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**KELTRON**<sup>®</sup>

A Government of Kerala Undertaking

**KELTRON COMPONENT COMPLEX LTD.**

**4<sup>th</sup>**  
**ANNUAL**  
**REPORT**  
**2019-2020**



LEADING  
MANUFACTURER OF  
"PASSIVE ELECTRONICS  
COMPONENTS"



[www.keltroncomp.org](http://www.keltroncomp.org)

KELTRON COMPONENT  
COMPLEX LIMITED

**46<sup>th</sup> ANNUAL REPORT & ACCOUNTS**  
**(2019-2020)**



# KELTRON COMPONENT COMPLEX LIMITED

Regd. Office: Keltron Nagar, Kalliassery P.O., Kannur- 670562

CIN: U31904KL1974SGC002630

Email: info@keltroncomp.org Website : www.keltroncomp.org

## 46<sup>th</sup> ANNUAL REPORT (2019-2020)

### **Board of Directors (01.04.2019 to 31.03.2020)**

- |                                 |                            |
|---------------------------------|----------------------------|
| 1. Sri. N Narayana Moorthy      | Chairman (from 14.10.2019) |
| 2. Smt. T.R. Hemalatha          | Director                   |
| 3. Sri. K.G Krishna Kumar       | Managing Director          |
| 4. Princess Gouri Parvathi Bayi | Director                   |
| 5. Sri. W.J Suthan              | Director                   |
| 6. Smt. Jayasree V.K            | Director                   |
| 7. Dr. K. Ajithkumar            | Director (from 14.10.2019) |
| 8. Sri. O.V Narayanan           | Director                   |

### **Present Board of Directors**

- |                                 |                   |
|---------------------------------|-------------------|
| 1. Sri. N Narayana Moorthy      | Chairman          |
| 2. Sri. K.G Krishna Kumar       | Managing Director |
| 3. Sri. W.J Suthan              | Director          |
| 4. Smt. Latha S                 | Director          |
| 5. Princess Gouri Parvathi Bayi | Director          |
| 6. Dr. K. Ajithkumar            | Director          |
| 7. Sri. O.V Narayanan           | Director          |

### **Company Secretary**

Smt. Thahira PP (from 14.02.2020)

### **Chief Financial Officer**

GM (Finance) re-designated  
Sri. Jose Joseph

### **Statutory Auditor**

M/s. SVM Associates,  
Chartered Accountants,  
Calicut

### **Internal Auditors**

M/s P.K. Raju & Co.  
Chartered Accountants,  
Kozhikode

### **Bankers**

State bank of india, Kannur  
CSB Bank Ltd, Kannur



# KELTRON COMPONENT COMPLEX LIMITED

Regd. Office: Keltron Nagar, Kalliassery P.O., Kannur- 670562

CIN: U31904KL1974SGC002630

Email ID: info@keltroncomp.org, Website: www.keltroncomp.org

## **NOTICE**

**NOTICE** is hereby given that the **46<sup>th</sup> Adjoined Annual General Meeting** of the Shareholders of the Company will be held at the Registered Office of the Company at Keltron Nagar, Kalliassery P.O., Kannur-670 562 **on Friday, the 27<sup>th</sup> August 2021 at 3.00 P.M.** The facility of Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') is available to the members to attend the Meeting.

To transact the following business:

### **ORDINARY BUSINESS :**

To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March 2020 together with the Reports of the Directors and Auditors thereon and the comments of the Comptroller and Auditor General of India.

By Order of the Board,

Place : Kannur  
Date : 23.07.2021

Sd/-  
K.G. Krishnakumar  
Managing Director  
DIN: 07649134

### **Note:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members. Considering the current situation and to encourage the participation by members following the social distancing norms, and in compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the company is being held along with the facility through VC / OAVM.
2. A member of the company who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the companies Registered Office, duly completed and signed, not later than 48 hours before the commencement of meeting. In terms of MCA circulars, the facility for appointment of proxies by the members through VC/OAVM will not be available. However, corporate/institutional members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM on their behalf.
3. The 46<sup>th</sup> Annual General Meeting of the Company for the Financial Year 2019-2020 was convened on 31<sup>st</sup> December 2020. This meeting was adjourned to a future date to consider the Annual Accounts of the Company as audited and reported by the Auditors and the Directors Report to the Shareholders together with the comments thereto from the C&AG of India.

4. The Annual Accounts for the year 2019-20, the 'Non Review Certificate' of the C&AG of India, and the explanations of the Management to the qualifications of the Statutory Auditors are enclosed herewith as Annexures to the Directors' Report.
5. The facility for members to join the AAGM through VC/OAVM shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time by following the procedure mentioned in the Notice.
6. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address. Members who have not yet registered their email addresses are requested to register the same with the Company email id at [cs@keltroncomp.org](mailto:cs@keltroncomp.org) expeditiously.
7. Members are requested to send their queries, if any, in writing at least 5 days in advance of the date of the meeting to the company at its registered office.
8. The Members are requested to intimate the Company at its Registered Office of any change in their address and also inform e-mail ids. Pursuant to section 91 of the Companies Act, 2013. The Register of Members and Share Transfer Books of the company will remain closed from Friday 20<sup>th</sup> August to Friday 27<sup>th</sup> August (both days inclusive).
9. Members attending the AGM through VC/OAVM shall counted for the purpose of reckoning the quorum under section 103 of the Companies Act.
10. Members, proxies and authorized representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their Folio No.

**Instructions for Members attending the AGM through VC/OAVM are as under :**

- a. The Company shall provide the facility to attend the meeting through VC/OAVM, link for participating the meeting will be provided at least 5 days in advance. Members may click on the URL received in their registered mail ID and follow the instructions to join the meeting.
- b. Any Technical assistance in regard to the meeting shall be available from Mr. Harikrishnan Mob: +91 9895352293, [hodit@keltroncomp.org](mailto:hodit@keltroncomp.org)  
Mrs. Thahira P.P., Mob: +91 9847285871, [cs@keltroncomp.org](mailto:cs@keltroncomp.org)
- c. The attendance of the Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- d. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- e. Further members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- f. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/ video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.
- g. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, folio number, email id, mobile number at [cs@keltroncomp.org](mailto:cs@keltroncomp.org).
- h. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## **1. E-VOTING**

### **Information and other instructions relating to e-voting are as under:**

- a) Pursuant to the provisions of section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, and other applicable provisions, if any, of the Companies Act, 2013, the Company is providing to its Members the facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting).
- b) The facility for voting through ballot paper voting system shall also be made available at the venue of the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through ballot paper voting system.
- c) The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again at the AGM.
- d) The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) as the Agency to provide remote e-voting facility.
- e) The Board of Directors of the Company has appointed Mr. Sandeep S, Practising Company Secretary as Scrutinizer to scrutinize the remote e-voting and voting at the meeting through ballot paper in a fair and transparent manner and has communicated his willingness to be appointed and will be available for the purpose.
- f) A person, whose name is recorded in the Register of Members as on the cut-off date i.e. 21<sup>st</sup> August 2021 can follow the process for generating the Login ID and password as provided in the Notice of the AGM. They only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- g) The remote e-voting facility will be available during the following period:  
  
Commencement of remote e-voting: from 9.00 A.M. on 24<sup>th</sup> August 2021.  
End of remote e-voting: Up to 5.00 PM on 26<sup>th</sup> August 2021.
- h) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by M/s NSDL upon expiry of the above period.
- i) Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast the vote again.
- j) The Scrutinizer after scrutinizing the votes cast at the meeting (ballot paper) and through remote e-voting, will, not later than three days of the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or a person authorized by him in writing. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company, [www.keltroncomp.org](http://www.keltroncomp.org) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

### **The process and manner for remote e-voting are as under:**

- (i) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com> .
- (ii) Click on Shareholder - Login
- (iii) Put given user ID and password as initial password/PIN. Click Login.

- (iv) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vi) Select “EVEN” of Keltron Component Complex Ltd.
- (vii) Now you are ready for remote e-voting as Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (ix) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cssandeeps@gmail.com](mailto:cssandeeps@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- (xii) In case a Member receives physical copy of the Notice of AGM, [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

(a) **Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:**

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
--------------------------------------------	----------------	---------------------

- (b) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- k) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- l) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- m) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21<sup>st</sup> August 2021 .
- n) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 21<sup>st</sup> August 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800 1020 990 / 1800 224 430

- o) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 / 1800 224 430.

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# KELTRON COMPONENT COMPLEX LIMITED

Registered Office: Keltron Nagar, Kalliasseri P.O., Kannur-670 562

CIN: U31904KL1974SGC002630

Email ID: info@keltroncomp.org Website: www.keltroncomp.org

## **NOTICE**

**NOTICE** is hereby given that the 46<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Keltron Nagar, Kalliasseri P.O., Kannur- 670 562 on **Thursday, the 31<sup>st</sup> December 2020 at 3.00 P.M.** The facility of Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') is available to the members to attend the Meeting.

To transact the following business:

### **ORDINARY BUSINESS**

1. To appoint a Director in the place of Smt.Tripunithura Ramasubramaniam Hemalatha (DIN: 07655128), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
2. To appoint a Director in the place of Sri. Krishnakumar Krishnavilas Gopinathan Nair (DIN: 07649134), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors of the Company to be appointed by the Comptroller & Auditor General of India pursuant to Section 139(5) of the Companies Act, 2013 for the Financial Year 2020-21.

### **SPECIAL BUSINESS**

4. Regularisation of Appointment of Sri. N Narayana Moorthy, (DIN: 05251681) as Director of the Company

To consider, and if thought fit, to pass with or without modification, the following as an **Ordinary Resolution:**

“RESOLVED THAT Sri. N. Narayana Moorthy, (DIN: 05251681) who has been appointed as Director of the Company pursuant to KSEDC letter No.KSEDC/CS/21/19/34 dated 28/09/2019 and in accordance with Government Letter No.D3/146/2019/IND dated 10.08.2019 and also as per the provisions in the Article of Association of Keltron Component Complex Ltd. be and is hereby ratified”.

5. Regularisation of Appointment of Dr.K.Ajith kumar (DIN:08583771), as a Director of the Company

To consider, and if thought fit, to pass with or without modification, the following as an **Ordinary Resolution:**

“RESOLVED THAT Dr.K.Ajith kumar (DIN:08583771) who has been appointed as Professional Director of the Company pursuant to Govt. of Kerala Order vide G.O(Rt) No. 839/2019/ID dated 29/08/2019 and also as per the provisions in the Articles of Association of Keltron Component Complex Ltd. be and is hereby ratified”.

6. Increase in Borrowing Power

To consider, and if thought fit, to pass with or without modification, the following as a **Special Resolution:**

“RESOLVED THAT subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier

resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or anybody corporate/ entity/entities and/or authority/authorities and/ or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹100 Crores (Rupees One Hundred Crore Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

7. Adjournment of 46<sup>th</sup> Annual General Meeting

To consider, and if thought fit, to pass with or without modification the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT this meeting stand adjourned to a future date as may be decided by the Board of Directors to consider the Annual Accounts of the Company for the year 2019-20 as audited and reported by the Auditors together with the Directors' Report to the Shareholders”.

Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 relating to Item No.4 to 7 is attached herewith.

By Order of the Board

Sd/-

**K.G.Krishnakumar**  
Managing Director  
DIN: 07649134

Place: Kannur  
Date : 30 November 2020

**Note:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members. Considering the current situation and to encourage the participation by members following the social distancing norms, and in compliance with the provisions of the Companies Act, 2013 (“Act”)and MCA Circulars, the AGM of the company is being held along with the facility through VC / OAVM.
2. A member of the company who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the companies Registered Office, duly completed and signed, not later than 48 hours before the commencement of meeting. In terms of the MCA circulars, the facility for appointment of proxies by the members through

VC/OAVM will not be available. However, Corporate/Institutional Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM on their behalf.

3. The facility for members to join the AGM through VC/OAVM shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time by following the procedure mentioned in the Notice.
4. In terms of Sections 101 and 136 of the Act, read together with the Rules made thereunder, those who have registered their mail id company may send the notice of Annual General Meeting by electronic mode. The Physical copies of the Notice of the 46<sup>th</sup> AGM have been sent to all the members at their registered address.
5. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address. Members who have not yet registered their email addresses are requested to register the same with the Company email id at [cs@keltroncomp.org](mailto:cs@keltroncomp.org) expeditiously.
6. Relevant documents referred to in this Notice and the following statutory registers will be available for inspection in at the registered office of the company at any day during business hours except on holidays up to and including the date of Annual General Meeting.
7. Members are requested to send their queries, if any, in writing at least 5 days in advance of the date of the meeting to the company at its registered office.
8. The Members are requested to intimate the Company at its Registered Office of any change in their address and also inform e-mail ids. Pursuant to section 91 of the Companies Act, 2013. The Register of Members and Share Transfer Books of the company will remain closed from Thursday 24<sup>th</sup> December to Thursday 31<sup>st</sup> December (both days inclusive).
9. As per the provisions under the MCA Circulars, Members attending the 46th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. Members, proxies and authorized representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their Folio No.

