanding balances shown as on 31-03-2022.

d. The unit has trade receivables having credit balance of Rs.6.42 lakhs as on 31.03.2022 as shown under Note No.4 and Note No.8 of the financial statements for which no confirmation has been provided to us. Hence, we are not able to comment on the correctness of the same. Also, the unit is not having party wise details of such debtors and the same has been shown in the books of account as "Miscellaneous Debtors".

e. The unit has trade payables having debit balance of Rs.13.85 lakhs as on 31.03.2022 as shown under Note No.12 of the financial statements for which no confirmation has been provided to us. Hence, we are not able to comment on the correctness of the same.

f. The unit has paid EMD to the tune of Rs.13.13 lakhs as on 31.03.2022, shown under Note No.12 to financial statements for which no confirmation was provided for our verification. As per the bid documents, EMD submitted is either adjusted against the security deposit for successful bidders or refunded to unsuccessful bidders after finalization of tender. However, the EMD submitted by the company is neither adjusted nor refunded and is carried over in the financial statements without any reconciliation/ adjustment, of which EMD paid amounting to Rs.13.07 lakhs is outstanding for more than 3 years. The company has not raised any claim on the outstanding balances with the customers. Since the chances on realization of the EMD submitted to customers is doubtful / remote, provision for the same have been created in the accounts under "Provision for doubtful advances" amounting to Rs.5.07 lakhs only.

		g. The unit has received EMD from contractors which aggregates to Rs. 28.76 lakhs as on 31.03.2022 shown under Note 4 & 7 to financial statements for which no confirmation has been obtained. The EMD submitted by contractors is either adjusted against the security deposit for successful bidders or refunded to unsuccessful bidders after finalization of tender. The balances amounting to Rs.14.93 lakhs are still outstanding for more than 3 years as on 31/03/2022. However, the EMD submitted by the contractors is neither adjusted nor refunded and is carried over in the financial statements without any reconciliation/adjustment. Failure to do so has resulted in overstatement of non-current liabilities by Rs.14.93 lakhs and consequent understatement of profit to the same extent. h. The unit has advance from customers balance to the tune of Rs.792.95 lakhs as on 31.03.2022 shown under Note No.8, 'Other Current liabilities', of which Rs.72.58 lakhs outstanding for more than three years. However, no confirmation to this effect was made available for our verification, hence we are unable to confirm the correctness of these balances. The long outstanding advances are carried over in the financial statement without any reconciliation/adjustment. The customers have not raised any claim on the outstanding amount and therefore the long outstanding amount should be written back. Failure to do so has resulted in overstatement of other current liabilities and consequent understatement of profit. i. The Other deposits shown under Note No: 12 to the tune of Rs.101.68 lakhs includes security deposit paid by the unit with respect of Pune CGRAPS Project amounting to Rs. 84.97 lakhs which has been outstanding for more than 10 years. No confirmation was available for our verification and hence we are unable to comment on the recoverability and correctness of the same. It is found that a provision has been created by the unit under "Provision for Doubt Advances "for the said amount. j. The unit is showing an amount of Rs.42.01 lakhs as "miscellaneous Advance" which is outstanding since 2017 for which no details has been provided by the management. There we are unable to verify the correctness of the amount. Since this amount is stagnant for a longer period of time, the

		same should be written off after getting prior approval from the Head office. k. The unit has subcontracting charges to the tune of Rs.48.68 lakhs as shown under Note No:8 "Other current liabilities" of the financial statements. It relates to the expenditure provision created as on 31-03-2017.It is still remaining pending since the supplier has not billed the same yet. l. The unit has leased 63 cents of land to Coconics Private Limited, a company registered under the Companies Act of 2013, from 26th April 2019 at a monthly rent of Rs 3 lakhs plus applicable taxes. This land was leased to the lessee without obtaining any security deposit. The Lessee has not paid the rent since inception and amount due from the lessee as at 31st March 2022 amounts to Rs.124.61 lakhs. Further, overdue interest as per clause 5 of the lease agreement has not been charged to the lessee. The amount due from the lessee is wrongly classified under Trade Receivables for which no provision has been made in the books as at 31st March 2022. m. The entity has not performed assessment of impairments of the cash generating units at the year end and consequently no provision has been made in the books of account.
6	KELTRON LIGHTING DIVISION (KLD), KOZHIKODE	a. There is a opening balance difference of Rs.2.13 lakhs in the balance of CGST as per electronic credit ledger (Rs.0.16 lakhs) under GST Law and the corresponding ledger account (Rs.2.29 lakhs) for which adequate explanation was not provided. Also, there is a closing balance difference of Rs. 2.13 lakhs in the balance of CGST as per electronic credit ledger (Rs.0.71 lakhs) under GST Law and the corresponding ledger account (Rs.2.84 lakhs) for which adequate explanation was not provided. b. Provision has been made towards warranty expenses on sale of hearing aids, AMC and other sales adopting different rates and criteria, however, no separate policy/ head office approvals are available for the provisions made. c. No confirmation has been received in respect of balance outstanding in many sundry creditors, advances, EMD, security deposits, excise deposit and debtors. d. An amount of Rs.6.55, lakhs , is the opening balance of intangible asset which is the amount paid to C-DAC based on their billing for the development of "TARANG-BTE" a hearing aid as explained to us. Clause No 7.0 of the agreement of

		Transfer of Technology executed with M/s C-DAC reads as follows; "*The Process, KNOW - HOW, Improvements, any trade secrets of the licensor provided to the licensee shall remain the intellectual property of the Licensor (C-DAC) and the IPR in/ of such intellectual property shall remain owned by the Licensor exclusively. Licensee shall not have any rights on the intellectual property of the Licensor*". Moreover nowhere in the agreement it is agreed between C-DAC and KELTRON for payment of development of the TARANG-BTE. In view of the above, we are of the opinion that:- i. The payment of Rs. 6.55 lakhs up to 2020-21 to C-DAC for d of the TARANG-BTE is against the terms of the agreement executed on 30.09.2015 ii. As all the rights over the KNOW-HOW vests with the licensor M/s C-DAC, accounting of amount paid to C-DAC for development of TARANG-BTE as intangible asset of KELTRON (Rs 6.55 lakhs - opening balance) is against the generally accepted accounting practices and procedures. So the amount so accounted as intangible assets of KELTRON will lead to overstatement of Intangible Assets. iii. 1/3rd of such intangible assets are amortized which are not in the possession of the organization. iv. Since the expenditure incurred under the agreement gives a benefit of enduring nature to the Unit, the expenditure ought to have been accounted as deferred revenue expenditure and capitalized accordingly. The fixed assets/ intangible assets & Depreciation/ amortization are overstated to this extent, thereby reserve & surplus is also affected to this extent e. During the current year, an amount of Rs. 4 lakhs has been recorded as Research and Development expenses under Intangible assets. This payment pertains to the acquisition of the Know-how for the Infant Warming Wrapper and Bassinet, developed by Sree Chitra Institute of Medical Sciences. The institute has granted a license for the usage of this know-how, effective from 27th October 2021, along with the associated technical documentation necessary for manufacturing the products for sale in India and other regions.

		Furthermore, it's important to note that the agreement between Sree Chitra Institute of Medical Sciences and KELTRON does not include any provision for the payment of the development of the Infant Warming Wrapper and Bassinet. In view of the above, we are of the opinion that:- i) The payment of Rs. 4 lakhs made during 2021-22 to Sree Chitra Institute of Medical Sciences was intended for the grant of a license by the Institute to Keltron. This payment was not for the development of the Infant Warming Wrapper and Bassinet, in accordance with the terms of the agreement signed on 27th October 2021. ii) The accounting of the payment done to Sree Chitra Institute of Medical Sciences for the Know-how of Infant Warming Wrapper and Bassinet is against the generally accepted accounting practices and procedures. So the amount so accounted as intangible assets of KELTRON will lead to overstatement of Intangible Assets. iii) 1/3rd of such intangible assets are amortized which are not in the possession of the organization. iv) Since the expenditure incurred under the agreement gives a benefit of enduring nature to the Unit, the expenditure ought to have been accounted as deferred revenue expenditure and capitalized accordingly. The fixed assets/ intangible assets & Depreciation/ amortization are overstated to this extent, thereby reserve & surplus is also affected to this extent. f. The Closing value of inventory disclosed in the financial statement (Rs 120.03 lakhs) and that accounted in the software (Rs 106.80 lakhs) differs to the tune of Rs 13.23 lakhs which is explained to be due to non -updating the inventory details in software. The software is not updated, properly, to this extent. g. Balance sheet includes certain deposit items of very long years back, for which no evidentiary records are not kept either at the unit or with the agencies to whom the said amount was paid, the details of which is given below: i. Telephone Deposit with BSNL Rs 0.25 lakhs grouped under Other Deposits in Long Term Loans and Advances. ii. Electricity Deposit with KSEB Rs 2.08 lakhs grouped under Other Deposits in Short Term Loans and Advances. According to the explanation given to us, the traceability of source document or to obtain confirmation from agencies is remote.

		h. The aging of debtors shows that unit has debtors outstanding for more than three years as on 31st march 2022, as shown below: Debit balance Rs. 29.31 lakhs, Credit Balance Rs. 9.37 lakhs. According to the explanation given to us during the audit, even though a separate verification of debtors was conducted by an external agency of chartered accountants and recommended write off of several long pending debtors account, no provision/ write offs has been made in the accounts during the period. We could not quantify the same in the absence of said report for our audit. To the extent of the effect of the same to be provided in the accounts, the expenditure/ provisions/ net loss disclosed in the financial statement is understated and current assets is over stated. i. Balance sheet Includes Current Account with KELTRAC, (Rs 0.25 lakhs debit balance) a sister entity of the Unit, which remains inoperative since 2007-08, confirmation of which is not possible as per the information given to us. j. No confirmation of balance is available for the ST deposit/ advance of Rs.41.88 lakhs collected from ALIMCO. k. An amount of Rs 2.43 lakhs has been charged as interest expense on KSIDC loan in the profit and loss statement whereas there is no such loan accounted in the books during the year. The liability is understated to the above extent. l. As per Government of India, Ministry of corporate affairs notification dated 24th March, 2021 In exercise of powers conferred by subsection (1) of section 467 of The Companies Act, 2013 (18 of 2013), the Central Government has made amendments in Schedule III to the said act to be followed by the company on the matter stated therein with effect from 1st day of April, 2021. However, the company has not complied with the requirements as per the said notification while preparing the financial statements.
7	KELTRON TOOL ROOM CUM TRAINING CENTRE)KTTC), KUTTIPURAM	a. The balance of credit of GST (CGST) as per the electronic credit ledger is Rs 21.24 lakhs whereas the balance of credit of CGST available as per the ledger account is Rs 20.66 lakhs leaving a difference of Rs 0.58 lakhs The difference of the same is explained to be from pre GST period through filing TRAN-1. But the details in respect of the same are neither provided nor

		reconciled. The closing entries passed in the GST ledger accounts of Input Tax Credit are not explained properly during the course of our audit. b. The balance of cash as per the electronic cash ledger in the GST portal is Rs 0.01 lakhs (SGST) whereas no such ledger account is maintained in the books of accounts. The difference is not traceable as per the explanation of the unit, there by the current assets understated to that extent. c. An amount of Rs. 5.8 lakhs is seen accounted as payable to creditors in `Sundry Creditors for expenses' ledger as on 31.03.2022. The balance confirmations from none of the creditors are produced. Moreover the value of such creditors is accounted under "Other Current Liabilities" than under "trade payable". Also the trade payable ledger is having a balance of Rs 10.32 lakhs for which no confirmation of the creditors are produced. d. In respect of the outstanding liabilities under:- a) EMD from Contractors Rs. 7.11 lakhs b) Deposit from Sub- Contractors Rs. 0.29 lakhs c) Retention Money from Contractors Rs. 10.31 lakhs d) Advance from Customers Rs. 0.01 lakhs We have the following observations- i. There is no transaction in the ledgers during the year ii. No registers or other documents maintained at the unit in respect of the said amounts. iii. Aging of the above is not made available iv. The outstanding balances are not confirmed by the corresponding parties e. A manual register in respect of the Fixed assets owned and used by the unit with all other details like value, location, depreciation, asset number etc is not maintained. The control over the same is found to be weak. e. No confirmation or documentary evidence is provided for the amounts accounted as electricity and telephone deposits under Tong-term loans and advances' which amounts to Rs. 2.40 lakhs and Rs. 0.005 lakhs respectively. f. An amount of Rs. 0.36 lakhs accounted as short term loans and advances being balance with KELTRAC, a sister entity to KELTRON. We were not provided any confirmation on the said balance outstanding with them. g. No registers or other documents are maintained at the unit for the advance given to employees.

h. No confirmation of the balance from the debtors as on 31.03.2022 is provided other than from M/s Keltron Electro Ceramics Limited. Also, no aging of the debtors were produced.

i. During the year an aggregate amount of Rs. 3.81 lakhs out of the taxable sales invoiced to Keltron Equipment Complex (KEC) is debited in the sales ledger account as per the details given below;

Sl. No.	Purchase Order No. & Date	Invoice No. & Date	Debit Note No. & Date	Debit Note Taxable amount	Debit Note Tax amount	Debit Note Invoice amount
1	KEC/P/F/ RT UV3/ 1408A/11 2010 DTD07.0 6.2021	KTTC/2 021- 22/048D TD31.1 2.2021	GST/2 34/21- 22 DTD 31.03. 2022	0.07	0.01	0.09
2	KEC/P/F/ RTUV3/ 1408A/11 2011 DTD07.0 5.2021	KTTC/2 021- 22/039 DTD30. 10.2021	GST/2 33/21- 22 DTD 31.03. 2022	0.68	0.12	0.81
3	KEC/P/F/ ES V3.1/ 1420A/11 2051 DTD06.0 9.2021	KTTC/2 021- 22/059 DTD31. 01.2022	GST/2 05/21- 22 DTD 31.03. 2022	0.007	0.0012	0.0078
4	KEC/P/F/ E MLOGV3 /14 19A/1120 09 DTD 04.06.21	KTTC/2 021- 22/049 DTD31. 12.2021	GST/2 35/21- 22 31.03. 2022	0.023 DTD	0.004	0.03
5	KEC/P/F/ EMLOGV 3/ 1327/112 043DTD2 6.08.21	KTTC/2 021- 22/051 DTD31. 12.2021	GST/2 37/21- 22 DTD 31.03. 2022	0.02	0.005	0.03
6	KEC/P/F/ RTUV3/1 419A/112 023 DTD 08.07.202	KTTC/2 021- 22/050 DTD31. 12.2021	GST/2 36/21- 22 DTD 31.03.	0.30	0.05	0.36

	1		2022			
7	KEC/P/F/ESV3.1/1420A/112057 DTD 07.10.2021	KTTC/2021-22/072 DTD24.03.2022	GST/224/21-22 DTD 31.03.2022	2.53	0.46	2.98
8	KEC/P/F/EMLOGV3/1327/102058 DTD 03.11.20		GST/16/21-22 DTD 30.06.2021	0.16	0.03	0.19
TOTAL				3.81	0.69	4.50

It has been explained to us that even though the debit note was issued on 31.03.2022 by KEC belatedly not within the prescribed time limit for issuing credit note under section 34 of The GST Act, 2017. This has resulted in mismatch in turnover between GSTR and accounts and also there is an understatement of income of Rs. 3.81 lakhs and understatement of profit by accounting Rs. 0.69 lakhs under 'other sundry expenses' which being the GST portion on the sales. Anticipating the sales return to the stock, the unit has included the value of returnable items as closing work-in-progress. The treatment of the same is not correct and not in accordance with AS-2. But the physical inventory not received in the stores.

j. There are certain instances of non-deduction of tax at source under The Income Tax Act, 1961. During the year TDS is not deducted from the payment made of Rs. 2.04 lakhs to M/s. Metal Fab towards sub-contracting charges. Also no agreement is seen executed with the party in respect of sub-contracting.

Some more instances are payment made to M/s Jyothi CNC of Rs. 0.67 lakhs, M/s. Hykon India Ltd of Rs. 0.42 lakhs and M/s. Siemens Ltd of Rs. 0.75 lakhs towards repairing charges.

k. The unit has been incurring canteen expenses at the rate of Rs. 1250/- per employee to KECL. The unit is recovering expenses at the rate of Rs. 275 per employee who utilises the facility. The difference of Rs. 975/- is the employer share towards the canteen expenses incurred by the unit for which no approvals from head office is available in the files.

l. Other sundry expenses of Rs. 0.94 lakhs disclosed in the financial statement, Rs. 0.69 lakhs is attributable to GST on sales return, and for the balance amount detailed breakup is not provided.

		m. An amount of Rs. 8.27 lakhs is paid to M/s. KEXCON during the year 2021-22 for supply of security staff at the unit. No agreement in respect of such engagement and for making such a payment is made available. n. An amount of Rs. 3.03 lakhs is seen paid to M/s Ganga Security Service for supply of contract labours for the year 2021-22. In respect of the said transaction we have the following observations:- i. There is no agreement executed with 1VI/s Ganga Security Service since its expiry on 31.07.2020. ii. As per the provisions of CGST Act 2017, TDS is to be deducted @2% on payments made to the supplier of taxable goods and for taxable service where the total value of such supply under an individual contract exceeds Rs.2.5 lakhs The payment made to M/s Ganga Security Service for the year 2021-22 for supply of labour contract exceeded the threshold limit of Rs 2.5 lakhs, but the statutory deduction of TDS under the provisions of CGST Act 2017 has not been complied with o. As per Government of India, Ministry of corporate affairs notification dated 24th March, 2021- In exercise of powers conferred by subsection(1) of section 467 of The Companies Act, 2013 (18 of 2013),the Central Government has made amendments in Schedule III to the said act to be followed by the company on the matter stated therein with effect from 1st day of April, 2021. However, the company has not complied with the requirements as per the said notification while preparing the financial statements.

For Isaac & Suresh,
Chartered Accountants
(FRN 001150S)

Date: 19/12/2023
UDIN: 23225166BGVLRG8369
Place: Trivandrum

Sobha Sethumadhavan, FCA
Partner (M.No.225166)

"ANNEXURE 2" To the Independent Auditor's Report of even date on the Financial Statements of 'Kerala State Electronics Development Corporation Limited
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Based on the audit procedures performed by us for the purpose of reporting a true and fair view on the financial statements of the company and taking into consideration the information and explanations given to us and the books of accounts, audit reports of branch auditors except Keltron Marketing Office, Chennai and other records examined by us in the normal course of audit, we report that:

i.

a) i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment in corporate office and all units except in the following units:-

KMO , Kolkata, KCC, Monvila, KTTC, Kuttiputam and KLD, Kozhikode

ii) The Company has maintained proper records showing full particulars of Intangible Assets in KEC , Karakulam only. In KCC, Monvila, KTTC, Kuttiputam and KLD, Kozhikode the said records are not maintained

For KMO , Kolkata, KMO Delhi, KMO, Ahmedabad, KCA Aroor , KMO , Bangalore, KMO, Mumbai, Corporate Office , KMO, Hyderabad, KCA AROOR this clause is not applicable since these units have no intangible assets as on date.

b) The Property, Plant and Equipment has been physically verified by the management at reasonable intervals during the year by all units except KMO, Kolkata . No material discrepancies were noticed on such verification except KTTC, Kuttipuram, KLD, Kozhikode, ITBG and KEC Karakulam for which the comments of statutory branch auditors are reproduced below:-

KTTC, Kuttipuram, KLD, Kozhikode – "However we were not provided any details of such verification, in the absence of which we are unable to comment on material discrepancies, if any and adjustments of the same within the books during the period"

ITBG – " As explained to us, fixed assets have been physically verified by the management at reasonable intervals. However, no adjustments have been carried out in the books for the differences arising out of such physical verification exercise"

KEC Karakulam – "Physical verification report of Property, Plant and Equipment of unit does not contain quantity as per Books of account. Hence comparison of physical stock with that of stock register is not available in these reports. We feel that the purpose of conducting physical verification is not complied with in the present format of report".

c) According to the information and explanations given to us, the title deeds of the immovable properties are held in the name of the company . However the branch auditors KEC , Karakulam has commented that "Unit has lost the original Title deeds and had already informed to the authorities claiming for the total area of 15.62 acre for regularizing the same. Even though unit claimed for 15.62 acres of land, after survey and sketch prepared, verification of total land area the boundary & land area comprising of 10.22 acres was fixed by the report of Mr. Sreekumar G K, Taluk Surveyor G3 on 05/06/2018. But afterwards unit has made a claim for 15.62 acres of total land area of KEC land and the same is under the purview of the Office of the Commissioner of Land revenue & Revenue Department for a proposal and Report for further orders to Government".

d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) On the basis of Information provided by the management, no proceedings have been initiated during the year or are pending against the company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, during the year.

ii.

(a) As explained to us, the inventory has been physically verified during the year in all units by the management and no material discrepancies were noticed except KMO, Kolkata and KEC, Karakulam for which the comments of statutory branch auditors are reproduced below:-

KMO ,Kolkata- "The management has conducted physical verification of inventory during the year, in our opinion, the coverage and procedure of such verification by the management is not appropriate. As informed to us, discrepancies of 10% or more in the aggregate for each class of inventory were not properly dealt with".

KEC,Karakulam – "Physical verification report of Inventory of unit does not contain quantity as per Books of account. Hence comparison of physical stock with that of stock register is not available in these reports. We feel that the purpose of conducting physical verification is not complied with in the present format of report".

(b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets, and there is difference between quarterly returns or statements filed by the company with such banks or financial institutions and with the books of account of the company of the respective quarters.

The quarterly reconciliation of stock statement of Keltron Equipment Complex, Karakulam given to Punjab National bank is below:

Amount in

Quarter ended	Nature of Current Asset	Amount as per financial Statement	Amount as per Stock Statement	Difference*
30-06-2021	Stock	3729.52	3724.32	5.20
	Debtors	6549.54	6536.21	13.33
30-09-2021	Stock	3771.36	3766.09	5.27
	Debtors	6200.42	6193.90	6.52
31-12-2021	Stock	3061.57	3052.31	9.26
	Debtors	7196.28	7182.47	13.81
31-03-2022	Stock	3249.94	3244.03	5.91
	Debtors	7959.07	7239.10	719.97

iii. During the year, the company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, sub clause (a), (c), (d), (e), (f) of this clause is not applicable to the company.

Clause (b) However during the year under audit an amount of Rs.271.17 lakhs has been treated as investment pending allotment by the Company being conversion of loan and interest to Keltron Electro Ceramics Limited since he legal formalities with respect to the aforesaid conversion as per the provisions of Companies Act, 2013 has been completed at KECL and they have disclosed Rs.271.17 lakhs as Share Money Pending Allotment in their financial Statements for the year ended 31st March 2022.Accordingly Company had disclosed the loan and interest accrued thereon as Investments Pending Allotment, which is in conformity with the financial statement of KECL for the year ended 31st March 2022. The said transaction is not prejudicial to the Company's interest

iv. According to the information and explanation given to us, the Company has not advanced loans, given guarantees or security or made any investment in contravention of section 185 and/ or section 186 of the Companies Act, 2013.

v. According to the information and explanations given to us , company has not accepted any deposits or amounts which are deemed to be deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder.

vi. According to the information and explanation given to us, the Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. The said records have been maintained by the Company. We have, however , not made a detailed examination of records with a view to determining whether they are accurate or complete.

vii. In respect of statutory dues:

a) Undisputed accounts payable in respect of any taxes were outstanding as at the end of the year for a period of more than six months from the date they become payable is listed below:

Sl. No	Particulars	Liability as on 31/03/2022	Amount settled within 6 months	Statutory dues not settled within 6 months	Remarks	Unit
1	TDS Contractors	4.97	4.97			KEC
2	TDS salary	0.15	0.15			KEC
3	GST TDS/ TCS Payable	11.52	11.52			KEC
4	OUTPUT CGST	48.38	48.38			KEC
5	OUTPUT SGST	48.38	48.38			KEC
6	OUTPUT IGST	102.95	102.95			KEC
7	CGST Payable Reverse Charge	0.48	0.004	0.48	Paid in Oct GSTR3B	KEC
8	SGST Payable Reverse Charge	0.48	0.004	0.48	Paid in Oct GSTR3B	KEC
9	IGST Payable Reverse Charge	0.001	0.001			KEC
10	Recoveries – PF	20.37	20.37			KEC

11	Recoveries – ESI	3.073	1.51	1.57	Not paid so far. This is not disputed. Will be paid at time of ESi Audit	KEC
12	Recoveries – GIS	0.69	0.69			KEC
13	Recoveries - SLI	0.35	0.35			KEC
14	EPS Payable A/C	4.5	4.52			KEC

b) According to the information and explanation received from the management, the company has liability on account of Income Tax, Sales Tax, Wealth Tax, cess, and other statutory dues which has not been deposited on account of any dispute, as listed in the table below as at the end of 31st March 2022.

Sl. No	Particulars	Financial Year	Liability as on 31/03/2022	Unit
1	Central Excise Department		472.67	KEC
2	PF Interest & Damages		4.16	KEC
3	KVAT		56.17	KEC
4	KVAT (tax & Interest) (Commissioner Appeals)	2009-10	20.35	KCC
5	KVAT (tax & Interest) (Commissioner Appeals)	2010-11	23.85	KCC
6	Service Tax (Cenvat Credit availed on common input services) (CESTAT Bangalore)	2008-09 to 2011-12	1406.84	ITBG

7	Service tax (Interest and penalty for delayed payment) (Commissioner Appeals)	2016-17	28.23	ITBG
8	Provident Fund (Penal Damages treated as prior period Income) (Kerala High Court has given the ruling in favour of ITBG)	2010-11	53.26	ITBG
9	KVAT (Interest and penalty for delayed payment) (Commissioner Appeals)	2013-14	97.004	ITBG
10	West Bengal Value Added Rules 2005 (Demand as per order no. 2011-2012/41/05/V/5) (Hon'ble WB Taxation Tribunal)	FY 2011-12	74.99	KMO, Kolkatta
11	West Bengal Value Added Rules 2005 (Demand as per order no. 2017-2018/41/05/V/8) (Appellate Authority)	FY 2017-18	4.40	KMO, Kolkatta
12	West Bengal Value Added Rules 2005 (Demand as per order no. 2009-2010/04/00/V/290) (The fast Track Revisional Authority Bench - III)	FY 2009-10	50.20	KMO, Kolkatta
13	Sales Tax (As per information available from Corporate Office)		0.01	KMO, Chennai
14	Service Tax As per information available from Corporate Office)		8.43	KMO, Chennai

15	Service Tax		23.32	KMO, Mumbai
16	MVAT		63.22	KMO, Mumbai

viii. According to the information and explanation given to us the company has no transactions, which were not recorded in the books of accounts that, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a) Based on our examination of the records of the Company and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks . However there is default in repayment of loans to Government as at Balance sheet date , the details of which are given below

Particulars of Defaulted loans and interest thereon	**Period of default**	**Defaulted amount (Rs.in lakhs)**
Loan from Government of Kerala	less than 9 year	1240.00
Loan from Government of Kerala	less than 6 year	718.15
Interest accrued and due Government of Kerala	less than 9 year	1226.91
Interest accrued and due Government of Kerala	less than 6 year	837.97

This clause is not applicable to the extent of default in debentures.

(b) On the basis of the information provided by the management the company is not a declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us, funds raised on short term basis have not been utilized for long term basis.

(e) According to the information and explanation given to us, the company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x.

(a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi.

(a) According to the information and explanation given to us, no fraud by the company or any fraud on the company during the year has been noticed or reported.

(b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) On the basis of information provided by the management, no whistle blower complaints received by the company during the year and shared with us for reporting under this clause.

xii. Company is not a Nidhi Company and hence the clause 3(xii) is not applicable to the company.

xiii. According to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable, and the details have been disclosed in the financial statements as required by the applicable accounting standards and the Companies Act, 2013..

xiv. (a) According to the information and explanation given to us, the company has an internal audit system that commensurate with the size and nature of its business except KMO, Bangalore and KMO, Hyderabad . For KMO, Hyderabad this clause is not applicable

(b) The reports of the Internal Auditors for the period under audit were considered by all auditors except KEC , Karakulam and KMO, Bangalore. In KEC , Karakulam Statutory branch auditors have commented that "we have not been provided with Internal Audit Report for the FY 2021-22 till date, though the audit was completed during the course of our audit. Hence, we could not consider the comments if any in the Internal Audit Report for expressing our opinion on the Financial Statements of the Unit". In KMO, Bangalore since there does not exist an internal audit system this point is not applicable

xv. According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with the directors.

xvi. (a) According to the information and explanation given to us, the company is not required to be registered under section 45-I A of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) According to the information and explanation given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934

(c) According to the information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. According to the information and explanation given to us and based on the audit procedures, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of statutory auditors during the year; hence this clause is not applicable.

xix. According to the information and explanations given to us and based on our examination of the records of the Company and financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report, indicating that the company is capable of meeting its liabilities at the date of the balance sheet and when they fall due within a period of one year from the balance sheet date. We, however state that this is not an assurance as to the future viability of the company.

xx. The company has complied with the provisions of section 135 of the Companies Act, 2013 regarding CSR activities of the Company.

xxi. Reporting requirements under clause (xxi) is not applicable in respect of audit of standalone financial statements of the company. Accordingly no comment has been included in respect of said clause under this report.

For Isaac and Suresh
Chartered Accountants
(FRN 001150S)

Sobha Sethumadhavan, FCA
Partner (M.No.225166)

Date: 19/12/2023

UDIN:23225166BGVLRG8369

Place: Trivandrum

ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT:

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

As required by Section 143(5) of the Act, we give a statement on the compliance to the Directions issued by the Comptroller and Auditor General of India for the year 2021-22 based on the reports of branch auditors and other information obtained during the course of audit.

Directions under section143(5) of the Companies Act, 2013 in case of Corporate Office, All units and All KMOs except Chennai, Bangalore and Ahmadabad.	Report	Action Taken	Impact accounts and Financial Statements
1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated	Yes. The Corporate Office and all units is having Oracle based ERP System. In corporate Office, the Accounts are maintained in Tally ERP by importing transaction data from Oracle ERP on a periodical basis on a controlled manner to avoid omission/duplications. However in Units Tally data entry has been made manually based on the data in ERP. In KMOs accounts are prepared in tally software itself.	-	Not applicable
2. Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest, etc. made by a lender to	Government of Kerala vide GO(MS)No.53/2020/ID dated 15th May 2020 has approved a Financial Restructuring proposal in respect of loans issued by	Not Applicable	Refer Note 42 to Financial statements of 2021-22.

the company due to the company's inability to repay the loan? If yes, the financial impact.	GOK, which included conversion of loan into equity and waiver of interest. The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020. GO(Rt)No:108/2022/ID dated 18th October 2022 amending the GO(MS) No.53/2020/ID dated 15th May 2020 (sanctioning the financial restructuring proposal of the company) to the extent of waiver of interest, sanctioned the conversion of accrued interest to Share capital. Hence, the loans along with accrued interest amounting to Rs.17030.80 lakhs had been transferred to "Share application money pending allotment". All the procedural aspects of increasing the authorized share capital such as filing of required forms with ROC and payment of filing fees etc has been complied with and the equity shares worth Rs.17030.80 lacs were also allotted to Government of Kerala		

	subsequently after the Balance sheet date.		
3. Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and condition? List the cases of deviation.	No such cases	-	-
Directions under section143(5) of the Companies Act, 2013 in case of KMO, Chennai ,KMO Bangalore and KMO Ahmedabad	**Report**	**Action Taken**	**Impact accounts and Financial Statements**
1. Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	KMO-Chennai- Yes KMO Bangalore-There are no such items at Branch level. KMO Ahmedabad- Not answered		
2.Whether there are any cases of waiver/-write-off of debts/loans/interest etc., if yes, the reasons there or and the amount involved	No such cases KMO Ahmedabad- Not answered		
3. Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from Government or other authorities	No such cases KMO Ahmedabad- Not answered		

4.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 and general reserves) may be examined, including the mode and present stage of disinvestment process	KMO Bangalore-Not Applicable		
5. To report whetherthere waiver/write off of debts/loans/interest etc.,if yes, the reasons for and the amount involved.	KMO Bangalore- Nil		
6.Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities?	KMO Bangalore- There are no inventories lying with third parties and assets received as gifts from Government or other authorities. Except tools kept with ISRO.		
7.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)	KMO Bangalore- A case filed by one of the employee for quashingthepunishmenti mposedandgrantingconse quential monetary benefits is pending before the Honourable High Court of Karnataka. Not yet listed.		

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

Sl. No		
A	**Agriculture and Allied Sector**	Not Applicable
B	**Finance Sector**	Not Applicable
C	**General and Social Sector**	Not Applicable
D	**Power Sector**	Not Applicable
E	**Infrastructure Sector**	Though ITBG and KCC units come under this sector, the auditors of these units, did not answer the sector specific sub-directions under section 143(5) of the Companies Act, 2013.
F	**Manufacturing Sector**	KCA, KLD, KCC, KEC and KTTC units come under this sector.
1	Whether the Company's pricing sector policy absorbs all fixed and variable cost of production as well as the allocation of overheads?	The auditors of KLD,KTTC, KCA , KEC and KCC units under this sector have reported that as per the explanation given from the unit the Company's pricing sector policy absorbs all fixed and variable cost of production as well as the allocation of overheads subject to following comments. 1. KLD and KTTC - They have not provided withany such pricing policies adopted by the company in this regard . 2. KCA- the company has not carried out any cost audit for the year. Hence they are unable to comment upon the pricing policy due to the lack of cost audit. 3. KEC - subject to Point No: 8(q) of Point No.o under Emphasis of Matter in Statutory Audit Report for the FY 2021-22.
2	Whether the Company has utilized the government assistance for technology upgradation/modernization of its manufacturing process and timely submitted the utilization certificates.	The auditors of KCC, KTTC and KCA had reported that there were no receipts of such assistance during reporting period. The auditors of KEC and KLD have confirmed the utilization of the Government assistance and timely submission of utilisation certificates.

3	Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.	The auditors of KCC, KEC,KTTC and KLD have reported that as per the information produced, the company has fixed policies for treating normal losses and evaluation of abnormal losses. However, auditors of KCA reported that "the company is following certain norms for normal losses and a system for evaluation of abnormal losses. However, we are unable to comment whether it is adequate or not in the absence of complete cost records and cost audit. Further in case of guarantee, company informed that no expert opinion has been taken and the valuation for the same is based on their previous experience in the field. "
4	What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy.	The auditors of the units under this sector have reported that there are no by-products. Finished goods are valued at lower of cost or net-realizable value. It is also reported that no deviation from its declared policy is noted.
5	Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books.	The auditors of the units under this sector have reported that the records verified by us and the explanation given to us, there are no deteriorated stores and spares of closed units.
6	Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification.	The auditors of KLD, KCC and KCA confirmed the existence of effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification. KEC auditor has also confirmed the existence of effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification subject to Point No: 8(y) of Point No.o under Emphasis of Matter in Statutory Audit Report for the FY 2021-The auditors of KTTC confirmed that the unit does not have such an effective system for physical verification.

7	State the extent of utilization of plant and machinery during the year vis-à-vis installed capacity.	The auditors of KCA and KTTC reported that the manufacturing activity is based on the Customer specific Orders. However KTTC had further reported that they have not provided the details of installed and utilized capacity. The auditors of KCC and KEC have reported that the 100% utilization of plant and machinery during the year. KLD auditor has reported 18.57% for LED lights manufacturing and 10.27% for hearing aids.
8	Report on the cases of discount/commission in regard to debtors and creditors where the Company has deviated from its laid down policy.	The auditors of KCC, KEC, KTTC and KLD have reported that no such instances were observed.However auditors of KCA reported that "As per explanation given to us company is charging maximum 10% as liquidated damages when there is delay in delivering goods as against terms and conditions mentioned in purchase order. This liquidated damages are shown as cash discount in financial statements instead of liquidated damages."
G	**Service Sector**	**Corporate Office, KMO's: Ahmadabad, Bangalore, Chennai, Kolkata, Mumbai and Units: KLD, KCC, KEC, ITBG, KCA and KTTC come under this sector and the reports of the auditors of these units/KMO's are considered and reported hereunder. KMO Hyderbad and Delhi have not reported the various points under this subdirection.**
1	Whether the Company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price?	With respect to Projects undertaken by manufacturing units executed through KMOs at respective locations, the pricing may be regulated by the former units, as per the project plan decided on case to case basis. With respect to businesses executed by KMOs of their own pricing is managed by KMOs independently following internal procedures. Auditors of ITBG,KCC,KMO,Kolkatta,KMOBangalore, KTTC Kuttipuram , KLD Kozhikode and KEC have reported that he Company's pricing policy absorbed all fixed and variable cost of production.

		How ever auditors of KMO Mumbai, KMO Ahmedabad, KMO Chennai have reported thatPricing policy is formulated at Head Office. However, auditors of KCA AROOR reported that The company's pricing policy absorbs all the fixed and variable costs of production as well as allocation of overheads subject to availability of complete cost records and conduct of cost audit.
2	Whether the Company recovers Commission for work executed on behalf of Government/other organizations that are properly recorded in the books of accounts? Whether the Company has an efficient system for billing and collection of revenue?	It is reported by the following units/KMO's that they are not generating any revenue in the form of commission from the government or other organisations during the year:-Ahmedabad ,Mumbai, ITBG, KCC, KEC, KCA, Kolkata, and Bangalore. The Corporate office and following units/KMO's auditors have confirmed the recovery and record in the books of accounts: KLD, Chennai, and KTTC. It is also reported that the company has an efficient system for billing and collection of revenue. Necessary step may be taken for recovering long outstanding items.
3	Whether the Company regularly monitors timely receipt of subsidy from Government and is properly recording them in its books?	The auditors of the units under this sector have reported that no subsidy has been received from government during the year 2021-22
4	Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?	The auditors of the units/KMO under this sector have reported that no such instance has occurred during 2021-22. With respect to Plan Fund parking at Government Treasury, the interest will not accrue as per the nature of such account.
5	Whether the Company has entered into Memorandum of Understanding with its Administrative Ministry, if so, whether the impact thereof has been properly dealt with in the financial statements.	The auditors of the units/KMO under this sector have reported that they have not entered into Memorandum of Understanding with any of its Administrative Ministry during 2021-22.

H	**Trading**	**KMO's: Ahmadabad, Bangalore, Chennai, Kolkata, Mumbai and Units: KLD, KEC, ITBG, KCC, KCA and KTTC come under this sector and the reports of the auditors of this units/KMO's are considered and reported hereunder.** **KMO Hyderabad and Delhi have not reported the various points under this sub direction.**
1	Whether the Company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	The auditors of the units/KMO's under this sector have reported that there is an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts except in the following cases: KMO Chennai: It is reported that realization of Sundry debtors is not satisfactory and debtors outstanding for more than 3 years is Rs.1,31,47,941/- KMO Mumbai: It is reported that there are dues outstanding for more than 3 years as on the reporting period. ITBG: Dues from Govt. Department are long outstanding. KCC: Dues from Govt. Department are long outstanding KCA AROOR – It is reported in case of collection there is debtors due more than 3 years. They are unable to say proper system is installed. No suit has been filed for debtors outstanding more than 3 years.

2	Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification.	The auditors of the units/KMO under this sector have reported that there is an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification.While the following units/KMO's have reported as follows: KMO Bangalore –It is reported that the number of slow moving items in Inventory of the Branch. The same needs to be reviewed by the Management periodically. KCA AROOR – KCA auditor has reported that in their opinion, the procedures for physical verification of inventory are not adequate and reasonable in relation to the size of the division and nature of its business. KEC – It is reported that the unit is carrying out physical verification of inventory during fixed intervals for identifying the materials lying in the store and verifies the same with the books of accounts, and making necessary adjustments if there is any deviation, subject to the Point No: 8(y) of Point No.o under the Emphasis of Matters in Statutory Audit Report for the FY 2021-22.
3	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported.	The auditors of the units/KMO's under this sector have reported that there exists an effective system to follow the recovery of dues in respect of sale activitiesexcept in the following cases: 1. The auditors of ITBG and KCC have reported that dues from the Govt. Dept are long outstanding. 2. The auditors of KTTC and KLD reported that even though there is a system for recovery of dues working in this regard, there are long pending dues existing out of sales activities. 3. KMO Chennai – Monthly review of financials and debtors position of branch is reviewed by HO.