**Instructions for Members attending the AGM through VC/OAVM are as under:**

- a. The company shall provide the facility to attend the meeting through VC/OAVM, link for participating the meeting will be provided at least 7 days in advance. Members may click on URL received in their registered mail ID and follow the instructions to join the meeting.
- b. Any Technical assistance in regard to the meeting shall be available from Mr. Harikrishnan G, Mob: +91 9895352293, [hodit@keltroncomp.org](mailto:hodit@keltroncomp.org).
- c. The attendance of the Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- d. Members are encouraged to join the Meeting through Laptops / Tablets for better experience.
- e. Further members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- f. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/ video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.
- g. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request at least 7 days in advance mentioning their name, folio number, email id, mobile number at [cs@keltroncomp.org](mailto:cs@keltroncomp.org).
- h. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

i. Web-link for assessing the notice of the Annual General Meeting as per Rule 18 of Companies (Management and Administration) Rules 2014 and Secretarial Standard - 2 is as follows: [www.keltroncomp.org](http://www.keltroncomp.org)

11. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the item nos. 4 to 7 is annexed and forms a part of this Notice.

## 1. E- VOTING

*Information and other instructions relating to e-voting are as under:*

- a) *In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be passed at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are given below:*
  - b) *The facility for voting through ballot paper voting system shall also be made available at the venue of the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through ballot paper voting system.*
  - c) *The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again at the AGM.*
  - d) *The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) as the Agency to provide remote e-voting facility.*
  - e) *The Board of Directors of the Company has appointed Mr. Sandeep S, Practicing Company Secretary as Scrutinizer to scrutinize the remote e-voting and voting at the meeting through ballot paper in a fair and transparent manner and has communicated his willingness to be appointed and will be available for the purpose.*
  - f) *A person, whose name is recorded in the Register of Members as on the cut-off date i.e. 25<sup>th</sup> December 2020 can follow the process for generating the Login ID and Password as provided in the Notice of the AGM. They only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.*
  - g) *The remote e-voting facility will be available during the following period:  
Commencement of remote e-voting: from 9.00 A.M. on 28<sup>th</sup> December, 2020.  
End of remote e-voting: Up to 5.00 PM on 30<sup>th</sup> December, 2020.*
  - h) *The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by M/s NSDL upon expiry of the above period.*
  - i) *Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast the vote again.*
  - j) *The Scrutinizer after scrutinizing the votes cast at the meeting (ballot paper) and through remote e-voting, will, not later than three days of the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or a person authorized by him in writing. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company, [www.keltroncomp.org](http://www.keltroncomp.org) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.*
- A. *The process and manner for remote e-voting are as under:*
- (i) *Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>*

- (ii) Click on Shareholder - Login
- (iii) Put given user ID and password as initial password/PIN. Click Login.
- (iv) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vi) Select "EVEN" of Keltron Component Complex Ltd.
- (vii) Now you are ready for remote e-voting as Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cssandeeps@gmail.com](mailto:cssandeeps@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case a Member receives physical copy of the Notice of AGM, [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
- (a) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM:
- | <u>EVEN (Remote e-voting Event Number)</u> | <u>USER ID</u> | <u>PASSWORD/PIN</u> |
|--------------------------------------------|----------------|---------------------|
|--------------------------------------------|----------------|---------------------|
- (b) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.
- k) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- l) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- m) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 25<sup>th</sup> December 2020.
- n) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. of 25<sup>th</sup> December 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Note

- i) However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- ii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

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**ADDITIONAL INFORMATION OF DIRECTORS RECOMMENDED FOR RE-APPOINTMENT  
AS REQUIRED AS PER SECRETARIAL STANDARD ON GENERAL MEETING (SS-2)**

Particulars	K.G.KRISHNA KUMAR	T.R. HEMALATHA
DIN	07649134	07655128
Age	56	58
Qualifications	M-TECH	M-TECH
Experience	35 years	36 years
Remuneration or remuneration last drawn (per month)	Rs. 88,217	Rs. 1.2 Lakh
Date of first appointment on Board	07/10/2016	17/11/2016
Shareholding in the Company	NIL	NIL
Relationship with other Directors, Manager, and other Key Managerial Persons of the Company	NIL	NIL
Other Directorships	NIL	1. Kerala State Electronics Development Corporation Limited 2. Keltron Electro Ceramics Ltd. 3. Coconics Private Ltd.

**ADDITIONAL INFORMATION OF DIRECTORS RECOMMENDED FOR APPOINTMENT  
REQUIRED AS PER SECRETARIAL STANDARD ON GENERAL MEETING (SS-2)**

Particulars	Shri. N.Narayana Moorthy	Dr. K. Ajith kumar
DIN	05251681	08583771
Age	69	56
Qualifications	BE	M-TECH, PhD
Experience	40 Years experience in VSSE/ISRO	33 Years
Remuneration or remuneration last drawn (per month)	Rs. 1.8 Lakh	Rs. 3,09,076
Date of first appointment on Board	14.10.2019	14.10.2019
Shareholding in the Company	NIL	NIL
Relationship with other Directors, Manager, and other Key Managerial Persons of the Company	NIL	NIL
Other Directorships	1. Kerala State Electronics Development Corporation Limited  2. Keltron Electro Ceramics Ltd.	Kerala State Electronics Development Corporation Limited

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statements pursuant to Section 102(1) of the Companies Act 2013.**

#### **Item No: 4.**

As per KSEDC letter No. KSEDC/CS/21/19/34 dated 28/09/2019 and in accordance with Government Letter No. D3/146/2019/IND dated 10.08.2019 Sri. N. Narayana Moorthy, (DIN:05251681) was appointed as Director on the Board of Keltron Component Complex Ltd and also as per the provisions in the Article of Association of Keltron Component Complex Ltd.

Sri. N Narayana Moorthy, will be deemed to be interested in the resolution as the proposal relates to his appointment. None of the other Directors of the Company are interested in the proposed Resolution.

#### **Item No: 5.**

Govt. of Kerala Order vide G.O(Rt) No. 839/2019/ID dated 29/08/2019, Dr.K.Ajith kumar (DIN:08583771) was appointed as Professional Director on the Board of Keltron Component Complex Ltd and also as per the provisions in the Article of Association of Keltron Component Complex Ltd.

Dr.K.Ajithkumar, will be deemed to be interested in the resolution as the proposal relates to his appointment. None of the other Directors of the Company are interested in the proposed Resolution.

#### **Item No: 6.**

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

The shareholders of the Company had by an ordinary resolution passed in Annual General Meeting held on 30th September 2015 authorized the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding ₹50 crores, for the business of the company. However, keeping in view of enhanced requirement of loan and also the legal requirement that Section 180(1) of the Companies Act, 2013 provides that the Board of Directors of a company shall exercise the said power only with the consent of the Company by a special resolution. Hence, the Special Resolution at Item No. 6 for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding ₹100 crores is intended for this purpose.

The Directors recommends the resolution for members' approval as a Special Resolution.

#### **Item No.7**

The Shareholders of a Government Company as defined in Section 2(45) of the Companies Act 2013 can consider and adopt the Annual Accounts only upon receipt of comments and supplementary audit report by the Comptroller and Auditor General of India. In order to comply with the time line for conducting the AGM u/s 96 of the Companies Act, 2013 it is therefore proposed to adjourn the meeting to a future date for consideration of the Annual Accounts of the Company for 2019-20. Hence the resolution.

No Director is directly interested in the above Resolution.

By Order of the Board

Sd/-

**K.G.Krishnakumar**  
Managing Director  
DIN: 07649134

Place: Kannur

Date : 30 November 2020

## **DIRECTORS' REPORT (2019-20)**

To the Members of Keltron Component Complex Limited.

Your Directors have pleasure in submitting the 46<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2020.

### **1. FINANCIAL RESULTS**

The Company's financial performance for the year under review along with previous years' figures are given hereunder:

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

### **2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

Your Directors wish to present the details of Business operations done during the year under review:

a. Production and Profitability

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

b. Sales

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

c. Achievements

After the amalgamation of 4 Keltron companies in the year 2009-10 (ie; merging the three sister concerns of Keltron, Viz. Keltron Crystals Ltd, Keltron Resistors Ltd and Keltron Magnetics Ltd in to KCCL) and forming the current KCCL, the company made profit for the first time in 2017-18, with a net profit of ₹ 52 Lakhs. This performance improvement continued in 2018-19 by increasing the net profit to ₹1.91 Crores and in 2019-20 by increasing the net profit to ₹ 2.79 Crores. The company made this

achievement overcoming very adverse situations 2019-20, by overcoming the challenges imposed by COVID-19, natural calamities, heavy interest load of old loans, overhead of the salary revision arrears, and retirement of a large number of experienced employees without replacement, operational deficiencies of the very old machineries etc.

Other notable achievements during the financial year 2019-20 are listed below:

- (1) Government of Kerala sanctioned a financial assistance of ₹1000 Lakhs to KCCL as Investment Loan for 2019-20. Out of this we have received ₹200 Lakhs which is totally utilized for purchase of machineries for the production of MPP Capacitors.
- (2) Another major achievement during 2019-20, was the release of ₹200 Lakhs as Grant-in-Aid (Non Plan Fund) by Govt. of Kerala for the “KPP Nambiar Smarakam [KPP Nambiar Memorial Electronics Research & Development Centre]”. Honourable Chief Minister Sri. Pinarayi Vijayan inaugurated various projects on 23.02.2021 at 10.30 am in a ceremonial function organized at Keltron- Kannur.

The projects inaugurated are listed below.

- (i) Inauguration of KPP Nambiar Electronics Research & Development Centre.
- (ii) Foundation stone laying for ₹18 Crore Supercapacitor Production Facility
- (iii) Inauguration of ₹2 Crores MPP Capacitor Production Plant.
- (iv) Inauguration of various renovation projects completed in 2020-21

Total value of the above projects are ₹ 23.77 Crores. The function was presided over by Sri. E.P Jayarajan, Honourable Minister for Industries, Sports & Youth affairs, Kerala. Sri. Ramachandran Kadannappally, Honourable Minister for Ports, Museums, Archaeology and Archives delivered the main speech. The function was attended by Sri.TV Rajesh MLA, Kalliassery, Sri. A P M Muhammed Hanish, Principal secretary to Govt, Sri. MC Dathan, Scientific adviser to CM, Sri. S Somanath, Director VSSC, Sri. N. Narayana Moorthy, Chairman, Keltron.

- (3) Government has also issued an order to form a trust called the “KPP Nambiar Foundation”. The Trust is being formed with Hon. Minister for Industries as Chairman, Managing Director of KCCL as Secretary, Panchayat President (Kalliassery), District Collector (Kannur), and MD (KSEDC) as members. This will facilitate growing the R&D Centre [KPP ER&DC] to national/international levels without profit motives.
- (3) Another significant activity to mention is our initiatives for setting up India's first Super Capacitor production plant at an investment of ₹ 42 Crores. Government provided Administrative Sanction of ₹18 Crores for the PHASE-1 of the project and also provided Financial Sanction and fund release of ₹4 Crores for the current financial year 2020-21. The Phase-1 (Pilot Phase) of the project with an investment of ₹18 Crores will be completed in 16 months. With the Phase-1 investment of ₹18 crores, the turnover expected is ₹22 crore by the fourth year with a profit of ₹2.72 Crore.

#### d. Marketing and Market Environment

As per estimates of ELCINA, the overall production of electronics components was ₹75,800 crores in 2019-20 compared to ₹ 67,706 Crore in 2018-19 (ie; increase by 12%). Also, there was consistent growth over the last 10 years.

As per the report published by Ministry of MSME in December, 2020 (Prepared by KPMG), the global electronic capacitor market is estimated to register a CAGR of 4.69% to reach \$23.477 billion by 2023. The manufacturing of electronic components in India has grown considerably from 5.31 billion \$ in 2014 to 9.05 billion \$ in 2018. The export of electrical capacitors increased at 8.94%.

Thus, the market shows a positive growth.

### **3. DIVIDEND**

No Dividend was declared for the current financial year.

### **4. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

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

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

### **6. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT POLICY OF THE COMPANY.**

KCCCL has adequate system of Internal Financial controls in place, in the form of well documented policies & procedures that cover critical as well as important activities of financial and other operating functions. The procedures are in the form of Manuals, Guidelines, Delegation of Powers and IT system & controls which are effected through people operating in various departments within the Company at different levels at each stage of the processes. These are designed to ensure compliance to the Internal Financial controls as detailed in the Companies act 2013.

The Audit Committee reviews the effectiveness of internal control mechanism over financial reporting, adherence to the Code of Conduct and Company's policies.

Necessary directions are issued by the Management wherever required to further strengthen the Internal financial control system keeping in view the dynamic environment in which the Company is operating.

The Company has faced risks due to sharp increase in the raw material prices on account of increase in foreign currency exchange rates.

The Board of Directors & Management are regularly reviewing the performance of the Company and corrective actions are taken wherever required.

### **7. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**9. EXTRACTS OF ANNUAL RETURN.**

The Extract of Annual Return in form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 12 of Companies (Management & Administration) Rules, 2014 is annexed (Annexure III) hereto and forms part of this report.

**10. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS.**

The explanations /comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report and replies to the comments on Internal Financial Controls are furnished as Annexure (Annexure II) and is attached to this report.

**11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.**

All transactions with related parties were in the ordinary course of business with arm's length basis. The Company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

The details of related party transactions are disclosed in Note No. 43 attached to and forming part of the accounts.

**12. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW.**

The Company had convened Four Board meetings during the financial year under review. (On 30.05.2019, 14.10.2019, 03.02.2020 & 17.03.2020)

**13. BOARD LEVEL COMMITTEES.**

**a) Audit Committee**

Audit Committee acts as the link between the Company's Management, external and Internal Auditors and the Audit Committee is responsible for overseeing the company's financial reporting process. The process of appointment of Independent Directors are under progress. The Audit Committee examines, scrutinizes and reviews the internal control system and procedures of the Company. The composition of the Committee as on 31.03.2020 was as follows:

1. Shri. W.J. Suthan, Director : Chairman of the Committee
2. Shri. O.V.Narayanan, Director : Member
3. Smt. V.K.Jayasree, Director : Member

Shri. K.G Krishnakumar, Managing Director, KCCL was a special invitee to the Committee. Shri. B. Bilu, Company Secretary, KSEDC and Shri Jose Joseph, Chief Financial Officer of KCCL were invitees to the Committee. The Committee met 3 times during the FY 2019-20. (On 30.05.2019, 13.08.2019 & 17.03.2020).

**b) Nomination and Remuneration Committee.**

Being a Government Company and a subsidiary company of KSEDC, the nomination and terms and conditions of appointment as Directors are made by Government and KSEDC. Further, MCA has vide its notification dated 5<sup>th</sup> June, 2015 notified the exemptions to Government companies from the provisions of the Companies Act, 2013 which inter alia provides that Sub- Sections (2), (3) & (4) of Sec.178 regarding the

appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

However, in compliance with Section 178(1) of the Companies Act, 2013, the Company had constituted a Nomination and remuneration committee with the following members:

1. Smt. T.R Hemalatha, Director : Chairperson
2. Sri. K.G Krishnakumar, M.D. : Member

**c) Stakeholders Relationship Committee.**

A stakeholder's relationship committee with the following members is functioning to consider and resolve the grievances of the security holders of the Company including the complaints related to transfer of shares, share transmission, issue of duplicate share certificates, non-receipt of declared dividend, etc.

1. Princess Gouri Parvathi Bayi, Director : Chairperson
2. Sri. O.V Narayanan, Director : Member

All the complaints received during the year were redressed and no complaints were pending as on 31.03.2020.

**14. DIRECTORS**

The Company is a subsidiary of the Kerala State Electronics Development Corporation Ltd and is under the administrative control of the Industries Department, Government of Kerala. During the year under report, Sri N Narayana Moorthy and Dr. K Ajithkumar were appointed as a Director of the Company with effect from 14.10.2019.

**15. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement: —

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES.**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**17. DEPOSITS**

The Company has not accepted any deposits during the year under review.

**18. STATUTORY AUDIT, SALES TAX AUDIT AND INCOME TAX AUDIT**

M/s. SVM Associates, Chartered Accountants, Calicut were appointed by the Comptroller and Auditor General of India as Statutory Auditors of the Company for the year 2019-20. M/s Jacob & George, Chartered Accountants, Kannur were appointed as GST Auditors and Income Tax Auditors for the FY 2019-20.

## **19. INTERNAL AUDIT**

M/s. P.K. Raju & Co, Chartered Accountants, Calicut were appointed as internal Auditors for the FY 2019-2020.

## **20. LISTING ON STOCK EXCHANGES**

The shares of the company have been delisted from the Cochin Stock Exchange Ltd w.e.f. 23/12/2014 and from Madras Stock Exchange Limited w.e.f. 27.03.2015 and has been placed on the Dissemination Board of National Stock Exchange Ltd w.e.f.27.03.2015.

## **21. SHARES**

### **a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

### **b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

### **d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

## **22. PERSONNEL**

The Industrial Relations in the company has been cordial throughout the year. The healthy practice of sorting out and settling issues through discussions with trade unions/ worker's representatives enabled the Company in ensuring worker's participation at different levels and establishing a peaceful Industrial Relation climate. There were no employee 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.

## **23. ACKNOWLEDGEMENTS**

Your Directors also wish to place on record their gratitude to the Government of India, Government of Kerala, State Bank of India, CSB Bank Ltd, Public Sector Restructuring & Internal Audit Board (RIAB), Kerala State Power and Infrastructure Finance Corporation Ltd and the Kerala State Electronics Development Corporation Ltd for their continued co-operation and valuable assistance extended from time to time to the Company. 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 also wish to record their appreciation for the excellent teamwork by all sections of employees of the Company and the shareholders for their confidence reposed on your Company & support.

For and on Behalf of the Board of Directors

Place: Kannur  
Date : 23.07.2021

Sd/-  
N. Narayana Moorthy  
Chairman

## **ANNEXURES FORMING PART OF THE DIRECTORS' REPORT (Annexure I)**

- A. Conservation of Energy : Implemented suggestions as per Energy Audit report.
- B. Technology absorption
- (i) Research & Development
1. Specific areas in which Research and Development was carried out by the company
    - (a) Development of low cost and high filler content Polyurethane resin.
    - (b) Automatic unit for high silica filler content highly viscous resin metering and mixing unit with PMDI hardener.
    - (c) Development of high-pressure centrifuging filtering unit for Polyurethane resin.
    - (d) Development of Bio degradable encapsulating compound.
    - (e) Technology support for C-MET Trissur for the development of "Carbon Aerogel Super Capacitors".
    - (f) Technology support for NMRL- Ambarnath for the development of "Activated Carbon Super Capacitors".
    - (g) Development of Electrolyte for + 125C category Capacitors -working voltage range 160 to 450V DC.
  2. Benefits derived as a result of the above Research & Development
    - (a) Cost reduction of MPP Capacitor due to the inhouse production of PU resin with higher filler content.
    - (b) Manhour reduction, material saving and process consistency.
    - (c) Uniformity and better appearance of the products.
    - (d) Low environmental pollution.
    - (e) Understanding the basics of Carbon Aerogel Supercapacitors.
    - (f) Understanding the basics of Activated Carbon Supercapacitors.
    - (g) Used for the development of +125C category high voltage Capacitors.
  3. Collaboration with C-Met for Carbon Aerogel Super Capacitor Development
  4. Future plan of action
    - (a) Setting of the manufacturing plant for Carbon Supercapacitors.
    - (b) Setting of the manufacturing facility for the Rectangular MPP Capacitors.
    - (c) Development of very high fire retardant and thermally stable Polyurethane resin for KVAR Capacitors.
    - (d) Setting up of the manufacturing facility for KVAR Capacitors
    - (e) Fully Automatic Metering, Mixing and Dispensing units for the encapsulation process of MPP Capacitors.
  5. Research & Development Expenditure:
    - a) Capital : ₹ 0.95 Lakhs
    - b) Recurring : ₹ 20.64 Lakhs
    - c) Total : ₹ 21.59 lakhs
    - d) Total R&D expenditure as a percentage of total turnover: 0.31 %.
- (ii) Technology absorption, adaptation and innovation
- (a) Company has the necessary infrastructure and complete in house technical expertise for design development and manufacturing of all types of Aluminium Electrolytic Capacitors and MPP Motor run Capacitors.
  - (b) Particulars of technology imported during the last five years: Nil
- C. Foreign Exchange Earnings and Outgo
- (i) Earnings in Foreign Exchange - Nil
  - (ii) Foreign Exchange outflow :
    - a) CIF Value of Imports - ₹ 2288.60 Lakhs.
    - b) Expenditure in foreign currency - ₹ 2289.69 Lakhs.

For and on Behalf of the Board of Directors

Sd/-

N. Narayana Moorthy  
Chairman

Place: Kannur  
Date : 23.07.2021

FORM NO. MGT 9  
**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2020

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

**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.

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	U31904KL1974SGC002630
ii	Registration Date	08-10-1974
iii	Name of the Company	KELTRON COMPONENT COMPLEX LIMITED
iv	Category/ Sub-category of the Company	Company limited by shares. State Government Company
v	Address of the Registered office with contact details	Keltron Nagar, Kalliassery, Kannur -670562 Kerala, Ph : 0497-2780831 Email : <a href="mailto:info@keltroncomp.org">info@keltroncomp.org</a>
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NIL

SL No	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Aluminium Electrolytic Capacitors	26101	41.12
2	MPP Capacitor	26101	46.81

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Kerala State Electronics Development Corporation Ltd	U74999 KL1972 SGC 002450	Holding	76.54	2 (46)

#### IV. SHARE HOLDING PATTERN (Equity Share capital Break up as % of total Equity)

##### i. category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	7300000	7300000	21.33	–	7300000	7300000	21.33	–
d) Bodies Corp(KSEDC)	–	26190807	26190807	76.54	–	26190807	26190807	76.54	–
e) Bank/FI									
f) Any other									
<b>SUB TOTAL:(A) (1)</b>	–	<b>33490807</b>	<b>33490807</b>	<b>97.87</b>	–	<b>33490807</b>	<b>33490807</b>	<b>97.87</b>	–
<b>(2) Foreign</b>	–	–	–	–	–	–	–	–	–
g) NRIs- Individuals									
h) Other Individuals									
i) Bodies Corp.									
j) Banks/FI									
k) Any other...									
<b>SUB TOTAL (A) (2)</b>	–	–	–	–	–	–	–	–	–
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds									
b) Banks/FI		118000	118000	0.34		118000	118000	0.34	
c) Central govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)-SIDCO	–	42500	42500	0.12	–	42500	42500	0.12	–
e) Venture Capital Fund	–	–	–	–	–	–	–	–	–
f) Insurance Companies (LIC,GIC)		100000	100000	0.29		100000	100000	0.29	
g) FIIS	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>SUB TOTAL (B)(1):</b>		<b>260500</b>	<b>260500</b>	<b>0.76</b>		<b>260500</b>	<b>260500</b>	<b>0.76</b>	
<b>(2) Non Institutions</b>									
a) Bodies corp.									
i) Indian		51150	51150	0.15		51150	51150	0.15	
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs		287296	287296	0.84		287296	287296	0.84	–
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakhs		130850	130850	0.38		130850	130850	0.38	–
c) Others (specify)									
<b>SUB TOTAL (B)(2)</b>		<b>469296</b>	<b>469296</b>	<b>1.37</b>		<b>469296</b>	<b>469296</b>	<b>1.37</b>	
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>		<b>729796</b>	<b>729796</b>	<b>2.13</b>		<b>729796</b>	<b>729796</b>	<b>2.13</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>		<b>34220603</b>	<b>34220603</b>	<b>100</b>		<b>34220603</b>	<b>34220603</b>	<b>100</b>	

**(ii) SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders 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 shares	No of shares	% of shares of the company	% of shares pledged/encumbered to total shares	% change in share holding during the year
1	Kerala State Electronics Development Corporation Ltd	26190807	76.54	0	26190807	76.54	0	0
2	Government of Kerala	7300000	21.33	0	7300000	21.33	0	0
	<b>Total</b>	<b>33490807</b>	<b>97.87</b>	<b>0</b>	<b>33490807</b>	<b>97.87</b>	<b>0</b>	<b>0</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING**

Sl. No.	Shareholders Name	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
	KSEDC Ltd				
	At the beginning of the year	26190807	76.54	26190807	76.54
	At the end of the year	26190807	76.54	26190807	76.54