		4. KMO Bangalore - The branch has a system of monitoring the timely recovery of outstanding dues. However needs improvement. 5. KCA AROOR – It is reported in case of collection there is debtors due more than 3 years. They are unable to say proper system is installed. No suit has been filed for debtors outstanding more than 3 years.
	Miscellaneous Sector **a) Technology Oriented**	**KMO's Ahmedabad, Chennai, Kolkata and Mumbai come under this sector and the reports of the auditors of this units/KMO's are considered and reported hereunder.**
1	Examine and report the cases of dispute, if any, on contracts relating to supply of hardware as well as software. In the event of such assets remaining with the Company please report on its valuation and accounting in the books.	The auditors of KMO's have reported that no instances were noted.
2	What is the system of recovering fees/charges in regard to providing manpower to various agencies? Report the cases where no such recovery has been affected and accounted for.	KMO's Ahmedabad and Chennai have reported that the company has been following the terms and conditions as per the agreement in this regard while Kolkata and Mumbai auditors have reported that no such transactions were observed during the period.
3	What is the system of receiving revenue share from franchise, if any?	The auditors of KMO's under this sector have reported that no such revenue was received by the units.
4	Report the cases where in software, hardware or IT enabled system is lying redundant/outdated.	The auditors of KMO's under this sector have reported that no such instances were observed

5	What is system of accounting of grants/ subsidies received from Central/ State Government or its agencies? Comment on the cases of diversion wherein the grants were not utilized for the purpose for which these were received.	The auditors of KMO's under this sector have reported that no grants / subsidies have been received from the Central / State Government or its agencies to the branch during the reporting period.
	Miscellaneous Sector **b) Others**	**Corporate Office, KMO's: Bangalore, Chennai, Kolkata, Ahmedabad, Hyderabad and Mumbai come under this sector and the reports of the auditors of this units/KMO's are considered and reported hereunder.** **KMO Hyderabad have not reported the various points under this sub direction.**
1	Examine- the system of effective utilization of Loans/Grant in Aid/ Subsidy. List the cases of diversion of funds.	The auditors of units/KMO's under the sector have reported that the units/KMO have not taken any loans or received any grant in aid or subsidy during reporting period. In respect of Corporate Office as per the information available from management , there exist a system effective utilization of Loans/Grant in Aid/ Subsidy.
2	Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period	The auditors of the KMO's reported that no major capital expenditure/expansion were incurred during the period under report. As per the information available from management, this evaluation is done in Corporate Office, as a part of DPR preparation which is associated with the release of Plan Fund from Government of Kerala.
3	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format, which of the areas such as	The auditors of units/ KMO's under this sector have reported that they have a computerized system for its financial accounting purpose and proper security measures had been taken for security of data/software/hardware, except KMO Mumbai wherein it is reported that the unit is using tally package only for financial

	accounting, sales personnel information, pay roll, inventory etc have been computerized and whether the company has evolved proper security policy for data/ software/hardware?	accounting and inventory management. The tally needs to be strengthened for stores management. It is found that the Tally system has been secured with password for all the users. As per the information available, the Corporate Office is having Oracle based ERP System. The Accounts are maintained in Tally ERP by importing transaction data from Oracle ERP on a periodical basis on a controlled manner to avoid omission/duplications. The ERP/Payroll data are maintained in the Data Centre at ITBG where all the data security compliance are ensured.

For Isaac & Suresh,
Chartered Accountants
(FRN 001150S)

Sobha Sethumadhavan, FCA
Partner (M.No.225166)

Date: 19/12/2023

UDIN: 23225166BGVLRG8369

Place: Trivandrum

Annexure 4 to the Independent Auditors' Report of even date on the Financial Statements of Kerala State Electronics Development Corporation Limited

Report on Verification of Internal Financial Controls Over Financial Reporting 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 as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting considering the size, volume and nature of activities carried out during the year.

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:

a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company,
b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and
c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, material weaknesses as per qualifications mentioned in our report and following material weakness have been identified as at March 31, 2022:

The company did not have an appropriate internal control over financial reporting for:

1. The company's system for identifying, determining and accounting the qualified assets and the related borrowing cost resulting in incorrect recognition of property, plant and equipment/ capital work in progress and related expenditure.
2. The company's system for identifying, determining and accounting the reportable segments and revenue, expenses , assets, liabilities and results of those reportable segments.
3. The Company's process of evaluating completeness and accuracy of transactions relating to impairment and derecognition of Property, Plant and Equipment based on the periodic verification and technical evaluations.
4. Company's system of physical control of property, plant and equipment including unique numbering, complete fixed assets register and proper physical verification.
5. Company's system of timely reconciliation of debtors with the financial records and proper follow-up with debtors for recovery.
6. Company's process with regard to the control activities in compliance of payment mechanism to the vendors as well as employees and as such instances were noted where payment for vehicle hiring has been made in cases having log books is not signed by the officials who used the vehicle and delay in processing of loss of pay of employees.
7. Company's system of IT controls which allows unrestricted access to Enterprise Resource Planning (ERP) Software to all employees and

under utilization of ERP software without integrating with payroll and other functions.

8. Company's system of IT controls which allows employees to use their gmail accounts instead of the company's webmail provided to them. On enquiry, many of the employees reported that they are facing system bugs while using their web mail and hence using the gmail accounts created by them for company purpose.
9. Company's system of IT in which ERP does not support generation of reports necessary for various disclosures required as Sch.III
10. Company's system of IT controls in which it has been observed that vouchers generated by ERP are not consecutively numbered and hence missing vouchers, if any, could not be identified
11. Company's system of corporate governance and as such Company has not disclosed details in respect of adequacy of internal financial controls with reference to the financial statements in the Board report which was required to be done as per rule 8(5)viii of the Companies (Accounts) Rules, 2014.
12. The system of internal control with respect to maintenance of adequate records of ascertainment of slow moving and non moving items of inventory of KMO Mumbai for inventories records.
13. Accounting of the possible future liability in respect of warranty obligations accepted with the sales of project in KMO Mumbai.
14. Reconciliation of the old service tax liability outstanding for more than 10 years is found in KMO Mumbai.
15. Company's system of obtaining balance confirmation and reconciliation of trade receivable, trade payable, EMD etc
16. Reconciliation and consequent adjustments, if any, of the related party and subsidiary company balances during the year was noted in KMO, Mumbai.
17. The internal control regarding review of long pending advances, deposits and Trade payables.

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

Qualified Opinion

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

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 standalone financial statements of the Company, and these material weaknesses may affect our opinion on the standalone financial statements of the Company.

For Isaac & Suresh,
Chartered Accountants
(FRN 001150S)

Sobha Sethumadhavan, FCA
Partner (M.No.225166)

Date: 19/12/2023

UDIN:23225166BGVLRG8369

Place: Trivandrum

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note no.	As at 31st March 2022 Rs.in lakhs	As at 31st March 2021 Rs.in lakhs
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share capital	1	20,355.18	20,355.18
(b) Reserves and surplus	2	(14,954.86)	(19,423.31)
Share application money pending allotment	3	17,030.80	17,030.80
Non-current liabilities			
(a) Long-term borrowings	4	1,539.89	1,445.33
(b) Other long-term liabilities	5	10,163.62	4,227.29
(c) Long-term provisions	6	2,075.75	2,024.87
Current liabilities			
(a) Short-term borrowings	7	4,892.85	5,216.82
(b) Trade payables	8		
i)Dues to Micro,Small & Medium Enterprises	(i)	18,996.58	14,847.35
ii)Dues to Others	(ii)	11,851.47	15,996.66
(c) Other current liabilities	9	12,903.43	12,649.41
(d) Short-term provisions	10	1,015.11	928.41
TOTAL		**85,869.82**	**75,298.81**
ASSETS			
Non-current assets			
(a)Property ,Plant and Equipment and Intangible Assets	11		
(i))Property ,Plant and equipment		2,598.20	2,541.52
(ii) Intangible assets		64.11	98.47
(iii) Capital work-in-progress		292.22	119.91
(iv) Intangible Assets under development		42.37	-
(b) Non-current investment	12	3,205.44	3,272.94
(c) Deferrd tax Asset		1,557.50	-
(d) Long-term loans and advances	13	3,886.51	3,662.14
(e) Other non-current assets	14	12,032.55	5,550.79
Current Assets			
(a) Inventories	15	5,448.72	5,972.95
(b) Trade receivables	16	42,900.54	40,616.86
(c) Cash and cash equivalents	17A	7,229.84	6,125.08
(d) Other bank balances	17B	2,375.70	2,362.83
(d) Short-term loans and advances	18	3,936.88	4,814.58
(e) Other current assets	19	299.24	160.74
TOTAL		**85,869.82**	**75,298.81**

Significant Accounting Policies and Notes 1 to 71 are integral part of this financial statement.

On behalf of Board of Directors

Per our report of even date attached

CIN : U74999KL1972SGC002450

	Sd/-	Sd/-
For Isaac & Suresh	**N.Narayana Moorthy**	**Anoop.S**
Chartered Accountants,	Chairman & Managing Director	Director
Firm Registration No.001150S	DIN:05251681	DIN:03399884
Sd/-	Sd/-	Sd/-
CA.Sobha Sethumadhavan	**B.Bilu**	**CA Sreejan.A.S**
Partner	Company Secretary	GM i/c (Finance)
Membership No.225166		
UDIN:23225166BGVLRG8369		Thiruvananthapuram
19th December 2023		25th November 2023

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note	For the year ended 31st March 2022 Rs.in lakhs	For the year ended 31st March 2021 Rs.in lakhs
Revenue from operations	20	51,727.49	45,001.05
Less: Excise duty		-	
Net Revenue from operations		51,727.49	45,001.05
Add/less: Stock Transfers		-	-
Other income	21	825.32	418.79
Total Income		52,552.81	45,419.84
Expenses			
Material consumed and service expenses	22	39,215.90	36,197.67
Change in inventory of Finished Goods, Work-in-progress and Stock-in -trade	23	762.31	(262.93)
Employee cost	24	6,304.62	6,893.70
Finance cost	25	771.16	698.86
Depreciation/amortization	26	339.94	337.28
Other expenses	27	1,487.41	1,218.04
Prior period adjustment	28	(285.16)	(35.13)
		48,596.18	45,047.49
Add/Less: Consumption for captive capital items		(62.74)	(13.55)
Total Expenses		48,533.44	45,033.94
Profit/(Loss) for the year before exceptional and extraordinary items		4,019.37	385.90
Less : Exceptional items	29	1,108.42	51.76
Profit/(Loss) for the year before extraordinary items		2,910.95	334.14
Extraordinary Items		-	
Profit /(Loss) for the year before Tax		2,910.95	334.14
Current Tax		-	
Deferred Tax		(1,557.50)	
Profit /(Loss) for the year		4,468.45	334.14
Balance of profit/(loss) carried over to Balance Sheet		4,468.45	334.14
Earnings per share: (Amount in Rs)			
Basic		21.95	1.64
Diluted		11.95	0.89

Significant Accounting Policies and Notes 1 to 71 are integral part of this financial statement.

Per our report of even date attached to Balance Sheet

On behalf of Board of Directors

CIN : U74999KL1972SGC002450

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

Sd/-
Anoop.S
Director
DIN:03399884

For Isaac & Suresh
Chartered Accountants,
Firm Registration No.001150S

Sd/-
CA.Sobha Sethumadhavan
Partner
Membership No.225166

UDIN:23225166BGVLRG8369
19th December 2023

Sd/-
B.Bilu
Company Secretary

Sd/-
CA Sreejan.A.S
GM i/c (Finance)

Thiruvananthapuram
25th November 2023

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs.in lakhs	Rs.in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(loss) before extraordinary items and tax	**2,910.95**	**334.14**
Adjustments for :		
Depreciation/Amortisation	339.94	337.28
Provision for bad debts	1,176.34	39.93
Provision for loans, advances and deposits	18.69	15.45
Bad sundry debits written off	0.39	(16.90)
Bad sundry credits written back	(215.25)	661.92
Interest expenses	741.28	(233.42)
Interest income	(261.77)	(1.06)
Profit on sale of fixed assets	(0.13)	-
Profit on sale of investments	(454.45)	-
Loss on sale of fixed assets	0.28	-
Operating Profit Before Working Capital Changes	**4,256.27**	**1,137.34**
Adjustments for (increase)/decrease in operating assets:		
Trade and other receivables	(8,789.31)	(7,586.61)
Inventories	524.24	(794.07)
Other loans and advances	634.65	(1,429.15)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables and other liabilities	6,030.34	13,646.80
Net Cash from operating activities	**2,656.19**	**4,974.31**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(514.14)	(250.52)
Proceeds from sale of fixed assets	0.28	-
Intangible assets	(63.23)	(60.48)
Interest received	36.66	94.79
Term deposits with bank	(1,079.12)	(172.11)
Sale of investment	521.95	-
Net cash used in investing activities	**(1,097.60)**	**(388.32)**
C. CASHFLOW FROM FINANCING ACTIVITIES:		
Receipt of Government loan	400.00	495.06
Working Capital Term Loan from KSIDC	(451.33)	405.73
Working Capital facility from KFC-BDS	(415.86)	(853.52)
Working capital revolving fund loan-KFC	(636.20)	(15.00)
Covid Relief Loan from KFC	57.75	107.63
L&T loan from KFC	449.65	-
PNB GECLS Loan	170.00	-
Interest paid	(224.42)	(197.16)
Cash Credit facility from Punjab Nationa Bank	196.58	(257.48)
Net cash used in financing activities	**(453.83)**	**(314.74)**
ABSTRACT:		
A. Net Cash from Operating Activities	2,656.19	4,974.31
B. Net Cash used in Investing Activities	(1,097.60)	(388.32)
C. Net Cash used in Financing Activities	(453.83)	(314.74)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**1,104.76**	**4,271.25**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**6,125.08**	**1,853.83**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**7,229.84**	**6,125.08**
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**1,104.76**	**4,271.25**

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents consists of:	Rs.in lakhs	Rs.in lakhs
a) Cash and stamp in hand	30.50	7.52
b) Remittance in transit	85.97	10.00
c) Balance in Scheduled Banks:		
Current account	4,612.83	3,423.92
Term deposits (less than 3 months maturity)	2,500.00	2,549.70
d) Government of Kerala - Treasury savings bank account	0.54	133.94
Total	**7,229.84**	**6,125.08**

Per our report of even date attached to Balance Sheet

On belalf of Board of Directors
CIN : U74999KL1972SGC002450

For Isaac & Suresh
Chartered Accountants,
Firm Registration No.001150S

Sd/-
CA.Sobha Sethumadhavan
Partner
Membership No.225166

UDIN:23225166BGVLRG8369
19th December 2023

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

Sd/-
B.Bilu
Company Secretary

Sd/-
Anoop.S
Director
DIN:03399884

Sd/-
CA Sreejan.A.S
GM i/c (Finance)

Thiruvananthapuram
25th November 2023

NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE A: SIGNIFICANT ACCOUNTING POLICIES & NOTES

Corporate Information

Kerala State Electronics Development Corporation Limited (KELTRON) (CIN: **U74999KL1972SGC002450**) is a company incorporated under the Companies Act, 1956. The company is fully owned by the Government of Kerala. KELTRON is a technology driven enterprise that manufactures and markets electronic components, equipment and systems for communications, defence, aerospace, industrial and home applications. Coupled with the high-calibre technical expertise available in house, KELTRON has repositioned itself as a total solutions provider in the electronics industry. The current capabilities of the Company include system integration, project management and consultancy. These products are marketed through a strong sales and distribution network spanning the entire country, through the seven branch offices located at Ahmedabad, Bangalore, Calcutta, Chennai, Delhi, Hyderabad, and Mumbai, to ensure that the products are backed by dedicated support and service.

Basis of Accounting

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

Use of estimate

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

BALANCE SHEET

I. Property, plant and equipment

Property, plant and equipment are stated at cost as increased by revaluation in 1983-84 less depreciation. All costs (including technical know-how wherever

applicable) relating to acquisition and installation of Property, plant and equipment are capitalized.

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

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

II. Investments

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

III. Inventories

a) Raw Materials and Components

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

b) Work-in-progress

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

c) Finished goods

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

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

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

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

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

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

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

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

IV. Cash and Cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at Bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

V. Government Grant

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

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

VI. Taxes on income

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

VII. Operating Cycle

For the purpose of classifying the Assets and Liabilities as current and non-current, operating cycle is considered to have duration of 12 months in all cases, except the cases where the customer/supplier/sub-contractor order terms include

design/drawing/development/retention or any other specific condition compliance of which will result in an operating cycle beyond 12 months. In such cases, the operating cycle ends on the expiry of the mandated date in the specific condition of the order.

VIII. Segment Reporting

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

PROFIT AND LOSS

I. Revenue recognition

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

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

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

b) *Contract jobs*
Proportionate income in respect of contract jobs is taken credit only if the percentage of completion of each job is 25% or more, while losses

including those anticipated on completion of jobs are absorbed in the Statement of Profit and Loss.

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

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

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

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

II. Expenses

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

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

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

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

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

b) *Impairment of Assets*

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

c) *Excise duty/GST*

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

d) *Retirement Benefits*

i) Gratuity

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

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

ii) Leave encashment

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

iii) Defined Contribution Plans

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

e) *Foreign currency transactions*

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction or at the exchange rate under the

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

f) *Warranties and indemnities*

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

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

g) *Provision and Contingent Liabilities*

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

h) *Borrowing Cost*

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

i) *Earnings per share*

The basic earnings per share are computed by dividing the net profit for the period attributable to equity share holders by weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity share holders by weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note 1 : SHARE CAPITAL	As at 31st March 2022	As at 31st March 2021
	Rs.in lakhs	Rs.in lakhs
Authorised Share Capital 21000000 equity shares of Rs100/- each (Previous year : 21000000 equity shares of Rs100/- each)	21,000.00	21,000.00
Issued, subscribed and paid up 20355181 equity shares of Rs100/- each fully paid up	20,355.18	20,355.18
Total	**20,355.18**	**20,355.18**

(a)

Reconcilation of number of shares outstanding:	As at 31st March 2022		As at 31st March 2021	
	No of Shares	Rs.in lakhs	No of Shares	Rs.in lakhs
Shares outstanding at the beginning of the year	2,03,55,181	20,355	2,03,55,181	20,355
Shares outstanding at the end of the year	2,03,55,181	20,355	2,03,55,181	20,355

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

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

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

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

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

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

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

	As at 31st March 2022		As at 31st March 2021	
	No of Shares	% holdings	No of Shares	% holdings
Government of Kerala	1,99,55,181	98%	1,99,55,181	98%

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

During the period of five years immediately preceding 31st March 2022, no shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash.

(e) **Details of shareholding of Promoters**

Name of the Promoter	As at 31st March 2022		As at 31st March 2021	
	No of Shares	% holdings	No of Shares	% holdings
Government of Kerala	1,99,55,181	98%	1,99,55,181	98%

There is no change in the promoters holding during the reporting period.

(f) Refer Note no.42.

Note 2 : RESERVES AND SURPLUS	As at 31st March 2022	As at 31st March 2021
	Rs.in lakhs	Rs.in lakhs
(i) Capital Reserve		
a) Investment subsidy for Controls Division	15.00	15.00
b) Subsidy for Printed Circuit Board Division	5.20	5.20
c) Grant from Government of Kerala for Co-operative projects	9.30	9.30
	29.50	29.50
(ii) Surplus/(deficit) as per Statement of Profit and Loss.		
Balance of Loss as per last Balance Sheet	(19,452.81)	(19,786.95)
Add : Net Profit/(Loss) for the	4,468.45	334.14
Net balance of Loss	(14,984.36)	(19,452.81)
Total [(i) + (ii)]	**(14,954.86)**	**(19,423.31)**

Refer Note no.42

Note 3: SHARE APPLICATION MONEY PENDING ALLOTMENT	As at 31st March 2022	As at 31st March 2021
	Rs.in lakhs	Rs.in lakhs
Share subscriptions received pending allotment	17,030.80	17,030.80
Total	**17,030.80**	**17,030.80**

(a) The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan amounting to Rs7,200.18 lakhs and Government grant amounting to Rs 600 lakhs to equity and the company on its 256 th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020. The Government of Kerala vide GO No.108/2022/ID dated 18th October 2022 approved the conversion of Interest Accrued on Government Loan amounting to Rs 9,230.62 lakhs. Accordingly Rs17,030.80 lakhs (Rs7,800.18 lakhs+Rs9,230.61lakhs) is disclosed as "Share application money pending allotment upon conversion of loan". Refer Note 42.

(b) The authorised share capital of the company as on 31st March 2022 is Rs21,000 lakhs.As part of the the financial restructuring and consequent to the conversion of Government loan into equity as referred to sl no (a) above the authorised share capital has been increased from Rs21,000 lakhs to Rs37,500 lakhs in the financial year 2022-23 after obtaining sanction from the Government of Kerala

Note 4 : LONG-TERM BORROWINGS		As at 31st March 2022	As at 31st March 2021
		Rs.in lakhs	Rs.in lakhs
Secured			
Kerala Financial Corporation-Covid 19 Relief Loan	(a)	102.14	91.82
PNB GECLS Loan	(b)	170.00	
Sub total (i)		272.14	91.82
Unsecured			
Loan from Government of Kerala	(c)	1,267.75	1,353.51
Sub total (ii)		1,267.75	1,353.51
Total		**1,539.89**	**1,445.33**

(a) During the financial year 2020-21,the company availed Covid Relief loan of Rs.190 lakhs from KFC for meeting temporary liquidity issues.The loan was secured by the first charge over the fixed assets by way of equitable mortgage.The balance outstanding against this loan on 31st March 2022 is Rs.165.38 lakhs and the non current portion amounting to Rs.102.14 lakhs which becomes due after 31st March 2023 is included and disclosed under Long Term Borrowings.This Credit facility carries an interest of 10.00% p.a. as on 31st March 2022

(b) During the financial year 2021-22,the company availed GECLS (Guaranteed Emergency Credit Line Scheme)loan of Rs.170 lakhs from Punjab National Bank under the Atma Nirbhar Bharat scheme announced by the Central Government.Repayment of principal becomes due from January 2024(after a moratorium of 24 months)Hence the entire loan amount of Rs.170 lakhs is included and disclosed under Long Term Borrowings.This loan carries an interest of 9.25% p.a. as on 31st March 2022.This loan is also secured with the assets of the primary loan under Short Term Borrowings.

(c)(i) An amount of Rs. 8,265.84 lakhs being loan sanctioned vide various GO's in earlier financial years was due as on 01st April 2019.As part of the rehabilitation of the Company, Government of Kerala has frozen the interest and granted moratorium on repayment of principal on Government Loan amounting to Rs.8,265.84 lakhs upto 31st March 2016 under order dated GO (MS) No.183/11/1D dt 26.08.2011.During the financial year 2016-17, the Government of Kerala vide GO (MS) No.86/16/ID dated 17.06.2016 has extended the relief and concessions as a part of rehabilitation up to 31st March 2021 subject to the condition that the principal amount should be repaid in 10 annual instalments.The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan of Rs.7,200.18 lakhs to equity and the company on its 256th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020. Accordingly the converted Government Loan of Rs.7,200.18 lakhs is disclosed as "Share application money pending allotment upon conversion of loan" .With regard to government loan of Rs.1,065.66 lakhs for which conversion in to equity has not been approved the non current portion amounting to Rs.319.70 lakhs is shown under Long Term Borrowings.

(ii) During the financial year 2017-18 company received loan of Rs400 lakhs vide GO(Rt) No.367/2018/ID for modernisation and expansion of manufacturing units.The Government resumed Rs400 lakhs vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.On 31st March 2019 the Government of Kerala resumed Rs.91.87 lakhs and refunded the same on 2nd April 2019.The balance outstanding against this loan as on 31st March 2022 is Rs.400 lakhs.Out of which the non current portion of Rs.60 lakhs is shown under Long Term Borrowings.

(iii) During the financial year 2017-18 company received loan of Rs200 lakhs vide GO(Rt)No.1538/2017/ID dated 08.11.2017 for modernisation and expansion of manufacturing units.The Government resumed Rs 150 lakhs vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.The balance outstanding against this loan on 31st March 2022 is Rs200 lakhs.Out of which the non current portion of Rs.30 lakhs is shown under Long Term Borrowings.

(iv) During the financial year 2018-19 company received loan of Rs.500 lakhs vide GO(Rt)No.13007/2018/ID dt 24.11.2018 for setting up of Manufacturing facility for Laptops and Servers and the Government resumed the same on 31.03.2019 and subsequently refunded the same on 2nd April 2019.The balance outstanding against this loan as on reporting date is Rs.500 lakhs and the non current portion amounting to Rs.150 lakhs is shown under Long Term Borrowings.

(v) The company received loan of Rs.100 lakhs vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 for setting up Research and Development facilities at Keltron Equipment Complex,Karakulam.The Government resumed Rs.49.05lakhs on 31st March 2020 and refunded the same on 29th July 2020.The balance outstanding against this loan on 31st March 2022 is Rs100 lakhs.Out of which the non current portion amounting to Rs.55 lakhs is shown under Long Term Borrowings.

(vi) During the financial year 2019-20,the company received a loan of Rs.41lakhs vide GO(Rt)No.193/2020/ID dt 29.02.2020 for expansion of Space Electronics Group at Keltron Equipment Complex,Karakulam and the Government resumed the same on 31st March 2020 and subsequently refunded the same on 29th July 2020.The balance outstanding against this loan as on 31st March 2022 is Rs.41lakhs and the non current portion amounting to Rs. 22.55 lakhs is shown under Long Term Borrowings.

(vii) The company vide GO(Rt)No.224/2020/ID dt 11.03.2020 received a loan of Rs.155 lakhs for modernisation of facilities for Space Electronics work at Communication Project Group(CPG) at Monvila and the same is outstanding on 31st March 2022.The non current portion amounting to Rs.93 lakhs is shown under Long Term Borrowings.

(viii) During the financial year 2020-21, the company received a loan of Rs.200 lakhs vide GO(Rt) no:127/2021/ID dated 30/01/2021 for modernisation of production facilities of units.The entire loan amount is outstanding on 31st March 2022 and the non current portion amounting to Rs.150 lakhs is shown under Long Term Borrowings.

(ix) During the financial year 2020-21,the company received Rs.50 lakhs vide GO (Rt)No.232/2021/ID dated 19/02/2021 for modernisaton of projects in Keltron Equipment Complex,Karakulam and Keltron Communication Complex ,Monvila and the same is outstanding as on 31st March 2022.The non current portion amounting to Rs.37.50 lakhs is shown under Long Term Borrowings.

(x) During the financial year 2021-22,the company received Rs.200 lakhs vide GO (Rt)No.895/2021/ID dtd 18/08/2021 for manufacturing of medical equipments and augmentation of testing facilities and the same is outstanding as on 31st March 2022.The non current portion amounting to Rs.170 lakhs is shown under Long Term Borrowings.

(xi) During the financial year 2021-22,the company received Rs200lakhs vide GO(Rt)No.1104/2021/ID dtd 02/10/2021 for modernisation of production facilities of various units and the same is outstanding as on 31st March 2022.The non current portion amounting to Rs.180 lakhs is shown under Long Term Borrowings.

(d) Current maturities of long term borrowings are disclosed under Note-7 Short Term Borrowings.

(e) Refer Note No.42

Note 5 : OTHER LONG-TERM LIABILITIES	**As at 31st March 2022**	**As at 31st March 2021**
	Rs.in lakhs	**Rs.in lakhs**
i) Dues to MSME*		
Trade Payable for supplies	6,171.88	182.92
Trade Payable for services	36.79	1,391.52
ii) Dues to Others*		
Trade Payable for supplies**	137.07	228.44
Trade Payable for services	164.84	174.23
Long-term liability-other finance	1,649.94	976.53
Interest accured but not due on loans-Government of Kerala***	1,141.27	1,141.27
Advance from customers	861.83	132.38
Total	**10,163.62**	**4,227.29**

* Dues to Micro, Small and Medium enterprise .Refer Note No.49.Other Long Term Liabilities include Trade Payables outstanding beyond the normal operating cycle of business.

** Trade Payable for Supplies-Dues to Others include an unreconciled credit balance of Rs. 12.84 lakhs(PY : Rs.12.84 lakhs)as at year end being the difference between the balance as per the Company's books with that of its subsidiaries, KCCL and KECL. Efforts are being made to identify the differences and there will not be any impact in the Financial Statements.Refer Note No-45.

*** Interest accrued but not due on loans-Government of Kerala includes Rs.251.89 lakhs being interest accrued on loans not included in the financial restructuring and interest accrued on loan converted to equity vide GO (Ms) No 183/11/dated 26/08/2011of Rs.889.38 lakhs totalling to Rs.1,141.27 lakhs.

Note 5(1)
Trade Payable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
		Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
	As at 31st March 2022					
(a)	**Trade Payable-for Supplies**					**-**
(i)	MSME	0.01	4,863.46	174.12	1,122.00	**6,159.59**
(ii)	Others	-	4.24	7.51	125.32	**137.07**
(iii)	Disputed dues-MSME	-	-	-	12.29	**12.29**
(iv)	Disputed dues-Others	-	-	-	-	**-**
	Sub Total	**0.01**	**4,867.70**	**181.63**	**1,259.61**	**6,308.94**
(b)	**Trade Payable-for Services**					**-**
(i)	MSME	3.50	0.09	12.35	20.85	**36.79**
(ii)	Others	14.63	22.44	40.61	87.16	**164.84**
(iii)	Disputed dues-MSME					**-**
(iv)	Disputed dues-Others					**-**
	Sub Total	**18.13**	**22.53**	**52.96**	**108.01**	**201.64**
	Total(a+b)	**18.14**	**4,890.23**	**234.59**	**1,367.62**	**6,510.58**

Sl No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
		Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
	As at 31st March 2021					
(a)	**Trade Payable-for Supplies**					**-**
(i)	MSME	-	36.65	3.34	142.93	**182.92**
(ii)	Others	130.93	2.79	5.46	89.26	**228.44**
(iii)	Disputed dues-MSME	-	-	-	-	**-**
(iv)	Disputed dues-Others	-	-	-	-	**-**
	Sub Total	**130.93**	**39.44**	**8.80**	**232.19**	**411.36**
(b)	**Trade Payable-for Services**					**-**
(i)	MSME	5.91	286.37	196.94	902.30	**1,391.52**
(ii)	Others	18.67	17.07	34.46	104.03	**174.23**
(iii)	Disputed dues-MSME					**-**
(iv)	Disputed dues-Others					**-**
	Sub Total	**24.58**	**303.44**	**231.40**	**1,006.33**	**1,565.75**
	Total(a+b)	**155.51**	**342.89**	**240.19**	**1,238.52**	**1,977.11**

Note 6 : LONG TERM PROVISIONS		As at 31st March 2022	As at 31st March 2021
		Rs. in lakhs	Rs. in lakhs
Provision for gratuity *	(Refer to Note No.38)	1,447.20	1,559.63
Provision for leave encashment*	(Refer to Note No.38)	577.08	464.83
Provision for warranty	(Refer to Note No.37)	51.06	
Provision - others		0.41	0.41
Total		**2,075.75**	**2,024.87**

* Refer Note No-58

Note7 : SHORT TERM BORROWINGS		As at 31st March 2022	As at 31st March 2021
		Rs. in lakhs	Rs. in lakhs
Secured			
Cash credit from Punjab National Bank	(a)	539.65	343.07
Kerala Financial Corporation-Working Capital Revolving Fund Loan	(b)	80.00	716.20
Kerala State Industrial Development Corporation-Working Capital Term Loan	(c)	454.40	905.73
Kerala Financial Corporation-Bill Discounting System		-	415.86
Kerala Financial Corporation-L&T Loan	(d)	449.65	-
Current Maturities of Long Term Borrowings.			
Kerala Financial Corporation-Covid	(e)	63.24	15.81
			-
Sub total (i)		**1,586.94**	**2,396.67**
Unsecured			
Current Maturities of Long Term Borrowings:			
Loan from Government of Kerala	(f)	2,443.91	1,958.15
Loans wholly due for payment:			
Loan from Kerala Minerals and	(g)	450.00	450.00
Loan from Travancore Titanium	(h)	12.00	12.00
Loan from Malabar Cements Limited	(i)	400.00	400.00
Sub total (ii)		**3,305.91**	**2,820.15**
Total		**4,892.85**	**5,216.82**

(a) The Cash credit from Punjab National Bank amounting to Rs.750 lakhs is secured by hypothecation of inventories of the Company and it is further secured by mortgage of 268.37 cents of land and building in re-survey no.2 at Thycaud village of Thiruvananthapuram district as collateral security. This Cash Credit facility carries an interest of 13.25% p.a. as on 31st March 2022.Further,the company has non fund based facility of Rs. 375 lakhs subject to the overall limit of Rs.1,000 lakhs.For disclosure regarding stock statement submitted to bank Refer Note No-63.

(b) The Company has a Working Capital Revolving Fund loan from Kerala Financial Corporation (KFC), amounting to Rs.950 lakhs . This credit facility was secured by the mortgage of land to the extent of 310 cents in survey No.463 and 466 at Attipra village, Thiruvananthapuram together with building, plant and machinery and other equipments of Keltron Communication Complex, Monvila, Thiruvananthapuram for which charge was already created in favour of KFC. The credit facility is being renewed annually and can be renewed for a period of 5 years from the date of first disbursement. This Credit facility carries an interest of 11.00% p.a. as on 31st March 2022

(c) The company has availed project specific loans from Kerala State Industrial Development Corporation Limited(KSIDC).The company has offered as collateral 13.01 acres of land including a building of 1817.32 sq m at Nandi,Kozhikode where Keltron Lighting Division is situated.The details of the various project specific loans are as under:

Sl No	Purpose of Loan	Amount of Loan Sanctioned	Loan Outstanding as on 31st March 2022
		Rs. in lakhs	Rs. in lakhs
(i)	Working capital loan for execution of orders received from Naval Armament Depot.	Rs. 500	Rs.4.84
(ii)	Working capital loan for execution of orders received from GRSE,Hindustan Shipyard Limited & NPOL	Rs. 500	Rs.449.56
	Loan from KSIDC oustanding on 31st March 2022		**Rs.454.40**

The above credit facilities carries an interest of 10.75% per annum as on 31st March 2022

(d) The company received an order from Larsen & Toubro Limited(L&T) for the supply, installation and commissioning of UPS and allied equipment for Nuclear Power project of NPCIL, Kudamkulam.During the financial year 2021-22,the company availed a project specific loan from Kerala Financial Corporation(KFC) amounting to Rs.500 lakhs for the execution of the L&T Project and the balance outstanding against this loan as on 31st March 2022 is Rs.449.66 lakhs.This credit facility was secured by the mortgage of land to the extent of 310 cents in survey No.463 and 466 at Attipra village, Thiruvananthapuram together with building, plant and machinery and other equipments of Keltron Communication Complex, Monvila.This Credit facility carries an interest of 11.00% p.a. as on 31st March 2022

(e) During the financial year 2020-21,the company availed Covid Relief loan of Rs.190 lakhs from KFC for meeting temporary liquidity issues.The loan was secured by the first charge over the fixed assets by way of equitable mortgage.The balance outstanding against this loan on 31st March 2022 is Rs.165.38 lakhs and the current portion amounting to Rs.63.24 lakhs is included and disclosed under Short Term Borrowings.This Credit facility carries an interest of 10.00% p.a. as on 31st March 2022

(f)(i) During the financial year 2012-13 company received a loan of Rs.600 lakhs vide GO (Rt) No 559/12/ID dated 30.03.2012 which is repayable in 5 years commencing from April 2013 bearing an interest at 11.50% per annum.The balance outstanding as on reporting date is Rs.600 lakhs and the same is shown under Short Term Borrowings.

(ii) During the financial year 2017-18 company received loan of Rs.400 lakhs vide GO(Rt) No.367/2018/ID for modernisation and expansion of manufacturing units.The Government resumed Rs.400 lakhs vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.On 31st March 2019 the Government of Kerala resumed Rs.91.87 lakhs and refunded the same on 2nd April 2019.The balance outstanding against this loan as on 31st March 2022 is Rs.400 lakhs.Out of which the current portion of Rs.340 lakhs is shown under Short Term Borrowings.

(iii) During the financial year 2017-18 company received loan of Rs.200 lakhs vide GO(Rt)No.1538/2017/ID dated 08.11.2017 for modernisation and expansion of manufacturing units.The Government resumed Rs.1,50 lakh vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.The balance outstanding against this loan on 31st March 2022 is Rs.200 lakhs.Out of which the current portion of Rs.170 lakhs is shown under Short Term Borrowings.

(iv) During the financial year 2018-19 company received loan of Rs.500 lakhs vide GO(Rt)No.13007/2018/ID dated 24.11.2018 for setting up of Manufacturing facility for Laptops and Servers and the Government resumed the same on 31.03.2019 and subsequently refunded the same on2nd April 2019.The balance outstanding against this loan as on reporting date is Rs.500 lakhs and the current portion amounting to Rs.350 lakhs is shown under Short Term Borrowings.

(v) The company received loan of Rs.100 lakhs vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 for setting up reasearch and development facilities at Keltron Equipment Complex,Karakulam.The Government resumed Rs.49.06 lakhs on 31st March 2020 and refunded the same on 29th July 2020.The balance outstanding against this loan on 31st March 2022 is Rs.100 lakhs and the current portion amounting to Rs.45lakhs is shown under Short Term Borrowings.

(vi) During the financial year 2019-20,the company received a loan of Rs.41 lakhs vide GO(Rt)No.193/2020/ID dated 29.02.2020 for expansion of Space Electronics Group at Keltron Equipment Complex,Karakulam.The government resumed the same on 31st March 2020 and subsequently refunded the same on 29th July 2020.The balance outstanding against this loan on 31st March 2022 is Rs41lakhs and the current portion amounting to Rs.18.45 lakhs is shown under Short Term Borrowings.

(vii) The company vide GO(Rt)No.224/2020/ID dt 11.03.2020 received a loan of Rs.155 lakhs for modernisation of facilities for Space Electronics work at Communication Project Group(CPG) at Monvila and the same is outstanding on 31st March 2022.The current portion amounting to Rs.62 lakhs is shown under Short Term Borrowings.

(viii) During the financial year 2020-21, the company received a loan of Rs.200 lakhs vide GO(Rt) no:127/2021/ID dated 30/01/2021 for modernisation of production facilities of units.The entire loan amount is outstanding on 31st March 2022 and the current portion amounting to Rs.50 lakhs is shown under Short Term Borrowings.

(ix) During the financial year 2020-21,the company received Rs.50 lakhs vide GO (Rt)No.232/2021/ID dated 19/02/2021 for modernisaton of projects in Keltron Equipment Complex,Karakulam and Keltron Communication Complex ,Monvila and the same is outstanding as on 31st March 2022.The current portion amounting to Rs.12.50 lakhs is shown under Short Term Borrowings.

(x) During the financial year 2021-22,the company received Rs.200 lakhs vide GO (Rt)No.895/2021/ID dtd 18/08/2021 for manufacturing of medical equipments and augmentation of testing facilities and the same is outstanding as on 31st March 2022.The current portion amounting to Rs.30lakhs is shown under Short Term Borrowings.

(xi) During the financial year 2021-22,the company received Rs.200 lakhs vide GO (Rt)No.1104/2021/ID dtd 02/10/2021for modernisation of production facilities of various units and the same is outstanding as on 31st March 2022.The current portion amounting to Rs.20 lakhs is shown under Short Term Borrowings.

(xii) An amount of Rs. 8,265.84 lakhs being loan sanctioned vide various GO's in earlier financial years was due as on 01st April 2019.As a part of rehabilitation of the Company, Government of Kerala has frozen the interest and granted moratorium on repayment of principal on Government Loan amounting to Rs.8,265.84 upto 31st March 2016 under order dated GO (MS) No.183/11/1D dt 26.08.2011.During the financial year 2016-17, the Government of Kerala vide GO (MS) No.86/16/ID dated 17.06.2016 has extended the relief and concessions as a part of rehabilitation up to 31st March 2021 subject to the condition that the principal amount should be repaid in 10 annual instalments.The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan of Rs.7,200.18 to equity.With regard to government loan of Rs.1,065.66 lakhs for which conversion in to equity has not been approved the current portion amounting to Rs.745.96 lakhs is shown underShort Term Borrowings

(xiii) The interest on government loan has been fixed as 9.50% vide G.O(P) 169/2018-FIN dated 16.05.2018 .

(g) Kerala Minerals and Metals Limited(KMML) released a loan of Rs.500,00,000 to the Company on 18/12/1998 as directed by Government of Kerala vide G.O.(MS) No. 184/98/ID dated 16/12/1998 . The balance payable in our books as on 31/03/2022 and as confirmed by KMML is Rs.450 lakhs and is overdue.Since the Government Vide G.O.(Rt) No. 641/2004 /ID dated 5/7/2004 directed that this loan be treated as interest free and hence no interest has been provided in the accounts.

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

(i) The Government vide GO(MS)No.146/2010/ID dated 30.06.2010 accorded sanction to the Company to avail fund from Malabar Cements Limited for the implementation of Mini Tool Room cum Training Centre at Kuttippuram, Rs.400 lakhs in the form of Equity and Rs.400 lakhs as interest bearing loan which carries an interest of 7% p.a and repayable in 20 quarterly equal installments of Rs.20 lakhs each commencing from 30th September 2012 and the same is pending to be settled.

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

Rs.in lakhs

Particulates of Defaulted loans and interest thereon	Period of default	Defaulted amount
Loan from Government of Kerala	less than 9 year	1,240.00
Loan from Government of Kerala	less than 6 year	718.15
Interest accrued and due Government of Kerala	less than 9 year	1,226.91
Interest accrued and due Government of Kerala	less than 6 year	837.97
Loan from Kerala Minerals and Metals Limited	22 years	450.00
Loan from Travancore Titanium Products Limited	22 years	12.00
Interest accrued on loan from Travancore Titanium Products Limited	22 years	39.77
Loan from Malabar Cements Limited	11 years	400.00
Interest accrued on loan from Malabar Cements Limited	11 years	309.61

Note 8 : TRADE PAYABLES	As at 31st March 2022	As at 31st March 2021
	Rs. in lakhs	Rs. in lakhs
i)Due to MSME		
Supplies	18,184.96	8,182.11
Services	811.62	6,665.24
Total(i)	**18,996.58**	**14,847.35**
ii)Due to Others		
Supplies	10,809.69	15,258.06
Services	1,041.78	738.60
Total(ii)	**11,851.47**	**15,996.66**
Total	**30,848.05**	**30,844.01**

Dues to Micro, Small and Medium enterprise .Refer Note No.49
The previous year figures have been re-grouped in line with the current year classification.

Note 8(1)
Trade Payable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
		Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
	As at 31st March 2022					
(a)	**Trade Payable-for Supplies**					-
(i)	MSME	14,982.29	1,020.87	511.52	1,630.35	**18,145.03**
(ii)	Others	4,106.86	2,324.31	1,372.90	2,884.62	**10,688.69**
(iii)	Disputed dues-MSME	-	-	11.64	28.29	**39.93**
(iv)	Disputed dues-Others	-	-	-	121.00	**121.00**
	Sub Total	**19,089.15**	**3,345.18**	**1,896.06**	**4,664.26**	**28,994.65**
(b)	**Trade Payable-for Services**					-
(i)	MSME	277.30	300.84	28.14	205.34	**811.62**
(ii)	Others	489.84	42.44	25.05	484.45	**1,041.78**
(iii)	Disputed dues-MSME	-	-	-	-	-
(iv)	Disputed dues-Others	-	-	-	-	-
	Sub Total	**767.14**	**343.28**	**53.19**	**689.79**	**1,853.40**
	Total(a+b)	**19,856.29**	**3,688.46**	**1,949.25**	**5,354.05**	**30,848.05**

Sl No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
		Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
	As at 31st March 2021					
(a)	**Trade Payable-for Supplies**					-
(i)	MSME	5,830.50	637.44	601.39	1,072.85	**8,142.18**
(ii)	Others	9,790.56	1,912.87	935.53	2,619.10	**15,258.06**
(iii)	Disputed dues-MSME	-	-	24.31	15.62	**39.93**
(iv)	Disputed dues-Others	-	-	-	-	-
	Sub Total	**15,621.06**	**2,550.31**	**1,561.23**	**3,707.57**	**23,440.17**
(b)	**Trade Payable-for Services**					-
(i)	MSME	6,341.21	57.70	161.84	104.49	**6,665.24**
(ii)	Others	244.79	55.22	219.41	219.18	**738.60**
(iii)	Disputed dues-MSME	-	-	-	-	-
(iv)	Disputed dues-Others	-	-	-	-	-
	Sub Total	**6,586.00**	**112.92**	**381.25**	**323.67**	**7,403.84**
	Total(a+b)	**22,207.06**	**2,663.23**	**1,942.48**	**4,031.24**	**30,844.01**

Note 9 : OTHER CURRENT LIABILITIES	As at	As at
	Rs. in lakhs	Rs. in lakhs
Current liabilities - Other finance & statutory dues	7,371.08	7,923.75
Interest accrued and due - Government of Kerala *	2,064.88	1,644.37
Interest accrued & due - KFC	7.78	-
Interest accrued and due - Travancore Titanium Products Limited.	39.77	38.03
Interest accrued & due -KSIDC Loan	5.36	9.65
Interest accrued & due-Malabar Cements Limited	309.61	278.50
Advance from customers	2,502.04	2,241.23
Income received in advance	272.89	183.86
Arbitration Award Payable (Refer Note 59)	330.02	330.02
Total	**12,903.43**	**12,649.41**

Guarantee commission on expired government guarantee amounting to Rs.535.81 lakhs and interest accrued thereon amounting to Rs.1,173.56
*Refer Note 43.
The previous year figures have been re-grouped in line with current year classification.

Note 10 : SHORT-TERM PROVISIONS	As at	As at
	Rs. in lakhs	Rs. in lakhs
Provision for gratuity* (Refer to Note No.38)	350.76	321.63
Provision for leave encashment* (Refer to Note No.38)	155.58	171.48
Provision for warranty (Refer to Note No.37)	460.73	387.26
Provision - others	48.04	48.04
Total	**1,015.11**	**928.41**

* Refer Note No-58

Note 11 : Property, Plant and Equipment and Intangible Assets

Rs.in lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Total Cost as on 01-04-2021	Additions during the year	Sales / Transfer & Adjustment	Total Cost as on 31-03-2022	Provision Up To 01-04-2021	Provided during the year	Transfer to Profit & Loss	Sales / Transfer & Adjustment	Total provision up to 31-03-2022	Written down value as on 31-03-2022	Written down value as on 31-03-2021
I.Property ,Plant and Equipment:											
Land	155.79	-	-	155.79	-	-	-	-	-	155.79	155.79
Building	1,997.91	22.69	-	2,020.60	1,063.66	38.97	-	-	1,102.63	917.97	934.25
Electrical Fittings	461.98	3.55	0.01	465.52	351.08	31.47	-	0.01	382.54	82.98	110.90
Plant & Machinery	1,642.69	141.28	-	1,783.97	913.85	89.18	-	-	1,003.03	780.94	728.84
Test Instruments	909.68	72.76	-	982.44	554.71	45.29	-	-	600.00	382.44	354.97
Air Conditioner	130.35	3.19	1.63	131.91	97.30	7.77	-	1.20	103.87	28.04	33.05
Furniture & Fixtures	420.96	13.16	0.21	433.91	358.02	16.49	-	0.21	374.30	59.61	62.94
Office Equipments	250.03	22.18	0.05	272.16	207.35	15.05	-	0.03	222.37	49.79	42.68
Computer & data processing units	829.07	56.19	-	885.26	730.01	35.76	-	(0.02)	765.79	119.47	99.06
Service Equipment	3.28	0.06	-	3.34	3.28	0.00	-	0.00	3.28	0.06	0.00
Canteen Utensils	27.29	1.30	-	28.59	18.90	2.89	-	0.00	21.79	6.80	8.39
Library Books	0.20	-	-	0.20	0.20	-	-	-	0.20	0.00	0.00
Fire extinguishers	9.41	-	-	9.41	6.40	0.41	-	-	6.81	2.60	3.01
Water supply installations	26.23	0.33	-	26.56	18.63	1.20	-	-	19.83	6.73	7.60
Vehicle	45.29	5.18	-	50.47	45.29	0.22	-	-	45.51	4.96	0.00
Transit house equipments	0.45	-	-	0.45	0.41	0.02	-	-	0.43	0.02	0.04
Sub total	6,910.61	341.87	1.90	7,250.58	4,369.09	0.02	-	1.43	4,652.38	2,598.20	2,541.52
II. Intangible Assets:											
Software/Licenses	114.22	-	-	114.22	49.35	17.18	-	-	66.53	47.69	64.87
Research &development expenses	842.30	17.86	-	860.16	811.56	35.91	-	-	847.47	12.69	30.74
Technical knowhow	237.60	3.00	-	240.60	234.74	2.13	-	-	236.87	3.73	2.86
Sub total	1,194.12	20.86	-	1,214.98	1,095.65	55.22	-	-	1,150.87	64.11	98.47
III. Captal work in progress											
Asset under erection	-	-	-	-	-	-	-	-	-	-	-
Building under constuction	101.43	169.30	5.48	265.25	-	-	-	-	-	265.25	101.43
Project Expenses not capitalised	18.48	26.97	18.48	26.97	-	-	-	-	-	26.97	18.48
	-		-							-	-
Sub total	119.91	196.27	23.96	292.22	-	-	-	-	-	292.22	119.91
IV.Intangible Assets under Development											
Intangible Assets under Development	-	42.37	-	42.37	-	-	-	-	-	42.37	-
										-	-
Total	-	42.37	-	42.37	-	-	-	-	-	42.37	-
TOTAL	**8,224.64**	**601.37**	**25.86**	**8,800.15**	**5,464.74**	**55.24**	**-**	**1.43**	**5,803.24**	**2,996.90**	**2,759.89**
Previous year	7,928.18	445.77	149.31	8,224.64	5,143.08	337.28		15.61	5,464.75	2,759.89	2,785.10

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

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

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

iv.The Title Deed of all Immovable Property are held in the name of the Company.

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

vi.The company has not revalued its Property, Plant & Equipment during the current year.

11(1) Capital Work in Progress Ageing Schedule Rs.in lakhs

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March 2022					
(i)Projects in Progress					
(i) Data Centre	69.94	-	-	-	69.94
(ii) Clean Room Project	-	29.88	66.07	-	95.95
(iii) Traffic Signal Division Renovation	99.36	-	-	-	99.36
(iv) KCA Renovation	26.97	-	-	-	26.97
	-	-	-	-	-
Sub Total	196.27	29.88	66.07	-	292.22
(ii)Projects Temporarily suspended					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Sub Total	-	-	-	-	-
Total(i+ii)	196.27	29.88	66.07	-	292.22
					-

11(2)Over due CWIP Rs.in lakhs

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i)Projects in Progress				
(i) Traffic Signal Division Production Building	25.87	-	-	-
	-	-	-	-
	-	-	-	-
(ii)Projects Temporarily suspended	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	25.87	-	-	-

11(3)Intangible Assets under development Ageing Schedule Rs.in lakhs

Intangible Assets under Development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March 2022					
(i)Projects in Progress					
(i)CDAC	-	-	-	42.37	42.37
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Sub Total	-	-	-	42.37	42.37
(ii)Projects Temporarily suspended					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Sub Total	-	-	-	-	-
Total(i+ii)	-	-	-	42.37	42.37
					-

11(4)Over due Intangible Assets under development Rs.in lakhs

Intangible Assets under Development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

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

Rs.in lakhs

Sl No	COMPANY NAME	Type of shares	COST			PROVISION FOR DIMINUTION			NET VALUE	
			Total cost as at 01.04.2021	Additions /(Deletions/transfer/ adjustments) during the year	Total Cost as at 31.03.2022	Provision upto 01.04.2021	Deletion / Provision for the year	Total provision upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
	A. Investment in Subsidiary Companies									
1	KELTRON COMPONENT COMPLEX LIMITED.(KCCL) (26190833 (PY:26190833) Nos of face value Rs. 10/- each fully paid up)(shares acquired for a price less face value) (Present Market value is not available as shares are not traded)	Equity	2,618.50	-	2,618.50	-	-	-	2,618.50	2,618.50
2	KELTRON COUNTERS LIMITED (4879865 Nos of face value Rs.10/- each fully paid up	Equity	487.08	(487.08)	-	487.08	(487.08)	-	-	-
3	KELTRON COUNTERS LIMITED (1955 Nos of face value Rs.100/- each fully paid up)	9.5% Cumulative redeemable Preference shares	1.96	(1.96)	-	1.96	(1.96)	-	-	-
4	KELTRON ELECTRO CERAMICS LIMITED (KECL) (3144408 Nos of face value Rs. 10/- each fully paid up)	Equity	314.44	-	314.44	-	-	-	314.44	314.44
5	KELTRON RECTIFIERS LIMITED (2743641Nos of face value Rs. 10/- each fully paid up)	Equity	274.36	-	274.36	274.36	-	274.36	-	-
6	KELTRON POWER DEVICES LIMITED (4102317 Nos of face value Rs. 10/- each fully paid up)	Equity	410.23	-	410.23	410.23	-	410.23	-	-
	TOTAL (A)		4,106.57	(489.04)	3,617.53	1,173.63	(489.04)	684.59	2,932.94	2,932.94
	B. Investments in Other Companies									
	QUOTED									
1	Black Box Limited (Formerly AGC Networks Limited) (10000 Nos of face value Rs. 10/- each fully paid up) Market Value as on 31st March 2022- Rs. 75,40,000/-	Equity	80.00	(67.50)	12.50			-	12.50	80.00
	UNQUOTED									
1	KELTRON PROJECTORS LIMITED. (19567 Nos of face value Rs. 10/- each fully paid up)	Equity	1.96	(1.96)	-	1.96	(1.96)	-	-	-
2	SIDKEL TELEVISIONS LIMITED (105000 Nos of face value Rs. 10/- each fully paid up)	Equity	10.50	-	10.50	10.50		10.50	-	-
3	KELTRON VARISTERS PRIVATE LIMITED (45 Nos of face value Rs. 1000/- each fully paid up)	Equity	0.45	(0.45)	-	0.45	(0.45)	-	-	-
4	ELCERA SUBSTRATES LIMITED (280500 Nos of face value Rs. 10/- each fully paid up)	Equity	28.05	-	28.05	28.05		28.05	-	-
5	COCONICS PVT LTD (2,60,000 Nos of face value Rs.100./- each fully paid up)	Equity	260.00	-	260.00				260.00	260.00
	TOTAL (B)		380.96	(69.91)	311.05	40.96	(2.41)	38.55	272.50	340.00
	GRAND TOTAL (A+B)		4,487.53	(558.95)	3,928.58	1,214.59	(491.44)	723.14	3,205.44	3,272.94
	Previous year		4,487.53	-	4,487.53	1,214.59	(491.44)	-	3,205.44	3,272.94

Note:

1. No provision for diminution in the value of investments in subsidiaries in Sl No.1 & 4 above have been made.
2. In the case of investment in the shares of KCCL and KECL, the difference in face value of investment viz-a -viz the share capital in those companies are on account of share holding by Company's nominees who are not having beneficial interest in these shares.
3. The Government of Kerala,vide GO (RT)No .1315/2021/ID dated 06.12.2021 sanctioned the disinvestment of 64,000 shares held by the company in Black Box Limited(previously AGC Networks Limited).During the reporting period 54,000 shares has been sold.
4. During the reporting period investments in Keltron Counters Limited,Keltron Projectors Limited and Keltron Varisters Private Limited have been written off against the provision for diminuition in value of invetsments.

Note 13 : LONG-TERM LOANS AND ADVANCES	As at 31st March 2021	As at 31st March 2021
	Rs.in lakhs	Rs.in lakhs
a) Unsecured - Considered good		
Advance-Employees	0.65	0.95
Subsidiary Companies*	1,264.30	1,264.30
Investments pending allotment **	1,974.92	1,703.75
Advance -Others	82.15	119.42
Deposit with Customs authorities	0.10	0.10
Deposit with Central Excise Dept.	1.69	1.69
Excise duty paid under protest	1.27	1.27
Other Deposits	561.43	570.66
Sub-total (a)	3,886.51	3,662.14
b) Unsecured-Considered doubtful	214.10	1,508.27
Less: Provision for doubtful advances	(214.10)	(1,508.27)
Sub-total (b)	-	-
Total [(a) + (b)]	**3,886.51**	**3,662.14**

* The details of loans and advances to subsidiary and associate companies (Related parties as per Accounting Standard -18) are disclosed in Note No.39

* The non current dues of loans and advances to subsidiary companies are shown in this Note and current dues are shown under Note No.18, 'Short Term Loans and Advances'

* Keltron Counters Limited(KCL),subsidiary company, has become defunct and is under winding up process.Hence,during the previous financial years ,2017-18 & 2018-19(50% each), we have given 100% provision to the extent of Rs.1,312.85 lakhs for the loans and advances /interest accrued due from Keltron Counters Limited. During the reporting period we have written off loans and advances given to our subsidiary company Keltron Counters Limited(KCL) by adjusting the same against the provision already created.Refer 44(ii)(1)

** The Investment pending allotment pertains to the pending allotment of shares to the subsidiary companies, the details are disclosed in Note No.44 (i)

Note 14 : OTHER NON-CURRENT ASSETS	As at 31st March 2021	As at 31st March 2021
	Rs.in lakhs	Rs.in lakhs
(a)Trade receivable*		
Unsecured:		
Considered good; outstanding for more than six months from the date they are due for Payment	9,566.64	4,146.41
Receivables outstanding for a period less than six months	11.06	3.60
Considered doubtful; outstanding for more than six months from the date they are due for Payment	2,263.34	1,062.53
Less : Provision for bad and doubtful debts	(2,263.34)	(1,062.53)
Total	9,577.70	4,150.01
(b) Non-current Bank balance:		
Term deposits with Banks (more than 12 months maturity)***	25.98	19.85
Margin on Bank Guarantee****	2,327.94	1,254.95
Total	2,353.92	1,274.80
(c) Others: Accrued Income	100.93	125.98
Total [a + b + c]	**12,032.55**	**5,550.79**

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

** Trade Receivable considered doubtful includes an unreconciled debit balance of Rs.1.87 lakhs (PY : Rs.1.87 lakhs)as at year end being the difference between the balance as per the Company's books with that of its subsidiaries

*** Refer to Note No.17 for the term deposits having maturity of not more than 12 months as on reporting date.Term Deposits with Banks having more than 12 months maturity disclosed above are Fixed Deposits having lien with the customers with respect to projects.

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

Note 14(1)
Trade Receivable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
	As at 31st March 2022	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
(i)	Undisputed Trade Receivables-considered good	4.76	5.10	6,742.04	434.66	2,384.84	9,571.40
(ii)	Undisputed Trade Receivables-considered doubtful	-	-	-	-	2,263.34	2,263.34
(iii)	Disputed Trade Receivables-considered good	6.30	-	-	-	-	6.30
(iv)	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
	Total	11.06	5.10	6,742.04	434.66	4,648.18	11,841.04
	Less:						-
	Provision for Bad & Doubtful debts	-	-	-	-	2,263.34	2,263.34
	Total	**11.06**	**5.10**	**6,742.04**	**434.66**	**2,384.84**	**9,577.70**

Trade Receivable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
	As at 31st March 2021	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
(i)	Undisputed Trade Receivables-considered good	-	202.67	751.89	1,186.51	2,005.34	4,146.41
(ii)	Undisputed Trade Receivables-considered doubtful	-	-	-	-	1,062.53	1,062.53
(iii)	Disputed Trade Receivables-considered good	3.60	-	-	-	-	3.60
(iv)	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
	Total	3.60	202.67	751.89	1,186.51	3,067.87	5,212.54
	Less:						-
	Provision for Bad & Doubtful debts	-	-	-	-	1,062.53	1,062.53
	Total	**3.60**	**202.67**	**751.89**	**1,186.51**	**2,005.34**	**4,150.01**

Note 15 : INVENTORIES	As at 31st March 2022	As at 31st March 2021
	Rs. in lakhs	Rs. in lakhs
(Inventories as taken, valued and certified by the Managing Director)		
Loose tools and jigs	56.75	46.27
Consumable stores and spares	98.55	75.35
Work-in-progress	1,134.04	1,538.61
Raw materials and components	3,761.89	3,469.29
Goods-in-transit	123.63	211.83
Goods purchased for resale	23.82	476.27
Finished goods	250.04	155.33
Total	**5,448.72**	**5,972.95**

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

Note 16 : TRADE RECEIVABLES	As at 31st March 2022	As at 31st March 2021
	Rs. in lakhs	Rs. in lakhs
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment	19,478.49	15,295.86
Receivables outstanding for a period less than six months	23,422.05	25,245.87
Considered doubtful; outstanding for a period exceeding six months from the date they are due for payment	186.78	286.38
Less : Provision for bad and doubtful debts	(186.78)	(211.25)
Total	**42,900.54**	**40,616.86**

(a) Trade receivable includes an amount of Rs. 89.83 lakhs due from subsidiary companies being the 'Related parties' as specified in AS 18. This has been disclosed in Note No.39. Related Party Transactions.

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

Note 16(1)
Trade Receivable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
	As at 31st March 2022	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
(i)	Undisputed Trade Receivables-considered good	23,415.50	3,324.31	5,158.23	2,646.19	8,323.54	42,867.77
(ii)	Undisputed Trade Receivables-considered doubtful	-	-	-	-	186.78	186.78
(iii)	Disputed Trade Receivables-considered good	6.55	8.88	16.08	1.26	-	32.77
(iv)	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
	Total	**23,422.05**	**3,333.19**	**5,174.31**	**2,647.45**	**8,510.32**	**43,087.32**
	Less:						-
	Provision for Bad & Doubtful debts	-	-	-	-	186.78	186.78
	Total	**23,422.05**	**3,333.19**	**5,174.31**	**2,647.45**	**8,323.54**	**42,900.54**

Trade Receivable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
	As at 31st March 2021	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
(i)	Undisputed Trade Receivables-considered good	25,242.18	2,280.10	3,044.84	1,921.55	8,049.37	40,538.04
(ii)	Undisputed Trade Receivables-considered doubtful	-	-	-	-	286.38	286.38
(iii)	Disputed Trade Receivables-considered good	3.69	-	-	-	-	3.69
(iv)	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
	Total	25,245.87	2,280.10	3,044.84	1,921.55	8,335.75	40,828.11
	Less:						-
	Provision for Bad & Doubtful debts	-	-	-	-	211.25	211.25
	Total	**25,245.87**	**2,280.10**	**3,044.84**	**1,921.55**	**8,124.50**	**40,616.86**

Note 17 : CASH AND BANK BALANCES	As at 31st March 2022	As at 31st March 2021
	Rs.in lakhs	Rs.in lakhs
A. Cash and Cash Equivalents:		
Cash and stamp in hand	30.50	7.52
Remittance in transit	85.97	10.00
Balance in Scheduled Banks:		
Current account	4,612.83	3,423.92
Term deposits (less than 3 months maturity)	2,500.00	2,549.70
Government of Kerala - Treasury savings bank account	0.54	133.94
Total	7,229.84	6,125.08
B. Other Bank balances:		
In Term deposit with maturity of more than 3 months but less than 12 months	1,162.60	146.99
Margin on Letter of Credit*	-	29.05
Margin on Bank Guarantee*	1,213.10	2,186.79
Total	2,375.70	2,362.83
Total (A+B)	**9,605.54**	**8,487.91**

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

Term Deposit Accounts which have maturity of more than 12 months are disclosed in Note No.14 'Other Non-current Assets'

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

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

Note 18 : SHORT-TERM LOANS AND ADVANCES	As at 31st March 2022	As at 31st March 2021
	Rs.in lakhs	Rs.in lakhs
a) Unsecured - considered good		
Advance-Employees	66.29	37.93
Subsidiary Companies	396.88	659.41
Advance - Others	2,371.21	2,706.46
Deposit with Customs authorities	0.21	-
Deposit with Central Excise Department	0.10	0.10
Other deposits	245.51	321.00
Keltron Toolroom Research and Training Centre (KELTRAC)	65.81	47.31
Income Tax Refund Due	706.04	1,006.42
GST TDS Receivable	84.83	35.95
Total	**3,936.88**	**4,814.58**

Current maturities of loan and advances to subsidiary companies are disclosed in this Note and non current maturities are disclosed under Note No.13 'Long Term Loans and Advances' above.

Note 19 : OTHER CURRENT ASSETS	As at 31st March 2022	As at 31st March 2021
	Rs.in lakhs	Rs.in lakhs
Accrued income	299.24	160.74
Total	**299.24**	**160.74**

Note 20 : REVENUE FROM OPERATIONS	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs.in lakhs	Rs.in lakhs
a. Sales		
Manufacturing sales	10,489.17	6,326.99
Project sales	23,158.28	20,751.82
Trading sales	7,364.12	3,685.90
Sub total	41,011.57	30,764.71
b. Services		
Income from servicing	9,338.69	13,243.03
Income from training	821.47	430.59
Income from manpower supply	299.84	373.98
Sub total	10,460.00	14,047.60
c. Other operating revenue		
Sales commission	36.00	36.00
Cash discount on purchase	19.68	8.04
Scrap sales	18.83	6.47
Freight and forwarding collected	0.56	1.58
Warranty written back	176.11	128.32
Exchange rate fluctuation	4.74	8.33
Sub total	255.92	188.74
	-	
Total	**51,727.49**	**45,001.05**

Note 21 : OTHER INCOME	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs.in lakhs	Rs.in lakhs
Interest	261.77	233.42
Rent	91.70	88.35
Profit on sale of fixed assets	0.13	1.06
Profit on sale of Investments*	454.45	
Other sundry receipts/adjustments	14.17	93.70
Unadjusted credit in creditors a/c written back	1.61	
Agricultural income	1.49	2.26
Total	**825.32**	**418.79**

*Profit on sale of Investment pertains to the profit arised during the reporting period on account of sale of 54,000 equity shares of Black Box Limited held by the company which is in accordance with the decision of 261st meeting of Board of Directors of the company and pursuant to the GO (RT)No .1315/2021/ID dated 06.12.2021.

Note 22 : MATERIAL CONSUMED AND SERVICE EXPENSES	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs.in lakhs	Rs.in lakhs
a. Material Consumed		
Opening stock	3,469.29	3,049.30
Add: Purchases	23,692.53	22,365.39
	27,161.82	25,414.69
Less:Closing stock	3,761.89	3,469.29
	23,399.93	21,945.40
Add:Stores and spares consumed	160.97	280.00
Total	23,560.90	22,225.40
b. Service expenses		
Sub contracting charges	8,479.80	9,815.12
Errection and commissioning	25.54	28.18
Testing and quality control	46.47	14.79
Warranty expenses	325.93	191.60
Computer /project training	653.26	513.81
After sales service	2.99	2.60
Total	9,533.99	10,566.10
c. Purchase for resale	6,121.01	3,406.17
Total (a+b+c)	**39,215.90**	**36,197.67**

Note 23 : CHANGE IN INVENTORY FOR FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs.in lakhs	Rs.in lakhs
Closing Stock:		
Finished goods:		
Manufacturing items	250.04	155.33
Trading items	23.82	476.27
Work-in-progress:	1,134.04	1,538.61
Total	1,407.90	2,170.21
Less:		
Opening Stock -		
Finished goods:		
Manufacturing items	155.33	106.76
Trading items	476.27	627.37
Work-in-progress	1,538.61	1,173.15
Total	2,170.21	1,907.28
Net	**762.31**	**(262.93)**

Note 24 : EMPLOYEE COST	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs. in lakhs	Rs. in lakhs
Salaries, wages and bonus	4,887.36	4,603.87
Gratuity	290.92	1,089.78
Leave encashment	239.28	370.93
Employer's contribution to PF and other Funds	526.53	515.23
Leave travel concession	0.28	0.25
Canteen expenses	90.16	77.95
Uniforms	2.21	1.89
Staff training expenses	1.23	0.28
Maternity benefit	11.75	13.30
Other staff welfare expenses	254.90	220.22
Total	**6,304.62**	**6,893.70**

Note 25 : FINANCE COST	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs. in lakhs	Rs. in lakhs
Interest on government loan	420.51	359.63
Interest on KFC loan	100.59	76.87
Interest on Loan - KSIDC	66.67	48.34
Interest on Bill Discounting Scheme - KFC	7.14	10.08
Interest PNB GECLS Loan	2.36	-
Interest on loans (Government Companies)	36.32	36.07
Interest on cash credit and overdraft from banks	43.40	76.71
Interest -Others	73.13	64.30
Bank charges	21.04	26.86
Total	**771.16**	**698.86**

Note 26 : DEPRECIATION/AMORTIZATION	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs. in lakhs	Rs. in lakhs
Depreciation on tangible assets	284.72	269.57
Amortization on intangible assets	55.22	67.71
	339.94	**337.28**

Note 27 : OTHER EXPENSES	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs.in lakhs	Rs.in lakhs
Power, fuel and water	128.84	114.63
Rent	37.31	26.66
Rates and taxes	28.12	24.01
Interest and Late Fees	13.70	12.23
Insurance charges	26.63	25.45
Repair and maintenance:		
Motor vehicle	22.25	21.81
Building	46.68	10.37
Plant and machinery	6.62	4.14
Other assets	103.84	67.05
Travelling expenses	285.91	213.46
Travelling expenses-Directors	0.61	0.27
Advertisement and publicity	2.77	4.94
Sales and business promotion expenses	73.39	90.61
Freight and forwarding charges	45.06	57.70
Audit fee and expenses		
Statutory audit fee	11.30	10.99
Tax audit fee	3.79	3.65
Reimbursement of expenses	1.23	0.48
Internal audit fee	8.54	8.72
Cost audit fee and other services	2.20	1.50
Director's sitting fee	0.14	0.08
Legal charges	61.50	8.94
Printing and stationery	32.37	27.25
Royalty	49.64	54.09
Other professional fee	78.43	38.64
Bank guarantee commission	16.68	18.25
Postage and telephone charges	128.43	110.04
Security charges	139.26	136.92
Site office expenses	12.67	15.50
Recruitment expenses	42.21	38.65
Corporate social responsibility expenses	7.00	17.07
Agriculture expenses	5.91	8.08
Moulds, tools and jigs written off	18.92	15.43
Loss on sale of fixed assets	0.28	
Other charges	45.18	30.43
Total	**1,487.41**	**1,218.04**

Note 28 : PRIOR PERIOD ADJUSTMENT	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs.in lakhs	Rs.in lakhs
Prior period expenses	178.55	49.08
Less:		
Prior period Income	463.71	84.21
Net	**(285.16)**	**(35.13)**

Refer to Note 36 for details

Note 29 : EXCEPTIONAL ITEMS	For the year ended 31st March 2022	For the year ended 31st March 2021
	Rs.in lakhs	Rs.in lakhs
Sundry debits written off	0.39	15.45
Sundry credits written back	(215.25)	(16.90)
Provision for bad and doubtful debts/advances	1,176.34	39.93
Provision for other loans and advances	18.69	13.28
Bank Guarantee Invocation Income	(1.30)	
Litigation Settlement	129.55	
Net	**1,108.42**	**51.76**

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

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

(c) M/s Trinity Touch was awarded purchase order for the supply of 27 Nos of String monitoring box. Keltron Equipment Complex,Karakulam invoked the bank guarantee submitted by M/s Trinity Touch for non performance and this has been disclosed as Bank Guarantee Invocation Income.

(d) Litigation settlement is the amount paid to M/s Neveah Technology Private Limited towards the settlement of case before NCLT during the reporting period.

(e) Refer Note No-60

Note 30 : CONTINGENT LIABILITIES NOT PROVIDED FOR	As at 31st March 2022 (Rs.in lakhs)	As at 31st March 2021 (Rs.in lakhs)
i) Guarantees issued by the banks on behalf of the Company for which counter guarantees have been issued by the Company	2,779.69	2,767.36
ii) Letter of credit issued by the banks on behalf of the Company and outstanding.	-	29.05
iii) Indemnity bonds executed in favour of:		
a) Customers for advances/performance	3,016.80	2,494.98
b) Sales tax authorities	13.72	13.72
iv) Claims against the Company not acknowledged as debts		
a) On account of central excise demands pending on appeal	472.67	472.67
b) Sales tax Central and State under dispute	128.89	129.94
c) PF interest and damages	181.17	181.17
d) On account of interest and service tax	1,463.30	1,435.07
e) On account of KVAT	167.42	158.63
f) On account of Maharashtra Value Added Tax (FY 2017-18)	63.22	
g) Official Liquidator High Court of Madras in respect of liquidation of FD Stewart Private Limited	0.11	0.11
h) *License fee payable as per the Order of Arbitration in respect of South Central Railway project.	14.52	14.52
i) On account of Wage Revision arrear 2012-17	294.80	294.80
j) Others	12,454.17	427.67

	Note 31 : PARTICULARS OF TURNOVER	For the year ended 31st March 2022 (Rs.in lakhs)	For the year ended 31st March 2021 (Rs.in lakhs)
A	**REVENUE FROM MANUFACTURING**		
1	Control Instrumentation systems	891.28	41.32
2	Power electronics products/systems	550.66	555.73
3	Special products/systems	5,445.84	2,718.38
4	Strategic service products/systems	2,677.68	504.45
5	Computer and accessories	0.36	12.94
6	Traffic Signals products/enforcement systems	40.36	670.52
7	ID card projects	231.29	209.76
8	Products for differently abled	319.35	195.14
9	Security and surveillance products/systems	6.04	219.05
10	Lighting products	105.29	188.31
11	Hearing Aids	217.40	285.35
12	Solar Projects	-	715.37
13	Others	3.62	10.67
		10,489.17	**6,326.99**
B	**REVENUE FROM PROJECTS**		
1	Solar light	352.29	340.41
2	Traffic signal/enforcement system	477.14	661.08
4	Security and surveillance	827.17	1,805.44
5	Computer and accessories	12,535.79	15,774.37
6	Smart card/Identity card	256.79	2.91
7	Lighting Systems	3.31	207.73
8	Strategic service products/systems	958.00	51.63
9	Safe Kerala Project	6,897.87	
10	Others	849.92	1,908.25
		23,158.28	**20,751.82**
C	**RESALE**		
1	Computer and accessories	7,082.97	3,281.83
2	Control instrumentation systems	135.02	
3	Products for differently abled	135.97	247.26
4	Security systems	4.91	7.91
5	ID card	2.56	130.46
6	Others	2.69	18.44
		7,364.12	**3,685.90**
D	**REVENUE FROM SERVICES**		
1	Income from training	821.47	430.59
2	Income from manpower supply	299.84	373.98
3	Service income	3,278.11	3,693.05
4	Income from maintenance or repair	495.23	173.02
5	Erection and commissioning	227.92	1,082.56
6	Business auxiliary	5,337.43	8,294.40
		10,460.00	**14,047.60**
	Total sales (A+B+C+D)	**51,471.57**	**44,812.31**

Note 32 CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS	FOR THE YEAR 2021-22 Current year Rs.in lakhs	% OF CONSUM-PTION	FOR THE YEAR 2020-21 Previous year Rs.in lakhs	% OF CONSUM-PTION
Imported	667.86	3%	689.81	3%
Indigenous	22,893.04	97%	21,535.59	97%
Total:	**23,560.90**	**100%**	**22,225.40**	**100%**

Note: Imported figures are as determined by the Management.

Note 33 : FOREIGN EXCHANGE EARNINGS	For the current financial year 2021-22 Rs.in lakhs	For the previous financial year 2020-21 Rs.in lakhs
Export of goods	23.13	15.54
Others	4.14	6.67

Note 34 : EXPENDITURE IN FOREIGN CURRENCY	For the current financial year 2021-22 Rs.in lakhs	For the previous financial year 2020-21 Rs.in lakhs
Capital expenditure		2.24
Travelling and business promotion	4.61	-

Note 35 : VALUE OF IMPORTS CALCULATED ON CIF BASIS	2021-22 Rs.in lakhs	2020-21 Rs.in lakhs
Raw materials and components	718.77	726.59

Rs.in lakhs

Note 36 : PRIOR PERIOD ITEMS	For the year ended			
	31st March 2022		31st March 2021	
	Dr	Cr	Dr	Cr
a) PRIOR PERIOD EXPENSES				
Materials and components	92.49		7.88	
Salaries and wages	0.15			
Liability on Final settlement			1.37	
Purchase		0.11		
Bonus/Exgratia	1.29		0.29	
Festival allowance				
Employees Contribution to Provident Fund				
Agricultural expenses				
Wage revision arrears				
Other professional charges	1.32			
Business promotion expenses				
Testing & Quality Control				
Freight and forwarding				
Repairs and Maintenance				
Interest				
Interest on Sales tax				
Purchase Consumables				
Service Tax				
Service Tax / GST				0.01
Depreciation on fixed assets	0.04	0.00		
Diminution in value of Inventory				
Medical Aid	12.00			
Site Allowance				
Insurance Charges				
Interest accrued on Government Loan				
Freight outward				
Rates & Taxes	14.27		0.04	
Postage &Telephone charges				
Audit fees and expenses			0.08	
Rent			0.43	
Loading & Cartage				
Printing and stationary				
Travelling expense and conveyance			0.02	
Guarantee Commission			0.38	
Conveyance				
Medical Insurance Premium	0.91		0.10	
Other Expense on Sales				
Interest-banks			2.69	
Insurance Fixed Assets & Current Assets			0.10	
Other staff welfare expenses	0.16		0.17	
Refund of Filing Fee				
Sales reversal	11.36		25.20	
Other sundry expenses	0.10		0.03	
Other Sundry Receipts				
Refund of MOU	1.00			
Reversal of Accrued Income Provision			5.18	
Others	43.57		5.13	
Sub total	178.66	0.11	49.09	0.01
Net	**178.55**		**49.08**	
b) PRIOR PERIOD INCOME				
Service income		435.66		49.60
Income from maintenance / Repair service				24.22
Income From Computer Training				
Sub contracting charges				
Purchase for resale				
Customs Duty Refund				
Materials and Components				
Rent				2.97
Repairs & Maintenance				
Sales reversal	42.74			
Exchange rate fluctuation				
Salaries and wages				
Exgratia/Bonus		0.23		
Festival Allowance		1.96		
Excess Provision Creditors Debit balance				
Collection from KCCL		53.26		
Interest		0.31		
Interest-BDS		8.59		
Travelling Expenses				0.06
Interest		4.62		6.32
Service tax				
Sales rejection				
E&C Charges				1.04
Sales reversal				
Other sundry receipts		1.48		
Other sundry expense		0.34		
Sub total	42.74	506.45	-	84.21
Net		**463.71**		**84.21**
Net prior period Items	**(285.16)**		**(35.13)**	

Note-Service Income Rs 435.66 lakhs under Prior period Income during the financial year 2021-22 is on account of rectification in accounting of Income from Annual Maintenance Contracts at Keltron Communication Complex, Monvila

Rs.in lakhs

Note 37 : PROVISION FOR WARRANTIES	As at 31st March 2022	As at 31st March 2021
Balance as at the beginning of the year	387.26	337.24
Provision made during the year	325.93	191.60
	-	-
Unutilised provision written back (Net of utilised)	201.40	141.58
Provision required at the end of the year	**511.79**	**387.26**
Classified as Non-Current	51.06	-
Classified as Current	460.73	387.26

Rs.in lakhs

Note 38	Gratuity		Leave encashment	
PROVISION FOR GRATUITY & LEAVE ENCASHMENT	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2022**	**As at 31st March 2021**
Balance at the beginning of the year	1,881.26	1,291.19	636.31	471.19
Less: Paid during the year on account of retirement /resignation	369.25	477.02	142.93	205.81
Add: Provided during the year	290.92	1,089.78	239.28	370.93
Less: Contribution to Plan Asset with LIC of India	4.97	22.69		-
Balance at the end of the year	**1,797.96**	**1,881.26**	**732.66**	**636.31**
Classified as Non-Current	1,447.20	1,559.63	577.08	464.83
Classified as Current	350.76	321.63	155.58	171.48

FAIR VALUE OF PLAN ASSET FOR FUNDED GRATUITY WITH LIC OF INDIA	As at 31st March 2022	As at 31st March 2021
Fair value of asset at the beginning	540.37	499.36
Expected Return on the Plan	39.71	37.89
Acturial Gain/(Loss)	(3.90)	(1.17)
Employer's Contribution	10.00	30.00
Fund management charges	5.03	7.31
Benefits paid	26.74	18.40
Fair value of asset at the year end	554.41	540.37
Actual return on plan asset	35.81	36.71

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

Note 39 : RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH 2022

(A) Related Party and their relationship

I Subsidiaries:

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

II Associates:

1 Coconics Private Limited

III Key Management Personnel:

1 Sri.N Narayana Moorthy,Chairman & Managing Director
2 B.Bilu, Company Secretary

(B) Transactions with related parties:

Rs.in lakhs

	Particulars	For the year ended 31st March 2022			For the year ended 31st March 2021		
		Subsidiaries	Associates	Key Management Personnel	Subsidiaries	Associates	Key Management Personnel
i.	Purchase of goods	247.68	-	-	173.15	-	-
ii	Sale of goods	34.02	-	-	58.80	-	-
iii.	Service rendered (Sole selling Agency)*	24.00	36.00	-	24.00	39.00	-
iv.	Loan given to Subsidiaries	-	-	-	-	-	-
v.	Loan refunded by Subsidiaries	-	-	-	-	-	-
vi.	Loan taken from Subsidiaries	-	-	-	-	-	-
vii.	Loan refunded to Subsidiaries	-	-	-	-	-	-
viii.	Interest on loan	1.63	-	-	1.47	-	-
ix.	Managerial Remuneration	-	-	0.00	-	-	46.29
x.	Share of retirement benefits paid	-	-	-	-	-	-
	Based on the figures certified by the Management. * excluding GST						

(C) Balance with related parties:

Rs.in lakhs

	Particulars	As at 31st March 2022			As at 31st March 2021		
		Subsidiaries	Associates	Key Management Personnel	Subsidiaries	Associates	Key Management Personnel
i.	Trade receivable	89.83	-	-	85.79	-	-
ii.	Trade payable	358.62	-	-	371.55	-	-
iii.	Loans and advances*	3,636.09	124.61	-	4,940.31	0.00	-

* Loans and advances include Rs 13,12,85,459 due from Keltron Counters Limited which is under winding up process and 100% provision against the amount due from them has been made during the financial year 2017-18 & 2018-19.Refer E(a)

(D)	i Trade receivable and Trade payable includes the following amounts due from /payable to Subsidiaries/Associate Companies:				
					Rs.in lakhs
	Subsidiaries	Trade receivable		Trade payable	
		Outstanding as on 31st March 2022	Outstanding as on 31st March 2021	Outstanding as on 31st March 2022	Outstanding as on 31st March 2021
i.	Keltron Component Complex Limited	13.00		2.49	
ii.	Keltron Electro Ceramics Limited	76.83		356.13	
		89.83	-	358.62	-

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

Rs.in lakhs

	Subsidiaries/Associates	Outstanding as on 31st March 2022	Outstanding as on 31st March 2021
a.	**Subsidiaries:**		
i.	Keltron Component Complex Limited.	109.88	123.03
ii.	Keltron Electro Ceramics Limited	558.17	536.38
iii.	Keltron Rectifiers Limited* (i)	990.06	990.06
iv.	Keltron Power Devices Limited* (i)	1,977.98	1,977.98
	Total	3,636.09	3,627.46
	Less: Provision for doubtful advances:		
	Total	-	-
	Net Total	3,636.09	3,627.46
b.	**Associates:**		
i.	Coconics Private Limited	124.61	78.59
	Total	124.61	78.59

(i) Included Investments pending allotment.