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Sri. Nirej V Paul	130850	0.43	130850	0.38
2	IFCI Ltd	60000	0.2	60000	0.18
3	ICICI Ltd	58000	0.19	58000	0.17
4	LIC	50000	0.16	50000	0.15
5	SIDCO Ltd	42500	0.14	42500	0.13
6	GIC Ltd	40000	0.13	40000	0.12
7	Narayanan Investment Trust Pvt Ltd	25000	0.08	25000	0.07
8	Kumari Investment Cooperation Pvt Ltd	14900	0.05	14900	0.04
9	The United India Insurance Co.Ltd	10000	0.03	10000	0.03
10	Western India Plywoods Ltd	10000	0.03	10000	0.03

**(v) Shareholding of Directors & KMP**

Sl. No	Shareholders Name	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
NIL					

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year(01.04.2019)</b>				
<b>i) Principal Amount</b>	5,45,49,652.20	17,41,63,655.00	-	22,87,13,307.20
<b>ii) Interest due but not paid</b>	-	12,96,21,017.00	-	12,96,21,017.00
<b>iii) Interest accrued but not due</b>	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5,45,49,652.20</b>	<b>30,37,84,672.00</b>	-	<b>35,83,34,324.20</b>
Change in Indebtedness during the financial year				
-Additions	2,98,00,303.92	6,48,11,360.00	-	9,46,11,663.92
-Reduction		1,04,34,783.00		1,04,34,783.00
<b>Net Change</b>	<b>2,98,00,303.92</b>	<b>5,43,76,577.00</b>	-	<b>8,41,76,880.92</b>
<b>Indebtedness at the end of the financial year (31-03-2020)</b>				
<b>i) Principal Amount</b>	8,38,76,493.98	19,41,63,655.00	-	2,78,40,148.98
<b>ii) Interest due but not paid</b>	-	16,39,97,594.00	-	16,39,97,594.00
<b>iii) Interest accrued but not due</b>	4,73,462.14	-	-	4,73,462.14
<b>Total (i+ii+iii)</b>	<b>8,43,49,956.12</b>	<b>35,81,61,249.00</b>	-	<b>44,25,11,205.12</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Sri. K.G. Krishna kumar	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act. 1961.	10,78,390.00	10,78,390.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2,03,191.00	2,03,191.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission -as % of profit -Others, specify....	-	-
5	Others, please specify (Gratuity, Leave Salary)	-	-
	<b>Total (A)</b>	<b>12,81,584.00</b>	<b>12,81,584.00</b>
	<b>Ceiling as per the Act</b>		

**B. Remuneration to other directors:**

Sl.No.	Particulars of Remuneration	Name of Director		Total amount
		Princess Gouri Parvathi bayi	O.V Narayanan	
	<u>Independent Directors</u> . Fee for attending board committee meetings . Commission . Others, please specify	-	-	-
	<b>Total (1)</b>	-	-	-
	<u>Other Non Executive Directors</u> . Fee for attending board/ committee meetings . Commission . Others, please specify.	1200	1200	2400
	<b>Total (2)</b>	1200	1200	2400
	<b>Total (B)=(1+2)</b>	<b>1200</b>	<b>1200</b>	<b>2400</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in Rs)**

Sl.No.	Particulars of Remuneration	Sri Jose Joseph-CFO	Smt. Thahira PP	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9,24,113.49	46,551.72	97,0665.21
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	21,600.00	3,600.00	25,200.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others, specify	-	-	-
	<b>Total</b>	<b>9,45,713.49</b>	<b>50,151.72</b>	<b>9,95,865.21</b>

## 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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on Behalf of the Board of Directors

Place: Kannur  
Date : 23.07.2021

Sd/-  
N.Narayana Moorthy  
Chairman

## **ANNEXURES FORMING PART OF THE DIRECTORS' REPORT (Annexure II)**

### **A. Comment on Internal Financial Controls by the Statutory Auditors**

Sl No	Qualifications made by the Statutory Auditors	Explanation of the Management
1	The Company's Information Technology (IT) System, was not operating effectively which could potentially result in the Company to forcefully perform many of its functions manually which would also possibly result in human errors and duplication. This could further lead to wrong disclosure with respect to Revenue, expenditure, assets and liabilities.	In view of the deficiency in our IT system Company is implementing a new ERP System to minimize manual functions.
2	Our verification of the Company godowns where the stock has been kept and maintained, it was noticed that adequate Fire Extinguishers or other fire preventive equipment's were not kept. This creates a substantial risk for the Company w.r.t the day to day operations and a threat to the Company's assets.	Company has already purchased sufficient number of Fire Extinguisher and placed adequate number of Fire Extinguisher in our Godowns.
3	The Fixed Assets Register (FAR) of the Company includes assets, which have completed their normal useful life. However, the Company does not have a policy in place to identify assets required to be discarded/write off or impairment of these assets, at regular intervals.	Majority of the Fixed Assets of the Company are very old and completed their normal useful life. Company is able to use the same through proper repairs and maintenance by highly specialized experts and development of own spares for the machines. As per the policy followed by the Company an asset is removed from the asset register only when the same is removed from the floor as unusable. However, we have constituted an expert committee on 07.11.2020 for identification of assets which were completed its normal useful life and removal of unusable.
4	The Company has no system to obtain confirmation statements from debtors and Reconciliation of the same with Books periodically. The list of Sundry debtors includes ₹1,62,23,537.76 /- which is outstanding for more than 3 Years.	The Company had sent letters for confirming the balance to all debtors and creditors. Debtors and Creditors having no dispute regarding balance as per our books have not responded. Company has classified debtors above 3 years as doubtful and made sufficient provision for the same.

For KELTRON COMPONENT COMPLEX LTD

Sd/-  
CHAIRMAN

**STATEMENT SHOWING QUALIFICATIONS MADE BY THE STATUTORY AUDITORS IN THE AUDITOR'S REPORT ON THE ACCOUNTS OF KELTRON COMPONENT COMPLEX LTD. KANNUR FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020 AND THE EXPLANATIONS OF THE MANAGEMENT**

Sl No	Qualifications made by the Statutory Auditors	Explanation of the Management
1	According to Section 7(3-A) of the Payment of Gratuity Act, 1972 the company is required to pay simple interest at the rate specified by Government on delay in payment of gratuity. No interest has been provided by the company on the gratuity payable amount outstanding beyond the 30 days period as specified under Section 7(3) of the Payment of Gratuity Act, 1972. In the absence of adequate details and information pertaining to these delayed payments in the gratuity account, we are unable to quantify the effect of the interest burden not provided for by the company in its financial statements.	The Company had already paid all eligible undisputed terminal benefits to the retired employees of the Company. We are trying to trace the details of the employees who left the Company without any intimation to pay them the terminal benefits.
2	Balance confirmation certificates for almost all the cases under long-term borrowings, trade payables, other current liabilities, long-term loans and advances, trade receivables, short-term loans and advances and other current assets have not been produced for our verification. On an analysis of Accounts Receivables, it is observed that long outstanding receivables to the tune of ₹1,62,23,537.76/- 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.	Company has availed Long Term Loans from Govt. of Kerala only. Company has received balance confirmation for short term loans other than DOE. The Company had sent letters for confirming the balance to all debtors and creditors. Debtors and Creditors having no dispute regarding balance as per our books have not responded. Company has classified debtors above 3 years as doubtful and made sufficient provision in the Books.
3	The Company's Audit Committee 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.	The process of appointment of independent directors is in progress. As soon as the appointment of independent directors are made, the audit committee will be reconstituted with majority of independent directors.
4	The Fixed Assets Register (FAR) of the Company includes assets, which have completed their normal useful life. However, the Company does not have a policy in place to identify assets required to be discarded/written off or to identify impairment of these fixed assets.	Majority of the Fixed Assets of the Company are very old and completed their normal useful life. Company is able to use the same through proper repairs and maintenance by highly specialized experts and development of own spares for the machines. As per the policy followed by the Company an asset is removed from the asset register only when the same is removed from the floor as unusable. However, we have constituted an expert committee on 07.11.2020 for identification of assets which were completed its normal useful life and removal of unusable.
5	The Company does not have any policy in place to identify Non-moving/slow moving inventories and list of items of inventories with non-moving / slow moving have not been produced for verification.	The Company has separate Committee with experts from different departments to evaluate and to take necessary actions regarding slow moving and non-moving inventories. The committee meets on a regular basis and takes appropriate actions including salvage/removal action.

For KELTRON COMPONENT COMPLEX LTD

Sd/-  
CHAIRMAN



**S V M ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of Keltron Component Complex Limited  
Kannur

**Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. KELTRON COMPONENT COMPLEX LIMITED** ("The Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanation given to us, *except for the effects of the matters discussed in the "Basis for Qualified Opinion" paragraphs given below*, the aforesaid financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in india'

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020; and
- b) In the case of the Statement of Profit and Loss and Cash Flow Statement, of the profit and its cash flows for the year ended on that date.

***Basis for Qualified Opinion***

- 1) *According to Section 7(3-A) of the Payment of Gratuity Act, 1972 the company 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.*
- 2) *Balance confirmation certificates for almost all the cases under long-term borrowings, trade payables, other current liabilities, long-term loans and advances, trade receivables, short-term loans and advances and other current assets have not been produced for our verification. On an analysis of Accounts Receivables, it is observed that long outstanding receivables to the tune of ₹1,62,23,537.76/- 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.*
- 3) *The Company's Audit Committee 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.*
- 4) *The Fixed Assets Register (FAR) of the Company includes assets, which have completed their normal useful life. However, the Company does not have a policy in place to identify assets required to be discarded / written off or to identify impairment of these fixed assets.*

- 5) *The Company does not have any policy in place to identify Non-moving /slow moving inventories and list of items of inventories with non-moving / slow moving have not been produced for verification.*
- 6) *In respect of each of the qualifications mentioned above, namely in paragraph numbers 1 to 5, we are unable to quantify the effect on the profit and loss or assets or liabilities.*

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

### ***Auditor's Responsibility***

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

With respect to the additional responsibilities for the audit of the financial statements as required under SA 700, refer to "Annexure A'.

### **Report on other Legal and Regulatory Requirements**

1. With respect to the other matters to be included in the Auditors' Report in terms of the directions of the Comptroller and Auditor General of India (C & AG) under Section 143 (5) of the Act, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we give in the '**Annexure B**' and '**Annexure C**', statement on the compliance to the matters specified in the Directions and Additional Directions of C & AG respectively.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the '**Annexure D**', a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by section 143 (3) of the Act, we report that:
- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except as stated above in paragraph 1 and 2 of the basis for the Qualified Opinion.
  - ii. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books.
  - iii. 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.
  - iv. In our opinion and according to the information and explanation given to us, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; *other than:*
    - a) *Accounting Standard 22 - Accounting for Taxes on Income, regarding non-provision in respect of Deferred Tax Liabilities / Assets as stated in 'Note 1' forming part of Significant Accounting Policies; and*
    - b) *Accounting Standard 28 - Impairment of Assets, regarding non-recognition / evaluation of impairment of assets as stated in 'Note N' forming part of Significant Accounting Policies.*
  - v. Being a Government Company, the provisions of sub-section 2 of section 164 of the Companies Act, 2013 does not apply to the company by virtue of notification F.No.1/2/2014-CL.V dated 05/06/2015.
  - vi. With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure E**'; and
  - vii. With respect to the other matters to be included in the Auditors' 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;
    - a) The Company has the following pending litigations which could impact the financial position as stated in its financial statements.

Name of the Statute	Nature of dues	Amount (Rupees in Lakhs)	Forum where dispute is pending
The Indian Contract Act, 1872	Eighteen cases filed by the company for recovery of book debts.	110.47	Various Courts in Delhi, Hyderabad, Kolkata, Gandhi Nagar, Ahmedabad, Payyanur, Mumbai, Kannur and Bangalore
The Employee State Insurance Act, 1948	Employees state Insurance	17.90	ESI Court, Kozhikode
The Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	35.41	Board of Trustees, Provident Fund, Delhi

- b) The Company has considered and accounted long-term contracts including derivative contracts for which there are material foreseeable losses. Refer Note 25 to the financial statements; and
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. As required by Section 197(16) of the Act, we report that the remuneration paid by the company to its directors is in accordance with the provisions of this section and that remuneration paid to the directors are within the limits laid down under this section.