* are Companies are under liquidation and balances are drawn as per last available records

** are defunct Company and balances are drawn as per last available records.

Loans and advances due from Related parties constitute 48% of the total loans and adavnces due to the company.

Rs.in lakhs

Note 40 : MANAGERIAL REMUNERATION		For the year ended 31st March 2022	For the year ended 31st March 2021
1	N.Narayana Moorthy(Chairman)		
	Salaries & PF	14.61	13.36
	Medical benefits	-	
		14.61	13.36
2	Hemalatha.T.R (Managing Director)		
	Salaries & PF		20.72
	Medical benefits	-	
		-	20.72
3	B.Bilu (Company Secretary)		
	Salaries & PF	15.55	12.16
	Medical benefits	0.24	0.05
		15.79	12.21
	Directors Sitting Fee		
	Name of the Directors	For the year ended 31st March 2022	For the year ended 31st March 2021
1	R.Suresh Mohan	0.14	0.08
		0.14	0.08

Note:41(i) DISCLOSURE RELATING TO CSR EXPENDITURE

		Rs.in lakhs
a)	**Gross amount required to be spend by the company during the FY 2021-22**	**7.82**
b)	**Amount spend during the the financial year 2021-22:**	**7.00**

Sl No	Particulars	Paid in cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	Purposes other than (i) above Promoting health care including preventive health care	0.10	6.90	7.00

c)	**Movement of CSR provision**		**2021-22**	**2020-21**
			Rs.in lakhs	**Rs.in lakhs**
	As on 1st April		-	-
	Additional provision required during the year		7.82	17.07
	Less:Amount spend during the year		7.00	17.07
	As on 31st March		0.82	-

d)	**Additional Disclosure:**		**2021-22**	**2020-21**
			Rs.in lakhs	**Rs.in lakhs**
(i)	Amount to be spend on CSR expenditure in accordance with section 135		7.82	9.36
(ii)	Amount unspend/(excess spend)carried forward from earlier years		(7.72)	-
(iii)	Amount actually spend during the year		7.00	17.07
	(Excess amount spend carry forward)/Shortfall		(6.90)	(7.72)
	Reason for shortfall		NA	NA

e)	**Nature of CSR activities**		**2021-22**	**2020-21**
			Rs.in lakhs	**Rs.in lakhs**
(i)	Promoting health care including preventive health care		7.00	17.00
(ii)	Social development			0.07
	TOTAL		**7.00**	**17.07**

f)	**Related party transactions with reference to CSR expenditure**		**Nil**	**Nil**

41(ii) Analytical Ratios

Sl No	Particulars	Formula	2021-22	2020-21	2021-22	2020-21	% of variance	Reason for variation more than 25%
(a)	Current Ratio	Current Assets / Current Liabilities	62,190.93 / 49,659.44	60,053.04 / 49,638.65	1.25	1.21	4%	The variation in debt equity ratio (Sl no(b)) is due to the regrouping of Share Money Pending Allotment(Note No-3) consequent to the conversion of Government loan into Equity and followed by the increase in authorised share capital in the subsequent year. The reason for variation in ratio Sl no-(c),(d),(i) and (j)is owing to the better performance of the company with respect to turnover and profits during the reporting period compared to the previous year.
(b)	Debt-equity Ratio	Total Debt / Shareholders Equity	6,432.74 / 22,431.12	6,662.14 / 17,962.67	0.29	0.37	-23%	
(c)	Debt service coverage Ratio	Earnings available for Debt Service / Debt Service	4,001.01 / 3,741.74	1,343.42 / 1,768.18	1.07	0.76	41%	
(d)	Return on Equity Ratio(in %)	Profit after Tax / Average Shareholders Equity	4,468.45 / 20,196.89	334.14 / 17,795.60	22%	2%	1078%	
(e)	Inventory Turnover Ratio	Cost of Goods sold or Sales / Average Inventory	41,011.57 / 5,710.84	30,764.71 / 5,575.92	7.18	5.52	30%	
(f)	Trade Receivables turnover Ratio	Net Sales / Average Trade Receivable	51,471.57 / 41,758.70	44,812.31 / 36,610.92	1.23	1.22	1%	
(g)	Trade Payables turnover Ratio	Net Purchases / Average Trade Payables	39,215.90 / 30,846.03	36,197.67 / 26,110.25	1.27	1.39	-8%	
(h)	Net Capital Turnover Ratio	Net Sales / Working Capital	51,471.57 / 12,531.48	44,812.31 / 10,414.39	4.11	4.30	-5%	
(i)	Net Profit Ratio(in %)	Net Profit after Tax and exceptional items / Net Sales	4,468.45 / 51,471.57	334.14 / 44,812.31	9%	1%	1064%	
(j)	Return on Capital Employed(in %)	Earnings before Interest & Tax / Capital Employed(Net Worth +Total debt)	4,468.45 / 28,863.86	334.14 / 24,624.81	15%	1%	1041%	
(k)	Return on Investment	Income generated from invested funds / Average Investment	-	-	-	-	0%	

42. Grant and Loan from Government of Kerala:

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

(i) Set-off of Investment and loan in defunct subsidiaries amounting to Rs.7,200.18 lakhs against Government loan liability which are covered under freezing (as a part of BIFR Scheme) amounting to Rs.8,265.84 lakh. Balance amount of Rs1,065.66 lakhs may be converted to equity.

(ii) The conversion of interest accrued on Government loan to the extent of Rs.10,371.88 lakhs to equity.

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

(i)Government Grant of Rs600 lakhs and
(ii) Already converted Government loan to Equity of Rs.1,250 lakhs again back to working capital loan

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

1) Conversion of Government loan of Rs.7,200.18 lakhs to equity.
2) The working capital loan as per GO(Rt) No.329/2014/ID dated 11th March 2014 of Rs.1,850 lakhs shall be converted to equity
3) Waiver of interest accrued on aforesaid loan aggregating to Rs.9,230.61lakhs
4) Increase of Authorized Share Capital of the Company to accommodate the issue of shares to the Government on accounts of (1) and (2) above, and consequent amendment in Memorandum and Article of Association.

The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020.Accordingly the converted Government Loan of Rs.7,200.18 lakhs and Government grant of Rs.600 lakhs is disclosed as “Share Application Money Pending Allotment”.

The Government Loan of Rs.1,250 lakhs as covered under GO(Rt) No329/2014/ID dated 11.03.2014 was included under Note -1 Share Capital, as the shares are already converted and allotted to Government of Kerala vide GO (MS) No.183/11/ID dated 26th August 2011.
Further to improve the net worth, the company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021represented before Government to consider the conversion of interest accrued on Government Loan amounting to Rs.9,230.61 lakhs to equity share capital in line with the recommendation of Public Enterprises Board.

This has been sanctioned vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020 sanctioning the financial restructuring proposal of the company and accordingly disclosed theinterest accrued on Government Loan amounting to Rs.9,230.61 lakhs as “Share Application Money Pending Allotment”.

Thus we have accounted for the aggregate amount of Rs.17,030.80/- lakhs as "Share Application Money Pending Allotment" under Note-3.

The Authorized Share Capital and Paid-Up Share Capital of the Company was Rs.21,000 lakhs and Rs.20,355.18 lakhs respectively. In order to accommodate the issue of shares to the Government of Kerala, Extraordinary General Meeting was convened on 20th February 2023 and sanctioned the increase of Authorized Share Capital to Rs.37,500 lakhs and also approved the alteration of clause (v) in Memorandum and Article 11(6) in Articles of Association. All the procedural aspects of increasing the Authorized Share Capital such as filing of required forms with ROC and payment of filing fees etc. has been complied with. As above, the Equity Shares worth Rs.17,030.80 lakhs were also allotted to Government of Kerala, and thereafter the Paid-Up Share Capital of the Company stood at Rs.37,385.98 lakhs with effect from 10th March 2023.

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

Sl No	Particulars	Loan & Interest outstanding as on 31st March 2022		Interest provided up to
		Principal	Interest (including penal interest)	
	Non Current(Rs in lakhs)			
a	Interest Accrued on loans not included in financial restructuring as per GO (MS) No.53/2020/ID dated 15th May 2020	Rs.319.70	Rs.251.90	31st March 2006
b	Interest Accrued on Loan Converted To Equity vide GO (MS) No 183/11/ID dated 26.08.2011(Refer Note Below)		Rs.889.37***	31st March 2010
c	Loan taken vide GO(Rt)No.1538/2017/ID dt 08.11.2017-Current portion of principal & Interest accrued thereon shown under Sl.No-n	Rs.30.00	----	31st March 2022
d	Loan taken vide GO(Rt)No.367/2018/ID dt 28.03.2018- Current portion of principal & Interest accrued thereon shown under Sl.No-o	Rs.60.00		31st March 2022
e	Loan taken vide GO(Rt)No.13007/2018/ID dt 24.11.2018- Current portion of principal & Interest accrued thereon shown under Sl.No-p	Rs.150.00		31st March 2022
f	Loan taken vide GO(Rt)No1115/2019/ID dt 10.11.2019 Current portion of principal & Interest accrued thereon shown under Sl.No-q	Rs.55.00		31st March 2022
g	Loan taken vide GO(Rt)No.193/2020/ID dt 29.02.2020 Current portion of principal & Interest accrued	Rs.22.55		31st March 2022

	thereon shown under Sl.No-r			
h	Loan taken vide GO(Rt)No.224/2020/ID dt 11.03.2020Current portion of principal & Interest accrued thereon shown under Sl.No-s	Rs.93.00		31st March 2022
i	Loan taken vide GO(Rt) No:127/2021/ID dt 30.01.2021Current portion of principal & Interest accrued thereon shown under Sl.No-t	Rs.150.00		31st March 2022
j	Loan taken vide GO (Rt)No.232/2021/ID dt 19.02.2021 Current portion of principal & Interest accrued thereon shown under Sl.No-u	Rs.37.50		31st March 2022
k	Loan taken vide GO (Rt)No.895/2021/ID dt 18.08.2021 Current portion of principal & Interest accrued thereon shown under Sl.No-v	Rs.170.00		31st March 2022
l	Loan taken vide GO (Rt)No.1104/2021/ID dt 02.10.2021.Current portion of principal & Interest accrued thereon shown under Sl.No-w	Rs.180.00		31stMarch 2022
	Sub Total	Rs.**1,267.75**	Rs.**1,141.27**	Interest accrued disclosed under Note-5-Other Long Term Liabilities
	Current			
m	Loan taken vide GO (MS) No.559/12/IDdt 30.03.2012	Rs.600.00	Rs.819.26	31st March 2022
n	Loan taken vide GO(Rt)No.1538/2017/ID dt 08.11.2017(refer Sl No-c above)	Rs.170.00	Rs.84.55	31st March 2022
o	Loan taken vide GO(Rt)No.367/2018/ID dt 28.03.2018(refer Sl No-d above)	Rs.340.00	Rs.152.13	31st March 2022
p	Loan taken vide GO(Rt)No.13007/2018/ID dt 24.11.2018 and interst accrued thereon(refer Sl no-e)	Rs.350.00	Rs.170.97	31st March 2022
q	Loan taken vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 & interest accrued thereon(referSl.No f)	Rs.45.00	Rs.19.58	31st March 2022
r	Loan taken vide GO(Rt)No.193/2020/ID dt 29.02.2020& interest accrued thereon (referSl.No- g)	Rs.18.45	Rs.6.91	31st March 2022
s	Loan taken vide GO(Rt)No.224/2020/ID dt 11.03.2020 & Interest accrued thereon (refer Sl.No-h)	Rs.62.00	Rs.28.14	31st March 2022

t	Loan taken vide GO(Rt) No:127/2021/ID dt 30.01.2021 & interest accrued thereon (referSl.No-i)	Rs.50.00	Rs.21.83	31st March 2022
u	Loan taken vide GO (Rt)No.232/2021/ID dt 19.02.2021 & interest accrued thereon (referSl.No-j)	Rs.12.50	Rs.5.16	31st March 2022
v	Loan taken vide GO (Rt)No.895/2021/ID dt 18.08.2021 & Interest accrued thereon (referSl.No-k)	Rs.30.00	Rs.10.03	31stMarch 2022
w	Loan taken vide GO (Rt)No.1104/2021/ID dt 02.10.2021.Current portion of principal & Interest accrued thereon (refer Sl.No-l)	Rs.20.00	Rs.8.40	31stMarch 2022
x	Loans not included in financial restructuring as per GO (MS) No.53/2020/ID dated 15th May 2020	Rs.745.96	Rs.737.92	31st March 2022
	Sub Total	Rs.**2,443.91**	Rs.**2,064.88**	Interest accrued disclosed under Note-9-Other Current Liabilities
	Grand total	Rs.**3,711.66**	Rs.**3,206.15**	

***Note: Interest of Rs.889.37 lakhs had accrued on Loan amounting to Rs.7,187.22 lakhs which was earlier converted to Equity vide GO (MS) No 183/11/ID dated 26.08.2011

44. Loans and Advances include

(i) A sum of Rs.1,974.92 lakhs is pending allotment of shares by the following subsidiary Companies:-

Sl No	Name of the Company	Rs. in lakhs
(a)	Keltron Rectifiers Limited	576.43
(b)	Keltron Power Devices Limited	1,127.32
(c)	Keltron Electro Ceramics Limited	271.17
	Total	1,974.92

The Hon'ble High Court of Kerala in its judgment dated 06th March 2006 and 14th November 2005 issued orders for the winding up of Keltron Rectifiers Limited and Keltron Power Devices Limited respectively and appointed the Official Liquidator. The Government of Kerala vide G.O.(MS) No. 165/08/ID dated 22nd October 2008 ordered to take over the aforesaid subsidiary companies (a) & (b) with all liabilities including future liabilities, simultaneously with its assets by the

with all liabilities including future liabilities, simultaneously with its assets by the Company. Government of Kerala also filed an affidavit before the Hon. High Court of Kerala for the above take over. The Scheme for takeover of the above two subsidiary companies as per the Government G.O. is under process and hence no provision has been made in the accounts regarding the investment pending allotment in respect of these two companies

The company received a request from its subsidiary company, Keltron Electro Ceramics Limited for considering the decision taken in the 203rd Board Meeting of KECL with respect of conversion of term loan of Rs.135.27 lakhs received from the holding company and interest accrued thereon amounting to Rs.135.90 lakhs in to equity share capital. The company in its 257th Board Meeting held on 15th December 2020 approved the conversion of loan and interest accrued thereon. The company intimated KECL vide Letter No-KSEDC/KECL/2020-21/176 dated 11th January 2021 that the conversion of loan to equity has been approved and that the same is effective from 31st March 2020.The legal formalities with respect to the aforesaid conversion as per the provisions of Companies Act, 2013 has been completed at KECL and they have disclosed Rs.271.17 lakhs as Share Money Pending Allotment in their financial Statements for the year ended 31st March 2022.Accordingly we have disclosed the loan and interest accrued thereon under Note No-13 Long Term Loans & Advances –Investments Pending Allotment, which is in conformity with the financial statement of KECL for the year ended 31st March 2022.

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

Sl No	Name of the Company	Subsidiary/ Associate	Amount Outstanding as on 31st March 22 Rs. in lakhs	Remarks
1	Keltron Counters Limited	Subsidiary Company	------	The company was ordered for winding up by the Hon'ble High Court of Kerala, vide its judgment dated 26th July 2006 and the Official Liquidator took charge with effect from 26th July 2006. The Government of Kerala filed an affidavit in the Hon'ble High Court of Kerala for keeping in abeyance the liquidation proceedings. Later vide judgment in CA Nos. 396,396B and 396C of 2009 in CA No.723 of 2006 in CP No.11 of 2002 dated 08th October 2009 of the Hon'ble High Court of Kerala, release of the immovable properties owned by Keltron Counters Limited to

				State of Kerala in order to establish Gulati Institute of Finance and Taxation (GIFT) was permitted. The possession of above land has already been handed over as per the above direction and GIFT transferred an amount of Rs.500 lakhs to M/s Keltron Counters Limited for settling of its liabilities with a condition that shortfall if any will be compensated by the Government of Kerala, which is deposited in separate account bearing interest. As there are no fixed assets available with Keltron Counters Limited the Company has made adjustments to account for the diminution in value of total investment in the financial year 2009-10. Keltron Counters Limited made an application to the Registrar of Companies to strike off the name of the company from the Register of Companies under Fast Track Exit Mode Scheme 2011.The Government of Kerala vide G.O.(Ms) No-21/2019/ID dated 28th February 2019 sanctioned the transfer of all existing and future liabilities of Keltron Counters Limited(KCL) to Keltron and all liabilities of KCL including future liabilities will be settled by Keltron In view of the above, the company decided to create a provision against Rs.1,312.85 lakhs outstanding from KCL in two equal installments commencing from the financial year 2017-18.

				Accordingly , provision of Rs.656.43 lakhs being 50% of loans and advances due from Keltron Counters Limited was created during the financial year 2017-18 and the balance provision of Rs.656.42 lakhs was created during the financial year 2018-19. Thus the total provision created against loans and advances given to Keltron Counters Limited was Rs.1,312.85 lakhs As stated above chances of recoverability of Investment, Loans &Advances and interest accrued are very remote,the same has been written off in the books of accounts during the reporting period.
2	Keltron Power Devices Limited	Subsidiary Company	Rs.850.66	As mentioned in 44(i) above, the Hon.High Court of Kerala has ordered winding up of Keltron Power Devices Ltd (KPDL) and Keltron Rectifiers Limited (KRCL).The Company has filed an application before the Hon. High Court of Kerala on 9th

3	Keltron Rectifiers Limited	Subsidiary Company	Rs. 413.63	October 2017 for recalling the winding up order of KPDL and KRCL, discharge the official liquidator and to take over the assets and liabilities by the holding company. As per the direction of Hon.High Court of Kerala, a Revival Scheme for the manufacturing of 100MW Solar Panel was submitted. The scheme is yet to be heard by the Hon.High Court of Kerala. Meanwhile, Government of Kerala vide GO (RT) No 883/2018/10 dated 26/07/2018 has issued Administrative Sanction towards the Budget-Support for the company for the setting up of manufacturing facilities for Solar Modules. The Special Government Pleader (Taxes) informed that the Revival proposal has to be filed by the Government of Kerala and hence an Affidavit of the Chief Secretary has to be filed. Due to the pendency of the above situation, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation.
	Total		Rs. **1,264.29**	

45. The Current Accounts and Collection Accounts of Subsidiary Companies/Associate Companies are subject to confirmations from the respective companies. As per the provisions of Section 129 of the Companies Act, 2013 during the FY 2014-15 the Company has prepared the Consolidated Financial Statements incorporating the Accounts of all the subsidiary companies. However, audited Accounts of the following two subsidiaries namely Keltron Component Complex Limited, Kannur and Keltron Electro Ceramics Limited, Kuttipuram, could only be incorporated in accordance with AS-21 'Consolidated Financial Statements' notified through

Companies (Accounting Standards) Rules, 2006, and since the accounts of other subsidiaries viz. Keltron Counters Limited, Keltron Rectifiers Limited and Keltron Power Devices Limited are not available as these Companies are either under liquidation or are defunct the same could not be included in the Consolidated Financial Statements.

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

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

Rs.in lakhs

Sl. No.	Particulars	KCCL	KECL	Total
1	Current Account	Rs.350.84	Rs. (2.35)	Rs.348.49
2	Collection Account	Rs.304.76	Rs.13.54	Rs.318.30
	Total	**Rs.655.60**	**Rs.11.19**	**Rs.666.79**
3	Trade Receivable	Rs.5.72	Rs.(7.60)	Rs.(1.87)
4	Trade Payable	Rs.4.27	Rs.(17.11)	Rs.(12.84)

As mentioned above the difference in current and collection account between the books of holding company and subsidiary companies amounting to Rs.666.79 lakhs were written off in the FY 2014-15 as exceptional item and with respect to Trade Receivable /Trade Payable an amount of Rs10.97 lakhs was booked as an expense in the books of the holding company in the financial year 2014-15.

46. Credit balance in Trade Receivable Account amounts to Rs.1,386.87 lakhs (Previous year : Rs.756.36 lakhs)and debit balance in Trade Payable Account amounts to Rs.254.88 lakhs(Previous year : Rs.178.05 lakhs) are subject to confirmation / reconciliation and consequent adjustments, if any, upon confirmation.

47. In accordance with AS 22 on Accounting for Taxes on Income and the accounting policy of the Company, deferred tax asset (net) amounting to Rs.1,557.50 lakhs has been recognised and taken credit for in the current year based on the management assessment that there is reasonable certainty of realisation of the asset considering the trends and projections relating to future profits likely to arise and consequential tax liability thereon under the IT act . However , Deferred tax asset on unabsorbed depreciation and carry forward of losses have been recognised based on the assessment orders/intimation already passed and accordingly deferred tax asset on business loss and depreciation to the extent of Rs.1,556.95 lakhs disallowed in assessments and pending on appeal before higher authorities are not taken credit for as a matter of prudence.

48. Every year, the Company used to provide for the amount due to increase or decrease in exchange rate on the amount due to foreign suppliers. During the year, due to decrease in exchange rate, the net liability has decreased by Rs.4.74 lakhs (Previous year: decreased by Rs.8.33 lakhs) which has reflected in Sundry Creditors for goods supplied. The above change is accounted in exchange rate fluctuation under the head 'Other operating revenue' under Revenue from operations.

49. The company has disclosed the outstanding Trade payable to MSME in the Note No 5 and 8.There are Micro, Small and Medium Enterprises to whom the Company owes, which may have been outstanding for more than 45 days as at 31st March 2022 as per the terms of agreement with them. The interest due to such outstanding as per MSMED Act has not been provided in the financial statements.

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

51. The Keltron Marketing Office – Delhi has been occ pying the office space in Travancore Palace, New Delhi since 14th November 1997. But the lease agreement was not executed and rent was pending until 31st March 2016. However, as a prudence the Company has created provision for rent payable on an year on year basis aggregating to Rs. 544.15 lakhs as on 31st March 2015. As per the request of the Company, Government of Kerala vide GO(Rt) No.1832/2017/GAD dated 21st March 2017 has fixed the rent at the rate of Rs 35 per sq.feet for an area of 1714 sq.feet which amounts to Rs.125.10 lakhs up to 31st March 2015 and the excess provision of Rs.419.05 lakhs has been written back during the FY 2015-16 as exceptional item and rent up to 31st March 2016 has been paid during the financial year 2017-18.

    As per GONo-1613/RC1/2015 dated 28th January 2016 the company was ordered to shift its office space to staff quarters behind Travancore Palace, New Delhi belonging to Government of Kerala .No rent has been fixed for this premises. As it is very difficult to ascertain the rent payable for the staff quarters, the company has not made any provision in the books of accounts for the rent payable from the financial year 2016-17 to 2021-22.The company has requested Government of Kerala to fix the rent for the premises.

52. KELTRAC is an autonomous body registered as a society under the control of Government of Kerala, which is operating in the portion of premises of Keltron Controls Aroor (KCA).As per the agreement dated 7th January 2008 regarding sharing of facilities and services of KCA with KELTRAC, charges for the building /space provided at the normal rate of Rs2/-sq.ft for 31,505 sq.ft is payable by KELTRAC. Further, the agreement also contains a clause that the aforesaid service charge may be waived off provided the work requirement of KCA shall be executed by KELTRAC on priority basis at cost. In view of the above and considering the precarious financial condition of KELTRAC the rent for the premises used by them was not being charged.

53. Earnings per share (EPS)

	Basic & Diluted EPS	31st March 2022	31st March 2021
a	Profit attributable to Equity Shareholders before extraordinary items (Numerator used for calculation of diluted and basic EPS) **Rs.in lakhs**	2,910.95	334.14
b	Profit attributable to Equity Shareholders (Numerator used for calculation of diluted and basic EPS) **Rs.in lakhs**	4,468.45	334.14
c	Number of Equity Shares used as denominator for calculating : Basic Diluted	 2,03,55,181 3,73,85,977	 2,03,55,181 3,73,85,977
d	EPS of Rs.100/- before extraordinary items Basic Diluted	 Rs.14.30 Rs.7.79	 Rs. 1.64 Rs. 0.89
e	EPS of Rs. 100/- each Basic Diluted	 Rs.21.95 Rs.11.95	 Rs. 1.64 Rs. 0.89

Dilutive potential equity shares are calculated as follows:
Share application money pending allotment divided by face value of Rs.100 each.

54. Balances of Government Loan under Long Term Borrowings(Note 4) and Short Term Borrowings(Note7),Trade Payable(Note-8),Other Current Liabilities(Note -9),Long term loans and advances(Note-13),Trade Receivable under Other Non Current Assets(Note 14),Trade Receivable (Note-16) under Current Assets, Short term loans and advances (Note-18) and Other Current Assets(Note-19) are subject to confirmation/ reconciliation .

55. The carry forward loss and depreciation as per Return of Income filed by the Company for the financial year 2006-07 to 2016-17 amounts to Rs.130.00 lakhs whereas the assessed losses by the Tax Department for the same period amounts to NIL only. However, the Company has preferred appeals to higher authorities against the reduction in the carry forward loss/depreciation while completing the assessment. This has resulted in a shortfall between the claim by the Company and as allowed by the Assessing Officers. Considering the appeals filed, the Company continues to treat its claim of Rs. 130.00 lakhs based on the return as the Company is confident of winning the appeals. The company has claimed additional carry forward loss and unabsorbed

depreciation of Rs.8,324.97 lakhs the financial years 2016-17 , 2017-18 , 2018-19, 2019-20 and 2020-21. After including the current year income of Rs.2,889.36 lakhs the total carry forward unabsorbed depreciation and loss carried forward to future assessment year is Rs.5,565.61 lakhs

56. The Company has recognized the TDS credit as per 26AS. While the 26AS shows a tax credit of Rs.2,004.62 lakhs for the Assessment year 2007-08 to 2022-23, the Company's books of account shows the balance of Rs.706.04 lakhs only. The Company did not account for the balance credit of Rs.1,298.58 lakhs in the books considering the uncertainty attached in getting full tax credit while completing the assessment. The Company is confident that tax credit as per 26AS will be allowed in appeal proceedings. Hence, no provision towards doubtful of recovery is considered necessary as it is fully recoverable.

57. The Government of Kerala vide GO(MS) No.105/17/ID dated 28th October 2017 has revised the scale of pay of the regular employees of the Company including its subsidiary Companies with retrospective effect from 01st April 2012.Accordingly, after series of discussion between the Management and Recognized Trade Unions, a consensus was arrived and signed the Memorandum of Settlement (MoS) on 30th November 2017.

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

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

    The pay revision arrears for the period from 1st April 2012 to 31st March 2017, amounting to Rs.1,252.08 lakhs was made in the books of accounts. The disbursement of wage revision arrear commenced from October 2018 and wage revision arrears outstanding in the books as on 31st March 2022 is Rs.219.71 lakhs

58. Actuarial valuation of liability in respect of gratuity and leave encashment is done at corporate office level and the same is provided in the books of accounts of units/ KMO's on the basis of instructions issued by corporate office in this regard.

59. The Company has received an Order from Damodar Valley Corporation (DVC) with respect to Control and Instrumentation turnkey job for three units of Mejia Project during the financial year 1992-93 and the purchase order for 3 units amounting to Rs.27.70 crore was released during 1994-95. The three units mentioned above were to be executed in different schedules as stipulated in the terms and conditions of the Order. But due to delay in

finalising design engineering and release of purchase order the schedule could not be met.

Meanwhile, the DVC tried to invoke the Bank guarantee of Rs.277.03 lakhs availed by the company from State Bank of India towards the Security deposit for the execution of the project. The company has approached the Hon'ble High Court of Kerala and obtained stay against the invocation of Bank Guarantee from the Hon'ble High Court of Kerala

Thereafter, the Company has resorted to Arbitration during the financial year 2007-08 and after a prolonged legal proceeding, the Arbitral Award was pronounced on 15th October 2018, allowing claims of DVC as well as KELTRON, squire off the claims and ordered final payment of Rs.330.02 lakhs to DVC.

The Arbitral Award was challenged by the Company in the District Court, and the appeal challenging the award is dismissed by Commercial Court, Alipore on 29thSeptember 2021.

The matter was placed before the 260th meeting of the Board of Directors held on 06th October 2021 and informed about the status of the case to the Board and the Board had considered all the aspects of the case, has decided notto go for appeal against the Order dated 29th September 2021. Consequently, the Company allowed DVC to invoke the Bank Guarantee of Rs.330.02 lakhs As the Contingent Liability with respect to the Bank Guarantee of Rs.330.02 lakhs as reported in the Financial Statements up to 31st March 2018 crystalized , provision was created in thefinancial year 2018-19 and the same is included and disclosed under "Other Current Liabilities".

Provision for interest @8.77% on award amounting to Rs.15.14 lakhs and Rs.28.94 lakhs was created during the financial year 2018-19 & 2019-20 respectively and the same was included under "Interest & Late Fees" anddisclosed under Note-"Other Expenses" in the respective financial years

DVC invoked the BG amounting to Rs.277.03,lakhs on 22nd April 2022 and the BG amounting to Rs.52.99 lakhs was invoked on 05th August 2022.DVC has not made any claim for interest on award till date. Hence, as a matter of prudence, we have not provided interest for the financial year 2020-21& 2021-22.We have vide letter KSEDC/LGL/DVC/2021-22/147 dated 22nd November 2021 requested DVC to waive the interest on award.

60. The Company has conducted in the earlier years an evaluation of balances reflected under Trade Receivable, Trade Payable, Sundry debits and Sundry credits in the books for a period up to 31st March 2005. The assignment was entrusted to M/s.Krishna Retna & Associates, Chartered Accountants and based on their report the necessary entries for write off/write back has been passed in the books of accounts with the approval of Board of Directors. Recently, with the objective of ensuring true and fair picture for the figures reflected in the Financial Statements, the same firm of Chartered Accountants was engaged for evaluating the realizability of Trade Receivable/Sundry debits and position of Trade payable/sundry credits covering the period 2005 to 2015 covering all the major unit of KELTRON. The first phase of the assignment covering the major units namely KEC, KCC and KCA was

completed and based on their report provision was created in the books with the approval of the Board.

During the reporting period, the firm has completed the assignment and submitted the report with respect to following units;

- Information Technology & Business Group
- Keltron Lighting Division, Mudadi

Based on the recommendation of M/s Krishna Retna & Associates following provisions/write back has been effected in the financial statements.

Rs.in lakhs

Sl No	Particulars	Information Technology Business Group (ITBG)	Keltron Lighting Division, Mudadi (KLD)	Total
1	Provision for bad & doubtful debts	430.77	0.98	**431.75**
2	Provision for doubtful advances	18.17	0.52	**18.69**
3	Write Back	197.49	11.06	**208.55**
	Net Effect in the financial Statements(1)+(2)-(3)	**251.45**	**(9.56)**	**241.89**

It may please be noted that the entries for aforementioned write off/write back of assets /liabilities with regard to Keltron Lighting Division, Mudadi (KLD)was made in the books of Corporate Office during the financial year 2021-22.i.e.in the audit worthy financial statements for the financial year 2021-22.

In addition to the above, on the basis of recommendation of Branch Auditors we have created provision for bad & doubtful debts and have written off/written back long pending sundry debits/sundry credits in the Financial Statement under Note 29-Exceptional Items.

The summary of the provision for bad debts /doubtful advances /write off and write back disclosed under Note 29-Exceptional Items is as detailed below:

Rs.in lakhs

Name of Unit	Provision for Bad Debts	Provision for Doubtful advances	Write off	Write back
Corporate Office				5.88
Keltron Equipment Complex*	243.35			
Keltron Communication Complex*	355.04			
Keltron Controls ,Aroor*	51.42			
Keltron Lighting Division ,Mudadi*	0.98	0.52		11.06
Information Technology & Business Group	430.77	18.17	0.34	198.06
Keltron Marketing Office,Bangalore	11.91			
Keltron Marketing Office,Ahmedabad	7.73			
Keltron Marketing Office,Delhi	75.14			
Keltron Marketing Office,Kolkata				0.18
Keltron Marketing Office,Mumbai				0.04
Keltron Marketing Office, Hyderabad			0.05	0.03
Total	**1,176.34**	**18.69**	**0.39**	**215.25**

*It may be noted that the aforesaid provisions for bad & doubtful debts/advances/write back of liabilities etc with respect to Keltron Equipment Complex, Keltron Communication Complex, Keltron Controls, Aroor and Keltron Lighting Division, Mudadi have been made in the financial statements of Corporate Office for the financial year 2021-22

61. There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

62. The company has not been declared as a willful defaulter by any bank or financial Institution or other lender.

63. The quarterly reconciliation of stock statement of Keltron Equipment Complex, Karakulam given to Punjab National bank is below:
Rs. in lakhs

Quarter ended	Nature of Current Asset	Amount as per financial Statement	Amount as per Stock Statement	Difference*
30-06-2021	Stock	3,729.52	3,724.32	5.20
	Debtors	6,549.54	6,536.21	13.33
30-09-2021	Stock	3,771.36	3,766.09	5.27
	Debtors	6,200.42	6,193.90	6.52
31-12-2021	Stock	3,061.57	3,052.30	9.27
	Debtors	7,196.28	7,182.47	13.81
31-03-2022	Stock	3,249.94	3,244.03	5.91
	Debtors	7,959.07	7,239.10	719.97

*Reason for Difference
Raw materials and components received from the suppliers are mostly subject to inspection prior to acceptance at stores for production process. The difference in stock was generally due to the subsequent regularization of Goods Received cum Inspection Report in the books of accounts

The difference in value of Trade Receivable was generally due to the subsequent identification of collection from customers and tax adjustments. Moreover, in the last quarter a system error occurred in the trade receivable report generated from ERP and hence some invoices raised in the last month was not considered in the stock statement submitted to the bank.

64. The Board in its 259th meeting held on 22nd July 2021 approved the permanent closure of Keltron Marketing Office, Hyderabad. Further to the closure of Keltron Marketing Office, Hyderabad all future orders from Andhra Pradesh & Telangana states will be handled through Keltron Marketing Office, Bangalore. The branch audit of accounts of Keltron Marketing Office, Hyderabad is completed up to 31st March 2022 and all assets /liabilities were transferred to Keltron Marketing Office, Bangalore from 1st April 2022.

65. The company has not received any fund from any persons or entities including foreign entities with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of funding party (ultimate beneficiaries) or provide any guarantee, security or like on behalf of the ultimate beneficiaries.

66. No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.

67. There are no Scheme of Arrangements approved in terms of sections 230 to 237 of the Companies Act, 2013

68. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

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

70. The company has the following transactions with companies struck off under Section 248 of Companies Act 2013 or Section 560 of the Companies Act,1956 based on the information with the company

Name of the Struck Off company	Nature of Transaction	Amount **(Rs. in lakhs)**	Relationship with Struck off company
Keltron Projectors Limited	Investment in Securities	1.96	Associate Company
Keltron Varisters Private Limited	Investment in Securities	0.45	Associate Company

During the reporting period, these have been written off in the financial statements against the provision for diminution in the value of investments

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

On behalf of Board of Directors
CIN: U74999KL1972SGC002450

As per our report attached	Sd/-	Sd/-
For Isaac & Suresh Chartered Accountants, Firm Reg: 001150S	N.NarayanaMoorthy Chairman and Managing Director DIN : 05251681	Anoop.S Director DIN: 03399884
Sd/-	Sd/-	Sd/-
CA.Sobha Sethumadhavan Partner, Membership No.225166	B.Bilu Company Secretary	CA Sreejan.A.S GM i/c(Finance)

Thiruvananthapuram
25th November 2023
UDIN:23225166BGVLRG8369

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013
PARTICULARS OF SHARES HELD BY KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED (KSEDC) TRIVANDRUM AS AT 31ST MARCH 2022

(Rs.in lakh)

Sl.No.	Name of Subsidiary	Reporting Period	Share Capital	Reserves & Surplus	Total Assets	Total Liability	Class of Shares	Investment	Turnover	Profit before taxation	Profit after taxation	Proposed dividend	% of shareholding
1	Keltron Component Complex Limited	2021-22	3,422.81	(3,808.73)	8,193.85	8,579.76	Equity	2,618.50	8,132.36	307.33	256.03	NIL	76.54%
2	Keltron Electro Ceramics Limited	2021-22	318.28	(265.54)	2,077.70	2,024.97	Equity	314.44	1,397.15	13.82	40.41	NIL	98.79%
3	Keltron Rectifiers Limited	2005-06	274.36	1,020.56	2,412.26	540.90	Equity	274.36	-	(6.97)	(6.97)	NIL	99.99%
4	Keltron Power Devices Limited	2005-06	410.23	19.37	58.42	67.99	Equity	410.23	-	(53.02)	(53.02)	NIL	99.99%
5	Keltron Counters Limited	2011-12	496.90	10.00	3,006.70	2,499.80	a) Equity b) 9.5% cum Pref	487.99 1.96	-	(4.88)	(4.88)	NIL	98.21%

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

On behalf of Board of Directors
CIN : U74999KL1972SGC002450

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
N.Narayana Moorthy	**S.Anoop**	**CA.Sobha Sethumadhavan**	**B.Bilu**	**CA Sreejan.A.S**
Chairman & Managing Director	Director	Partner	Company Secretary	GM i/c (Finance)
DIN:05251681	DIN:03399884	Membership No.225166		

For Isaac & Suresh
Chartered Accountants,
Firm Registration No:001150S

Thiruvananthapuram
25th November 2023
UDIN:23225166BGVLRG8369

सत्यमेव जयते

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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2022** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act), is the responsibility of the management of the Company. The Statutory 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 **19 December 2023.**

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2022** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Thiruvananthapuram
Dated:25-03-2024

S. SUNIL RAJ
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II),
KERALA

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To
The Members of Kerala State Electronics Development Corporation Limited

Report on the Audit of Consolidated Financial Statements

Qualified opinion

We have audited the accompanying Consolidated Financial Statements of KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED ("the Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group),its associates , which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information ("Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on the financial information of the Subsidiary Companies and associates, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the Consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the company as at 31 March, 2022, its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Consolidated Financial Statement does not include financial statements of certain subsidiary companies; namely Keltron Counters Limited, Keltron Rectifiers Limited, Keltron Power Devices Limited and associate companies such as, SIDKEL Televisions Limited, and Keltron Entertainment Systems Limited

which are either under liquidation or defunct. Hence, we are not in a position to determine the impact ofnon consolidation of such companies in the Consolidated Financial Statements. Note No.1 (III) of consolidated financial statements is silent about the non consolidation ofKeltron Counters Limited (Subsidiary company) and Keltron Entertainment Systems Limited (Associate Company). Further above note has disclosed that the financial statements of associate companies such as Keltronvaristers private limited and Keltron projectors limited are not Consolidated. However as per Note No.74 company disclosed these two companies as struck off which is contrary to the disclosure made by company in Note No.1 (III).

2. **Share Application Money Pending Allotment Note No.4**

As per the Guidance Note on the Schedule III to the Companies Act, 2013, "If the company's issued capital is more than the authorized capital and approval of increase in authorized capital is pending,the amount of share application received over and above the authorized capital should be shown under the head "other current liabilities". Since as on Balance sheet date(31/03/2022) issued capital of the Holding Company after considering share application money pending allotment comes to Rs.37385.98 lakhs is more than the authorized capital Rs.21,000 lakhs and approval of increase in authorized capital is pending (Approval for increase in authorized capital has been obtained subsequently) the Share application money pending allotment amounting to Rs.16385.98lakhs should have been shown under current liabilities instead of showing as a separate line item on the face of the Balance sheet. This has resulted in understatement of current liabilities to the extent of Rs.16385.98 lakhs and overstatement of shareholder's fund.

3. **Other Long-Term Liabilities (Note:6)**

a. Trade payables as per Note No. 6 "Other long term liabilities" includes trade payables of holding company Rs.6510.58 lakhs and trade receivables as per Note No.15 'other non-current assets' includes trade receivables of holding company Rs.9577.70lakhs (net of provision). Point no.7.1.3 and 7.1.1 of the guidance note on the Schedule III of Companies Act,2013

issued by the Institute of Chartered Accountants of India lays down the criteria for classifying liability and asset as current. On verification of branch audit reports of holding company, it was observed that the company has treated items falling under thiscriteria as non-current. It has been explained by the management that Holding Company grouped only those payables and receivables for which Company have an unconditional right to defer settlement of the liability or asset for at least twelve months after the reporting date. However adequate supporting documents to substantiate the claim of the holding company was not provided for verification. Hence we are not in a position to comment on the same.

b. Other long term liabilities includes interest accrued but not due on loans from Govt. of Kerala of holding company amounting to Rs.1141.27lakhscomprising of Rs.889.37lakhs being the interest accrued until 31.03.2010 on Government loan of Rs.7187 lakhs, which was converted into equity vide GO (MS) No.183/11/ID dated 26.08.2011 and Rs.251.90lakhs being the interest and penal interest accrued until 31.03.2006 on the Government loan of Rs.1066 lakhs. No action seems to have been taken by the company or Government of Kerala in respect of accrued interest of Rs.1141.27 lakhs. Hence, we are unable to comment on the company's classification of Rs.1141.27lakhs as Long Term Liabilities, since there is no clarity on the due date for repayment of interest.

4. <u>Short term Borrowings (Note No.8)</u>

Current portion of Government of Kerala loan to be disclosed under Current maturities of Long-term borrowings (unsecured) of holding company is Rs.485.76lakhs.Howeverholding Company disclosed Government loan wholly due for payment amounting to Rs.1958.15 lakh along with current maturity of Government of Kerala loan under Current maturities of Long-term borrowings (unsecured).

5. **Other Current Liabilities Note No.10**

Current liabilities - Other finance & statutory dues of holding Company includes Rs.224.95 lakhs being sundry creditors for expenses for which disclosure is not made regarding ageing and payable to MSME.

6. **Long term loans and advances Note No.14**

a. Investment pending allotment of Rs.1703.75 lakhs (Previous year: Rs.1703.75lakhs) of holding company disclosed under Note: 14 "Long term loans and Advances" was made to subsidiary companies which are under liquidation. This comprise of Rs.576.43 lakhs to Keltron Rectifiers Limited and Rs. 1127.32lakhs to Keltron Power DevicesLimited. The company has stated reasons for non-provision of the above said investment pending allotment to subsidiary companies vide Note 38(i).
In the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, provision need to be created for non-recoverability of the Investment pending allotment of Rs.1,703.75 lakhs. The non provisionof the same has resulted in overstatement of profit and Long term loans and advances to the tune of Rs.1,703.75lakhs

b. Advance to subsidiary companies disclosed under Note: 14 "Long term loans and Advances" includes Rs.1264.30lakhs (Previous year:Rs.1264.30lakhs) made to subsidiary companies, which are under liquidation. This includes advance of Rs.413.63lakhs to Keltron Rectifiers Limited (PY: Rs. 413.63lakhs) and Rs.850.67lakhs to Keltron Power Devices Limited (PY: Rs. 850.67lakhs).

The company has stated reasons for non-provision of the above said advances to subsidiary companies vide Note No. 38 (ii).

However, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these advances provision need to be created for Rs.1264.30 lakhs. To the extent of this non-provisioning of Rs.1264.30lakhs, the profit of the company and Long term loans and Advances are overstated.

7. **Inventories Note:16**

Inventory ofKeltron Electro Ceramics Limited (KECL) includes non-moving items of manufacturing finished goods and trading finished goods worth for Rs.28.17 lakhs and Rs.0.48 lakhs respectively. The company has not provided any provision for non-moving and obsolete inventory items. As a result, the profit for the year was overstated by this amount.

8. **Trade receivable Note :17**

a) As stated in the Note no 47, the subsidiary company,KeltronElectro Ceramics Limited (KECL) has not provided Rs.20.19 lakhs towards liquidated damages for the year 2020-21 for delayed deliveries to one of the main customers. The company has not provided the liquidated damages claim in its books. As a result, the Trade receivable amount and profit for the year were overstated by this amount.

b) On an analysis of Accounts Receivables of Keltron Component Complex Limited (KCCL), it is observed that long outstanding receivables to the tune of Rs.187.95 lakh is included in receivables. The company has made provision for doubtful debts in respect of these debts. These accounts may be scrutinized and suitable cases may be written off.

c) Trade Receivables of Keltron Electro Ceramics Limited (KECL) include an amount of Rs.433.16 lakhs outstanding for a period more than 1 year. The company has not identified and booked any provision towards irrecoverable Trade Receivables. Furthermore, reconciliation of trade receivable accounts and confirmation of balances were not available. Hence, we are unable to quantify impact on the financial statements arising out of not providing provision for the Trade Receivables.

9. Short Term Loans and Advance- Note: 19

a. As per Note No.45, company disclosed that "The Holding Company has recognized the TDS credit as per 26AS. While the 26AS shows a tax credit of Rs.2004.62 lakhs for the Assessment year 2007-08 to 2022-23, the Company's books of account show the balance of Rs.706.04 lakhs only. The Company did not account for the balance credit of Rs.1298.58 lakhs in the books considering the uncertainty attached in getting full tax credit while completing the assessment". However, no details/reconciliation is available to substantiate the same.

During current year, holding company credited a refund of Rs.602.72 lakhsrelating to assessment year 2020-21 even though the TDS accounted in the respective head is only Rs.319.88 lakhs. This has resulted in understatement of short term loans and advances amounting to Rs.282.84 lakhs with corresponding overstatement of assets of the Company.

10. Accounting standards

We are unable to comment on

a) The compliance of Accounting Standard-16 (AS-16) 'Borrowing Cost' issued by the Institute of Chartered Accountants of India by holding companyin the absence of necessary information. (Refer Significant Accounting Policies Point II(h) of expenses under profit and loss under Note A)

b) The compliance of Accounting Standard-17(AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India in view of the claim of the Holding Company that it is not having reportable segments (Point II(j) of expenses under profit and loss under Note A)

c) The compliance of Accounting Standard-28 (AS)-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, by holding Company in the absence of appropriate evidence. (Refer Significant Accounting Policies Point II(b) of expenses under profit and loss under Note A).

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

12. The Audit committee of Keltron Component Complex Limited does not comprise of a majority of Independent Directors and therefore the Company has not complied with the provisions of section 177 of the companies Act,2013.

13. Interest due on outstanding Trade payable to MSME as per MSMED Act has not been provided in the financial statements. (Refer Note:48).General Instructions for preparation of Balance Sheet as per Notification bearing No.F.No.17/62/2015-CL-V Vol-1, dated 11.10.2018 requires companies to disclose points (a) to (e) under FA. The company has disclosed the principal amount payable to MSME suppliers .Since details to ascertain the financial effect of the interest portion is not readily available with the company, we are unable to comment on the financial effect of the non-provision and non-disclosure of the same remaining unpaid to any supplier at the end of each accounting year and other disclosures specified against FA.

The holding company has not filed MSME-1 as required under MSMED Act.

14. We further report that:-

a) The aggregate effect of our qualifications described above in Point No 2,4, 6,7 , 8aand Point 9, is that assets are overstated by Rs.3016.89 Lakhs, Liabilities are understated by Rs.16385.98 lakhs, Profit / Reserves are overstated by Rs.3016.89 Lakhs and shareholders fund is overstated by Rs.16385.98 lakhs.

b) We are unable to determine the financial impact of the qualifications in points (1), (3), (5), 8(b), 8(c)and(10) to (13) in the absence of sufficient and appropriate details.

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

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

Emphasis of Matter:

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

1. Note No.8 of financial statements includes loan from Travancore Titanium Products Limited amounting to Rs.12 lakhs and Note No.8 (l) of financial statements in which company disclosed that “The Holding Company has availed a loan amount of Rs.12 lakhs for an interest of

14.53% p.a from Travancore Titanium Products Limited during the financial year 1999-2000. Later, Government vide letter No. 32113/H3/2003/ID dated 13/10/2003 directed the Company to repay the loan amount of Rs.12 lakhsavailed from Travancore Titanium Products Limited, with interest, to the State Government and the same is pending to be settled". In our opinion the same needs to be disclosed as loan payable to Government of Kerala.

2. Note No.12 of financial statements. Property, plant and equipment's,the title deeds of certain land and its tax paid receipts of holding company are not available with the company.The Company does not have the practice of obtaining non-encumbrance and possession certificates as at year end for the landed properties held by it.

3. Note 30 and 54 of financial statements includes exceptional items such as provision for bad and doubtful debts/sundry debits written off/sundry credits written back/provision for other loans and advances amounting to Rs.981.32 lakhs which in company's opinion needs separate disclosure to depict the performance of the company for the reporting period.
   As per note No.54, the company made such provision on the basis of recommendations of CharteredAccountants appointed for this specified purpose and branch auditors.

4. Note No. 37 to the financial statements with regard to the approval of financial re-structuring proposal of the holding company by Government of Kerala and subsequent increase in authorized and issued capital

5. Note No.38(ii)(1) of financial statements states that Rs.500 lakhs received from Gulati Institute of Finance and Taxation (GIFT) as a compensation for handing over of land is deposited in a separate interest-bearing account. The note is incomplete as it does not provide information about the further utilization of amount deposited.

6. Note No.49 of financial statements which states that deferred tax asset of holding company on account of brought forward business loss and depreciation amounting to Rs.1556.95 lakhs disallowed on assessment and pending on appeal before higher authorities are not taken credit as a matter of prudence.

7. Note No.53 of financial statements with regard to non-provision of rent payable for the period 2016-17 to 2021-22 to Government of Kerala for the staff quarters building occupied by KMO New Delhi a unit of Holding Company.

8. Note No.42 of financial statements which states that"KELTRAC is an autonomous body registered as a society under the control of Government of Kerala, which is operating in the portion of premises of Keltron Controls Aroor (KCA).As per the agreement dated 7th January 2008 regarding sharing of facilities and services of KCA with KELTRAC, charges for the building /space provided at the normal rate of Rs.`2/- sq.ft for 31,505 sq.ft is payable by KELTRAC. Further, the agreement also contains a clause that the aforesaid service charge may be waived off provided the work requirement of KCA shall be executed by KELTRAC on priority basis at cost. In view of the above and considering the precarious financial condition of KELTRAC the rent for the premises used by them was not being charged."

9. Note No.51 of financial statements regarding non-provision of interest on award amount payable to DVC for the financial years 2020-21 and 2021-22 in holding company.

10. Note No.54 of financial statement disclosed the summary of provision for bad debts/ doubtful advances/ write off and write back of holding company disclosed under Note 30- exceptional items which is as follows

Sundry debits written off	0.39 lakhs
Sundry credits written back	2,15.25 lakhs
Provision for bad and doubtful debts/advances	1176.34 lakhs
Provision for other loans and advances	18.69 lakhs

Out of the above, write back Rs.0.82lakhs and write off Rs.0.05 lakhs are not approved by the Board of Directors.

11. Note No.56 of financial statements which had disclosed the quarterly reconciliation of stock statements of Keltron Equipment Complex, Karakulam given to Punjab National bank. As per the Note, current assets filed by the Company with banks or financial institutions are not in agreement with the books of accounts.
12. Note No.55 of financial statements which states that balances of Government loan under Long-term borrowings (Note-5) and short term borrowings (Note 8),Trade payables (Note-9), Other current liabilities (Note-10), Long term loans and advances (Note-14), Trade receivables under Other non-current assets (Note-15), Trade receivables (Note-17) under Current assets, Short term loans and advances (Note - 19) and other current assets (Note 20) are subject to confirmation/ reconciliation. In addition to above Other long-term liabilities (Note-6) and balances other than Government loan of Keltron Electro Ceramics Limited (KECL) under Long-term borrowings (Note-5) is also subject to confirmation.
13. Note 31 to the Financial Statements wherein contingent liability has been disclosed in respect of matters disputed in appeal in respect of Customs duty of Keltron Electro Ceramics Limited (KECL) The amount of demand in dispute is for Rs. 11 lakhs.

Our opinion is not qualified in respect of this matter.

Other Matters:

1. We did not audit the financial statements of 6 units and 7 KMOs of the Company, whose financial statements reflect total net assets of Rs.(23623) lakhs as at March 31, 2022, total revenues of Rs.51861lakhs and net cash outflow amounting to Rs.1020lakhs for the year-ended on that date as considered in the financial statement. These financial statements have been audited by other auditors ("branch auditors") whose reports have been furnished to us by the Management and our opinion on the financial statements, in so far as they relate to the amounts and disclosures included in respect of these units and KMOs and our report, in so far as it relates to the aforesaid units and KMOs, is based solely on the reports of the other auditors.

2. We did not audit the financial statements of two subsidiary companies, whose financial statement reflect total net assets of Rs.960.37 lakhs as at 31st March 2022, total revenues of Rs.9767.17 lakhs and net cash outflow amounting Rs.399.75 lakhs for the year ended on that date as considered in the Consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and in our opinion on the Consolidated financial statements; in so far as it relates to the amount and disclosures included in respect of the subsidiary companies and associates and our report in terms of sub sections (3) of Section 143 of the Act, in so far as relates to the aforementioned subsidiaries and associates is based solely on the reports of the auditors.

Our opinion is not qualified in respect of this matter.

Information other than Consolidated Financial Statements and Auditors Report thereon.

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

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

In connection with the audit of Consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with theConsolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management Responsibility for the Consolidated Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the financial reporting process of the group and of its associates.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Sec. 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial reporting in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identifiedmisstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, based on our auditand on the consideration of the report of the other auditors on separate financial statement of the subsidiaries as noted in the other matter paragraph, we report to the extent that:

a) We have sought and except for the matters described in the Basis for Qualified opinion paragraph and Emphasis of matter paragraph,obtained all the information and explanations which to the best of our knowledge and belief werenecessary for the purposes of our audit.

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

c) TheConsolidated Balance Sheet, theConsolidated Statement of Profit and Loss and theConsolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the Consolidated financial statements.

d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph(Para 10), in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 other than :-

   i. **Accounting Standard 22(AS 22) Accounting for Taxes on Income regarding non provision in respect of deferred tax liabilities /assets by Keltron Component Complex Limited (KCCL) and**
   ii. **Accounting Standard-28 (AS)-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India regarding non recognition/evaluation of impairment of assets byKeltron Component Complex Limited (KCCL).**

e) With respect to the adequacy of the internal financial controls over financial reporting of theCompany and the operating effectiveness of such controls, refer to our separate Report in"Annexure 2" to the report

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

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

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

i) Being a government Company, pursuant to notification No. G.S.R 463(E) dated 05/06/2015 issued by the Government of India provisions of section 197 (16) of the Act, regarding managerial remuneration is not applicable to the Company.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements (Refer Note:31 to the Consolidated Financial statements) except the following pending litigations of Keltron Component Complex Limited (KCCL):-

Name of Cases	**Case No.**	**Name of Court**	**Remarks**
Petition filed by Mr.T.K Krishna Kumar	W.P.(C) 32088/2015	Hon'ble High Court of Kerala	Challenging the Circular dt.12/10/2015 notifying the list of candidates eligible for written test for Horizontal placement
Writ Petition filed by 12 Casual workers	W.P.(C) 10360/2016	Hon'ble High Court of Kerala	Petition filed by 12 Casual workers for absorption in the Permanent cadre.
Case filed by	O.S.No.	Court of	Reclaiming

Oriental insurance in connection with the loss of materials	422/2012	Subordinate Judge, Kannur	settlement against lost consignment-Awaiting final verdict
Case filed by Oriental insurance in connection with the loss of materials	O.S.No. 17/16 C.S.04/21	Court of Subordinate Judge, Kannur	Reclaiming settlement against lost consignment. Now case has been transferred from Sub court Kannur to Commercial Court Thalassery with Case No.C.S.4/21. KCCL is defendant No.4 in the case
Case filed by Mr.Nirup Kumar C & others Vs.KCCL	W.P.(C) 22333	Hon'ble High Court of Kerala	Dispute pertains to salary fixation while sanctioning horizontal placement.

Name of Statute	**Nature of dues**	**Amount(in lakhs)**	**Forum where dispute is pending**
The Indian Contract Act, 1872	Sixteen cases filed by the company for recovery of book debts.	101.8	Various Courts in Delhi, Hyderabad, Kolkata, Gandhi Nagar, Ahmedabad, Payyanur, Mumbai, Kannur and Bangalore.

ii. The Holding Company and the subsidiary Keltron Electro Ceramics Limited (KECL)did not have any longterm contracts including derivative contracts for which there were any material foreseeable losses during the year under audit. The SubsidiaryKeltron Component Complex Limited(KCCL) has considered and accounted long term contracts including derivative contracts for which there are material foreseeable losses.

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

iv.

a) The respective managements of the Holding Company and its subsidiaries associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group andassociates to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

b) The respective managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of its knowledge and belief, no funds have been received by the Group and associates from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group and associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement;

v) No dividend is declared or paid during the year under section 123 of the Companies Act, 2013 by the Holding Company, its subsidiaries and associates incorporated in India.

For Isaac & Suresh,
Chartered Accountants
(FRN 001150S)

Date: 11/01/2024
UDIN:24225166BKAINK7271

SobhaSethumadhavan, FCA
Partner (M.No.225166)

Place: Trivandrum

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT:

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

As required by Section 143(5) of the Act, we give a statement on the compliance to the Directions issued by the Comptroller and Auditor General of India for the year 2021-22 based on the reports of subsidiary companies and other information obtained during the course of audit.

Directions under section 143(5) of the Companies Act, 2013	**KSEDC LTD**	**KCCL**	**KECL**
1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated	Yes. The Corporate Office and all units is having Oracle based ERP System. In corporate Office, the Accounts are maintained in Tally ERP by importing transaction data from Oracle ERP on a periodical basis on a controlled manner to avoid omission/duplications. However in Units Tally data entry has been made manually based on the data in ERP. In KMOs accounts are prepared in tally software itself. **Action Taken:** Not applicable **Impact accounts and Financial Statements:** Not applicable	Yes. The implication of processing of accounting transaction outside IT system are as follows: 1.EDP system of the company not able to provide us with closing stock valuation report of Stock in trade(i.e., only closing stock-in-trade quantity can be generated) 2.It was noted in case of PPD sales items EDP system of the company not able to provide us with closing stock of PPD sales item. The same was	The Company's Accounting transactions are processed by an accounting software "TALLYPRIME" licensed by M/s Tally Solutions Ltd, Bangalore. The software inherently allows the accounting transactions to be captured either in the online mode-i.e.as and when transactions occur or in a batch mode i.e. after a certain time interval of the actual occurrence of the transaction. This inherent nature of the accounting

		calculated manually which has direct impact on Profit and loss account as well as Balance Sheet. 3.EDP system of the company not able to generate ageing report as on 31.03.2022 **Action Taken:** not reported **Impact accounts and Financial Statements:**not reported	process lends the accounting system to failure in terms of completeness of capture of transactions. However, during the course of our audit we have not noticed any such instance nor any financial implications of the same. **Action Taken:** not reported **Impact accounts and Financial Statements:**not reported
2. Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest, etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Government of Kerala vide GO(MS)No.53/2020/ID dated 15th May 2020 has approved a Financial Restructuring proposal in respect of loans issued by GOK, which included conversion of loan into equity and waiver of interest. The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020.	During the year there are no cases of waiver/write-off of debts/loan interest etc. **Action Taken:** not reported **Impact accounts and Financial Statements:** not reported	The Holding Company of the company has waived the interest and penal interest on the loan granted to the Company for the financial years 2017-18,2018-19, 2019-20,2020-21 and 2021-22. The amount of loan granted is Rs.135.27 lakhs. The interest not provided on account of such waiver is Rs.16.23 lakhs

	GO(Rt)No:108/2022/ID dated 18th October 2022 amending the GO(MS) No.53/2020/ID dated 15th May 2020 (sanctioning the financial restructuring proposal of the company) to the extent of waiver of interest, sanctioned the conversion of accrued interest to Share capital. Hence, the loans along with accrued interest amounting to Rs.17030.80 lakhs had been transferred to "Share application money pending allotment". All the procedural aspects of increasing the authorized share capital such as filing of required forms with ROC and payment of filing fees etc has been complied with and the equity shares worth Rs.17030.80 lacs were also allotted to Government of Kerala subsequently after the Balance sheet date. **Action Taken:** Not applicable **Impact accounts and Financial Statements:** Refer Note 37 to consolidated financial statements of 2021-22.		for the year 2020-21 and Rs. 16.23 lakhs (Considered at 12% p.a simple interest). The KSEDC has approved conversion of principle and interest outstanding for Rs.271.17 lakhs to equity share capital. Therefore the company has transferred the loan and interest out handling to Share Application Money Pending for Allotment as at 31-03-2022 and the matter is being in progress for regulatory compliances. **Action Taken:** Not reported **Impact accounts and Financial Statements:** Not reported

3. Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and condition? List the cases of deviation.	No such cases	Yes. There was no deviation recorded as per information provided by client. **Action Taken:** Not reported **Impact accounts and Financial Statements:** Not reported	No funds for specific schemes of central or state agencies were received during the year. Funds received by way of grant in earlier years are reported to be properly utilized. No deviations have been reported. **Action Taken:** Not reported **Impact accounts and Financial Statements:** Not reported

SL.NO		KSEDC LTD	KCCL	KECL
A	**Agriculture and Allied Sector**	Not Applicable	Not Applicable	Not Applicable
B	**Finance Sector**	Not Applicable	Not Applicable	Not Applicable
C	**General and Social Sector**	Not Applicable	Not Applicable	Not Applicable
D	**Power Sector**	Not Applicable	Not Applicable	Not Applicable
E	**Infrastructure Sector**	Though ITBG and KCC units come under this sector the auditors of these units did not answer the sector specific sub directions under section 143(5) of the Companies Act, 2013	Not Applicable	Not Applicable
F	**Manufacturing Sector**	**KSEDC LTD**	**KCCL**	**KECL**
1	Whether the Company's pricing sector policy absorbs all fixed and variable cost of production as well as the allocation of overheads?	The auditors of KLD, KTTC, KCA, KEC and KCC units under this sector have reported that as per the explanation given from the unit the Company's pricing sector policy absorbs all fixed and variable cost of production as well as the allocation of overheads subject to following comments. 1.KLD and KTTC - They have not provided with any such pricing policies adopted by the company in this regard. 2.KCA-the	The company's pricing policy absorbs all the Fixed and variable costs of production as well as allocation of overheads. However, in determining some of such costs the company uses a standard costing model. Based on our examination of the records of the company were the opinion that the company does not have a proper policy of revisiting such standard costs which are taken for pricing. We are informed that this exercise of revisiting the	Company has a general pricing policy which absorbs all the fixed and variable costs of production. The company's products are manufactured against specific customer orders and against negotiated prices. However: 1. We observed that the company maintains no cost records required to ascertain the cost of production of a particular project. These include the material usage

		company has not carried out any cost audit for the year. Hence they are unable to comment upon the pricing policy due to the lack of cost audit. 3.KEC - subject to Point No: 8(q) of Point No.o under Emphasis of Matter in Statutory Audit Report of holding company for the FY 2021-22.	standard costs will be implemented soon, as part of implementation of new ERP Software.	register, labour hour utilized, overhead incurred at manufacturing unit, etc. It is suggested to maintain the cost records, which also facilitates in analyzing the yield from material used, profitability and also in identifying whether any project is incurring a loss to the company. 2. The company is not recording the value of wastages and damages incurred during manufacturing, due to which cost of production is understated. 3.The materials required for each project are issued to the production unit. However, after the order is completed, the usage of material is not matched with the materials issued from stores. The surplus material, if any, is not

				returned to the stores, but utilized for another forthcoming project. This dilutes the control over the cost of production of each project.
2	Whether the Company has utilized the government assistance for technology upgradation/modernization of its manufacturing process and timely submitted the utilization certificates.	The auditors of KCC, KTTC and KCA had reported that there were no receipts of such assistance during reporting period. The auditors of KEC and KLD have confirmed the utilization of the Government assistance and timely submission of utilisation certificates.	The company has been applying and utilizing. The government assistance for technology upgradation/ modernization from time to time and is complying with the sanction terms of such assistance by submitting the necessary documents/certificates as is required under each assistance program.	Yes. The Company has utilized Government assistance Rs.75.00 lakhs released out of a total loan of Rs. 150 Lakhs sanctioned during the year for the Expansion of Production facility for transducers - Testing and Calibration facility and has timely submitted the utilization certificates.
3	Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence	The auditors of KCC, KEC, KTTC and KLD have reported that as per the information produced, the company has fixed policies for treating normal losses and evaluation of abnormal losses. However, auditors of KCA reported that "the company	The company has standard norms for Accounting of normal losses. Abnormal losses are evaluated and remedial actions are initiated like reuse of materials etc. to bring down the overall loss component.	As mentioned above in Para 1, the control over normal and abnormal losses is diluted and is inadequately monitored.

		is following certain norms for normal losses and a system for evaluation of abnormal losses. However, we are unable to comment whether it is adequate or not in the absence of complete cost records and cost audit. Further in case of guarantee, company informed that no expert opinion has been taken and the valuation for the same is based on their previous experience in the field. "		
4	What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy.	The auditors of the units under this sector have reported that there are no by-products. Finished goods are valued at lower of cost or net-realizable value. It is also reported that no deviation from its declared policy is noted.	The by-products and finished products are valued at cost or market value whichever is lower. The market value is arrived at by using the retail method.	Finished products held in stock are valued at lower of cost or net realizable value No deviations were observed.(but there is 43 items with zero value observed.)
5	Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books.	The auditors of the units under this sector have reported that the records verified by us and the explanation given to us, there are no deteriorated	The company hasmade adequate provision for depletion in value of stores and spares based on an internal technical evaluation of the usability of such	Value of dead stock is taken at 10% of costand 196 stock items with Nil value observed. Such stock is reportedly identified during

		stores and spares of closed units.	stores and spares. The inventory carrying amount in the balance sheet as on the reporting date is after adequately accounting for such depletion in value.	verification exercise.
6	Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification.	The auditors of KLD, KCC and KCA confirmed the existence of effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification. KEC auditor has also confirmed the existence of effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification subject to Point No: 8(y) of Point No.o under Emphasis of Matter in Statutory Audit Report holding company for the FY 2021-22.The	The company has an effective system in place for physical verification of inventory, making provisions for non-moving inventory and accounting the effect of such shortage/excess which are noticed on physical-verification.	The company has reported an effective system for physical verification of stock. However, we have not observed the actual process of physical verification and therefore unable Comment on its effectiveness. Work in progress valuation does not provide an accurate value of stock since the apportionment of overhead cost is not based any policy. Non moving items are identified during the verification process and valued at 10% of cost. As regards accounting for the effect of the shortage or excess of stock noticed during physical verification, no effect has been given in the

<table>
<tr><td></td><td></td><td>auditors of KTTC confirmed that the unit does not have such an effective system for physical verification.</td><td></td><td>accounts as the process of reconciliation is reported to be incomplete.</td></tr>
<tr><td>7</td><td>State the extent of utilization of plant and machinery during the year vis-à-vis installed capacity</td><td>The auditors of KCA and KTTC reported that the manufacturing activity is based on the Customer specific Orders. However KTTC had further reported that they have not provided the details of installed and utilized capacity. The auditors of KCC and KEC have reported that the 100% utilization of plant and machinery during the year. KLD auditor has reported 18.57% for LED lights manufacturing and 10.27% for hearing aids.</td><td>The installed capacity vis – a – visutilization of Capacity of machinery is as follows:-
By considering the practical impossibility to assess machinery and component wise capacity utilization of the machineries, a study on the installed capacity and utilized capacity of products manufactured during the year is given below which gives details for the capacity utilization of the production function as a whole:

<table>
<tr><th colspan="3">Aluminum Capacitors</th></tr>
<tr><td>Installed capacity</td><td>Utilized capacity</td><td>Percentage % of Utilization</td></tr>
<tr><td>15,00,00,</td><td>6,95,3</td><td>46.36%</td></tr>
</table>
</td><td>Current Production is against confirmed orders. No installed Capacity is determined for the products currently produced by the company.</td></tr>
</table>

			000 | 4,819 | **Crystals** Installed capacity | Utilized capacity | Percentage % of Utilization 20,84,000 | NIL | NIL **MPP Capacitors** Installed capacity | Utilized capacity | Percentage % of Utilization 1,80,00,000 | 1,30,74,088 | 72.63% **Resistors** Installed capacity | Utilized capacity | Percentage % of Utilization 21,70,00,000 | 3,28,58,500 | 15.14%	
8	Report on the cases of discount/commission in regard to debtors and creditors where the	The auditors of KCC, KEC, KTTC and KLD have reported that no	Base on our examination of thediscounted commission given	We have not noticed anydeviations in the

	Company has deviated from its laid down policy.	such instances were observed. However auditors of KCA reported that "As per explanation given to us company is charging maximum 10% as liquidated damages when there is delay in delivering goods as against terms and conditions mentioned in purchase order. This liquidated damages are shown as cash discount in financial statements instead of liquidated damages".	to debtors and received from creditors, we report that we have not come across any deviation from the laid down policies of the company regarding such discounts/commission.	discounts/commissions asagainst laid down policy. In respect of Liquidated damages charged/claimed by one of the customers of the Company, Bharat Electronics Limited, no details of such damages claimed/accepted are available from the year 2015-16 till 2018-19. Up to the year 2014-15, the liquidated damages claimed have been ascertained at Rs.21.94 Lakhs and the same has been provided for in the financial statements for the year ended 31/3/2021. For the financial year 2019-2020 and 2020-21 liquidated damages of Rs.15.68 Lakhs and Rs.20.18 Lakhs respectively has been ascertained and Rs. 15.68 Lakhs only has been provided for in the financial

				statements for the year ended 31/3/2022 as there is correspondence stillgoing on for the later.
G	**Service Sector**	**KSEDC LTD**	**KCCL**	**KECL**
1	Whether the Company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price?	With respect to Projects undertaken by manufacturing units executed through KMOs at respective locations, the pricing may be regulated by the former units, as per the project plan decided on caseto case basis.With respectto businesses executed by KMOs of their own pricing is managed by KMOs independently following internal procedures. Auditors of ITBG,KCC,KMO, Kolkata,KMOBang alore, KTTC Kuttipuram, KLD Kozhikode and KEC have reported that the Company's pricing policy absorbed all fixed and variable cost of production. However auditors of KMO Mumbai, KMO Ahmedabad, KMO Chennai have reported	Not applicable	Not applicable

		thatPricing policy is formulated at Head Office. However, auditors of KCA AROOR reported that the company's pricing policy absorbs all the fixed and variable costs of production as well as allocation of overheads subject to availability of complete cost records and conduct of cost audit.		
2	Whether the Company recovers Commission for work executed on behalf of Government/other organizations that are properly recorded in the books of accounts? Whether the Company has an efficient system for billing and collection of revenue?	It is reported by the following units/KMO's that they are not generating any revenue in the form of commission from the government or other organisations during the year:- Ahmedabad, Mumbai, ITBG, KCC, KEC, KCA, Kolkata, and Bangalore. The Corporate office and following units/KMO's auditors have confirmed the recovery and record in the books of accounts: KLD, Chennai, and KTTC. It is also reported that the company has an efficient system for billing and	Not applicable	Not applicable

		collection of revenue. Necessary step may be taken for recovering long outstanding items.		
3	Whether the Company regularly monitors timely receipt of subsidy from Government and is properly recording them in its books?	The auditors of the units under this sector have reported that no subsidy has been received from government during the year 2021-22.	Not applicable	Not applicable
4	Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?	The auditors of the units/KMO under this sector have reported that no such instance has occurred during 2021-22. With respect to Plan Fund parking at GovernmentTreasury,the interest will not accrue as per the nature of such account.	Not applicable	Not applicable
5	Whether the Company has entered into Memorandum of Understanding with its Administrative Ministry, if so, whether the impact thereof has been properly dealt with in the financial statements.	The auditors of the units/KMO under this sector have reported that they have not entered into Memorandum of Understanding with any of its Administrative Ministry during 2021-22.	Not applicable	Not applicable
H	**Trading**	**KSEDC LTD**	**KCCL**	**KECL**
1	Whether the Company has an effective system for	The auditors of the units/KMO's	Not applicable	The company has reported an

	recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	under this sector have reported that there is an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts except in the following cases: KMO Chennai: It is reported that realization of Sundry debtors is not satisfactory and debtorsoutstanding for more than 3 years is Rs.131.48 lakhs KMO Mumbai: It is reported that there are dues outstanding for more than 3 years as on the reporting period. ITBG: Dues from Govt. Department are long outstanding. KCC: Dues from Govt. Department are long outstanding KCA AROOR – It is reported in case of collection there is		effective system for recovery of dues from its sales activities. The bulk of the dues from trading activities are from the Government of Kerala or its executing agencies and programs. However, the company has no regular system of obtaining confirmation of balances from its debtors. In the absence of such a process, the effectiveness of the quality and quantity of the receivables cannot be vouchsafed. This will render the company's financial stability vulnerable to unknown doubtful debts, whose non recovery may have a deep impact of the financial condition of the company. We have observed that 318 Receivable accounts, which have no transactions during the year

		debtors due more than 3 years. They are unable to say proper system is installed. No suit has been filed for debtors outstanding more than 3 years.		with aggregate balances of Rs.126.82 lakhs. As theses dues are more than at least 365 days old, we are unable to comment on the recoverability of the same, in the absence of any confirmation of balances. We further observed that under Advance from customers aggregating to Rs.43.59 lakhs being receipts from un identified parties as disclosed under current liabilities. Moreover, Rs. 31.08 lakhs being credit balances in customer's accounts is also disclosed under current liabilities.
2	Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification.	The auditors of the units/KMO under this sector have reported that there is an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess	Not applicable	The company has reported aneffected system for physical verification of stock. However, we have not observed the actual process of physical verification and therefore unable to comment on

		noticed during physical verification. While the following units/KMO's have reported as follows: KMO Bangalore –It is reported that the number of slow moving items in Inventory of the Branch. The same needs to be reviewed by the Management periodically. KCA AROOR – KCA auditor has reported that in their opinion, the procedures for physical verification of inventory are not adequate and reasonable in relation to the size of the division and nature of its business. KEC – It is reported that the unit is carrying out physical verification of inventory during fixed intervals for identifying the materials lying in the store and verifies the same with the books of accounts, and making necessary adjustments if there is any deviation, subject		its effectiveness. Non moving items are identified during the verification process and are valued at 10% of cost. As regards accounting for the effect of the shortage or excess of stock noticed during physical verification, no effect has been given in the accounts as the process of reconciliation is reported to be incomplete. Normally, trading commodities are delivered by the company's vendors directly at the program locations of the Government of Kerala. However, in respect of trading commodities which are received at the company's premises, Goods Received Note (GRN)/Gate passes are not raised. This practice dilutes the control over

		to the Point No: 8(y) of Point No.o*under the Emphasis of Matters in Statutory Audit Report for the FY 2021-22.*		inventory and may result in material misstatement of the sales and the value of inventory.
3	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported.	The auditors of the units/KMO's under this sector have reported that there exists an effective system to follow the recovery of dues in respect of sale activities except in the following cases: 1.The auditors of ITBG and KCC have reported that dues from the Govt. Dept are long outstanding. 2. The auditors of KTTC and KLD reported that even though there is a system for recovery of dues working in this regard, there are long pending dues existing out of sales activities. 3.KMO Chennai – Monthly review of financials and debtors position of branch is reviewed by HO. 4.KMO Bangalore - The branch has a system of monitoring the timely recovery of outstanding dues.	Not applicable	See Para 1 above in this section.