For **SVM ASSOCIATES**  
Chartered Accountants  
**F.R.No. 005793 S)**

Sd/

**CA. G. SANTHOSH PAI, B.COM, L.L.B, FCA, DISA**  
Partner  
**(Membership No. 025486)**

Place : Kozhikode  
Date : 16.3.2021

**UDIN: 21025486AAAABT2058**

**'ANNEXURE A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE  
ON THE FINANCIAL STATEMENTS OF M/S. KELTRON COMPONENT  
COMPLEX LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

***Auditors' Responsibilities for the Audit of the Financial Statements (Continued....)***

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

- i. 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- iv. 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements; including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For **SVM ASSOCIATES**  
Chartered Accountants  
**F.R.No. 005793 S)**

Sd/

**CA. G. SANTHOSH PAI, B.COM, L.L.B, FCA, DISA**  
Partner  
**(Membership No. 025486)**

Place:Kozhikode  
Date:16.3.2021

**UDIN: 21025486AAAABT2058**

**'ANNEXURE B' REFERRED TO IN PARAGRAPH I UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE OF M/S. KELTRON COMPONENT COMPLEX LIMITED FOR THE YEARENDED 31<sup>ST</sup> MARCH, 2020.**

**Observations and comments on the directions issued by the Comptroller and Auditor General of India under Section 143 (f) of the Companies Act, 2013**

Sl.No.	Directions	Response
1	Whether the company has system in place to process all the accounting transactions through IT system ? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	a) Yes The implications of processing of accounting transactions 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 that in case of PPD sales items EDP system of the company not able to provide us with closing stock of PPD sales item. The same was calculated manually which has direct impact on Profit and loss account as well as Balance Sheet. 3) EDP system of the company not able to generate ageing report as 31.3.2020
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 loans? If yes, the financial impact may be stated.	During the year there are no cases of waiver/write-off of debts/loans/interest etc.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	Yes. There was no deviation recorded as per information provided by client.

For **SVM ASSOCIATES**  
Chartered Accountants  
**F.R.No. 005793 S)**

Sd/

**CA. G. SANTHOSH PAI, B.COM, L.L.B, FCA, DISA**  
Partner  
**(Membership No. 025486)**

Place:Kozhikode  
Date:16.3.2021

**UDIN: 21025486AAAABT2058**

**'ANNEXURE C' REFERRED TO IN PARAGRAPH I UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE OF M/S. KELTRON COMPONENT COMPLEX LIMITED, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020.**

**Sector specific sub directions under section 143(5) of the Companies Act, 2013 as pertaining to the manufacturing sector in which the company is classified:**

Sl.No.	Directions	Response
1	Whether the company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads.	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 of the opinion that the company does not have a proper policy of revisiting such standard costs which are taken for pricing. We are informed that this exercise of revisiting the standard costs will be implemented soon, as part of implementation of new ERP Software.
2	Whether the company has utilized the Government assistance for technology upgradation/ Modernization of its manufacturing process and timely submitted the utilization certificate	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.
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 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.
4	Report on the system of valuation of by-products and finished products. List out the cases of deviation from its declared policy.	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.
5	Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books.	The company has made adequate provision for depletion in value of stores and spares based on an internal technical evaluation of the usability of such 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.
6	Whether the company has effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during the physical verification	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.
7	State the extent of utilization of plant and machinery during the year vis-a-vis installed capacity.	The installed capacity vis-a-vis utilization of capacity of machinery is as follows:-  By considering the practical impossibility to assess machinery and component wise capacity utilization of the machineries, a study on the installed capacity and utilized capacity of products manufactured during the year is given below which gives details for the capacity utilization of the production function as a whole:

		<p><b>Aluminum Capacitors</b></p> <table border="1"> <thead> <tr> <th>Installed Capacity</th> <th>Utilized Capacity</th> <th>Percentage (%) of Utilization</th> </tr> </thead> <tbody> <tr> <td>15,00,00,000</td> <td>7,07,19,530</td> <td>47.15</td> </tr> </tbody> </table> <p><b>Crystals</b></p> <table border="1"> <thead> <tr> <th>Installed Capacity</th> <th>Utilized Capacity</th> <th>Percentage (%) of Utilization</th> </tr> </thead> <tbody> <tr> <td>20,84,000</td> <td>64,260</td> <td>3.08</td> </tr> </tbody> </table> <p><b>MPP Capacitors</b></p> <table border="1"> <thead> <tr> <th>Installed Capacity</th> <th>Utilized Capacity</th> <th>Percentage (%) of Utilization</th> </tr> </thead> <tbody> <tr> <td>1,00,00,000</td> <td>1,45,48,515</td> <td>145.49</td> </tr> </tbody> </table> <p><b>Resistors</b></p> <table border="1"> <thead> <tr> <th>Installed Capacity</th> <th>Utilized Capacity</th> <th>Percentage (%) of Utilization</th> </tr> </thead> <tbody> <tr> <td>21,70,00,000</td> <td>6,43,43,060</td> <td>29.65</td> </tr> </tbody> </table>	Installed Capacity	Utilized Capacity	Percentage (%) of Utilization	15,00,00,000	7,07,19,530	47.15	Installed Capacity	Utilized Capacity	Percentage (%) of Utilization	20,84,000	64,260	3.08	Installed Capacity	Utilized Capacity	Percentage (%) of Utilization	1,00,00,000	1,45,48,515	145.49	Installed Capacity	Utilized Capacity	Percentage (%) of Utilization	21,70,00,000	6,43,43,060	29.65
Installed Capacity	Utilized Capacity	Percentage (%) of Utilization																								
15,00,00,000	7,07,19,530	47.15																								
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Installed Capacity	Utilized Capacity	Percentage (%) of Utilization																								
21,70,00,000	6,43,43,060	29.65																								
8	Report on the cases of Discounts/ commission in regard to debtors and creditors where the company has deviated from it laid down policy	Based on our examination of the discounts / commission given to debtors and received from creditors, we report that we have not come across any deviation from the laid down policies of the company regarding such discounts/ commission.																								

For **SVM ASSOCIATES**  
Chartered Accountants  
**F.R.No. 005793 S)**

Sd/

**CA. G. SANTHOSH PAI, B.COM, L.L.B, FCA, DISA**  
Partner  
**(Membership No. 025486)**

Place:Kozhikode  
Date:16.3.2021

**UDIN: 21025486AAAABT2058**

**'ANNEXURE D' REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT' OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF M/S. KELTRON COMPONENT COMPLEX LIMITED FOR THE YEARENDED 31<sup>ST</sup> MARCH, 2020**

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

1. In respect of the Company's fixed assets:

- a) The Company has maintained proper records showing full particulars except the location particulars of the fixed assets. The location of fixed assets at the Kannur factory is given in the plant layout.
- b) As explained to us, fixed assets have been physically verified by the Management at reasonable intervals; no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company *except in the cases listed below:*

Sl. No.	Particulars
1	<i>1 acre and 81 cents of land under resurvey no. 385/IE of Kalliaseri village, Kannur taluk under document no.1140 of 1975 which is registered in the name of Keltron Crystals Limited.</i>
2	<i>1 acre and 35 cents of land under resurvey no. 385/IE of Kalliaseri village, Kannur taluk under document no.1139 of 1975 which is registered in the name of Keltron Magnetics Limited.</i>

2. As explained to us, the Management conducts physical verification of inventory at reasonable intervals.

- a) Procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- b) The company is maintaining proper records of inventory at its factory at Kannur. The discrepancies noticed on verification between the physical stocks and the book records were not material at the Kannur factory.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Act.
4. The Company has not granted any loans to the directors and has not made any investments or loans as per the provisions of section 185 and 186 of the Companies Act, 2013 respectively; hence clause 3 (iv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
5. The Company has not accepted any deposits from the public during the period and hence 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, 2013 and rules framed there under are not applicable.
6. We have broadly reviewed the cost records maintained by the company as specified in sub-section (1) of section 148 of the Companies Act, 2013, and are of the opinion that the prescribed cost records are properly maintained.
7.
  - a) As per the information and explanations furnished to us and according to our examination of the books of account, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, cess and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Customs Duty, Excise Duty and other material statutory dues were in arrears, as at 31st March, 2020 for a period of more than six months from the date they become payable.
  - c) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax and Duty of Customs which have not been deposited on account of any dispute, *except the following:*

<i>Name of the Statute</i>	<i>Nature of Dues</i>	<i>Amount (Rupees in lakhs)</i>	<i>Forum where dispute is pending</i>
<i>Provident Fund and Miscellaneous Provisions Act, 1952</i>	<i>Provident Fund</i>	<i>35.41</i>	<i>Board of Trustees, Provident Fund, Delhi</i>
<i>Employee State Insurance Act, 1948</i>	<i>Employees State Insurance</i>	<i>17.90</i>	<i>ESI Court, Kozhikode</i>

8. In our opinion and according to the information and explanations given to us, the Company does not have any outstanding dues to financial institutions, banks or debenture holders during the year, *except in the following cases:*

<i>Details of Loan</i>	<i>Principal amount overdue (₹)</i>	<i>Interest amount overdue (₹)</i>
<i>Working Capital Loan from Government of Kerala- ₹175 Lakhs</i>	<i>1,75,00,000.00</i>	<i>2,02,66,425.00</i>
<i>Working Capital Loan from Government of Kerala- ₹395 Lakhs</i>	<i>3,95,00,000.00</i>	<i>3,93,60,526.00</i>
<i>Working Capital Loan from Government of Kerala- ₹530 Lakhs</i>	<i>3,96,63,655.00</i>	<i>4,17,87,398.00</i>
<i>Working Capital Loan from Government of Kerala- ₹700 Lakhs</i>	<i>7,00,00,000.00</i>	<i>4,77,03,595.00</i>
<i>Working Capital Loan from Government of Kerala- ₹75 Lakhs</i>	<i>57,10,685.00</i>	<i>31,68,217.00</i>
<i>Working Capital Loan from Government of Kerala- ₹425 Lakhs</i>	<i>-</i>	<i>37,87,875.00</i>
<i>Loan from Department of Electronics</i>	<i>-</i>	<i>60,97,000.00</i>
<i>Kerala State Electronic Development Corporation Ltd</i>	<i>-</i>	<i>11,67,269.00</i>
<i>Investment Loan from Government of Kerala- ₹1000 Lakhs</i>	<i>25,00,000.00</i>	<i>6,59,289.00</i>

9. According to the information and explanation given to us and based on the examination of the records, no moneys were raised by way of initial public offer or further public offer (including debt instruments) or term loan during the year.
10. Based on the audit procedures performed and representations obtained from Management, we report that no fraud on or by the Company has been noticed or reported during the period, that causes the financial statements to be materially misstated.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. As the Company is not a Nidhi Company, clause 3 (xii) of the Order is not applicable to the Company.

13. The transactions entered into with the related parties are not in full compliance with the sections 177 and 188 of Companies Act, 2013, since the resolutions pertaining to the related party transactions are not part of the minutes of the audit committee meetings held during the year. However the details pertaining to the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, clause 3(xiv) of the Order is not applicable.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him during the period under review. Accordingly, clause 3 (xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable.

For **SVM ASSOCIATES**  
Chartered Accountants  
**F.R.No. 005793 S)**

Sd/

**CA. G. SANTHOSH PAI, B.COM, L.L.B, FCA, DISA**  
Partner  
**(Membership No. 025486)**

**UDIN: 21025486AAAABT2058**

Place:Kozhikode  
Date:16.3.2021

**'ANNEXURE E' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT OF M/S. KELTRON COMPONENT COMPLEX LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

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

We have audited the internal financial controls with reference to financial statements of **M/S. KELTRON COMPONENT COMPLEX LIMITED** ("the Company) as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

***Auditor's Responsibility***

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

statements, 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 with reference to financial statements.

### ***Meaning of Internal Financial Controls with reference to Financial Statements***

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

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

### ***Inherent Limitations of Internal Financial Controls with reference to Financial Statements***

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Qualified Opinion***

According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the company's internal financial controls with reference to financial statements as at 31st March, 2020:

- a) *The Company's Information Technology (IT) System, was not operating effectively which could potentially result in the company to forcefully perform many of its functions manually which would also possibly result in human errors and duplication. This could further lead to wrong disclosure with respect to Revenue, expenditure, assets and liabilities.*

- b) *On verification of the Company godown where the stock has been kept and maintained, it was noticed that adequate Fire Extinguishers or other fire preventive equipment's were not kept. This creates a substantial risk for the company w.r.t. the day to day operations and a threat to the Company's assets.*
- c) *The Fixed Assets Register (FAR) of the Company includes assets, which have completed their normal useful life. However, the company does not have a policy in place to identify assets to discard / write off or impairment of these assets, at regular intervals.*
- d) *The Company has no system to obtain confirmation statements from debtors and Reconciliation of the same with books periodically. The list of Sundry debtors includes ₹1,62,23,537.76/- which is outstanding for more than 3 years.*

In our opinion, the Company has, in all material, respects, an adequate internal financial control system with reference to financial statements and such internal financial control with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements 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, except for the effects/possible effects of the four material weaknesses described above on the achievement of the objectives of the control criteria. We have considered the three material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company as at 31st March 2020, and these material weaknesses do not affect our opinion on the financial statements of the Company.