		However needs improvement. 5.KCA AROOR – It is reported in case of collection there is debtors due more than 3 years. They are unable to say proper system is installed. No suit has been filed for debtors outstanding more than 3 years.		
	Miscellaneous Sector a) Technology Oriented	**KSEDC LTD**	**KCCL**	**KECL**
1	Examine and report the cases of dispute, if any, on contracts relating to supply of hardware as well as software. In the event of such assets remaining with the Company please report on its valuation and accounting in the books.	The auditors of KMO's have reported that no instances were noted.	Not applicable	Not applicable
2	What is the system of recovering fees/charges in regard to providing manpower to various agencies? Report the cases where no such recovery has been affected and accounted for.	KMO's Ahmedabad and Chennai have reported that the company has been following the terms and conditions as per the agreement in this regard while Kolkata and Mumbai auditors have reported that no such transactions were observed during the period.	Not applicable	Not applicable
3	What is the system of receiving revenue share from franchise, if any?	The auditors of KMO's under this sector have reported that no such revenue was	Not applicable	Not applicable

		received by the units.		
4	Report the cases where in software, hardware or IT enabled system is lying redundant/outdated.	The auditors of KMO's under this sector have reported that no such instances were observed	Not applicable	Not applicable
5	What is system of accounting of grants/ subsidies received from Central/ State Government or its agencies? Comment on the cases of diversion wherein the grants were not utilized for the purpose for which these were received.	The auditors of KMO's under this sector have reported that no grants / subsidies have been received from the Central / State Government or its agencies to the branch during the reporting period.	Not applicable	Not applicable
	Miscellaneous Sector b) Others	**KSEDC LTD**	**KCCL**	**KECL**
1	Examine- the system of effective utilization of Loans/Grant in Aid/ Subsidy. List the cases of diversion of funds.	The auditors of units/KMO's under the sector have reported that the units/KMO have not taken any loans or received any grant in aid or subsidy during reporting period. In respect of Corporate Office as per the information available from management, there exist a system effective utilization of Loans/Grant in Aid/ Subsidy.	Not applicable	An Additional loan of Rs.150 lakhs have been sanctioned during the year for Expansion of Production facility for transducers – Testing and calibration facility. Out of this a sum of Rs.75 lakhs have been released during the year and utilized for the purpose of expansion of the Transducer testing and calibration facility. Commissioning certificate and utilisation

				certificate has been promptly submitted. Loans and grants received in earlier years have been reported to be effectively utilised. No diversion of funds have been reported.
2	Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period	The auditors of the KMO's reported that no major capital expenditure/expansion were incurred during the period under report. As per the information available from management, this evaluation is done in Corporate Office, as a part of DPR preparation which is associated with the release of Plan Fund from Government of Kerala.	Not applicable	No such cost benefit analysis is reported to be undertaken for the expansion project.
3	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format, which of the areas such as accounting, sales personnel information, pay roll, inventory etc have been computerized and whether the company has evolved proper security	The auditors of units/ KMO's under this sector have reported that they have a computerized system for its financial accounting purpose and proper security measures had	Not applicable	Accounting Sales, Payroll and Inventory are computerised. The data in the above areas are in electronic format. No Security Policy document

	policy for data/ software/hardware?	been taken for security of data/software/hardware, except KMO Mumbai wherein it is reported that the unit is using tally package only for financial accounting and inventory management. The tally needs to be strengthened for stores management. It is found that the Tally system has been secured with password for all the users. As per the information available, the Corporate Office is having Oracle based ERP System. The Accounts are maintained in Tally ERP by importing transaction data from Oracle ERP on a periodical basis on a controlled manner to avoid omission/duplications. The ERP/Payroll data are maintained in the Data Centre at ITBG where all the data security compliance are ensured.		is reported to be prepared and issued. The security overdata/ software and hardware are reported to be effective. However, we have not conducted a detailed system security review of the above areas.
	Comments on internal	**KSEDC LTD**	**KCCL**	**KECL**

	control/other matters			
A	Purchase of Goods for trading	Not applicable	Not applicable	The company is engaged in trading of equipment for differently – abled persons (Divayangjam).However the company does not have any direct agreement with one party – Sai Rehabilitation who supplies equipments other than two wheelers for differently abled.
B	Confirmation of Debit and Credit balances	Not applicable	Not applicable	We have observed that none of the Receivables/ Loans and Advances/trade creditors/payables have made any positive confirmation of balances as at the year-end or at any time during the year. This dilutes the control over the quality and quantity of balances states in the financial statements which may lead to material

				misstatement.
C	Loan Default	Not applicable	Not applicable	We have observed that the company has not made any repayment in respect of the unsecured loan taken from KSEDC, Govt. ofKerala and RIAB, which is not in line with the repayment terms mentioned, except in case of KSEDC, where such terms are not known. In relation to the original terms of repayment mandated, the non-repayment amounts to Rs.460.81 lakhs out of which Rs.61.61 lakhs is default for the year 2021-22 and Rs.399.19 Lakhs was defaulted up to 31/3/2021.

For Isaac & Suresh,
Chartered Accountants
(FRN 001150S)

Sobha Sethumadhavan, FCA
Partner (M.No.225166)

Date: 11/01/2024
UDIN: 24225166BKAINK7271
Place: Trivandrum

Annexure 2 to the Independent Auditors' Report

(Referred to in Paragraph 2(e) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Report on Verification of Internal Financial Controls Over Financial Reporting 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 KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED("the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") as at 31 March 2022in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' Responsibility

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

financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting considering the size, volume and nature of activities carried out during the year.

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:

a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company,
b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and
c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, material weaknesses as per qualifications mentioned in our report and following material weakness have been identified as at March 31, 2022:

1) The Holding company did not have an appropriate internal control over financial reporting for:
    a) The company's system for identifying, determining and accounting the qualified assets and the related borrowing cost resulting in incorrect recognition of property, plant and equipment/ capital work in progress and related expenditure.
    b) The company's system for identifying, determining and accounting the reportable segments and revenue, expenses , assets, liabilities and results of those reportable segments.
    c) The Company's process of evaluating completeness and accuracy of transactions relating to impairment and de recognition of Property, Plant and Equipment based on the periodic verification and technical evaluations.
    d) Company's system of physical control of property, plant and equipment including unique numbering, complete fixed assets register and proper physical verification.
    e) Company's system of timely reconciliation of debtors with the financial records and proper follow-up with debtors for recovery.
    f) Company's process with regard to the control activities in compliance of payment mechanism to the vendors as well as employees and as such instances were noted where payment for vehicle hiring has been

made in cases having log books is not signed by the officials who used the vehicle and delay in processing of loss of pay of employees.

g) Company's system of IT controls which allows unrestricted access to Enterprise Resource Planning (ERP) Software to all employees and under utilization of ERP software without integrating with payroll and other functions.

h) Company's system of IT controls which allows employees to use their gmail accounts instead of the company's webmail provided to them. On enquiry, many of the employees reported that they are facing system bugs while using their web mail and hence using the gmail accounts created by them for company purpose.

i) Company's system of IT in which ERP does not support generation of reports necessary for various disclosures required as Sch.III

j) Company's system of IT controls in which it has been observed that vouchers generated by ERP are not consecutively numbered and hence missing vouchers, if any, could not be identified

k) Company's system of corporate governance and as such Company has not disclosed details in respect of adequacy of internal financial controls with reference to the financial statements in the Board report which was required to be done as per rule 8(5)viii of the Companies (Accounts) Rules, 2014.

l) The system of internal control with respect to maintenance of adequate records of ascertainment of slow moving and non moving items of inventory of KMO Mumbai for inventories records.

m) Accounting of the possible future liability in respect of warranty obligations accepted with the sales of project in KMO Mumbai.

n) Reconciliation of the old service tax liability outstanding for more than 10 years is found in KMO Mumbai.

o) Company's system of obtaining balance confirmation and reconciliation of trade receivable, trade payable, EMD etc

p) Reconciliation and consequent adjustments, if any, of the related party and subsidiary company balances during the year was noted in KMO, Mumbai.

q) The internal control regarding review of long pending advances, deposits and Trade payables.

2. Information Technology(IT) System of Keltron Component Complex Limited (KCCL) was not operating effectively which could potentially result in the Company to forcefully perform many of its functions manually which could also possibly result in human errors and duplication. This could further lead to wrong disclosure with respect to revenue, expenditure, assets and liabilities.
3. On verification of the Keltron Component Complex Limited (KCCL)'s godowns where the stock has been kept and maintained, it was noticed that adequate Fire Extinguishers or, other fire preventive equipments were not kept. This creates a substantial risk for the company w.r.t. the day-to-day operations and to threat to the Company's assets.
4. The Keltron Component Complex Limited (KCCL) has no system to obtain confirmation statements from debtors and Reconciliation of the same with Books periodically. The list of Sundry debtors includes Rs. 187.95 Lakhs which is outstanding for more than 3 years.
5. Keltron Electro Ceramics Limited (KECL)'s internal control system
   a) of receiving goods purchased for trading purposes has weaknesses which may result in material misstatement of the Sales, Receivables and Inventory.
   b) of issue of materials to specific projects has material weakness which may result in material misstatement of Cost of production and, Value of inventories.
   c) of recording cost of production of a particular project/product which may lead to material misstatement of Cost of production and, Value of inventories.
   d) over Receivables has material weakness which may result in material misstatement of Trade Receivables and Provision for Doubtful receivables.

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

Qualified Opinion

In our opinion, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial control over financial reporting were operating effectively as of March 31,2022, based on the internal control over financial

reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 Consolidated financial statements of the Group, and these material weaknesses may affect our opinion on the Consolidated financial statements of the Group.

For Isaac & Suresh,
Chartered Accountants
(FRN 001150S)

Sobha Sethumadhavan, FCA
Partner (M.No.225166)

Date: 11/01/2024
UDIN: 24225166BKAINK7271
Place: Trivandrum

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2022

Particulars	Note No.	As at 31st March, 2022 (Rs.in lakhs)	As at 31st March, 2021 (Rs.in lakhs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	2	20,355.18	20,355.18
(b) Reserves and surplus	3	(17,039.21)	(21,809.93)
Share application money pending allotment	4	18,053.17	17,030.80
Minority Interest		-	-
Non-current liabilities			
(a) Long-term borrowings	5	2,028.65	1,975.74
(b) Other long-term liabilities	6	10,414.00	4,433.66
(c) Long-term provisions	7	2,655.06	2,635.64
(d) Deferred tax liabilities (Net)		-	-
Current liabilities			
(a) Short-term borrowings	8	7,550.38	7,467.60
(b) Trade payables	9		
i)Dues to Micro,Small & Medium Enterprises	(i)	19,213.53	15,132.10
ii)Dues to Others	(ii)	12,068.82	16,279.63
(c) Other current liabilities	10	16,552.90	15,799.74
(d) Short-term provisions	11	1,362.03	1,304.26
TOTAL		**93,214.51**	**80,604.42**
ASSETS			
Non-current assets			
(a) Property ,Plant and Equipment and Intangible Assets	12		
(i) Property, plant and equipment		3,668.55	3,539.32
(ii) Intangible assets		67.03	100.48
(iii) Goodwill on consolidation		1,478.40	1,478.40
(iv) Capital work-in-progress		545.86	358.91
(v) Intangible Assets under development		42.37	-
(b) Non-current investments	13	12.50	80.00
(c) Investment in Associate Company		-	-
(d) Deferred Tax Asset		1,614.71	30.62
(e) Long-term loans and advances	14	3,768.03	3,763.91
(f) Other non-current assets	15	12,032.55	5,550.79
Current Assets			
(a) Inventories	16	8,131.47	7,804.49
(b) Trade receivables	17	45,675.66	42,723.63
(c) Cash and cash equivalents	18A	7,973.05	6,384.65
(d) Other bank balances	18B	4,153.30	4,224.32
(e) Short-term loans and advances	19	3,688.53	4,331.78
(f) Other current assets	20	362.50	233.12
TOTAL		**93,214.51**	**80,604.42**
Significant Accounting Policies	A		

Significant Accounting Policies and Notes 1 to 75 are integral part of this Consolidated Financial Statement.

On behalf of Board of Directors

Per our report attached

CIN : U74999KL1972SGC002450

	Sd/-	Sd/-
For Isaac & Suresh	**N.Narayana Moorthy**	**Anoop.S**
Chartered Accountants,	Chairman and Managing Director	Director
Firm Registration No.001150S	DIN:05251681	DIN:03399884
Sd/-		
CA.Sobha Sethumadhavan	Sd/-	Sd/-
Partner	**B.Bilu**	**CA Sreejan.A.S**
Membership No.225166	Company Secretary	GM i/c (Finance)

UDIN:24225166BKAINK7271
11th January 2024

Thiruvananthapuram
25th November 2023

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2022

Particulars	Note No.	For the year ended 31st March, 2022 (Rs.in lakhs)	For the year ended 31st March, 2021 (Rs.in lakhs)
Gross Revenue from operations	21	61,094.59	53,202.31
Less: Excise duty		-	-
Net Revenue from operations		61,094.59	53,202.31
Other income	22	918.06	473.22
Total Revenue		**62,012.65**	**53,675.53**
Expenses			
Material consumed and service expenses	23	45,405.70	40,351.89
Changes in inventory of finished goods, work-in-progress and stock-in -trade	24	277.86	272.29
Employee benefits expense	25	8,171.71	8,773.54
Finance cost	26	1,354.12	1,210.41
Depreciation and amortization expense	27	491.43	466.74
Other expenses	28	2,304.94	1,965.50
Prior period adjustment	29	(273.90)	(23.53)
		57,731.86	**53,016.84**
Add/(Less): Consumption for captive capital items		(62.74)	(13.55)
Total Expenses		**57,669.12**	**53,003.29**
(Loss)/Profit for the year before exceptional and extraordinary items		**4,343.53**	**672.24**
Less : Exceptional items	30	1,117.26	98.27
(Loss)/Profit for the year before extraordinary items		**3,226.27**	**573.97**
Extraordinary items		-	-
(Loss)/Profit for the year before Tax		**3,226.27**	**573.97**
Current tax		51.30	30.08
Deferred tax		(1,584.09)	(47.26)
(Loss)/Profit before minority interest		**4,759.06**	**591.15**
Minority interest		61.55	33.80
Share of profit/(loss) in Associate Company			(96.95)
Balance of (Loss)/Profit carried over to Balance Sheet		**4,697.51**	**460.40**
Earnings per share:			
Basic		23.08	2.26
Diluted		12.23	1.23
Nominal value per share		100.00	100.00
Significant Accounting Policies	A		

Significant Accounting Policies and Notes 1 to 75 are integral part of this Consolidated Financial Statement.

On behalf of Board of Directors

Per our report attached to Balance Sheet

CIN : U74999KL1972SGC002450

	Sd/-	Sd/-
For Isaac & Suresh	**N.Narayana Moorthy**	**Anoop.S**
Chartered Accountants,	Chairman and Managing Director	Director
Firm Registration No.001150S	DIN:05251681	DIN:03399884
Sd/-		
CA.Sobha Sethumadhavan	Sd/-	Sd/-
Partner	**B.Bilu**	**CA Sreejan.A.S**
Membership No.225166	Company Secretary	GM i/c (Finance)

UDIN:24225166BKAINK7271
11th January 2024

Thiruvananthapuram
25th November 2023

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit for the year before extraordinary items	**3,226.28**	**573.98**
Adjustments for :		
Depreciation/amortisation	491.43	466.74
Provision for bad debts	1,176.34	39.93
Provision for loans, advances and deposits	18.69	-
Bad sundry debits written off	0.39	15.45
Bad sundry credits written back	(215.25)	(16.90)
Interest expenses	1,320.64	1,169.77
Interest income	(346.73)	(277.86)
Profit on sale of property, plant and equipment	(0.13)	(1.06)
Profit on sale of investment	(454.45)	
Loss on sale of property, plant and equipment	7.96	0.06
Unrealised Foreign Exchange gain	0.20	4.14
Transfer to reserve	(0.79)	(0.94)
Operating Profit Before Working Capital Changes	**5,224.58**	**1,973.31**
Adjustments for (increase)/decrease in operating assets:		
Trade and other receivables	(9,561.89)	(8,683.13)
Inventories	(332.80)	(235.53)
Other loans and advances	634.62	(1,429.15)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables and other liabilities	5,739.45	14,092.94
Cash generated from operation	**1,703.96**	**5,718.44**
Income tax paid	-	
Net Cash from operating activities	**1,703.96**	**5,718.44**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(755.60)	(747.32)
Proceeds from sale of property, plant and equipment	0.28	0.05
Intangible assets	(63.23)	(60.48)
Interest received	123.25	279.32
Term deposits with more than 1 year maturity	(932.79)	(172.11)
Sale of investment	521.95	-
Others	271.17	
Net cash used in investing activities	**(834.97)**	**(700.54)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Receipt of Government loan	400.00	495.06
Share application money	1,022.37	
Demand loan from Bank	266.22	(538.77)
Recoupment of Government Grant	12.45	(12.45)
Working Capital Term Loan from KSIDC	(451.33)	405.73
Working Capital facility from KFC-BDS	(415.86)	(853.52)
Working capital revolving fund loan-KFC	(636.20)	(15.00)
Covid Relief Loan from KFC	57.75	107.63
L&T loan from KFC	449.66	
PNB GECLS Loan	170.00	
Interest paid	(251.57)	(231.39)
Cash Credit facility from Punjab National Bank	196.58	(257.48)
Increase/(decrease) in short term borrowings	(100.66)	-
Net cash used in financing activities	**719.41**	**(900.19)**
ABSTRACT:		
A. Net Cash from Operating Activities	1,703.96	5,718.44
B. Net Cash used in Investing Activities	(834.97)	(700.54)
C. Net Cash used in Financing Activities	719.41	(900.19)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**1,588.40**	**4,117.71**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**6,384.65**	**2,266.94**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**7,973.05**	**6,384.65**
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**1,588.40**	**4,117.71**

Note:
i) As given in Standalone, KCCL and KECL.

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents consists of:	(Rs.in lakhs)	(Rs.in lakhs)
a) Cash and stamp in hand	32.02	10.07
b) Remittance in transit	85.97	10.00
c) Balance in Scheduled Banks:		
Current account	5,354.52	3,680.94
Term deposits (less than 3 months maturity)	2,500.00	2,549.70
d) Government of Kerala - Treasury savings bank account	0.54	133.94
Total	7,973.05	6,384.65

Per our report attached to Balance Sheet

On behalf of Board of Directors
CIN : U74999KL1972SGC002450

For Isaac & Suresh
Chartered Accountants,
Firm Registration No.001150S

Sd/-
CA.Sobha Sethumadhavan
Partner
Membership No.225166

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

Sd/-
B.Bilu
Company Secretary

Sd/-
Anoop.S
Director
DIN:03399884

Sd/-
CA Sreejan.A.S
GM i/c (Finance)

UDIN:24225166BKAINK7271
11th January 2024

Thiruvananthapuram
25th November 2023

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of estimate

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

BALANCE SHEET

I. a) Property, plant and equipment

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

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

b) Research and Development

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

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

II. Investments

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

III. Inventories

a) Raw Materials and Components

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

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

b) Work-in-progress

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

c) Finished goods

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

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

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

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

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

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

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

IV. Cash and Cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at Bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

V. Government Grant

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

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

VI. Taxes on income

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

VII. Operating Cycle

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

PROFIT AND LOSS

I. Revenue recognition

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

a) Sales on account of Manufacturing/Projects/Resale

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

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

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

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

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

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

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

II. Expenses

a) *Depreciation*

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

The depreciation on additions during the year is calculated on pro-rata basis depending on number of days put into use and the additions to property, plant and

equipment costing Rs.5000/- or less are fully depreciated in the year of acquisition itself, irrespective of date from which it is put to use.

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

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

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

b) Impairment of Assets

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

c) Excise duty

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

d) Retirement Benefits

i) Gratuity

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

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

ii) Leave encashment

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

iii) Defined Contribution Plans

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

e) Foreign currency transactions

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

f) Warranties and indemnities

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

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

g) Provision and Contingent Liabilities

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

h) Borrowing Cost

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

i) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity share holders by weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity share holders by weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j) Segment Reporting

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

NOTE 1: BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

II.

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

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

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

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

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

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

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

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

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

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

Name of the Subsidiaries/Associates	Proportion (%) of shareholding as on 31st March, 2022 and number of shares held	Proportion (%) of shareholding as on 31st March, 2021 and number of shares held
Keltron Component Complex Limited [KCCL]	76.54% 2,61,90,833 equity shares of Rs.10 each fully paid up	76.54% 2,61,90,833 equity shares of Rs.10 each fully paid up
Keltron Electro Ceramics Limited [KECL]	98.79% 31,44,408 equity shares of Rs.10 each fully paid up	98.79% 31,44,408 equity shares of Rs.10 each fully paid up
Coconics Private Limited	26% 2,60,000 equity shares Rs.100./- each fully paid up	26% 2,60,000 equity shares Rs.100./- each fully paid up

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

Name of the subsidiaries	Proportion (%) of shareholding as on 31st March 2022 and number of shares held	Present Status of the Subsidiaries/Associated Companies
Subsidiaries		
Keltron Rectifiers Limited	100% 27,43,641 equity shares of Rs. 10 each fully paid up	The Official Liquidator has taken over the possession of the effects of the Company. The latest available audited Financial Statements was for the FY 2006-07.
Keltron Power Devices Limited	100% 41,02,317 equity shares of Rs. 10 each fully paid up	The Official Liquidator has taken over the possession of the effects of the Company. The latest available audited Financial Statements was for the FY 2006-07.
Associated Companies		
Keltron Projectors Limited	50% 19,567 equity shares of Rs. 10 each fully paid up	The Company was Ordered to be liquidated by Hon.High Court of Kerala vide Order dated 29th September 2005.
SIDKEL Televisions Limited	31.82% 1,05,000 equity shares of Rs. 10 each fully paid up	The proceeding for the striking off the name of the Company as per the Fast Track Exit Scheme of Ministry of Corporate Affairs. The latest audited Accounts are available up to 1999-2000.
Keltron Varisters Private Limited	45 equity shares of Rs.1000 each fully paid up (% of shareholding not available)	Defunct Company

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

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

Name of Entity	**Net Assets**		**Share in profit/(loss)**	
	As % of consolidated Net Assets	(Rs. in lakhs)	As % of consolidated Profit/(Loss)	(Rs. in lakhs)
Parent				
KSEDC.Ltd	113.88%	3,776.08	96.38%	4,527.56
Subsidiaries				
KCCL	(8.59%)	(284.74)	5.76%	270.68
KECL	(5.29%)	(175.37)	(3.45%)	(162.28)
Minority Interest	-	-	1.31%	61.55
Total	**100%**	**3,315.97**	**100%**	**4,697.51**

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED AND ITS SUBSIDIARIES
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

Note 2 : SHARE CAPITAL	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
Authorised Share Capital		
2,10,00,000 equity shares of Rs.100/- each (Previous year : 2,10,00,000 equity shares of Rs.100/- each)	21,000.00	21,000.00
Issued, subscribed and paid up		
2,03,55,181 equity shares of Rs.100/- each fully paid up (Previous year : 2,03,55,181 equity shares of Rs.100/- each)	20,355.18	20,355.18
Total	**20,355.18**	**20,355.18**

(a)

Reconcilation of number of shares outstanding:	As at 31st March 2022		As at 31st March 2021	
	No of Shares	Rs.in lakhs	No of Shares	Rs.in lakhs
Shares outstanding at the beginning of the year	2,03,55,181	20,355.18	2,03,55,181	20,355.18
Shares outstanding at the end of the year	2,03,55,181	20,355.18	2,03,55,181	20,355.18

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

i. The holding Company has only one class of equity shares having a par value of Rs.100 per share.
ii. Upon show of hand every member present in person shall have one vote and upon a poll every member present in person or by proxy or duly authorised representative shall have voting right in proportion to his share of paid up capital of the holding Company.
iii. In case of joint registered holders of any shares, any one person may vote at any meeting either personally or by proxy, in respect of such shares and such person shall be determined in the order in which the name stands first in the register of members.
iv. The Company in the General Meeting may declare dividend, but no dividend shall exceed the amount recommended by the Board of Directors. The Company from time to time pay to members such interim dividend as may be decided by them having regard to the position of the Company.
v. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

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

	As at 31st March 2022		As at 31st March 2021	
	No of Shares	% holdings	No of Shares	% holdings
Government of Kerala	1,99,55,181	98%	1,99,55,181	98%

(d) **Shares allotted as fully paid by way of bonus shares/pursuant to contract(s) without payment being received in cash.**
During the period of five years immediately preceeding 31st March 2022, no shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash.

(e) **Details of shareholding of Promoters**

Name of the Promoter	As at 31st March 2022		As at 31st March 2021	
	No of Shares	% holdings	No of Shares	% holdings
Government of Kerala	1,99,55,181	98%	1,99,55,181	98%

(f) Refer Note No.37

Note 3 : RESERVES AND SURPLUS	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
(i) Capital Reserve		
a) Investment subsidy for Controls Division	15.00	15.00
b) Subsidy for Printed Circuit Board Division	5.20	5.20
c) Grant from Government of Kerala for Co-operative projects	9.30	9.30
d) Forfeited shares in Keltron Component Complex Limited (Refer Note No.40)	0.75	0.75
e) Consideration for Shares of Keltron Component Complex lower than par value	0.58	0.58
	30.83	**30.83**
(ii) Revenue Reserve	**285.14**	**276.39**
(iii) Surplus/(Deficit) as per Statement of Profit and Loss.		
Balance of Loss as per last Balance Sheet	(22,117.15)	(22,608.42)
Add : Net (Loss)/Profit for the year	4,697.51	460.40
Add: Minorities share absorbed	64.46	30.87
Net balance of loss	**(17,355.18)**	**(22,117.15)**
Total [(i) + (ii)+(iii)]	**(17,039.21)**	**(21,809.93)**

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

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

(c) Refer Note No.37

Note 4 : SHARE APPLICATION MONEY PENDING ALLOTMENT	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
Share application money pending allotment	18,053.17	17,030.80
Total	**18,053.17**	**17,030.80**

(a) The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan of the Holding Company amounting to Rs.7,200.18 lakhs and Government grant amounting to Rs.600 lakhs to equity and the company on its 256 th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020. The Government of Kerala vide GO No.108/2022/ID dated18th October 2022 approved the conversion of Interest Accrued on Government Loan amounting to Rs.9,230.62 lakhs. Accordingly Rs.17,030.80 lakhs (Rs.7,800.18 lakhs+Rs.9,230.61lakhs)is disclosed as "Share application money pending allotment upon conversion of loan".Refer Note 35.The authorised share capital of the holding company as on 31st March 2022 is Rs.21,000 lakhs.As part of the the financial restructuring and consequent to the conversion of Government loan into equity as referred above the authorised share capital has been increased from Rs. 21,000 lakhs to Rs. 37,500 lakhs in the financial year 2022-23 after obtaining sanction from the Government of Kerala

(b) During the financial year 2021-22,the Government of Kerala, vide GO(Rt) No-751/2021/ID dated 19/07/2021, released an amount of Rs.472.37 lakhs as working Capital Loan to Keltron Component Complex Limited(KCCL). Later, vide GO(Rt) No 1108/2021/ID dated 04/10/2021,the Government of Kerala modified the terms and conditions of GO(Rt) No-751/2021/ID dated 19/07/2021whereby Rs.472.37 lakhs released to KCCL was treated as "Government Equity Investment in KCCL".Further, an amount of Rs.200 lakhs was released to KCCL vide GO.(Rt) No66/2022/ID dated 22/01/2022 for expansion and modernisation of capacitor production facility at KCCL under the head of account""Government Equity Investment in KCCL"and an amount of Rs.350lakhs was released to KCCL vide GO.(Rt) No67/2022/ID dated 22/01/2022 for establishment of Super capacitor production facility at KCCL under the head of account""Government Equity Investment in KCCL".Accordingly, KCCL has disclosed Rs.1,022.37 lakhs as "Share Application Money Pending Allotment" in the reporting period.

Note 5 : LONG-TERM BORROWINGS		As at 31st March, 2022	As at 31st March, 2021
		(Rs.in lakhs)	(Rs.in lakhs)
Secured			
Canara Bank Working Capital Loan-GECL	(a)	12.06	22.08
Kerala Financial Corporation-Covid 19 Releif Loan	(b)	102.14	91.82
PNB GECLS Loan	(c)	170.00	-
Sub total (i)		284.20	113.90
Unsecured			
Loan from Government of Kerala	(d)	1,744.45	1,861.84
Sub total (ii)		1,744.45	1,861.84
Total		**2,028.65**	**1,975.74**

(a) During the financial year 2021-22,KECL availed Working Capital Term Loan from Canara Bank amounting to Rs.30.67 lakhs under Guaranteed Emergency Credit Line.The period of loan is 4 years and the rate of interest is Banks LLR+0.60% subject to a maximum rate of 9.25% per annum.The non current portion amounting to Rs.12.06 lakhs is disclosed under Long Term Borrowings.

(b) During the financial year 2020-21,the Holding company availed Covid Relief loan of Rs.190 lakhs from KFC for meeting temporary liquidity issues.The loan was secured by the first charge over the fixed assets by way of equitable mortgage.The balance outstanding against this loan on 31st March 2022 is Rs.165.38 lakhs and the non current portion amounting to Rs.102.14 lakhs which becomes due after 31st March 2023 is included and disclosed under Long Term Borrowings.This Credit facility carries an interest of 10.00% p.a. as on 31st March 2022.This loan is also secured with the assets of the primary loan under Short Term Borrowings.

(c) During the financial year 2021-22,the holding company availed GECLS (Guaranteed Emergency Credit Line Scheme)loan of Rs.170 lakhs from Punjab National Bank under the Atma Nirbhar Bharat scheme announced by the Central Government.Repayment of principal becomes due from January 2024(after a moratorium of 24 months)Hence the entire loan amount of Rs.170 lakhs is included and disclosed under Long Term Borrowings.This loan carries an interest of 9.25% p.a. as on 31st March 2022

(d)(i) An amount of Rs.8,265.84 lakhs being loan sanctioned vide various GO's in earlier financial years was due as on 01st April 2019.As part of the rehabilitation of the Company, Government of Kerala has frozen the interest and granted moratorium on repayment of principal on Government Loan amounting to Rs.8,265.84 lakhs upto 31st March 2016 under order dated GO (MS) No.183/11/1D dt 26.08.2011.During the financial year 2016-17, the Government of Kerala vide GO (MS) No.86/16/ID dated 17.06.2016 has extended the relief and concessions as a part of rehabilitation up to 31st March 2021 subject to the condition that the principal amount should be repaid in 10 annual instalments.The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan of Rs.7,200.18 lakhs to equity and the company on its 256th Board Meeting held on 21st August 2020 fixed the effective date of conversion as 31st March 2020. Accordingly the converted Government Loan of Rs.7,200.18 lakhs is disclosed as "Share application money pending allotment upon conversion of loan". With regard to government loan of Rs.1,065.66 lakhs for which conversion in to equity has not been approved the non current portion amounting to Rs.319.70 lakhs is shown under Long Term Borrowings.

(ii) During the financial year 2017-18 the holding company received loan of Rs400 lakhs vide GO(Rt) No.367/2018/ID for modernisation and expansion of manufacturing units.The Government resumed Rs400 lakhs vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018.On 31st March 2019 the Government of Kerala resumed Rs.91.87 lakhs and refunded the same on 2nd April 2019.The balance outstanding against this loan as on 31st March 2022 is Rs.400 lakhs.Out of which the non current portion of Rs.60 lakhs is shown under Long Term Borrowings.

(iii) During the financial year 2017-18 the holding company received loan of Rs.200 lakhs vide GO(Rt)No.1538/2017/ID dated 08.11.2017 for modernisation and expansion of manufacturing units.The Government resumed Rs.150 lakhs vide GO (P) No-51/2018/Fin dated 28.03.2018 on 31st March 2018 and subsequently refunded the same on 30th August 2018. The balance outstanding against this loan on 31st March 2022 is Rs.200 lakhs. Out of which the non current portion of Rs.30 lakhs is shown under Long Term Borrowings.

(iv) During the financial year 2018-19 the holding company received loan of Rs.500 lakhs vide GO(Rt)No.13007/2018/ID dt 24.11.2018 for setting up of Manufacturing facility for Laptops and Servers and the Government resumed the same on 31.03.2019 and subsequently refunded the same on 2nd April 2019.The balance outstanding against this loan as on reporting date is Rs.500 lakhs and the non current portion amounting to Rs.150 lakhs is shown under Long Term Borrowings.

(v) The holding company received loan of Rs100 lakhs vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 for setting up reasearch and development facilities at Keltron Equipment Complex,Karakulam.The Government resumed Rs.49.06 lakhs on 31st March 2020 and refunded the same on 29th July 2020.The balance outstanding against this loan on 31st March 2022 is Rs.100 lakhs.Out of which the non current portion amounting to Rs.55 lakhs is shown under Long Term Borrowings.

(vi) During the financial year 2019-20,the holding company received a loan of Rs.41lakhs vide GO(Rt)No.193/2020/ID dt 29.02.2020 for expansion of Space Electronics Group at Keltron Equipment Complex,Karakulam and the government resumed the same on 31st March 2020and subsequently refunded the same on 29th July 2020.The balance outstanding against this loan as on 31st March 2022 is Rs.41lakhs and the non current portion amounting to Rs.22.55 lakhs is shown under Long Term Borrowings.

(vii) The holding company vide GO(Rt)No.224/2020/ID dt 11.03.2020 received a loan of Rs.155 lakhs for modernisation of facilities for Space Electronics work at Communication Project Group(CPG) at Monvila and the same is outstanding on 31st March 2022.The non current portion amounting to Rs.93 lakhs is shown under Long Term Borrowings.

(viii) During the financial year 2020-21, the holding company received a loan of Rs.200 lakhs vide GO(Rt) no:127/2021/ID dated 30/01/2021 for modernisation of production facilities of units.The entire loan amount is outstanding on 31st March 2022 and the non current portion amounting to Rs.150 lakhs is shown under Long Term Borrowings.

(ix) During the financial year 2020-21,the holding company received Rs50 lakhs vide GO (Rt)No.232/2021/ID DATED 19/02/2021 for modernisaton of projects in Keltron Equipment Complex,Karakulam and Keltron Communication Complex ,Monvila and the same is outstanding as on 31st March 2022.The non current portion amounting to Rs.37.50 lakhs is shown under Long Term Borrowings.

(x) During the financial year 2021-22,the holding company received Rs.200lakhs vide GO (Rt)No.895/2021/ID DATED 18/08/2021 for manufacturing of medical equipments and augmentation of testing facilities and the same is outstanding as on 31st March 2022 The non current portion amounting to Rs.170 lakhs is shown under Long Term Borrowings.

(xi) During the financial year 2021-22,the holding company received Rs.200lakhs vide GO (Rt)No.1104/2021/ID DATED 02/10/2021 for modernisation of production facilities of various units and the same is outstanding as on 31st March 2022 The non current portion amounting to Rs.180 lakhs is shown under Long Term Borrowings.

(xii) KCCL has availed an Investment Loan of Rs.200 lakhs repayable in 5 years and the loan amount outstanding as on 31st March 2022 is Rs.115.57lakhs.The non current portion amounting to Rs.83.91 lakhs is shown under Long Term Borrowings.

(xiii) KCCL has availed an Investment Loan of Rs.200 lakhs repayable in 5 years and the loan amount outstanding as on 31st March 2022 is Rs.200 lakhs.The non current portion amounting to Rs.75 lakhs is shown under Long Term Borrowings.

(xiv) KCCL has availed Investment Loan for Super Capacitor.The Balance outstanding as on 31st March 2022 is Rs.12.06 lakhs.The non current portion amounting to Rs.8.29 lakhs is shown under Long Term Borrowings.

(xv) KECL received working capital loan amounting to Rs. 145 lakhs from Government of Kerala 29-12-2015 for establishing infrastructure and testing facilities for manufacture of transducers.The period of loan is 5 years.The rate of interest is @ 13.50% pa.Terms of repayment is in equal quarterly instaments.The rate of penal interest is 2.5%.From the year 2018-19 onwards the Government of Kerala has reduced rate of interest on all loans to 9.50% compounding annually vide GO (P)169/2018/Fin dated 16-05-2018.The entire loan amount of Rs.145 lakhs is outstanding as on 31.03.2022 and the same is shown under "Long Term Borrowings".KECL received term loan amounting to Rs.47lakhs from Government of Kerala 13-11-2009 for setting up of additional manufacturing facility for transducers.The period of loan is 5 years.The rate of interest is @ 11.50% pa.Terms of repayment is in equal quarterly instaments.The rate of penal interest is 2.5%.From the year 2018-19 onwards the Government of Kerala has reduced rate of interest on all loans to 9.50% compounding annually vide GO 169/2018/Fin dated 16-05-2018.The balance outstanding against this loan on 31-03-2022 is Rs.47 lakhs and the same is shown under "Long Term Borrowings".During the financial year 2020-21,the Government of Kerala sanctioned working capital loan of Rs.150 lakhs to KECL for the expansion of testing and calibration facility of production of Transducers. The loan carries interest of 9.5 % and is repayable in 5 years Out of the sanctioned amount Rs75 lakhs was released and the entire loan amount is outstanding as on 31st March 2022.The non current portion amounting to Rs.67.50lakhs is shown under "Long Term Borrowings".During the year 2021-22 ,KECL received Rs.25lakhs from GOK for the development of Vibration Isolator and another Rs.25 lakhs for managing the working capital requirements.These are working capital loans carrying interest @9.50% and is disclosed under "Long Term Borrowings".

(h) Current maturities of long term borrowings are disclosed under Note-8 Short Term Borrowings.

(i) Refer Note No.37

Note 6 : OTHER LONG-TERM LIABILITIES	**As at 31st March, 2022**	**As at 31st March, 2021**
	(Rs.in lakhs)	(Rs.in lakhs)
i) Dues to MSME		
Trade Payable for supplies*	6,171.88	182.92
Trade Payable for services*	36.79	1,391.52
ii) Dues to Others		
Trade Payable for supplies*	137.07	228.44
Trade Payable for services*	164.84	174.23
Long-term liability-other finance	1,652.09	978.67
Interest accured but not due on loans-Government of Kerala***	1,389.50	1,345.50
Interest accued on Loan - Malabar Cements Limited	861.83	132.38
Total	**10,414.00**	**4,433.66**

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

*** Interest accrued but not due on loans-Government of Kerala includes Rs.251.89 lakhs being interest accrued on loans not included in the financial restructuring and interest accrued on loan converted to equity vide GO (Ms) No 183/11/dated 26/08/2011of Rs.889.38 lakhs totalling to Rs.1,141.27 lakhs.

Note6(1)

Trade Payable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
		(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)
	As at 31st March 2022					
(a)	**Trade Payable-for Supplies**					**-**
(i)	MSME	0.01	4,863.46	174.12	1,122.00	**6,159.59**
(ii)	Others	-	4.24	7.51	125.32	**137.07**
(iii)	Disputed dues-MSME	-	-	-	12.29	**12.29**
(iv)	Disputed dues-Others	-	-	-	-	**-**
	Sub Total	**0.01**	**4,867.70**	**181.63**	**1,259.61**	**6,308.95**
(b)	**Trade Payable-for Services**					**-**
(i)	MSME	3.50	0.09	12.35	20.85	**36.79**
(ii)	Others	14.63	22.44	40.61	87.16	**164.84**
(iii)	Disputed dues-MSME	-	-	-	-	**-**
(iv)	Disputed dues-Others	-	-	-	-	**-**
	Sub Total	**18.13**	**22.53**	**52.96**	**108.01**	**201.63**
	Total(a+b)	18.14	4,890.23	234.59	1,367.62	6,510.58

Sl No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
		(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)
	As at 31st March 2021					
(a)	**Trade Payable-for Supplies**					**-**
(i)	MSME	-	36.65	3.34	142.93	**182.92**
(ii)	Others	130.93	2.79	5.46	89.26	**228.44**
(iii)	Disputed dues-MSME	-	-	-	-	**-**
(iv)	Disputed dues-Others	-	-	-	-	**-**
	Sub Total	**130.93**	**39.44**	**8.80**	**232.19**	**411.36**
(b)	**Trade Payable-for Services**					**-**
(i)	MSME	5.91	286.37	196.94	902.30	**1,391.52**
(ii)	Others	18.67	17.07	34.46	104.03	**174.23**
(iii)	Disputed dues-MSME	-	-	-	-	**-**
(iv)	Disputed dues-Others	-	-	-	-	**-**
	Sub Total	**24.58**	**303.44**	**231.40**	**1,006.33**	**1,565.75**
	Total(a+b)	155.51	342.88	240.20	1,238.52	1,977.11

Note 7 : LONG TERM PROVISIONS	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
Provision for gratuity (Refer Note No.32 & 58)	1,894.54	1,984.38
Provision for leave encashment (Refer Note No.32 & 58)	709.05	650.86
Provision for warranty	51.07	-
Provision others	0.40	0.40
Total	**2,655.06**	**2,635.64**

Note 8 : SHORT TERM BORROWINGS		As at 31st March, 2022	As at 31st March, 2021
		(Rs.in lakhs)	(Rs.in lakhs)
Secured			
Cash Credit from :			
Punjab National Bank	(a)	539.65	343.07
State Bank of India	(b)	449.10	56.99
Catholic Syrian Bank	(c)	63.60	115.38
Canara Bank	(d)	223.68	241.88
Kerala Financial Corporation-Working Capital Revolving Fund Loan	(e)	80.00	716.20
Kerala Financial Corporation-L&T Loan	(f)	449.66	-
Loan from Kerala State Industrial Development Corporation Limited - Working Capital	(g)	454.40	905.73
Kerala Financial Corporation-Bills Discounting System		-	415.86
Current Maturities of Long Term Borrowings.			
Kerala Financial Corporation-Covid 19 Relief Loan	(h)	63.24	15.81
Canara Bank Working Capital Loan-GECL	(i)	11.57	8.59
Sub total (i)		**2,334.90**	**2,819.51**
Unsecured			
Current Maturities of Long Term Borrowings.			
Loan from Government of Kerala	(j)	4,353.48	3,786.09
Loans wholly due for payment:			
Loan from Kerala Minerals and Metals Limited	(k)	450.00	450.00
Loan from Travancore Titanium Products Limited	(l)	12.00	12.00
Loan from Malabar Cements Limited	(m)	400.00	400.00
Sub total (ii)		**5,215.48**	**4,648.09**
Total		**7,550.38**	**7,467.60**

(a) The holding Company has availed cash credit facility of Rs.750 lakhs from Punjab National Bank secured by hypothecation of inventories of the Company and it is further secured by mortgage of 268.37 cents of land and building in re-survey no.2 Thycaud village of Thiruvananthapuram district as collateral security.This cash credit facility carries an interest of 13.25% p.a. as on 31st March 2022 Further, the holding company has non fund based facility of Rs.375 lakhs subject to the overall limit of Rs.1,000 lakhs.For disclosure regarding stock statement submitted to bank Refer Note No-56.

(b) Keltron Component Complex Limited has availed cash credit facility of Rs.900 lakhs from State Bank of India and it secured by the hypothecation of process stock, finished goods, and other assets and mortgage of the 10.90 acres of land and factory building of the Company .This cash credit facility carries an interest @ 11.50%.p.a.as on 31st March 2022.Further, the company has non fund based cash credit facility of Rs.1,100 lakhs with State Bank of India.

(c) Keltron Component Complex Limited has availed cash credit facility of Rs. 125 lakhs from Catholic Syrian Bank Limited. The entire current assets are secured on pari passu basis with Catholic Syrian Bank.This cash credit facility carries an interest @12.20%p.a. as on 31st March 2022.Further, the company has non fund based cash credit facility of Rs.175 lakhs with Catholic Syrian Bank.

(d) The Cash Credit from Canara Bank, Valancherry amounting to Rs.465 lakhs availed by Keltron Electro Ceramics Limited is secured by hypothecation of inventories and book debts of the Company and it is further secured by mortgage of 10.75 acres of land as collateral security. This cash credit facility carries an interest of 9.55% p.a.The security will cover the Working Capital term Loan under GECL availed durng the financial year 2020-21.For disclosure regarding stock statement submitted to bank Refer Note No-57.

(e) The holding company has a Working Capital Revolving Fund loan from Kerala Financial Corporation Limited (KFC), amounting to Rs.950 lakhs.This credit facility was secured by the mortgage of land to the extent of 310 cents in survey No.463 and 466 at Attipra village, Thiruvananthapuram together with building, plant and machinery and other equipments of Keltron Communication Complex, Monvila, Thiruvananthapuram for which charge was already created in favour of KFC. The credit facility is being renewed annually and can be renewed for a period of 5 years from the date of first disbursement..This Credit facility carries an interest of 11.00% p.a. as on 31st March 2022

(f) The company received an order from Larsen & Toubro Limited(L&T) for the supply, installation and commissioning of UPS and allied equipment for Nuclear Power project of NPCIL, Kudamkulam.During the financial year 2021-22,the company availed a project specific loan from Kerala Financial Corporation(KFC) amounting to Rs.500 lakhs for the execution of the L&T Project and the balance outstanding against this loan as on 31st March 2022 is Rs.449.66 lakhs.This credit facility was secured by the mortgage of land to the extent of 310 cents in survey No.463 and 466 at Attipra village, Thiruvananthapuram together with building, plant and machinery and other equipments of Keltron Communication Complex, Monvila.This Credit facility carries an interest of 11.00% p.a. as on 31st March 2022

(g) During the financial year 2020-21, the holding company availed Working Capital loans of Rs.500 lakhs each from Kerala State Industrial Development Corporation Limited(KSIDC) for the execution of orders received from M/s Garden Reach Shipbuilders & Engineers Ltd and Naval Armament Depot.The balance outstanding against these two loans on 31st March 2022 is Rs.454.40 lakhs.This credit facilities carries an interest of 10.75% per annum as on 31st March 2022.For these loans,the holding company has offered as collateral 13.01 acres of land including a building of 1817.32 sq m at Nandi,Kozhikode where Keltron Lighting Division is situated

(h) During the financial year 2020-21,the holding company availed Covid Relief loan of Rs.190 lakhs from KFC for meeting temporary liquidity issues.The loan was secured by the first charge over the fixed assets by way of equitable mortgage.The balance outstanding against this loan on 31st March 2022 is Rs.165.38 lakhs and the current portion amounting to Rs.63.24 lakhs is included and disclosed under Short Term Borrowings.This Credit facility carries an interest of 10.00% p.a. as on 31st March 2022

(i) During the financial year 2021-22, KECL availed Working Capital Term Loan from Canara Bank amounting to Rs.30.67 lakhs under Guaranteed Emergency Credit Line.The period of loan is 4 years and the rate of interest is Banks LLR+0.60% subject to a maximum rate of 9.25% per annum.The current portion amounting to Rs11.57 lakhs is disclosed under ShortTerm Borrowings.

(j)(i) During the financial year 2012-13, the holding company received a loan of Rs 600 lakhs vide GO (Rt) No 559/12/ID dated 30.03.2012 which is repayable in 5 years commencing from April 2013 bearing an interest at 11.50% per annum.The balanace outstanding as on reporting date is Rs.600 lakhs and the same is shown under Short Term Borrowings.During the financial year 2017-18 company received loan of Rs400 lakhs vide GO(Rt) No.367/2018/ID for modernisation and expansion of manufacturing unitsand the same is outstanding on 31st March 2022 .Out of which the current portion of Rs.340 lakhs is shown under Short Term Borrowings.During the financial year 2017-18 company received loan of Rs.200 lakhs vide GO(Rt)No.1538/2017/ID dated 08.11.2017 for modernisation and expansion of manufacturing units.The balance outstanding against this loan on 31st March 2022 is Rs.200 lakhs and out of which the current portion of Rs 170 lakhs is shown under Short Term Borrowings.During the financial year 2018-19 company received loan of Rs.500 lakhs vide GO(Rt)No.13007/2018/ID dt 24.11.2018 for setting up of Manufacturing facility for Laptops and Servers .The balance outstanding against this loan on reporting date is Rs500 lakhs and the current portion amounting to Rs. 350 lakhs is shown under Short Term Borrowings.The company received loan of Rs.100 lakhs vide GO.(Rt) No.1115/2019/ID dt 10.11.2019 for setting up reasearch and development facilities at Keltron Equipment Complex,Karakulam.The entire loan amount is outstanding on 31st March 2022 and the current portion amounting to Rs.45 lakhs is shown under Short Term Borrowings.During the financial year 2019-20,the company received a loan of Rs41lakhs vide GO(Rt)No.193/2020/ID dt 29.02.2020 for expansion of Space Electronics Group at Keltron Equipment Complex,Karakulam and the current portion of Rs18.45 lakhs is shown under Short Term Borrowings.The company vide GO(Rt)No.224/2020/ID dt 11.03.2020 received a loan of Rs.155 lakhs for modernisation of facilities for Space Electronics work at Communication Project Group(CPG) at Monvila and the same is outstanding on 31st March 2022.The current portion amounting to Rs62 lakhs is shown under Short Term Borrowings.During the financial year 2020-21, the company received a loan of Rs200 lakhs vide GO(Rt) no:127/2021/ID dated 30/01/2021 for modernisation of production facilities of units.The entire loan amount is outstanding on 31st March 2022 and the current portion amounting to Rs50 lakhs is shown under Short Term Borrowings.During the financial year 2020-21,the company received Rs50 lakhs vide GO (Rt)No.232/2021/ID dated 19/02/2021 for modernisaton of projects in Keltron Equipment Complex,Karakulam and Keltron Communication Complex ,Monvila and the same is outstanding as on 31st March 2022.The current portion amounting to Rs.12.50 lakhs is shown under Short Term Borrowings.During the financial year 2021-22,the company received Rs200 lakhs vide GO (Rt)No.895/2021/ID dtd 18/08/2021 for manufacturing of medical equipments and augmentation of testing facilities and the same is outstanding as on 31st March 2022.The current portion amounting to Rs. 30 lakhs is shown under Short Term Borrowings.During the financial year 2021-22,the company received Rs200 lakhs vide GO (Rt)No.1104/2021/ID dtd 02/10/2021for modernisation of production facilities of various units and the same is outstanding as on 31st March 2022.The current portion amounting to Rs.20 lakhs is shown under Short Term Borrowings.he interest on government loan has been fixed as 9.50% vide G.O 169/2018-FIN dt 16.05.2018 .

(ii) As a part of rehabilitation of the Company, Government of Kerala has frozen the interest and granted moratorium on repayment of principal on Government Loan amounting to Rs. 8,265.84 lakhs upto 31st March 2016 under order dated GO (MS) No.183/11/1D dt 26.08.2011.During the financial year 2016-17, the Government of Kerala vide GO (MS) No.86/16/ID dated 17.06.2016 has extended the relief and concessions as a part of rehabilitation up to 31st March 2021 subject to the condition that the principal amount should be repaid in 10 annual instalments.The Government of Kerala vide GO (MS) No.53/2020/ID dated 15th May 2020 approved the conversion of Government loan of Rs.7,200.18 lakhs to equity.The government loan of Rs.1,065.66 lakhs for which conversion in to equity has not been approved is outstanding and the current portion of the same amounting to Rs.745.96 lakhs is shown under Short Term Borrowings.

(iii) Keltron Component Complex Limited has availed working capital loan @ 13.5% and investment loan @ 11.5% from Government of Kerala amounting to Rs.950 lakhs and Rs.925 lakhs respectively repayable in 5 years.The balance outstanding against the working capital loan and investment loan as on 31.03.2022 is Rs.950 lakhs and Rs.791.64 lakhs respectively.Out of which the current portion of working capital loan is Rs950 lakhs and that of investment loan is Rs.791.64 lakhs and is shown underShort Term Borrowings.KCCL has availed an Investment loan of Rs.200 lakhs during the financial year 2019-20 and the current portion amounting toRs.125 lakhs is shown under Short Term Borrowings.KCCL has availed an Investment Loan of Rs. 200 lakhs repayable in 5 years and the loan amount outstanding as on 31st March 2022 is Rs.115.57 lakhs.The current portion amounting to Rs.31.66 lakhs is shown under Short Term Borrowings. .KCCL has availed Investment Loan for Super Capacitor.The balance outstanding as on 31st March 2022 is Rs.12.06 lakhs.The current portion amounting to Rs.3.77 lakhs is shown underShort Term Borrowings.

(iv) During the financial year 2020-21,the Government of Kerala sanctioned working capital loan of Rs.150 lakhs to KECL for the expansion of testing and calibration facility of production of Transducers. The loan carries interest of 9.5 % and is repayable in 5 years Out of the sanctioned amount Rs.75 lakhs was released and the entire loan amount is outstanding as on 31st March 2022.The current portion amounting to Rs.7.50 lakhs is shown underShort Term Borrowings.

(k) Kerala Minerals & Metals Limited released a loan of Rs. 500 lakhs to the holding Company on 18th December 1998 as directed by Government of Kerala vide G.O.(Ms) No. 184/98/ID dated 16th December 1998 . The balance payable in our books as on 31st March 2022 and as confirmed by KMML is Rs.450 lakhs and is overdue. Since the Government Vide G.O.(Rt) No. 641/2004 /ID dated 05th July 2004 directed that this loan be treated as interest free and hence no interest has been provided in the accounts.

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

(m) The Government vide GO(MS)No.146/2010/ID dated 30.06.2010 accorded sanction to the Company to avail fund from Malabar Cements Limited for the implementation of Mini Tool Room cum Training Centre at Kuttippuram, Rs.400 lakhs in the form of Equity and Rs.400 lakhs as interest bearing loan which carries an interest of 7% p.a and repayable in 20 quarterly equal installments of Rs.20 lakhs each commencing from 30th September 2012 and the same is pending to be settled.

(n) The interest on government loan has been fixed as 9.50% vide G.O(P) 169/2018-FIN dated 16.05.2018.

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

			(Rs. in lakhs)
Particulars of defaulted loans and interest thereon		Period of default	Defaulted amount
Loan from Government of Kerala	KSEDC	less than 9 year	1,240.00
Loan from Government of Kerala	KSEDC	less than 6 year	718.15
Interest accrued and due Government of Kerala	KSEDC	less than 9 year	1,226.91
Interest accrued and due Government of Kerala	KSEDC	less than 6 year	837.97
Loan from Kerala Minerals and Metals Limited	KSEDC	22 years	450.00
Loan from Travancore Titanium Products Limited	KSEDC	22 years	12.00
Interest accrued on loan from Travancore Titanium Products Limited	KSEDC	22 years	39.77
Loan from Malabar Cements Limited	KSEDC	11 years	400.00
Interest accrued on loan from Malabar Cements Limited	KSEDC	11 years	309.61
Loan from Government of Kerala	KCCL	2-8 years	1,827.94
Interest accrued and due Government of Kerala	KCCL	1-8 years	2,387.88
Interest accrued on loan from Department of Electronics	KCCL	less than 14 years	60.97
Loan from Government of Kerala	KECL	2-12 years	192.00
Interest accrued and due Government of Kerala	KECL	2-12 years	130.20

Note 9 : TRADE PAYABLES	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
i)Due to MSME		
Supplies	18,401.91	8,466.87
Services	811.62	6,665.23
Total(i)	19,213.53	15,132.10
ii)Due to Others		
Supplies	11,019.11	15,525.73
Services	1,049.71	753.90
Total(ii)	12,068.82	16,279.63
Total	**31,282.35**	**31,411.73**

* Dues to Micro, Small and Medium enterprise. Refer Note 48

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

Note9(1)

Trade Payable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
		(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)
	As at 31st March 2022					
(a)	**Trade Payable-for Supplies**					**-**
(i)	MSME	15,186.68	1,033.11	511.52	1,630.67	**18,361.98**
(ii)	Others	4,297.31	2,326.86	1,377.17	2,896.77	**10,898.11**
(iii)	Disputed dues-MSME	-	-	11.64	28.29	**39.93**
(iv)	Disputed dues-Others	-	-	-	121.00	**121.00**
	Sub Total	**19,483.99**	**3,359.97**	**1,900.33**	**4,676.73**	**29,421.02**
(b)	**Trade Payable-for Services**					**-**
(i)	MSME	277.30	300.84	28.14	205.34	**811.62**
(ii)	Others	497.77	42.44	25.05	484.45	**1,049.71**
(iii)	Disputed dues-MSME	-	-	-	-	**-**
(iv)	Disputed dues-Others	-	-	-	-	**-**
	Sub Total	**775.07**	**343.28**	**53.19**	**689.79**	**1,861.33**
	Total(a+b)	20,259.06	3,703.25	1,953.52	5,366.52	31,282.35

Sl No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
		(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)
	As at 31st March 2021					
(a)	**Trade Payable-for Supplies**					**-**
(i)	MSME	6,112.78	639.34	601.69	1,073.13	**8,426.94**
(ii)	Others	10,005.48	1,939.23	947.47	2,633.55	**15,525.73**
(iii)	Disputed dues-MSME	-	-	24.31	15.62	**39.93**
(iv)	Disputed dues-Others	-	-	-	-	**-**
	Sub Total	**16,118.26**	**2,578.57**	**1,573.47**	**3,722.30**	**23,992.60**
(b)	**Trade Payable-for Services**					**-**
(i)	MSME	6,341.21	57.70	161.84	104.49	**6,665.24**
(ii)	Others	260.08	55.22	219.41	219.19	**753.90**
(iii)	Disputed dues-MSME	-	-	-	-	**-**
(iv)	Disputed dues-Others	-	-	-	-	**-**
	Sub Total	**6,601.29**	**112.92**	**381.25**	**323.68**	**7,419.14**
	Total(a+b)	22,719.55	2,691.49	1,954.72	4,045.98	31,411.74

Note 10 : OTHER CURRENT LIABILITIES	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
Interest accrued and due - Government of Kerala	2,077.96	1,647.34
Interest accrued and due - KFC	7.78	-
Interest accrued and due - Travancore Titanium Products Limited.	39.77	38.03
Interest accrued and due -PNB	5.36	9.65
Interest accrued and due-Malabar Cements Limited	309.61	278.50
Interest accrued and due on loan from Department of Electronics	60.97	60.97
Interest accrued on Working Capital Loan-Government of Kerala	286.34	243.31
Interest accrued on Capacity Enhancement Loan	569.44	478.89
Interest accrued on Modernisation Loan	677.02	547.17
Interest accrued on working capital loan	855.08	695.21
Advance from customers	2,564.60	2,315.91
Income received in advance	272.89	183.86
Current liabilities - Other finance & statutory dues	8,496.06	8,970.88
Arbitration Award Payable	330.02	330.02
Total	**16,552.90**	**15,799.74**

he holding company has disclosed Guarantee commission on expired government guarantee amounting to Rs.535.81 lakhs and interest accrued thereon amounting to Rs.1,173.56 lakhs in Current liabilities - Other finance & statutory dues

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

Note 11 : SHORT-TERM PROVISIONS	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
Provision for gratuity (Refer Note No.32 & 58)	469.34	539.14
Provision for leave encashment (Refer Note No.32 & 58)	206.88	186.37
Provision for warranty	460.72	387.26
Provision - others	225.09	191.49
Total	**1,362.03**	**1,304.26**

Note 12 : Property ,Plant and Equipment and Intangible Assets

FIXED ASSETS

(Rs.in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Total Cost as on 01.04.2021	Additions during the year	Sales / Transfer & Adjustment	Total Cost as on 31.03.2022	Provision up to 01.04.2021	Provided during the year	Transfer to Profit & Loss	Sales / Transfer & Adjustment	Total provision up to 31.03.2022	Written down value as on 31.03.2022	Written down value as on 31.03.2021
I.Property, plant and equipment:											
Land	165.28	-	-	165.28	-	-	-	-	-	165.28	165.28
Building	2,361.76	102.38	-	2,464.14	1,255.24	49.77	-	-	1,305.01	1,159.13	1,106.52
Electrical Fittings	545.91	6.46	1.52	550.85	416.66	33.63	-	1.44	448.85	102.00	129.25
Plant & Machinery	5,260.36	265.16	154.98	5,370.54	3,776.47	216.95	-	147.42	3,846.00	1,524.54	1,483.89
Test Instruments	909.68	72.76	-	982.44	554.71	45.29	-	-	600.00	382.44	354.97
Air Conditioner	130.35	3.19	1.62	131.92	97.30	7.77	-	1.19	103.88	28.04	33.05
Furniture & Fixtures	545.31	35.19	0.64	579.86	449.76	21.78	-	0.62	470.92	108.94	95.55
Office Equipments	290.63	23.10	0.64	313.09	244.61	16.00	-	0.60	260.01	53.08	46.02
Computer & data processing units	870.37	57.50	-	927.87	764.86	39.28	-	(0.02)	804.16	123.71	105.51
Service Equipment	3.28	0.06	-	3.34	3.28	0.00	-	0.00	3.28	0.06	0.00
Canteen Utensils	27.29	1.30	-	28.59	18.90	2.89	-	0.00	21.79	6.80	8.39
Library Books	0.20	-	-	0.20	0.20	-	-	-	0.20	0.00	0.00
Fire extinguishers	9.41	-	-	9.41	6.40	0.41	-	-	6.81	2.60	3.01
Water supply installations	26.23	0.32	-	26.55	18.63	1.20	-	-	19.83	6.72	7.60
Vehicle	50.11	5.18	-	55.29	49.87	0.22	-	-	50.09	5.20	0.24
Transit house equipments	0.45	-	-	0.45	0.41	0.03	-	-	0.44	0.01	0.04
Sub total	11,196.62	572.60	159.40	11,609.82	7,657.30	435.22	-	151.25	7,941.27	3,668.55	3,539.32
II. Intangible Assets:											
Software/Licenses	117.93	1.90	-	119.83	51.05	18.16	-	-	69.21	50.62	66.88
Research &development expenses	842.30	17.86	-	860.16	811.56	35.91	-	-	847.47	12.69	30.74
Technical knowhow	237.60	3.00	-	240.60	234.74	2.14	-	-	236.88	3.72	2.86
Sub total	1,197.83	22.76	-	1,220.59	1,097.35	56.21	-	-	1,153.56	67.03	100.48
III. Captal work in progress											
Asset under erection	-	-	-	-	-	-	-	-	-	-	-
Building under construction	101.43	169.30	5.48	265.25	-	-	-	-	-	265.25	101.43
Project Expenses not capitalised	257.48	41.62	18.48	280.62	-	-	-	-	-	280.61	257.48
Sub total	358.91	210.92	23.96	545.87	-	-	-	-	-	545.86	358.91
IV.Intangible Assets under Development											
Intangible Assets under Development	-	42.37	-	42.37	-	-	-	-	-	42.37	-
TOTAL	-	42.37	-	42.37	-	-	-	-	-	42.37	-
TOTAL	**12,753.36**	**848.65**	**183.36**	**13,418.65**	**8,754.65**	**491.43**	**-**	**151.25**	**9,094.83**	**4,323.81**	**3,998.71**
Previous Year	11,958.72	949.15	154.51	12,753.36	8,303.60	466.74	-	15.69	8,754.65	3,998.71	3,655.12

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

Note 12

12(iv)(i) Capital Work in Progress Ageing Schedule

(Rs.in lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March 2022					
(i)Projects in Progress					
(i) Data Centre	69.94	-	-	-	69.94
(ii) Clean Room Project	-	29.88	66.07	-	95.95
(iii) Traffic Signal Division Renovation	99.36	-	-	-	99.36
(iv)KCA Renovation	26.97	-	-	-	26.97
(v)KCCL	14.64	189.78	41.20	8.02	253.64
Sub Total	210.91	219.66	107.27	8.02	545.86
(ii)Projects Temporarily suspended					
					-
					-
					-
					-
					-
Sub Total	-	-	-	-	-
Total(i+ii)	210.91	219.66	107.27	8.02	545.86

12(iv)(ii) Over due CWIP

(Rs.in lakhs)

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i)Projects in Progress				
(i) Traffic Signal Division Production Building	25.87	-	-	-
	-	-	-	-
	-	-	-	-
(ii)Projects Temporarily suspended	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	25.87	-	-	-

12(v)(i)Intangible Assets under development Ageing Schedule

(Rs.in lakhs)

Intangible Assets under Development	Amount in Intangible Assets under development for a period of				Total
As at 31st March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)Projects in Progress					
(i)CDAC	-	-	-	42.37	42.37
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Sub Total	-	-	-	42.37	42.37
(ii)Projects Temporarily suspended					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Sub Total	-	-	-	-	-
Total(i+ii)	-	-	-	42.37	42.37

12(v)(ii))Over due Intangible Assets under development

(Rs.in lakhs)

Intangible Assets under Development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

Note 13 : NON-CURRENT INVESTMENT (Traded at Cost)

(Rs. in lakhs)

COMPANY NAME	Type of shares	COST			PROVISION FOR DIMINUTION			NET VALUE	
		Total cost as at 01.04.2021	Additions/ (transfers/adjustments) during the year	Total Cost as at 31.03.2022	Provision upto 01.04.2021	Provision for the year	Total provision upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
A. Investment in Subsidiary Companies									
					-		-	-	-
KELTRON COUNTERS LIMITED (48,79,865 Nos of face value Rs.10/- each fully paid up	Equity	487.08	(487.08)	-	487.08	(487.08)	-	-	-
KELTRON COUNTERS LIMITED (1955 Nos of face value Rs.100/- each fully paid up)	9.5% Cumulative redeemable Preference Shares	1.96	(1.96)	-	1.96	(1.96)	-	-	-
KELTRON RECTIFIERS LIMITED (27,43,641Nos of face value Rs.10/- each fully paid up)	Equity	274.36	-	274.36	274.36	-	274.36	-	-
KELTRON POWER DEVICES LIMITED (41,02,317 Nos of face value Rs.10/- each fully paid up)	Equity	410.23	-	410.23	410.23	-	410.23	-	-
TOTAL (A)		1,173.63	(489.04)	684.59	1,173.63	(489.04)	684.59	-	-
B. Investments in Other Companies							-	-	-
QUOTED			-				-	-	-
Black Box Limited (Formerly AGC Networks Limited) (10000 Nos of face value Rs. 10/- each fully paid up) Market Value as on 31st March 2022- Rs. 75,40,000/-	Equity	80.00	(67.50)	12.50	-	-	-	12.50	80.00
UNQUOTED		-	-	-					
KELTRON PROJECTORS LIMITED. (19,567 Nos of face value Rs.10/- each fully paid up)	Equity	1.96	(1.96)	-	1.96	(1.96)	-	-	-
SIDKEL TELEVISIONS LIMITED (1,05,000 Nos of face value Rs.10/- each fully paid up)	Equity	10.50	-	10.50	10.50	-	10.50	-	-
KELTRON VARISTERS PRIVATE LIMITED (45 Nos of face value Rs.1000/- each fully paid up)	Equity	0.45	(0.45)	-	0.45	(0.45)	-	-	-
ELCERA SUBSTRATES LIMITED (2,80,500 Nos of face value Rs.10/- each fully paid up)	Equity	28.05	-	28.05	28.05	-	28.05	-	-
TOTAL (B)		120.96	(69.91)	51.05	40.96	(2.41)	38.55	12.50	80.00
GRAND TOTAL (A+B)		1,294.59	(558.94)	735.64	1,214.59	(491.44)	723.14	12.50	80.00
Previous year		1,294.59	-	1,294.59	1,214.59	-	1,214.59	80.00	80.00

Note:

1.The Government of Kerala,vide GO (RT)No .1315/2021/ID dated 06.12.2021 sanctioned the disinvestment of 64,000 shares held by the company in Black Box Limited(previously AGC Networks Limited).During the reporting period 54,000 shares has been sold.

2.During the reporting period investments in Keltron Counters Limited,Keltron Projectors Limited and Keltron Varisters Private Limited has been written off against the provision for diminuition in value of invetsments.

Note 14 : LONG-TERM LOANS AND ADVANCES	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
Unsecured - Considered good		
Advance-Employees	0.65	0.95
Subsidiary Companies*	1,264.57	1,264.57
Investments pending allotment **	1,703.75	1,703.75
MAT credit as per Income Tax Act	114.08	63.99
Deposit with Customs authorities	0.10	0.10
Deposit with Central Excise Department	5.19	5.19
Excise duty paid under protest	1.27	1.27
Other Advances and Deposits	678.42	724.09
	3,768.03	**3,763.91**
Unsecured-Considered doubtful	217.69	1,511.86
Less: Provision for doubtful advances	217.69	1,511.86
Total	**3,768.03**	**3,763.91**

* Loans and advances includes amount due from Subsidiaries/Associates Companies which are defunct/under liquidation.Refer Note No-38

* Keltron Counters Limited(KCL),subsidiary company, has become defunct and is under winding up process.Hence,during the previous financial years, 2017-18 & 2018-19(50% each), we have given 100% provision to the extent of Rs.1,312.85 lakhs for the loans and advances /interest accrued due from Keltron Counters Limited. During the reporting period we have written off loans and advances given to our subsidiary company ,Keltron Counters Limited(KCL) by adjusting the same against the provision already created.Refer 38(ii)(1)

** The Investment pending allotment pertains to the pending allotment of shares by the subsidiary companies.Refer Note 38(i)

Note 15 : OTHER NON-CURRENT ASSETS	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
(a)Trade receivable		
Unsecured:		
Considered good; outstanding for more than six months from the date they are due for payment	9,566.64	4,146.41
Receivables outstanding for a period less than six months	11.06	3.60
Considered doubtful; outstanding for more than six months from the date they are due for payment	2,263.34	1,062.53
Less : Provision for bad & doubtful debts	(2,263.34)	(1,062.53)
Total	9,577.70	4,150.01
(b) Non-current Bank balance:		
Term Deposits with banks (more than 12 months maturity)*	25.97	19.85
Margin on Bank Guarantee**	2,327.94	1,254.95
Total	2,353.91	1,274.80
(c) Others: Accrued Income	100.94	125.98
Total [a + b + c]	**12,032.55**	**5,550.79**

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

** Refer to Note No.18 for the term deposits having maturity of not more than 12 months as on reporting date.

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

Note 15(1)

Trade Receivable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
	As at 31st March 2022	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
(i)	Undisputed Trade Receivables-considered good	4.76	3.20	6,742.04	434.66	2,386.74	9,571.40
(ii)	Undisputed Trade Receivables-considered doubtful	-	-	-	-	2,263.34	2,263.34
(iii)	Disputed Trade Receivables-considered good	6.30	-	-	-	-	6.30
(iv)	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
	Total	11.06	3.20	6,742.04	434.66	4,650.08	11,841.04
	Less:						-
	Provision for Bad & Doubtful debts	-	-	-	-	2,263.34	2,263.34
	Total	11.06	3.20	6,742.04	434.66	2,386.74	9,577.70

Trade Receivable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
	As at 31st March 2021	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
(i)	Undisputed Trade Receivables-considered good	-	36.49	751.89	1,186.51	2,171.52	4,146.41
(ii)	Undisputed Trade Receivables-considered doubtful	-	-	-	-	1,062.53	1,062.53
(iii)	Disputed Trade Receivables-considered good	3.60	-	-	-	-	3.60
(iv)	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
	Total	3.60	36.49	751.89	1,186.51	3,234.05	5,212.54
	Less:						-
	Provision for Bad & Doubtful debts	-	-	-	-	1,062.53	1,062.53
	Total	3.60	36.49	751.89	1,186.51	2,171.52	4,150.01

Note 16 : INVENTORIES	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
Loose tools and jigs	56.75	46.27
Consumable stores and spares	202.37	152.86
Work-in-progress	1,894.53	1,786.75
Raw materials and components	5,043.73	4,496.19
Goods-in-transit	472.56	475.25
Goods purchased for resale	47.99	484.07
Finished goods	413.54	363.10
Total	**8,131.47**	**7,804.49**

For mode of valuation refer point III-Inventories under Balance Sheet items of Significant Accounting Policies.
Refer Note 63.

Note 17 : TRADE RECEIVABLES	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
Unsecured considered good:		
Outstanding for a period exceeding six months from the date they ared uef or payment	19,722.02	15,587.06
Receivables outstanding for a period less than six months	25,953.64	27,061.44
Considered doubtful; outstanding for a period exceeding six months from the date they are due for payment	374.73	473.18
Less : Provision for bad and doubtful debts	(374.73)	(398.05)
		-
Total	**45,675.66**	**42,723.63**

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

Note 17(1)

Trade Receivable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
	As at 31st March 2022	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)
(i)	Undisputed Trade Receivables-considered good	25,947.08	3,407.77	5,182.08	2,683.63	8,422.32	45,642.88
(ii)	Undisputed Trade Receivables-considered doubtful	-	-	-	-	275.39	275.39
(iii)	Disputed Trade Receivables-considered good	6.56	8.88	16.08	1.26	-	32.78
(iv)	Disputed Trade Receivables-considered doubtful	-	-	-	-	99.34	99.34
	Total	25,953.64	3,416.65	5,198.16	2,684.89	8,797.05	46,050.39
	Less:						-
	Provision for Bad & Doubtful debts	-	-	-	-	374.73	374.73
	Total	25,953.64	3,416.65	5,198.16	2,684.89	8,422.32	45,675.66

Trade Receivable Ageing

Sl No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
	As at 31st March 2021	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)	(Rs.in lakhs)
(i)	Undisputed Trade Receivables-considered good	27,057.75	2,384.53	3,140.06	1,906.29	8,156.18	42,644.81
(ii)	Undisputed Trade Receivables-considered doubtful	-	-	-	-	473.18	473.18
(iii)	Disputed Trade Receivables-considered good	3.69	-	-	-	-	3.69
(iv)	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
	Total	27,061.44	2,384.53	3,140.06	1,906.29	8,629.36	43,121.68
	Less:						-
	Provision for Bad & Doubtful debts	-	-	-	-	398.05	398.05
	Total	27,061.44	2,384.53	3,140.06	1,906.29	8,231.31	42,723.63

Note 18 : CASH AND BANK BALANCES	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
A. Cash and Cash Equivalents:		
Cash and stamp in hand	32.02	10.07
Remittance in transit	85.97	10.00
Balance in Scheduled Banks:		
Current account	5,354.52	3,680.94
Term deposits (less than 3 months maturity)	2,500.00	2,549.70
Government of Kerala - Treasury savings bank account	0.54	133.94
Total (A)	7,973.05	6,384.65
B. Other Bank balances:		
In Term deposit with maturity of more than 3 months but less than 12 months *	1,216.27	346.99
Margin on Letter of Credit	1,723.92	1,690.54
Margin on Bank Guarantee	1,213.11	2,186.79
Total (B)	4,153.30	4,224.32
Total (A+B)	**12,126.35**	**10,608.97**

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

Term Deposit Accounts which have maturity of more than 12 months are disclosed in Note No.15 'Other Non-current Assets'

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

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

Note 19 : SHORT-TERM LOANS AND ADVANCES	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
a) Unsecured - considered good		
Advance-Employees	69.00	39.93
Advance - Others	2,446.93	2,776.24
Deposit with Customs authorities	14.41	26.91
Deposit with Central Excise Department	0.10	0.10
Other deposits	274.97	374.40
Keltron Toolroom Research and Training Centre (KELTRAC)	65.81	47.31
Income tax refund due	706.04	1,006.42
GST TDS receivable	84.83	35.95
MAT Credit (Refer Note.46)	26.44	24.52
Total	**3,688.53**	**4,331.78**

(a) Current maturities of deposits, loan and advances are disclosed in this Notes and non current maturities are disclosed under Note No.14 'Long term loans and advances' above.

(b) Loans and advances includes amount due from Subsidiaries/Associates Companies which are defunct/under liquidation. The unreconciled balance of Rs.666.80 lakhs in Current Account and Collection Account balances in respect of Keltron Component Complex Limited and Keltron Electro Ceramics Limited has been written off in the books of holding Company in the FY 2014-15. Refer Note No.35.

(c) Advances - Others includes pre-paid expenses of Keltron Component Complex Limited amounting to Rs.4.08 lakhs classified under Other Current Assets, has been re-classified under this Note in order to maintain uniformity with holding company and subsidiaries.

Note 20 : OTHER CURRENT ASSETS	As at 31st March, 2022	As at 31st March, 2021
	(Rs.in lakhs)	(Rs.in lakhs)
Accrued income	299.24	160.74
Others	63.26	72.38
Total	**362.50**	**233.12**

Refer Note No.19(c) above.

KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note 21 : REVENUE FROM OPERATIONS	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs. in lakhs)	(Rs. in lakhs)
a. Sales		
Manufacturing sales	19,053.22	14,206.77
Project sales	23,158.27	20,751.81
Trading sales	7,946.60	3,863.62
Sub total	**50,158.09**	**38,822.20**
b. Services		
Income from servicing	9,348.84	13,267.94
Income from training	821.73	430.63
Income from manpower supply	299.84	373.98
Income from data entry	-	-
Sub total	**10,470.41**	**14,072.55**
c. Other operating revenue		
Sales commission	12.00	12.00
Cash discount on purchase	19.68	8.04
Scrap sales	18.87	6.47
Freight and forwarding collected	114.18	106.47
Warranty written back	176.11	128.32
Exchange rate fluctuation	34.38	29.89
Others	90.87	16.37
Sub total	**466.09**	**307.56**
Total	**61,094.59**	**53,202.31**

Note 22 : OTHER INCOME	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs. in lakhs)	(Rs. in lakhs)
Interest	346.73	277.86
Rent	91.80	88.45
Profit on sale of property, plant and equipment	0.13	1.06
Profit on sale of Investments*	454.45	-
Other sundry receipts/adjustments	18.00	97.74
Insurance claim received	0.78	0.88
Unadjusted credit in creditors written back	1.62	-
Matching grant	0.79	0.94
Miscellaneous income	3.76	6.29
Total	**918.06**	**473.22**

*Profit on sale of Investment pertains to the profit arised during the reporting period on account of sale of 54,000 equity shares of Black Box Limited held by the company which is in accordance with the decision of 261st meeting of Board of Directors of the company and pursuant to the GO (RT)No .1315/2021/ID dated 06.12.2021.

Note 23 : MATERIAL CONSUMED AND SERVICE EXPENSES	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs.in lakhs)	(Rs. in lakhs)
a. Material Consumed		
Opening stock	4,496.19	4,043.35
Add: Purchases	28,797.18	25,911.02
	33,293.37	29,954.37
Less:Closing stock	5,043.73	4,496.19
	28,249.64	25,458.18
Add:Stores and spares consumed	161.88	282.15
Total	**28,411.52**	**25,740.33**
b. Service expenses		
Sub contracting charges	8,479.80	9,815.12
Erection and commissioning	25.54	28.18
Testing and quality control	46.47	14.79
Warranty expenses	325.93	191.60
Computer /project training	653.26	513.81
After sales service	2.99	2.59
Total	**9,533.99**	**10,566.09**
c. Purchase for resale	**7,460.19**	**4,045.47**
Total (a+b+c)	**45,405.70**	**40,351.89**

Note 24 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs.in lakhs)	(Rs. in lakhs)
Closing Stock:		
Finished goods:		
Manufacturing items	413.54	363.10
Trading items	47.99	484.07
Work-in-progress:	1,894.53	1,786.75
Total	**2,356.06**	**2,633.92**
Less:		
Opening Stock -		
Finished goods:		
Manufacturing item	363.10	670.19
Trading item	484.07	718.64
Work-in-progress:	1,786.75	1,517.38
Total	**2,633.92**	**2,906.21**
Net	**(277.86)**	**(272.29)**

Note 25 : EMPLOYEE BENEFITS EXPENSE	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs.in lakhs)	(Rs. in lakhs)
Salaries, wages and bonus	6,404.79	6,180.47
Gratuity	377.57	1,149.76
Leave encashment	249.17	388.63
Employer's contribution to PF and other funds	673.16	654.56
Leave travel concession	0.28	0.25
Canteen expenses	101.81	87.30
Uniforms	2.21	1.89
Staff training expenses	1.23	0.28
Maternity benefit	11.75	13.30
Other staff welfare expenses	349.74	297.10
Total	**8,171.71**	**8,773.54**

Note 26 : FINANCE COST	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs.in lakhs)	(Rs. in lakhs)
Interest on Government loan	899.56	798.97
Interest on PNB GECLS loan	2.36	-
Interest on KFC loan	100.59	76.87
Interest on KSIDC Working Capital Loan	66.67	48.34
Interest on BDS-KFC	7.14	10.08
Interest on Canara Bank Loan	2.17	1.77
Interest on loans (Government Companies)	34.69	34.60
Interest on cash credit and overdraft from banks	108.26	115.61
Interest -Others	76.50	66.98
Bank charges	56.18	57.19
Total	**1,354.12**	**1,210.41**

Note 27 : DEPRECIATION AND AMORTIZATION EXPENSE	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs.in lakhs)	(Rs. in lakhs)
Depreciation on property, plant and equipment	435.22	398.34
Amortization on intangible assets	56.21	68.40
Total	**491.43**	**466.74**

Note 28 : OTHER EXPENSES	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs.in lakhs)	(Rs. in lakhs)
Power, fuel and water	327.74	279.39
Rent	39.18	28.53
Rates and taxes	32.77	30.45
Interest and Late Fees	13.70	12.23
Insurance charges	39.74	41.50
Repair and maintenance:		
Vehicles	23.55	23.66
Building	57.62	31.19
Plant and Machinery	48.13	33.92
Others	109.56	76.64
Travelling expenses	306.62	229.39
Travelling expenses-Directors	1.14	1.41
Sales and business promotion expenses	362.72	359.98
Freight and forwarding charges	183.42	168.91
Audit fee and expenses		
Statutory audit fee	12.40	12.09
Tax audit fee	4.49	4.75
GST audit fee	0.30	0.30
Reimbursement of expenses	1.96	0.89
Internal audit fee	10.34	8.80
Cost audit fee and other services	2.20	1.50
Director's sitting fee	0.15	0.10
Legal charges	61.50	8.99
Printing and stationery	40.84	36.91
Royalty	49.64	54.09
Postage, telegram, telephone and telex charges	132.91	116.24
Security charges	139.26	136.92
Recruitment expenses	42.21	38.65
Consumption stores and spares	33.02	24.74
Moulds, tools and jigs written off	18.92	15.43
Loss on sale/discarding of property, plant and equipment	0.28	0.06
Mat Written off(KCCL)	-	11.83
Research and development expenses	22.63	18.64
Miscellaneous expenses	186.00	157.37
	-	-
Total	**2,304.94**	**1,965.50**

Note 29 : PRIOR PERIOD ADJUSTMENT	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs.in lakhs)	(Rs. in lakhs)
Prior period expenses	195.07	60.68
Less:Prior period income	468.97	84.21
Total	**(273.90)**	**(23.53)**

Note 30 : EXCEPTIONAL ITEMS	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(Rs.in lakhs)	(Rs. in lakhs)
Sundry debits written off	0.39	15.45
Sundry credits written back	(215.25)	(16.90)
Bad and doubtful debts wirtten off	1.15	24.56
Litigation settlement	129.55	-
Provision for bad and doubtful debts and advances	1,176.34	61.88
Provision for other loans and advances	18.69	13.28
Loss on value of fixed asset written-off	7.69	-
Bank Guarantee Invocation Income	(1.30)	-
Total	**1,117.26**	**98.27**

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

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

During the reporting period we have written back liabilities /credit balances which are outstanding for a long period of time.

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

Refer Note No-54.

Note 31 CONTINGENT LIABILITIES NOT PROVIDED FOR		As at 31st March 2022 (Rs.in lakhs)	As at 31st March 2021 (Rs.in lakhs)
i)	**Estimated amount of contracts remaining to be executed and not provided for on Capital Accounts**		
i)	Guarantees issued by the Banks on behalf of the Company for which counter guarantees have been issued by the Company	2,791.75	2,779.41
ii)	Letter of credit issued by the banks on behalf of the Company and outstanding.	730.44	623.54
iii)	Indemnity Bonds executed in favour of:		
	a) Customers for advances/performance	3,016.80	2,494.98
	b) Sales tax authorities	13.72	13.72
iv)	Claims against the Company not acknowledged as debts as debts		
	a) On account of Central Excise demands pending on appeal	472.67	472.67
	b) Sales tax - Central and State under dispute	128.89	129.94
	c) PF interest and damages pertaining to Central Tool Room case pending with PF Tribunal.	181.17	181.17
	d) On account of interest and service tax	1,463.30	1,435.07
	e) On account of KVAT	167.42	158.63
	f) On account of Maharashtra Value Added Tax (FY 2017-18)	63.22	-
	g) Official liquidator High Court of Madras in respect of liquidation of M/s FD Stewart Private Limited	0.11	0.11
	h) Customs duty pending on appeal	11.04	11.04
	h) License fee payable as per the Order of Arbitration in respect of South Central Railways Project.*	14.52	14.52
	i) On account of Pay Revision anomalies under dispute	294.80	294.80
	k) Others	12,507.48	494.89

Note 32

(Rs.in lakhs)

PROVISION FOR GRATUITY & LEAVE ENCASHMENT	Gratuity		Leave encashment	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	2,523.52	2,070.96	837.23	678.52
Less: Paid during the year on account of retirement /resignation	528.73	674.17	203.77	279.08
Add: Provided during the year	374.06	1,149.42	282.47	437.79
Less: Contribution to Plan Asset with LIC of India	4.97	22.69	-	-
Balance at the end of the year	**2,363.88**	**2,523.52**	**915.93**	**837.23**
Classified as Non-Current	1,894.54	1,984.38	709.05	650.86
Classified as Current	469.34	539.14	206.88	186.37

Note 33 : Related party disclosures

	Particulars	For the year ended 31st March 2022 (Rs. in lakhs)	For the year ended 31st March 2021 (Rs. in lakhs)
	Kerala State Electronics Development Corporation Limited		
1	N.Narayana Moorthy(Chairman)		
	Salaries & PF	14.61	13.36
	Medical benefits		-
		14.61	13.36
2	Hemalatha.T.R (Managing Director)		
	Salaries & allowances	-	20.72
	Medical benefits	-	-
		-	20.72
3	B.Bilu (Company Secretary)		
	Salaries & allowances	15.55	12.16
	Medical benefits	0.24	0.05
		15.79	12.21
	Directors Sitting Fee		
1	V Narayanan		
2	V Jayaprakash		
3	R.Suresh Mohan	0.14	0.08
		0.14	0.08
	Keltron Component Complex Limited		
1	Krishna Kumar.K.G (Managing Director- from October 2016)		
	Salaries & allowances	18.51	11.71
		18.51	11.71
2	Jose Joseph (Chief Finance Officer)		
	Salaries & allowances	11.54	9.26
		11.54	9.26
3	Thahira P P(Company Secretary from 14/02/2020)		
	Salaries & allowances	4.91	3.58
		4.91	3.58
	Keltron Electro Ceramics Limited		
1	K.Vijayakumar (Managing Director)		
	Salaries & allowances	-	6.60
		-	6.60
2	R.Satheesh Kumar(Managing Director)		
	Salaries & allowances	4.23	
		4.23	-

Note -34 Analytical Ratios

Sl No	Particulars	Formula	2021-22	2020-21	2021-22	2020-21	% of variance	Reason for variation more than 25%
(a)	Current Ratio	Current Assets / Current Liabilities	69,984.50 / 56,747.66	65,701.98 / 55,983.33	1.23	1.17	5%	The variation in debt equity ratio (Sl no(b)) is due to the regrouping of Share Money Pending Allotment(Note No-3) consequent to the conversion og Government loan into Equity and followed by the increase in authorised share capital in the subsequent year. The reason for variation in ratio Sl no-(c),(d),(i) and (j)is owing to the better performance of the company with respect to turnover and profits during the reporting period compared to the previous year.
(b)	Debt-equity Ratio	Total Debt / Shareholders Equity	9,579.04 / 21,369.14	9,443.34 / 15,576.05	0.45	0.61	-26%	
(c)	Debt service coverage Ratio	Earnings available for Debt Service / Debt Service	5,015.63 / 4,298.77	2,193.93 / 2,251.16	1.17	0.97	20%	
(d)	Return on Equity Ratio(in %)	Profit after Tax / Average Shareholders Equity	4,697.51 / 18,472.59	460.40 / 15,335.64	25%	3%	747%	
(e)	Inventory Turnover Ratio	Cost of Goods sold or Sales / Average Inventory	50,158.09 / 7,967.98	38,822.20 / 7,687.51	6.29	5.05	25%	
(f)	Trade Receivables turnover Ratio	Net Sales / Average Trade Receivable	60,628.50 / 44,199.64	52,894.75 / 39,248.81	1.37	1.35	2%	
(g)	Trade Payables turnover Ratio	Net Purchases / Average Trade Payables	45,405.70 / 31,347.04	40,351.89 / 26,742.13	1.45	1.51	-4%	
(h)	Net Capital Turnover Ratio	Net Sales / Working Capital	60,628.50 / 13,236.84	52,894.75 / 9,718.64	4.58	5.44	-16%	
(i)	Net Profit Ratio(in %)	Net Profit after Tax and exceptional items / Net Sales	4,697.51 / 60,628.50	460.40 / 52,894.75	8%	1%	790%	
(j)	Return on Capital Employed(in %)	Earnings before Interest & Tax / Capital Employed(Net Worth +Total debt)	3,226.27 / 30,948.17	573.97 / 25,019.39	10%	2%	354%	
(k)	Return on Investment	Income generated from invested funds / Average Investment	0.00	0.00	0.00	0.00	0%	

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

Rs in lakhs

Sl No	Particulars	KCCL	KECL	Total
1	Current Account	Rs.350.84	Rs. (2.35)	Rs.348.49
2	Collection Account	Rs.304.76	Rs. 13.54	Rs.318.30
	Total	**Rs.655.60**	**Rs. 11.19**	**Rs.666.79**
3	Trade Receivable	Rs. 5.72	Rs. (7.60)	Rs. (1.87)
4	Trade Payable	Rs. 4.27	Rs.(17.11)	Rs.(12.84)

As mentioned above the difference in current and collection account between the books of holding company and subsidiary companies amounting to Rs.666.79 lakhs were written off in the FY 2014-15 as exceptional item and with respect to Trade Receivable /Trade Payable an amount of Rs.10.97 lakhs was booked as an expense in the books of the holding company in the financial year 2014-15.

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

KECL - Goodwill Rs.687.65 lakhs(Previous year : Goodwill: Rs.687.65 lakhs)

KCCL - Goodwill Rs.790.75 lakhs (Previous year : Goodwill: Rs.790.75 lakhs)

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

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

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

(i) Set-off of Investment and loan in defunct subsidiaries amounting to Rs.7,200.18 lakhs against Government loan liability which are covered under freezing (as a part of BIFR Scheme) amounting to Rs.8,265.84lakhs. Balance amount of Rs.1,065.66 lakhs may be converted to equity.
(ii) The conversion of interest accrued on Government loan to the extent of Rs.10,371.88 lakhs to equity.

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

(i)Government Grant of Rs600 lakhs and
(ii)Already converted Government loan to Equity of Rs.1,250 lakhs again back to working capital loan.

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

1) Conversion of Government loan of Rs.7,200.18 lakhs to equity.
2) The working capital loan as per GO(Rt) No.329/2014/ID dated 11th March 2014 of Rs.1,850 lakhs shall be converted to equity.
3) Waiverof interest accrued on aforesaid loan aggregating to Rs.9,230.61 lakhs.
4) Increase of Authorized Share Capital of the Holding Company to accommodate the issue of shares to the Government on accounts of (1) and (2) above, and consequent amendment in Memorandum and Article of Association.

The matter has been considered in the 256th meeting of the Board of Directors of the Company held on 21st August 2020 and fixed the effective date of implementation of Financial Restructuring as 31st March 2020. Accordingly the converted Government Loan of Rs. 7,200.18 lakhs and Government grant of Rs.600 lakhs is disclosed as “Share Application Money Pending Allotment”.

The Government Loan of Rs. 1,250 lakhs as covered under GO (Rt) No 329/2014/ID dated 11th March 2014 was included under Note -1 Share Capital, as the shares are already converted and allotted to Government of Kerala vide GO MS) No .183/11/ID dated 26th August 2011.

Further, to improve the net worth, the holding company vide letter KSEDC/FIN/201/Fin Res/21-22/104 dated 14th October 2021represented before Government to consider the conversion of interest accrued on Government Loan amounting to Rs.9,230.61 lakhs to equity share capital in line with the recommendation of Public Enterprises Board .This has been sanctioned vide GO(Rt) No:108/2022/ID dated 18th October 2022 by amending the GO(MS) No.53/2020/ID dated 15th May 2020 sanctioning the financial restructuring proposal of the company and accordingly we have disclosed interest accrued on Government Loan amounting to Rs.9,230.61 lakhs as "Share Application Money Pending Allotment".

Thus, the Share money pending allotment amounting to Rs.17,030.80 lakhs is included and disclosed under Note 4 .

The Authorized Share Capital and Paid-Up Share Capital of the Company was Rs.21,000 lakhs and Rs.20,355.18 lakhs respectively. In order to accommodate the issue of shares to the Government of Kerala, Extraordinary General Meeting was convened on 20thFebruary 2023 and sanctioned the increase of Authorized Share Capital to Rs.37,500 lakhs and also approved the alteration of clause (v) in Memorandum and Article 11(6) in Articles of Association. All the procedural aspects of increasing the Authorized Share Capital such as filing of required forms with ROC and payment of filing fees etc. has been complied with. As above, the Equity Shares worth Rs.17,030.80 lakhs were also allotted to Government of Kerala, and thereafter the Paid-Up Share Capital of the Company stood at Rs.37,385.98 lakhs with effect from 10th March 2023.

38. Loans and advances of the Holding company include:

(i) A sum of Rs. 1,974.92 lakhs is pending allotment of shares by the following subsidiary Companies:-

Sl No	Name of the Company	Rs. in lakhs
(a)	Keltron Rectifiers Limited	576.43
(b)	Keltron Power Devices Limited	1,127.32
(c)	Keltron Electro Ceramics Limited	271.17
	Total	1,974.92

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

The holding company received a request from its subsidiary company, Keltron Electro Ceramics Limited for considering the decision taken in the 203rd Board Meeting of KECL with respect of conversion of term loan ofRs.135.27 lakhs received from the holding company and interest accrued thereon amounting to Rs.135.90 lakhs in to equity share capital. The company in its 257th Board Meeting held on 15th December 2020 approved the conversion of loan and interest accrued thereon. The company intimated KECL vide Letter No-KSEDC/KECL/2020-21/176 dated 11th January 2021 that the conversion of loan to equity has been approved and that the same is effective from 31st March 2020. The legal formalities with respect to the aforesaid conversion as per the provisions of Companies Act, 2013 has been completed at KECL and they have disclosed Rs.271.17 lakhs as Share Money Pending Allotment in their financial Statements for the year ended 31st March 2022.Accordingly, the holding company has disclosed the loan and interest accrued thereon under Note No-13 Long Term Loans & Advances –Investments Pending Allotment, which is in conformity with the financial statement of KECL for the year ended 31st March 2022.

In the consolidated financial statements, we have set off Rs.271.17 lakhs and have disclosed Rs.1,703.75 as "Investments Pending Allotment" under Note-14 Long Term Loans & Advances.

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

Sl No	Name of the Company	Subsidiary/Associate	Amount Outstanding as on 31st March 2022 Rs. in lakhs	Remarks
1	Keltron Counters Limited	Subsidiary Company	---	The company was ordered for winding up by the Hon'ble High Court of Kerala, vide its judgment dated 26th July 2006 and the Official Liquidator took charge with effect from 26th July 2006. The Government of Kerala filed an affidavit in the Hon'ble High Court of Kerala for keeping in abeyance the liquidation proceedings. Later vide judgment in CA Nos. 396,396B and 396C of 2009 in CA No.723 of 2006 in CP No.11 of 2002 dated 08th October 2009 of the Hon'ble High Court

				of Kerala, release of the immovable properties owned by Keltron Counters Limited to State of Kerala in order to establish Gulati Institute of Finance and Taxation (GIFT) was permitted. The possession of above land has already been handed over as per the above direction and GIFT transferred an amount of Rs. 500 lakhs to M/s Keltron Counters Limited for settling of its liabilities with a condition that shortfall if any will be compensated by the Government of Kerala, which is deposited in separate account bearing interest. As there are no fixed assets available with Keltron Counters Limited the Company has made adjustments to account for the diminution in value of total investment in the financial year 2009-10. Keltron Counters Limited made an application to the Registrar of Companies to strike off the name of the company from the Register of Companies under Fast Track Exit Mode Scheme 2011.The Government of Kerala vide G.O.(Ms) No-21/2019/ID dated 28th February 2019 sanctioned the transfer of all existing and future liabilities of Keltron Counters Limited(KCL) to Keltron and all liabilities of KCL including future liabilities will be settled by Keltron In view of the above, the

				holding company decided to create a provision against Rs.1,312.85 lakhs outstanding from KCL in two equal installments commencing from the financial year 2017-18. Accordingly, provision of Rs.656.43 lakhs being 50% of loans and advances due from Keltron Counters Limited was created during the financial year 2017-18 and the balance provision of Rs.656.42 lakhs was created during the previous financial year 2018-19. Thus the total provision created against loans and advances given to Keltron Counters Limited was Rs.1,312.85 lakhs. As stated above, since the chances of recoverability of Investment, Loans & Advances and interest accrued are very remote, the same has been written off in the books of accounts during the reporting period.
2	Keltron Power Devices Limited	Subsidiary Company	Rs.850.66	As mentioned in 38(i) above, the Hon.High Court of Kerala has ordered winding up of Keltron Power Devices Ltd (KPDL) and Keltron Rectifiers Limited (KRCL).The Company has filed an application before the Hon. High Court of Kerala on 9thOctober 2017 for recalling the winding up order of KPDL and KRCL, discharge the official liquidator and to take over the assets and liabilities by the holding company. As per the direction of Hon.High
3	Keltron Rectifiers Limited	Subsidiary Company	Rs. 413.63	

				Court of Kerala, a Revival Scheme for the manufacturing of 100MW Solar Panel was submitted. The scheme is yet to be heard by the Hon.High Court of Kerala. Meanwhile, Government of Kerala vide GO (RT) No 883/2018/10 dated 26/07/2018 has issued Administrative Sanction towards the Budget-Support for the company for the setting up of manufacturing facilities for Solar Modules. The Special Government Pleader (Taxes) informed that the Revival proposal has to be filed by the Government of Kerala and hence an Affidavit of the Chief Secretary has to be filed. Due to the pendency of the above situation, no provision has been made in the accounts regarding the loans and advances to defunct subsidiary companies under Liquidation.
		Total	Rs.**1,264.29**	

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

The Government of Kerala vide GO(Rt) No.819/2018/ID dated 12th July 2018 has given Administrative Sanction to KELTRON for a financial assistance of Rs.500 lakhs for investing 26% equity portion in the SPV

equity investment of Rs.260 lakhs on 23rd January 2019. However, it has not been materialized owing to the restrictions in Ways & Means Clearance imposed by Government. Finally, the amount was resumed to Government Account as on 31st March 2019.Hence it was not shown as investment during the financial year 2018-19. The resumed fund was released during the month of April 2019 and investment was done on 26.04.2019.

However, Coconics Private Limited has considered the subscription money of the Company as receivable and shown as Equity Share Capital in the financial statements as on 31st March 2019.

During the reporting period in accordance with AS-23 - Accounting for Investments in Associates, the carrying amount of investment is reduced to the extent of share in losses including the losses of preceding period of the associate company. Accordingly, the carrying amount of investment has been disclosed as NIL in the Consolidated Financial Statements.

40. The subsidiary company, KCCL has forfeited 12800 Nos. of Equity Shares to the extent of Rs. 0.75 lakhs (paid up value) as per the Board Resolution dated 04th September 2007. The amount of forfeited shares as mentioned above has been added to the Share Capital Account in the financial statement of subsidiary has been accounted under Capital Reserve in the consolidated financial statements for the purposes of better presentation / disclosure.

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

42. KELTRAC is an autonomous body registered as a society under the control of Government of Kerala, which is operating in the portion of premises of Keltron Controls Aroor (KCA).As per the agreement dated 7th January 2008 regarding sharing of facilities and services of KCA with KELTRAC, charges for the building /space provided at the normal rate of Rs.2/-sq.ft for 31,505 sq.ft is payable by KELTRAC. Further, the agreement also contains a clause that the aforesaid service charge may be waived off provided the work requirement of KCA shall be executed by KELTRAC on priority basis at cost. In view of the above and considering the precarious financial condition of KELTRAC the rent for the premises used by them was not being charged.

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

44. Earnings per share (EPS)

Basic & Diluted EPS	**31.03.2022**	**31.03.2021**
Profit attributable to Equity Shareholders before extraordinary items (Numerator used for calculation of diluted and basic EPS (**Rs.in lakhs)**	3,226.28	573.98
Profit attributable to Equity Shareholders (Numerator used for calculation of diluted and basic EPS (**Rs.in lakhs**	4,697.51	460.41
Number of Equity Shares used as denominator for calculating :		
Basic	2,03,55,181	2,03,55,181
Diluted	3,84,08,347	3,73,85,977
EPS of Rs. 100/- each before extraordinary items		
Basic in Rs.	15.85	2.82
Diluted in Rs.	8.40	1.54
EPS of Rs. 100/- each		
Basic in Rs.	23.08	2.26
Diluted in Rs.	12.23	1.23

Dilutive potential equity shares are calculated as follows:
Share application money pending allotment divided by face value of Rs.100 each.

45. The Holding Company has recognized the TDS credit as per 26AS. While the 26AS shows a tax credit of Rs.2,004.62 lakhs for the Assessment year 2007-08 to 2022-23, the Company's books of account shows the balance of Rs. 706.04 lakhs only. The Company did not account for the balance credit of Rs.1,298.58 lakhs in the books considering the uncertainty attached in getting full tax credit while completing the assessment. The Holding Company is confident that tax credit as per 26AS will be allowed in appeal proceedings. Hence, no provision towards doubtful of recovery is considered necessary as it is fully recoverable.

46. The KECL is having total amount of MAT credit available on account of the tax paid U/s 115JB of the Income Tax Act for the financial years 2013-14 and 2014-15 were Rs.9.33 lakhs and Rs.2.39lakhs respectively. An amount of Rs.1.79 lakhs was utilized in the financial year 2015-16.During the year 2016-17 and 2017-18 MAT credit of Rs.3.51 lakhs and Rs.11.07 lakhs were paid respectively. Total amount of MAT credit available at the end of financial year 2021-22 is Rs.26.44 lakhs

47. One of the main customers of the KECL, M/s BEL Bangalore has charged liquidated damages for delay in supply of goods. The total amount levied as liquidated damages up to 31st March 2021 is Rs.57.82 lakhs. During the financial year 2020-21, KECL has made provision of Rs.21.95 lakhs. An

additional provision of Rs.15.68 lakhs was made in the financial statements of the reporting period.

48. The company has disclosed the outstanding Trade payable to MSME in the Note No 6 and 9.There are Micro, Small and Medium Enterprises to whom the Company owes, which are outstanding for more than 45 days as at 31st March 2022 as per the terms of agreement with them.

With regard to KECL, the total amount due to MSME suppliers as on 31st March 2022 is Rs.190.43 lakhs .KCCL has 5 suppliers falling under MSME category and Rs.26.52 lakhs is payable to these MSME suppliers as on 31st March 2022.

The interest due to such outstanding as per MSMED Act has not been provided in the financial statements.

49. In accordance with AS 22 on Accounting for Taxes on Income and the accounting policy of the holding Company, deferred tax asset (net) amounting to Rs.1,557.50 lakhs has been recognised and taken credit for in the current year based on the management assessment that there is reasonable certainty of realisation of the asset considering the trends and projections relating to future profits likely to arise and consequential tax liability thereon under the IT act. However , Deferred tax asset on unabsorbed depreciation and carry forward of losses have been recognised based on the assessment orders/intimation already passed and accordingly deferred tax asset on business loss and depreciation to the extent of Rs.1,556.95 lakhs disallowed in assessments and pending on appeal before higher authorities are not taken credit for as a matter of prudence.

The details of deferred tax asset (net) recognized as per AS-22 in the Financial Statements of Keltron Electro Ceramics Limited are as given below:

(Rs. in lakhs)

Particulars	As on 31st March 2022	As on 31st March 2021
Deferred tax liability	20.56	27.95
Deferred tax asset	77.77	58.57
Net deferred tax asset/(liability)	57.21	30.62

The subsidiary company, KCCL, is certain that sufficient immediate future taxable income will not be available against which deferred tax asset can be realised. Hence the deferred tax asset was not recognized in their financial statements.

50. Note No.1-III regarding disharmony in the Accounting Policy for valuation of inventory by the subsidiary company KECL, which has been done on first in first out method as against the weighted average method followed by the holding company. However, as disclosed in the Notes effect of non-harmonization of the Accounting Policy in this regard is noted to be not

material considering the value of inventory held in KECL as at 31.03.2022 is only Rs.450.72 lakhs only (Previous year Rs.166.01 lakhs).

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

Meanwhile, the DVC tried to invoke the Bank guarantee of Rs.277.03 lakhs availed by the company from State Bank of India towards the Security deposit for the execution of the project. The company has approached the Hon'ble High Court of Kerala and obtained stay against the invocation of Bank Guarantee from the Hon'ble High Court of Kerala.

Thereafter, the Company has resorted to Arbitration during the financial year 2007-08 and after a prolonged legal proceeding, the Arbitral Award was pronounced on 15th October 2018, allowing claims of DVC as well as KELTRON, squire off the claims and ordered final payment of Rs.330.02 lakhs to DVC.

The Arbitral Award was challenged by the Company in the DistrictCourt, and the appeal challenging the award is dismissed by Commercial Court, Alipore on 29th September 2021.

The matter was placed before the 260th meeting of the Board of Directors held on 06th October 2021 and informed about the status of the case to the Board and the Board had considered all the aspects of the case, has decided not to go for appeal against the Order dated 29th September 2021.Consequently, the Company allowed DVC to invoke the Bank Guarantee of Rs.330.02 lakhs. Accordingly provision was created in the financial year 2018-19 for Rs.330.02lakhs as 'Arbitration Award' and the liability was disclosed under Note 8-"Other Current Liabilities" .

Provision for interest@ 8.77% on award amounting to Rs.15.14 lakhs and Rs.28.94 lakhs was created during the financial year 2018-19 & 2019-20 respectively and the same was included under "Interest & Late Fees" and disclosed under Note No-27 "Other Expenses" in the respective financial years.

DVC invoked the BG amounting to Rs.277.03 lakhs on 22nd April 2022 and the BG amounting to Rs.52.99 lakhs was invoked on 05th August 2022.DVC has not made any claim for interest on award till date. Hence, as a matter of prudence, we have not provided interest for the financial year 2020-21 and 2021-22. We have vide letter KSEDC/LGL/DVC/2021-22/147 dated 22nd November 2021 requested DVC to waive the interest on award.

52. The Government of Kerala vide GO(MS) No.105/17/ID dated 28th October 2017 has revised the scale of pay of the regular employees of the holding

company and subsidiary companies with retrospective effect from 01st April 2012.Accordingly, after series of discussion between the Management and Recognized Trade Unions, a consensus was arrived and signed the Memorandum of Settlement (MoS) on 30th November 2017.

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

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

The pay revision arrears for the period from 1st April 2012 to 31st March 2017, amounting to Rs.1,252.08 lakhs was made in the books of accounts. The disbursement of wage revision arrear commenced from October 2018 and wage revision arrears outstanding in the books as on 31st March 2022 is Rs.219.71 lakhs

The pay revision arrears for the period 01st April 2012 to 31st October 2017, with respect to KCCL amounting to Rs.522.76 lakhs and KECL amounting to Rs.92.87 lakhs, has been provided as expense during the financial year 2017-18 and disclosed under Note -24 – Employee benefit expenses and liability thereupon under Note 9 – Other Current liabilities in the Consolidated Financial Statements.

The total wage revision arrears outstanding in the books of KECL & KCCL as on 31st March 2022 is Rs.14.66 lakhs and Rs.357.60 lakhs respectively.

53. The Keltron Marketing Office – Delhi has been occupying the office space in Travancore Palace, New Delhi since 14th November 1997. But the lease agreement was not executed and rent was pending until 31st March 2016. However, as a prudence the holding Company has created provision for rent payable on an year on year basis aggregating to Rs. 544.15 lakhs as on 31st March 2015. As per the request of the Company, Government of Kerala vide G.O.(Rt) No.1832/2017/GAD dated 21st March 2017 has fixed the rent at the rate of Rs. 35 per sq.feet for an area of 1714 sq.feet which amounts to Rs.125.10 lakhs up to 31st March 2015 and the excess provision of Rs.419.05 lakhs has been written back during the FY 2015-16 as exceptional item and rent up to 31st March 2016 has been paid during the financial year 2017-18.

As per GONo-1613/RC1/2015 dated 28th January 2016 the company was ordered to shift its office space to staff quarters behind Travancore Palace, New Delhi belonging to Government of Kerala .No rent has been fixed for

this premises. As it is very difficult to ascertain the rent payable for the staff quarters, the company has not made any provision in the books of accounts for the rent payable from the financial year 2016-17 to 2021-22.The company has requested Government of Kerala to fix the rent for the premises.

54. The holding Company has conducted in the earlier years an evaluation of balances reflected under Trade Receivable, Trade Payable, Sundry debits and Sundry credits in the books for a period up to 31st March 2005. The assignment was entrusted to M/s.KrishnaRetna& Associates, Chartered Accountants and based on their report the necessary entries for write off/write back has been passed in the books of accounts with the approval of Board of Directors. Recently, with the objective of ensuring true and fair picture for the figures reflected in the Financial Statements, the same firm of Chartered Accountants was engaged for evaluating the realizability of Trade Receivable/Sundry debits and position of Trade payable/sundry credits covering the period 2005 to 2015 covering all the major unit of KELTRON. The first phase of the assignment covering the major units namely KEC, KCC and KCA was completed and based on their report provision was created in the books with the approval of the Board.

During the reporting period, the firm has completed the assignment and submitted the report with respect to following units;

- Information Technology & Business Group
- Keltron Lighting Division ,Mudadi

Based on the recommendation of M/s Krishna Retna& Associates following provisions/write back has been effected in the financial statements

Rs.in lakhs

Sl No	Particulars	Information Technology Business Group(ITBG)	Keltron Lighting Division, Mudadi(KLD)	Total
1	Provision for bad & doubtful debts	430.77	0.98	**431.75**
2	Provision for doubtful advances	18.17	0.52	**18.69**
3	Write Back	197.49	11.06	**208.55**
	Net Effect in the financial Statements(1)+(2)-(3)	**251.45**	**(9.56)**	**241.89**

It may please be noted that the entries for aforementioned write off/write back of assets /liabilities with regard to Keltron Lighting Division, Mudadi (KLD)was made in the books of Corporate Office during the financial year 2021-22.i.e.in the audit worthy financial statements for the financial year 2021-22.

In addition to the above, on the basis of recommendation of Branch Auditors we have created provision for bad & doubtful debts and have written off/written back long pending sundry debits/sundry credits in the Financial Statement under Note No-30-Exceptional Items.

The summary of the provision for bad debts /doubtful advances /write off and write back disclosed under Note 30-Exceptional Items in the financial statements of the holding company is as detailed below:

Rs.in lakhs

Name of Unit	Provision for Bad Debts	Provision for Doubtful advances	Write off	Write back
Corporate Office				5.88
Keltron Equipment Complex*	243.35			
Keltron Communication Complex*	355.04			
Keltron Controls ,Aroor*	51.42			
Keltron Lighting Division ,Mudadi*	0.98	0.52		11.06
Information Technology & Business Group	430.77	18.17	0.34	198.06
Keltron Marketing Office,Bangalore	11.91			
Keltron Marketing Office,Ahmedabad	7.73			
Keltron Marketing Office,Delhi	75.14			
Keltron Marketing Office,Kolkata				0.18
Keltron Marketing Office,Mumbai				0.04
Keltron Marketing Office ,Hyderabad			0.05	0.03
Total	**1,176.34**	**18.69**	**0.39**	**215.25**

*It may be noted that the aforesaid provisions for bad & doubtful debts/advances/write back of liabilities etc with respect to Keltron Equipment Complex, Keltron Communication Complex, Keltron Controls, Aroor and Keltron Lighting Division, Mudadi have been made in the financial statements of Corporate Office for the financial year 2021-22

In addition to the above KCCL has written off an amount of Rs.1.15 lakhs as Bad & doubtful debts

55. Balances of Government Loan under Long Term Borrowings(Note 5) and Short Term Borrowings(Note-8),Trade Payable(Note-9),Other Current Liabilities(Note -10),Long term loans and advances(Note-14),Trade Receivable under Other Non Current Assets(Note 15),Trade Receivable (Note-17) under Current Assets, Short term loans and advances (Note-19) and Other Current Assets(Note-20) are subject to confirmation/ reconciliation

56. With regard to the holding company, the quarterly reconciliation of stock statement of Keltron Equipment Complex, Karakulam given to Punjab National bank is below:

Rs.in lakhs

Quarter ended	Nature of Current Asset	Amount as per financial Statement	Amount as per Stock Statement	Difference*
30-06-2021	Stock	3,729.52	3,724.32	5.20
	Debtors	6,549.54	6,536.21	13.33
30-09-2021	Stock	3,771.36	3,766.09	5.27
	Debtors	6,200.42	6,193.90	6.52
31-12-2021	Stock	3,061.57	3,052.30	9.27
	Debtors	7,196.28	7,182.47	13.81
31-03-2022	Stock	3,249.94	3,244.03	5.91
	Debtors	7,959.07	7,239.10	719.97

*Reason for Difference

Raw materials and components received from the suppliers are mostly subject to inspection prior to acceptance at stores for production process. The difference in stock was generally due to the subsequent regularization of Goods Received cum Inspection Report in the books of accounts

The difference in value of Trade Receivable was generally due to the subsequent identification of collection from customers and tax adjustments. Moreover in the last quarter a system error occurred in the trade receivable report generated from ERP and hence some invoices raised in the last month was not considered in the stock statement submitted to the bank.

57. The reconciliation of stock statement filed by the subsidiary company, KECL with Canara Bank,Valancherry is as below:

Rs.in lakhs

Quarter ended	Nature of Current Asset	Amount as per financial Statement	Amount as per Stock Statement	Difference*
30-06-2021	Stock	260.61	260.61	-
	Debtors	1,245.15	1,245.15	-
30-09-2021	Stock	263.46	263.46	-
	Debtors	1,229.83	1,229.83	-
31-12-2021	Stock	291.47	291.47	-
	Debtors	1,114.28	1,114.28	-
31-03-2022	Stock	450.72	450.72	-
	Debtors	1,013.67	1,011.02	2.65*

*Rectification during finalization.

58. With respect to the holding company, the actuarial valuation of liability in respect of gratuity and leave encashment is done at corporate office level and the same is provided in the books of accounts of units/ KMO's on the basis of instructions issued by corporate office in this regard.

59. Accrued Liability of KECL includes Rs. 2.03 lakhs(previous year Rs. 2.03 lakhs) being the ESI due as on 31/03/1998.No remittance could be made to ESIC during the reporting period owing to the Stay Order issued by Honourable High Court of Kerala in the matter of extending the provisions under the amended ESI Act.

60. In case of subsidiary company, KECL ,management noticed shortage of copper scrap valued at Rs. 7.12 lakhs on 09.02.2007 and the same has not been given effect to in the accounts, as the Police investigation is still in progress and the income from scrap is recognized at the moment of sale only.No further loss is expected by KECL on this account.

61. With regard to KECL, varistors were imported at Nil rate of customs duty and Customs Authorities issued a show cause notice ,demanding differential duty of Rs.11.03 lakhs against which an appeal was filed before the appellate Tribunal, Chennai by pre-depositing an amount of Rs.3.50lakhs.Matter is now pending before the Division Bench of CESTAT. The duty demanded is disclosed as Contingent Liability.

62. In case of KECL ,matching income of Rs. 0.78 lakhs is considered equivalent to depreciation on assets purchased and capitalized out of government grant for setting up of Transducer Project for financial year 2021-22 as per AS-12.

63. Plant and Machinery of KECL includes 156 moulds cost of which amounts to Rs.119.80 lakhs. The WDV of the moulds held with third parties amounts to Rs.58.95 lakhs as on 31.03.2022.

64. With regard to KECL, the management has considered the effect of Covid-19 pandemic on the financial and business position of the company .After a considered evaluation, the management has reached the conclusion that the pandemic has not affected the financial position of the company for the period under review. The effect of the same in the period subsequent to the balance sheet is being continuously evaluated by the management in the light of the recovery in the economic activity in general as wells as improvement in the business of the company.

65. In respect of derivative contracts of KCCL, the premium paid, gain/losses on settlement are recognized in the Statement of Profit and Loss.

66. With regard to the holding company, the Board in its 259th meeting held on 22nd July 2021 approved the permanent closure of Keltron Marketing Office, Hyderabad. Further to the closure of Keltron Marketing Office, Hyderabad all future orders from Andhra Pradesh & Telangana states will be handled through Keltron Marketing Office, Bangalore. The branch audit of accounts of Keltron Marketing Office, Hyderabad is completed up to 31st

March 2022 and all assets /liabilities were transferred to Keltron Marketing Office, Bangalore from 1st April 2022.

67. There are no proceedings initiated or pending against the holding/subsidiary companies for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

68. The Holding/Subsidiary company has not been declared as a willful defaulter by any bank or financial Institution or other lender.

69. The Holding/Subsidiary company has not received any fund from any persons or entities including foreign entities with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of funding party (ultimate beneficiaries) or provide any guarantee, security or like on behalf of the ultimate beneficiaries.

70. No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.

71. There are no Scheme of Arrangements approved in terms of sections 230 to 237 of the Companies Act, 2013.

72. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

73. The Holding/Subsidiary Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

74. The Holding company has the following transactions with companies struck off under Section 248 of Companies Act 2013 or Section 560 of the Companies Act,1956 based on the information with the company

Name of the Struck Off company	Nature of Transaction	Amount (Rs. in lakhs)	Relationship with Struck off company
Keltron Projectors Limited	Investment in Securities	1.96	Associate Company
Keltron Varisters Private Limited	Investment in Securities	0.45	Associate Company

During the reporting period, these have been written off in the financial statements against the provision for diminution in the value of investments

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

On behalf of Board of Directors
CIN: 74999KL1972SGC002450

As per our report attached

	Sd/-	Sd/-
For Isaac & Suresh,	**N.Narayana Moorthy**	**Anoop.S**
Chartered Accountants,	Chairman and Managing Director	Director
Firm Registration No. 001150S	DIN : 05251681	DIN: 03399884

Sd/-	Sd/-	Sd/-
CA.Sobha Sethumadhavan	**B.Bilu**	**CA Sreejan.A.S**
Partner,	Company Secretary	GM(Finance)(i/c)
Membership No. 225166		

UDIN:24225166BKAINK7271
11th January 2024

Thiruvananthapuram
25th November 2023

सत्यमेव जयते

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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of consolidated financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2022** in accordance with the financial reporting framework prescribed under the Companies Act, 2013, (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **11 January 2024.**

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the consolidated financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2022** under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **Kerala State Electronics Development Corporation Limited, Thiruvananthapuram** and **Keltron Component Complex Limited, Kannur** but did not conduct supplementary audit of the financial statements of **Keltron Electro Ceramics Limited, Kuttipuram** and **Coconics Private Limited** for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to Coconics Private Limited being private entity for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted supplementary audit of this Company. This supplementary audit has been

carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records.

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

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

Thiruvananthapuram
Dated:25-03-2024

S. SUNIL RAJ
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II),
KERALA

REGISTERED OFFICE

Keltron House, Vellayambalam, Trivandrum

SUBSIDIARY COMPANIES

Keltron Component Complex Limited, (KCCL)
Kannur

Keltron Electro Ceramics Limited, (KECL)
Malappuram

UNITS / DIVISIONS

IT Business Group (ITBG), Vellayambalam, Trivandrum

Keltron Controls, Aroor, Alleppey

Keltron Communication Complex (KCC)
Monvila, Trivandrum

UNITS / DIVISIONS

Keltron Equipment Complex (KEC), Karakulam, Trivandrum

Keltron Tool Room cum Training Centre,
Kuttippuram Malappuram

Keltron Lighting Division
Moodadi Calicut

OUR BUSINESS DOMAIN

Defence Electronics

- Processor Based Ground Mine
- Echosounder, EM Actuators
- EM Log & Re Transmission Unit
- Under Water Communication System
- Own Noise Analyser , Sonar Simulator
- Steering Gear Control System
- Distress Sonar system
- Data Distribution Unit (DDU)
- Expendable Bathy thermograph (**XBT**)
- Towed Array Systems

Power Electronics

- UPS Systems Commercial and industrial grade
- Rectiformers upto 10000A
- Battery Chargers upto 3000A
- Variable Freq.Drives upto 500KVA
- Active Harmonic Filters, Distribution Boards
- Power Conditioning Unit
- Frequency Converter upto 1000KVA
- Solar Power Plants

Space Electronics

- Harnessing of electrical distribution systems used in Launch vehicles and satellites
- Fabrication, Testing & Evaluation of Electronic Packages, Transducer Assembly & Testing

Security and Surveillance Systems

- Integrated Electronic Security System
- Biometric and Smart Card based Access Control System
- RFID Library Automation, Vehicle Identification System
- GPS Clocks, Tracking Devices etc
- Analog and Mobile Radio Communication System
- Emergency Operational Response Systems

Traffic & Enforcement Systems

- Intelligent Traffic Management System
- Computerized Vehicle Testing Station
- Computerized Driving Testing Track
- Integrated Vehicle Accident Reduction Program
- City Surveillance & Traffic Monitoring System
- Geographic Information System (GIS) Projects

Information Technology

- IT Products and Infrastructure Services
- Networking Solutions
- Video Conferencing Solutions
- E-Governance & Process Automation Solutions
- ERP Solutions
- Consultancy Services, Hosting Services
- Email Solutions, Mobile Applications
- Website Design & Development, Digitization
- Skill Development programs in accordance with the industrial requirements
- Certified Courses, Diploma Courses, Advanced Diploma Courses and Post Graduate Diploma Courses

Other verticals

- Pneumatic actuators & accessories/spares
- Process Control & Instrumentation
- LED lighting products
- ID Card projects
- **Smart City Projects**
- **Digital Hearing Aid**
- Products for physically challenged
- PCB Job works, Machine works

KELTRON®

Kerala State Electronics Development Corporation Ltd.

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