For **SVM ASSOCIATES**  
Chartered Accountants  
**F.R.No. 005793 S)**

Sd/

**CA. G. SANTHOSH PAI, B.COM, L.L.B, FCA, DISA**  
Partner  
**(Membership No. 025486)**

Place:Kozhikode

Date:16.3.2021

**UDIN: 21025486AAAABT2058**

## KELTRON COMPONENT COMPLEX LTD.

KELTRON NAGAR, KALLIASSERI P.O., KANNUR  
CIN:U31904KL1974SGC002630

### BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	<b>1</b>	342,281,269.41	342,281,269.41
(b) Reserves and Surplus	<b>2</b>	(420,307,319.54)	(468,232,615.60)
(c) Money Received against Share Warrants		-	-
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	<b>3</b>	19,289,315.00	12,224,098.00
(b) Deferred Tax Liabilities (Net)			
(c) Other Long Term Liabilities			
(d) Long-Term Provisions	<b>4</b>	61,075,050.00	63,521,967.00
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	<b>5</b>	83,876,493.98	54,549,652.20
(b) Trade Payables	<b>6</b>	42,820,073.89	44,753,768.84
(c) Other Current Liabilities	<b>7</b>	399,676,593.61	352,905,786.03
(d) Short-Term Provisions	<b>8</b>	54,530,226.00	71,203,762.00
<b>TOTAL</b>		<b>583,241,702.35</b>	<b>473,207,687.88</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible Assets	<b>9a</b>	59,323,017.07	67,401,888.96
(ii) Intangible Assets		2,289.68	2,289.68
(iii) Capital Work-In-Progress	<b>9b</b>	4,922,492.28	802,221.01
(iv) Intangible Assets Under Development			
(b) Non-Current Investments			
(c) Deferred Tax Assets (net)			
(d) Long Term Loans and Advances	<b>10</b>	3,883,532.69	3,770,208.69
(e) Other Non-Current Assets			
<b>(2) Current Assets</b>			
(a) Current Investments			
(b) Inventories	<b>11</b>	219,310,753.12	168,698,159.53
(c) Trade Receivables	<b>12</b>	222,656,972.81	189,999,328.86
(d) Cash and Cash equivalents	<b>13</b>	64,222,293.18	34,008,605.57
(e) Short-Term Loans and Advances	<b>14</b>	7,364,009.52	7,725,897.52
(f) Other Current Assets	<b>15</b>	1,556,342.00	799,088.06
<b>TOTAL</b>		<b>583,241,702.35</b>	<b>473,207,687.88</b>
<b>Significant Accounting Policies</b>		<b>A to N</b>	
<b>Notes on Financial Statements</b>		<b>1 to 44</b>	
<b>As per our Report of even date attached separately</b>		<b>For and on behalf of the Board</b>	
For SVM Associates Chartered Accountants FRN: 005793S			
Sd/- CA. G.SANTHOSH PAI Partner M.No.025486	Sd/- N. NARAYANA MOORTHY Chairman DIN: 05251681	Sd/- K.G. KRISHNA KUMAR Managing Director DIN: 07649134	Sd/- JOSE JOSEPH Chief Fin.Officer
			Sd/- THAHIRA P.P. Company Secretary M. No. A60401
UDIN: 20214242AAAAPI301		Place: Kannur Date : 16.3.2021	

**KELTRON COMPONENT COMPLEX LTD.**

KELTRON NAGAR, KALLIASSERI P.O., KANNUR

CIN:U31904KL1974SGC002630

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
		₹	₹
<b>INCOME</b>			
Revenue from Operations(Net)	<b>16</b>	701,805,976.84	684,477,781.54
Other Income	<b>17</b>	14,996,695.87	16,096,014.56
<b>Total Revenue</b>		<b>716,802,672.71</b>	<b>700,573,796.10</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	<b>18</b>	365,562,115.60	343,276,495.84
Purchases of Stock-In-Trade	<b>19</b>	48,784,219.52	60,025,969.44
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	<b>20</b>	(14,786,977.21)	(963,724.33)
Employee Benefits Expenses	<b>21</b>	160,757,123.53	169,081,367.28
Finance Costs	<b>22</b>	43,351,260.44	35,112,454.77
Depreciation and Amortisation Expenses	<b>23</b>	8,889,390.42	8,854,838.03
Other Expenses	<b>24</b>	69,920,881.35	66,018,501.53
<b>Total Expenses</b>		<b>682,478,013.65</b>	<b>681,405,902.56</b>
<b>Profit/(Loss) before Extraordinary Items and Tax</b>		<b>34,324,659.06</b>	<b>19,167,893.54</b>
<b>Profit before Tax</b>		<b>34,324,659.06</b>	<b>19,167,893.54</b>
Tax Expense:			
(1) Current Tax		5,729,472.00	-
(2) Earlier Year Tax		669,891.00	
(2) Deferred Tax		-	-
Profit/ (Loss) for the period from Continuing Operations		27,925,296.06	19,167,893.54
Profit/ (Loss) from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
Profit/ (Loss) from Discontinuing Operations (After Tax)		-	-
<b>Profit / (Loss) for the year</b>		<b>27,925,296.06</b>	<b>19,167,893.54</b>
<b>Earnings per Equity Share:</b>			
(1) Basic		0.82	0.56
(2) Diluted		0.82	0.56

**Significant Accounting Policies  
Notes on Financial Statements****A to N  
1 to 44****As per our Report of even date attached separately****For and on behalf of the Board**For SVM Associates  
Chartered Accountants  
FRN: 005793SSd/-  
CA. G.SANTHOSH PAI  
Partner  
M.No.025486Sd/-  
N. NARAYANA MOORTHY  
Chairman  
DIN: 05251681Sd/-  
K.G. KRISHNA KUMAR  
Managing Director  
DIN: 07649134Sd/-  
JOSE JOSEPH  
Chief Fin.OfficerSd/-  
THAHIRA P.P.  
Company Secretary  
M. No. A60401Place: Kannur  
Date : 16.3.2021

UDIN: 20214242AAAAPI301

## KELTRON COMPONENT COMPLEX LTD.

KELTRON NAGAR, KALLIASSERI P.O., KANNUR  
CIN:U31904KL1974SGC002630

### CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2020

Particulars	Figures as at the end of current reporting period		Figures as at the end of the previous reporting period	
	₹		₹	
<b>A : Cash flow from operating activities</b>				
Profit/ (Loss) before taxation		27,925,296.06		19,167,894
<b>Adjustment for :</b>				
Provision for Taxation	6,399,363.00			
Depreciation and Amortisation expenses	8,889,390.42		8,854,838	
Unrealised Foreign Exchange Loss	645,096.00		525,333	
Interest Income	(3,039,435.00)		(2,404,184)	
Finance charges	43,351,260.44		35,112,455	
Loss on sale/discarding of Fixed asset	-	56,245,674.86	-	42,088,442
	56,245,674.86		42,088,442	
<b>Operating profit (loss) before working capital changes</b>		<b>84,170,970.92</b>		<b>61,256,335</b>
<b>Adjustment for:</b>				
Trade and other receivables	(33,053,009.89)		(26,247,036)	
Unrealised Foreign Exchange Loss	(645,096.00)		525,333	
Unpaid Financial charges	(34,912,129.14)			
Inventories	(50,612,593.59)		12,661,790	
Trade and other payables	38,156,272.41	(81,066,556.21)	(11,034,850)	(24,094,762)
Cash generated from operations	(81,066,556.21)	3,104,414.71	(24,094,762)	37,161,573
<b>Net cash from operating activities</b>		<b>3,104,414.71</b>		<b>37,161,573</b>
<b>B: Cash flow from Investing activities</b>				
Deposit with KSEB		(113,324.00)		
Purchases of Fixed Assets	(810,518.53)		(3,369,609)	
Working Progress	(4,120,271.27)	(4,930,789.80)	(445,576)	(3,815,185)
Sale of Fixed Assets		-		58,877
Interest Income		3,039,435.00		2,404,184
<b>Net cash used in investing activities</b>		<b>(2,004,678.80)</b>		<b>(1,352,124)</b>
<b>C: Cash flow from Financing activities</b>				
Proceeds from borrowings		17,553,083.00		8,781,026
Grant received		20,000,000.00		-
Finance charges		(8,439,131.30)		(35,112,455)
<b>Net cash used in Financing activities</b>		<b>29,113,951.70</b>		<b>(26,331,429)</b>
Net increase/(decrease) in cash and cash equivalent		30,213,687.61		9,478,019
cash and cash equivalent opening balance		34,008,605.57		24,530,587
cash and cash equivalent closing balance		<b>64,222,293.18</b>		<b>34,008,606</b>

As per our Report of even date attached separately

For and on behalf of the Board

For SVM Associates  
Chartered Accountants  
FRN: 005793S

Sd/-  
CA. G.SANTHOSH PAI  
Partner  
M.No.025486

Sd/-  
N. NARAYANA MOORTHY  
Chairman  
DIN: 05251681

Sd/-  
K.G. KRISHNA KUMAR  
Managing Director  
DIN: 07649134

Sd/-  
JOSE JOSEPH  
Chief Fin. Officer

Sd/-  
THAHIRA P.P.  
Company Secretary  
M. No. A60401

Place: Kannur  
Date : 16.3.2021

UDIN: 20214242AAAAPI301

## KELTRON COMPONENT COMPLEX LTD.

KELTRON NAGAR, KALLIASSERI P.O., KANNUR  
CIN:U31904KL1974SGC002630

### NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

Previous Year figures have been regrouped / reclassified , wherever necessary to conform to the Current Year presentation

Note No	Particulars	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period		
<b>1</b>	<b><u>SHARE CAPITAL</u></b>	₹	₹		
	<b><u>Authorised capital:</u></b> 35,000,000 (35,000,000) Equity Shares of ₹10 each	350,000,000.00	350,000,000.00		
		350,000,000.00	350,000,000.00		
	<b><u>Issued capital :</u></b> 34,233,403 (34,233,403) Equity Shares of ₹ 10 each	342,334,030.00	342,334,030.00		
	<b><u>Subscribed Capital, Called and Paid up capital</u></b> 34,233,403 (34,233,403) Equity Shares of ₹ 10 each, for payment in cash, fully called up	342,206,030.00	342,206,030.00		
	Add: Forfeited Shares (12,800 equity shares)	75,239.41	75,239.41		
	<b>TOTAL</b>	<b>342,281,269.41</b>	<b>342,281,269.41</b>		
<b><u>Reconciliation of Number and Amount of Shares</u></b>					
Particulars	As at 31st March 2020		As at 31st March 2019		
	₹	No of shares	₹	No of shares	
Opening Balance	342,281,269.41	34,233,403	342,281,269.41	34,233,403	
Add: Fresh Issue	-	-	-	-	
Sub total	342,281,269.41	34,233,403	342,281,269.41	34,233,403	
Less:Redumption / buy Back	-	-	-	-	
Closing Balance	342,281,269.41	34,233,403	342,281,269.41	34,233,403	
<b><u>Details of Shares held by Holding Company</u></b>					
Particulars	Name of Company	As at 31st March 2020		As at 31st March 2019	
		₹	No of shares (%)	₹	No of shares (%)
Holding Company (i) Directly	Kerala State Electronics Development Corporation Ltd (KSEDC)	261,908,070.00	26,190,807 (76.52% holding)	261,908,070.00	26,190,807 (76.52% holding)

## NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

### Details of Shareholders holding more than 5% Shares

Note No	Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
		₹	No of shares (%)	₹	No of shares (%)
1	Kerala State Electronics Development Corporation Ltd	261,908,070.00	26,190,807.00 (76.52% holding)	261,908,070.00	26,190,807.00 (76.52% holding)
2	Govt. of Kerala	73,000,000.00	7,300,000.00 (21.33% holding)	73,000,000.00	7,300,000 (21.33% holding)

## NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020.

Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
2	<b><u>RESERVES AND SURPLUS</u></b>		
	<b><u>Capital Reseve</u></b>		
	i) Grant from Govt. of Kerala	13,277,538.92	13,277,538.92
	ii) Grant from Govt. of Kerala (KER & DC)	20,000,000.00	-
	iii) Others	227,605.12	227,605.12
	<b><u>General Reserve</u></b>	2,699,600.55	2,699,600.55
	<b><u>Profit and Loss Account</u></b>		
	Balance as per Last balance Sheet	(484,437,360.19)	(503,605,253.73)
	Add: Profit For The Year	27,925,296.06	19,167,893.54
	Closing Balance	(456,512,064.13)	(484,437,360.19)
	<b>TOTAL</b>	<b>(420,307,319.54)</b>	<b>(468,232,615.60)</b>
3	<b><u>LONG TERM BORROWINGS</u></b>		
	<b><u>secured</u></b>		
	<b><u>Un secured</u></b>		
	a) Working Capital Loan from GoK (700L)	-	8,559,783.00
	b) Working Capital Loan from GoK (75L)	1,789,315.00	3,664,315.00
	c) Investment loan from GOK (1000L)	17,500,000.00	0.00
	<b>TOTAL</b>	<b>19,289,315.00</b>	<b>12,224,098.00</b>

**NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020**

Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
4	<b><u>LONG TERM PROVISIONS</u></b>		
	(a) <b>Provision for employee benefits</b>		
	i) Gratuity	44,859,641.00	45,266,099.00
	ii) Leave encashment	16,215,409.00	18,255,868.00
	<b>TOTAL</b>	<b>61,075,050.00</b>	<b>63,521,967.00</b>
5	<b><u>SHORT TERM BORROWINGS</u></b>		
	<b><u>Secured</u></b>		
	(a) <b><u>Loans repayable on demand Cash Credit with Banks</u></b>		
	<b>i) State Bank of India</b>	67,050,353.68	45,258,460.60
	Note : Cash credit are secured by hypothecation of process stock, finished goods and other assets and the first charge on those immovable properties which were owned by the Company before amalgamation.		
	<b>ii) Catholic Syrian Bank Ltd</b>	16,826,140.30	9,291,191.60
	Note : Cash credit are secured by hypothecation of process stock, finished goods and other assets and the first charge on those immovable properties which were owned by the Company before amalgamation.		
	<b>TOTAL</b>	<b>83,876,493.98</b>	<b>54,549,652.20</b>
6	<b><u>TRADE PAYABLES</u></b>		
	i) Micro, Small and Medium Enterprises (MSME)		
	Principal amount due and remaining unpaid	41,359.66	3,304,893.74
	Interest due on above and the unpaid interest	-	-
	Interest paid		
	Payment made beyond the appointed day during the year	-	-
	Interest due and payable for the period of delay	-	-
	Interest accrued and remaining unpaid	-	-
	Amount of further interest remaining due and payable in succeeding years	-	-
	ii) Others	42,778,714.23	41,448,875.10
	<b>TOTAL</b>	<b>42,820,073.89</b>	<b>44,753,768.84</b>

**NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020**

Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
<b>7</b>	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	<b><u>Secured</u></b>		
	i) Interest accrued on cc	473,462.14	-
	<b><u>Unsecured</u></b>		
	<b>a) Current Maturities of Long Term debts</b>		
	i) Working Capital Loan from GoK (175L)	17,500,000.00	17,500,000.00
	ii) Investment Loan from GoK (395L)	39,500,000.00	39,500,000.00
	iii) Investment Loan from GoK (530L)	39,663,655.00	39,663,655.00
	iv) Working Capital Loan from GoK (700L)	70,000,000.00	61,440,217.00
	v) Working Capital loan from GoK (75L)	5,710,685.00	3,835,685.00
	vi) Investment Loan from GoK (1000L)	2,500,000.00	-
	<b>b) Interest accrued</b>		
	i) Interest accrued on KSEDC Loan	1,167,269.00	1,049,104.00
	ii) Interest accrued on DoE Loan	6,097,000.00	6,097,000.00
	iii) Interest accrued on W C Loan GoK (175L)	20,266,425.00	16,436,434.00
	iv) Interest accrued on Investment Loan From GoK (395L)	39,360,526.00	31,349,148.00
	v) Interest accrued on Investment Loan From GoK (530L)	41,787,398.00	33,454,850.00
	vi) Interest accrued on W C Loan From GoK(700L)	47,703,595.00	35,714,620.00
	vii) Interest accrued on WC Loan From GoK (75L)	3,168,217.00	2,131,603.00
	viii) Interest accrued on WC Loan From GoK (425L)	3,787,875.00	3,388,258.00
	ix) Interest accrued on Investment Loan From GoK (1000L)	659,289.00	-
	<b>c) Security Deposits</b>	4,023,939.00	2,841,260.00
	<b>d) Usance Interest Payable</b>	48,960.00	81,024.00
	<b>e) Other Payable</b>	56,258,298.47	58,422,928.03
	<b>TOTAL</b>	<b>399,676,593.61</b>	<b>352,905,786.03</b>

\*Other Payables Includes Statutory dues, Retention Money, Gratuity & Bonus Payable, Other recoveries and obligations etc

**NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020**

Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
<b>8</b>	<b>SHORT TERM PROVISIONS</b>		
	<b>a) Provision for employee benefits</b>		
	i) Gratuity	21,215,663.00	27,863,108.00
	ii) Leave Encashment	1,314,764.00	1,480,203.00
	iii) Wage revision arrear	25,600,436.00	41,860,451.00
	<b>b) Provisoin for Taxation</b>	6,399,363.00	-
	<b>TOTAL</b>	<b>54,530,226.00</b>	<b>71,203,762.00</b>
	<b>Default as on Balance Sheet Date</b>	<b>Period of default</b>	
Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
(a)	Interest on Loan from Department of Electronics		
	Principal	6097000	6097000
	Interest	4152	3786
	No of Days		
(b)	Interest on Loan from KSEDC Ltd		
	Principal	Nil	Nil
	Interest	1049104	1049104
	No of Days	1826	1461
c	Working Capital Loan from Govt of Kerala 175L		
	Principal	17500000	17500000
	Interest	20266425	16436434
	No of Days	2101	1735
(d)	Investment Loan from Govt of Kerala 395L		
	Principal	39500000	39500000
	Interest	39360526	31349148
	No of Days	2066	1700
(e)	Investment Loan from Govt of Kerala 530L		
	Principal	39663655	39663655
	Interest	41787398	33454850
	No of Days	1827	1461
(f)	Working Capital Loan from Govt of Kerala 700L		
	Principal	43940217	43940217
	Interest	47703595	35714620
	No of Days	1282	916
(g)	Working Capital Loan from Govt of Kerala 75L		
	Principal	1960685	1960685
	Interest	3168217	2131603
	No of Days	748	382
(h)	Working Capital Loan from Govt of Kerala 425L		
	Principal	0	0
	Interest	3787875	3388258
	No of Days	731	365

NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020										
NOTE 9a Property, Plant and Equipment	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 01 April 2019	Additions	Disposals/ Adjustments	Balance as at 31-03-2020	Balance as at 01 April 2019	Depreciation charge for the year	Disposals/ Adjustment	Balance as at 31 MARCH 2020	Balance as at 01 April 2019	Balance as at 31-03-2020
Tangible Assets	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land & Property Development	836,274.29	-	-	836,274.29	-	-	-	836,274.29	836,274.29	836,274.29
Buildings	16,275,517.24	-	-	16,275,517.24	11,465,683.41	164,353.65	-	4,809,833.83	4,809,833.83	4,645,480.18
Plant and Equipment	293,352,190.49	417,442.59	-	293,769,633.08	234,723,989.38	8,233,701.82	-	58,628,201.11	58,628,201.11	50,811,941.88
Electrical Installation	8,152,679.30	-	-	8,152,679.30	6,162,306.44	196,075.81	-	1,990,372.86	1,990,372.86	1,794,297.05
Furniture and Other Fixed Asset	5,225,115.50	343,650.74	-	5,568,766.24	4,541,544.73	216,308.71	-	683,570.77	683,570.77	810,912.80
Office equipments	3,988,541.75	49,425.20	-	4,037,966.95	3,559,025.25	78,950.43	-	429,516.50	429,516.50	399,991.27
Vehicles	482,392.00	-	-	482,392.00	458,272.40	-	-	24,119.60	24,119.60	24,119.60
<b>TOTAL</b>	<b>328,312,710.57</b>	<b>810,518.53</b>	<b>-</b>	<b>329,123,229.10</b>	<b>260,910,821.61</b>	<b>8,889,390.42</b>	<b>-</b>	<b>67,401,888.96</b>	<b>67,401,888.96</b>	<b>59,323,017.07</b>
Intangible Assets Software	45,800.00	-	-	45,800.00	43,510.32	-	-	2,289.68	2,289.68	2,289.68
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>328,358,510.57</b>	<b>810,518.53</b>	<b>-</b>	<b>329,169,029.10</b>	<b>260,954,331.93</b>	<b>8,889,390.42</b>	<b>-</b>	<b>67,404,178.64</b>	<b>67,404,178.64</b>	<b>59,325,306.75</b>
Previous year	326,219,767.43	3,369,609.07	1,230,865.93	328,358,510.57	253,271,483.26	8,854,838.03	1,171,989.36	72,948,284.17	72,948,284.17	67,404,178.64

Note: 1. Depreciation has been provided as per Schedule II of the Companies Act 2013

2. Capital WIP (Development expenditure) relates to Capacity enhancement project, Development of KVAR Capacitors and KER&DC Project

3. No depreciation has been provided in respect of items where the original cost has been reduced to 5%

**NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020**

<b>NOTE 9b WORK IN PROGRESS</b>	<b>Balance as at 01 April 2019 ₹</b>	<b>Additions ₹</b>	<b>Transfer to Fixed Assets ₹</b>	<b>Net Addition ₹</b>	<b>Balance as at 31-03-2020 ₹</b>
Capital WIP	802,221.01	4,120,271.27	-	4,120,271.27	4,922,492.28
<b>GRAND TOTAL</b>	<b>802,221.01</b>	<b>4,120,271.27</b>	<b>-</b>	<b>4,120,271.27</b>	<b>4,922,492.28</b>
Previous year	356,644.65	3,332,572.62	2,886,996.26	445,576.36	802,221.01

**NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020**

<b>Note No</b>	<b>Particulars</b>	<b>Figures as at the end of current reporting period ₹</b>	<b>Figures as at the end of the previous reporting period ₹</b>
<b>10</b>	<b><u>LONG TERM LOANS AND ADVANCES</u></b>		
	<b><u>Secured</u></b>		
	Income Tax Advance (MAT Credit)	1,182,990.00	1,182,990.00
	Deposit with KSEB	2,040,357.69	1,927,033.69
	Deposit with BSNL	9,550.00	9,550.00
	Other deposits	1,009,953.00	1,009,953.00
	Less: Doubtful Advance	359,318.00	359,318.00
	<b>TOTAL</b>	<b>3,883,532.69</b>	<b>3,770,208.69</b>
<b>11</b>	<b><u>INVENTORY</u></b>		
	a. Raw Materials and components		
	i) In hand	93,807,336.74	80,444,733.77
	ii) in transit	32,545,604.12	11,388,651.19
	b. Work-in-progress	23,753,996.10	25,048,957.12
	c. Finished goods	53,574,259.17	36,428,575.54
	d. Stock-in-trade	9,078,562.87	10,142,308.28
	e. Stores and spares	6,550,994.11	5,244,933.63
	<b>TOTAL</b>	<b>219,310,753.12</b>	<b>168,698,159.53</b>
<b>12</b>	<b><u>TRADE RECEIVABLES*</u></b>		
	<b><u>Secured</u></b>	-	-
	<b><u>Unsecured</u></b>		
	<b><u>Trade receivables outstanding for a period less than six months</u></b>		
	considered good	208,440,499.45	186,988,661.42
	<b><u>Trade receivables outstanding for a period exceeding six months</u></b>		
	considered good	14,216,473.36	3,010,667.44
	considered doubtful	16,223,537.76	15,981,998.38
	Less: Provision for doubtful debts	16,223,537.76	15,981,998.38
	<b>TOTAL</b>	<b>222,656,972.81</b>	<b>189,999,328.86</b>
*Out of the above Receivable from Directors/Other Officers <b>NIL</b> (Previous Year <b>NIL</b> )			
*Out of the above Receivable from Related party ₹ <b>204182.00</b> (Previous year ₹ 20016.00)- Refer Note no 42			
<b>13</b>	<b><u>CASH AND CASH EQUIVALENTS</u></b>		
	<b><u>i) Cash and cash equivalents</u></b>		
	a. Balances with banks		
	i) In Current and Savings Bank Account	40,247,719.68	1,088,844.07
	b. Cash on hand	99,280.50	79,646.50
	<b><u>ii) Other Bank balance</u></b>		
	a. Bank deposits*	23,875,293.00	32,840,115.00
	<b>TOTAL</b>	<b>64,222,293.18</b>	<b>34,008,605.57</b>
*Bank Deposit is held as Margin money for Letter of Credit and Bank Guarantee arrangements & Security against Borrowing			

## NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
<b>14</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
	<b><u>Secured</u></b>	-	-
	<b><u>Unsecured, considered good*</u></b>		
	Loans and Advances to related parties**	3,887,002.21	4,209,227.21
	Balance with Port Trust, Customs etc	301,289.00	719,595.00
	Deposits	900,391.31	794,891.82
Others***	2,358,275.00	2,085,131.49	
	<b>Less: Doubtful Advance</b>	82,948.00	82,948.00
	<b>TOTAL</b>	<b>7,364,009.52</b>	<b>7,725,897.52</b>
<p>*Out of the above Receivable from Directors/Other Officers <b>NIL</b> (Previous Year <b>NIL</b>)  ** Refer Note No 43 Related Party transactions  *** Other Loans and Advances includes Advances to Employees, Income Tax receivables etc</p>			
<b>15</b>	<b><u>OTHER CURRENT ASSETS</u></b>		
	Prepaid expenses	1,556,342.00	799,088.06
	<b>TOTAL</b>	<b>1,556,342.00</b>	<b>799,088.06</b>
Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
<b>16</b>	<b><u>REVENUE FROM OPERATIONS</u></b>	₹	₹
	Sale of products	700,284,330.40	679,992,319.10
	Other Operating revenues	1,521,646.44	4,485,462.44
	<b>TOTAL</b>	<b>701,805,976.84</b>	<b>684,477,781.54</b>
<b>17</b>	<b><u>OTHER INCOME</u></b>		
	<b><u>Interest Income</u></b>		
	i) On Bank Deposits	2,885,511.00	2,303,203.00
	ii) On KSEB Deposits	135,243.00	94,319.00
	iii) Other	18,681.00	6,662.00
	<b><u>Other Non operating Income</u></b>		
	i) Insurance Claim	600,000.00	729,050.00
	ii) Foreign Exchange Gain Realised	-	534,132.12
	iii) Foreign Exchange Gain Unrealised	-	525,333.00
	iv) Miscellaneous Income	137,073.00	150,777.82
v) Other Sundry Receipts	399,972.88	369,055.19	
vi) Excess Provision Written back	-	508,100.65	
vii) Insurance Collected	71,780.92	74,633.03	
viii) Freight and Forwarding charges collected	10,748,434.07	10,800,748.75	
	<b>TOTAL</b>	<b>14,996,695.87</b>	<b>16,096,014.56</b>
<b>18</b>	<b><u>COST OF RAW MATERIAL CONSUMED</u></b>		
	Opening Stock of Raw Materials.	80,444,733.77	92,890,607.61
	Add: Purchase of Raw Materials	378,924,718.57	330,830,622.00
	<b>Sub Total</b>	459,369,452.34	423,721,229.61
	Less: Closing Stock of Raw Materials	93,807,336.74	80,444,733.77
	<b>Net Amount</b>	<b>365,562,115.60</b>	<b>343,276,495.84</b>

**NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020**

Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
<b>19</b>	<b><u>PURCHASE OF STOCK IN TRADE</u></b>		
	Traded Items	48,784,219.52	60,025,969.44
	<b>TOTAL</b>	<b>48,784,219.52</b>	<b>60,025,969.44</b>
<b>20</b>	<b><u>CHANGES IN INVENTORIES OF FG, WIP AND STOCK IN TRADE</u></b>		
	<b>Closing Stock</b>		
	Finished Goods	53,574,259.17	36,428,575.54
	Work In Progress:	23,753,996.10	23,753,996.10
	Stock in Trade:	9,078,562.87	10,142,308.28
	<b>sub total</b>	<b>86,406,818.15</b>	<b>71,619,840.94</b>
	<b>Less: Opening Stock</b>		
	Finished Goods	36,428,575.54	39,811,913.40
	Work In Progress:	25,048,957.12	27,954,815.84
	Stock in Trade:	10,142,308.28	2,889,387.37
<b>Sub total</b>	<b>71,619,840.94</b>	<b>70,656,116.61</b>	
	<b>TOTAL</b>	<b>(14,786,977.21)</b>	<b>(963,724.33)</b>
<b>21</b>	<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>		
	(a) Salaries, incentives and bonus	123,248,197.38	127,060,432.92
	(b) Contributions to -		
	i) Provident Fund & Pension Scheme	9,896,346.25	10,279,942.00
	ii) ESI	1,727,754.00	1,945,581.00
	iii) Labour welfare fund & other fund	463,738.25	520,356.00
	(c) Gratuity	15,768,475.00	19,295,336.04
(d) Staff welfare and training expenses	9,652,612.65	9,979,719.32	
	<b>TOTAL</b>	<b>160,757,123.53</b>	<b>169,081,367.28</b>
<b>22</b>	<b><u>FINANCE COST</u></b>		
	Interest on loan	34,389,707.00	27,678,565.00
	Interest on cash credit	4,871,541.14	3,562,862.00
	Usance Interest	586,557.00	713,806.00
	Other borrowing Cost*	3,503,455.30	3,157,221.77
	<b>TOTAL</b>	<b>43,351,260.44</b>	<b>35,112,454.77</b>
*Other borrowing cost represents bank charges & LC commission			
<b>23</b>	<b><u>DEPRECIATION AND AMORTISATION</u></b>		
	Depreciation and Amortisation	8,889,390.42	8,854,838.03
	<b>TOTAL</b>	<b>8,889,390.42</b>	<b>8,854,838.03</b>

**NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020**

Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
<b>24</b>	<b><u>OTHER EXPENSES</u></b>		
	<b>Manufacturing Expenses</b>		
	Consumption of stores and spare parts	2,812,170.57	2,606,001.43
	Power and fuel	19,676,358.00	21,015,236.93
	Repairs to Plant & Machinery	3,916,370.93	5,140,706.30
	Water	3,054.00	3,054.00
	Net (Gain)/Loss on foreign currency transaction and translation		
	i) Foreign Exchange Loss Realised	(245,963.00)	-
	ii) Foreign Exchange Loss Unrealised	645,096.00	-
	<b>Sub total</b>	<b>26,807,086.50</b>	<b>28,764,998.66</b>
	<b>Selling and distribution Expenses</b>		
	Freight paid	5,696,363.81	3,880,473.42
	Insurance Paid	76,497.00	71,803.00
	Packing Materials Consumed	6,460,547.42	6,803,008.04
	Marketing Expense	3,052,670.41	3,007,060.46
	Advertisement and sales promotion	232,184.08	104,493.78
	Discount paid	18,038,885.00	16,009,006.00
	<b>Sub total</b>	<b>33,557,147.72</b>	<b>29,875,844.70</b>
	<b>Establishment Expenses</b>		
	Payment to Auditor		
	a. Statutory Audit	75,000.00	75,000.00
	b. Tax Audit/VAT Audit	113,270.00	50,000.00
	c. Internal Audit	90,000.00	80,000.00
	d. For reimbursement of expenses	83,650.29	108,685.00
	Repairs to building	85,157.72	106,289.92
	Other repairs	629,418.93	662,827.18
	Insurance Charges	251,885.60	204,045.00
	Directors Sitting fee	2,400.00	400.00
	Directors Travel Expenses	185,485.48	175,474.86
	Travel and Conveyance Others	297,367.05	336,315.90
	Printing and Stationery	552,110.01	886,188.71
	Vehicle running and maintenance	58,385.20	101,461.49
	Garden maintenance	72,000.00	96,000.00
Research and Development expenses	2,063,615.19	2,195,031.01	
Rates and Taxes	437,524.00	598,169.00	
Bad and doubtful debts	241,539.38	-	
Postage and Telephone	373,555.04	487,007.79	
Expenditure on BIS Certification	2,415,613.37		
Loss on sale/Discarding of Fixed assets	-	58,876.57	
Miscellaneous Expenses	1,528,669.87	1,155,885.74	
<b>Sub total</b>	<b>9,556,647.13</b>	<b>7,377,658.17</b>	
<b>TOTAL</b>		<b>69,920,881.35</b>	<b>66,018,501.53</b>

\*Excise duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between Excise duty on opening and closing stock of finished goods

**NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020**

Note No	Particulars	Figures as at the end of current reporting period ₹	Figures as at the end of the previous reporting period ₹
25	<b><u>CONTINGENT LIABILITY &amp; COMMITMENTS</u></b>		
	<b><u>I. Contingent Liabilities</u></b>		
	<b><u>A. Guarantees</u></b>		
	i) Letter of credit Arrangement	43,047,935.11	57,372,940.85
	ii) Bank Guarantee –	1,205,725.00	1,205,725.00
	<b><u>B. Other Moneys for which the Company is contingently liable</u></b>		
	i) E.S.I Company's contribution	1,790,007.30	1,790,007.30
	ii) Damages on delayed payments of PF	3,541,394.55	3,541,394.55
	<b><u>II. Commitments</u></b>	-	-
	<b>TOTAL</b>	<b>49,585,061.96</b>	<b>63,910,067.70</b>

## **SIGNIFICANT ACCOUNTING POLICIES**

The following are the significant accounting policies adopted in the preparation and presentation of the financial statements for the year ended 31<sup>st</sup> March 2020.

### **COMPANY REVIEW**

Keltron Component Complex Ltd. was incorporated on 08-10-1974 to engage in the business of manufacturing and trading of Electronic Components and other apparatus and equipment.

#### **A. BASIS OF ACCOUNTING**

The financial statements are prepared and presented under the historical cost convention, on an accrual basis of accounting and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI"), referred to section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014.

#### **B. USE OF ESTIMATES**

The preparation of the financial statements is in conformity with Generally Accepted Accounting Principle (GAAP) and requires the Management to make estimates and assumption that affect the reported balance of assets and liabilities and disclosure relating to contingent assets and liabilities as on the date of the financial statements. Actual result could differ from those estimates. Any revision to the accounting estimates is recognized prospectively in current and future periods.

#### **C. REVENUE RECOGNITION**

Revenue is the gross inflow of cash, receivables, and other consideration arising in the course of the ordinary activities viz. from the sale of goods, from the rendering of service and from the use by others of enterprise resources yielding interest, royalties and dividends. When uncertainties exist regarding the determination of the amount, or its associated costs, these uncertainties may influence the timing of revenue recognition. The accounts are prepared under the historical cost basis of accounting and evaluating it on a going concern basis, with revenues recognized and expenses accounted for on the basis of their accrual. Revenue from sales has been recognized on rising of sales invoices against the respective parties and is exclusive of Goods and Services Tax. The financial statements have been prepared in conformity with the generally accepted accounting principles.

#### **D. FIXED ASSETS AND DEPRECIATION/AMORTISATION**

These are assets held with the intention of being used for the purpose of producing or providing goods or services and is not held for sale in the normal course of business. When an item of expenditure meets the definition of Fixed Asset, it is identified as Fixed Asset. Fixed assets are capitalized at cost inclusive of transport and erection expenses. Also machinery spares which are specific to a particular item of fixed asset and their use is expected to be irregular are capitalized and the cost of such capital spares are allocated for a period not exceeding the useful life of the principal item. Depreciation against the Fixed Assets has been provided as specified in Schedule II of Companies Act 2013.

#### **E. INVENTORIES**

##### a) Raw materials:

Stocks of raw materials are valued at cost or net realizable value whichever is lower. Cost is arrived at on 'Weighted Average method' on each additional shipment.

##### b) Work-in-Progress:

Work in progress is valued at cost or net realizable value whichever is lower.

##### c) Finished Goods:

Closing stocks of Finished Goods is valued at cost or net realizable value whichever is lower. Net realizable value is arrived by using retail method.

##### d) Stores and Spares:

Stores and Spares which are not specific to a particular fixed asset are valued at the lower of cost or net realizable value.

##### e) Trading goods:

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

## F. EMPLOYEE BENEFIT PLANS

### The details of defined contribution plans are as follows :

The Company has defined contribution plan in the form of provident fund scheme and employees state insurance scheme for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The details of such contribution are given below.

Particulars	For the Year ended 31-03-2020	For the Year ended 31-03-2019
Contribution to Employees welfare funds/schemes	₹ 12,087,838.50	₹ 12,750,696.00

### The details of defined benefit plans are as follows:

The Company is under an obligation to pay gratuity to its employees. Suitable provision for such liability is made in the books of accounts every year based on actuarial valuation. However, the Company has not planned for any funded plan to meet this liability. No other post-retirement benefits are provided to employees. The following table sets out the amount recognized in the financial statements on account of such gratuity liability:

Particulars	For the Year ended 31-03-2020 ₹	For the Year ended 31-03-2019 ₹
Balance as on 01 April	73,129,207.00	85,599,629.00
Current service cost	3,994,917.00	3,785,632.00
Interest (Income) expense	5,634,409.00	6,124,471.00
Experience adjustments	-	-
Benefits Paid	(23,297,489.00)	(32,382,898.00)
Actuarial gain/loss	6,614,260.00	10,002,373.00
Balance as on 31 March	66,075,304.00	73,129,207.00

The principal assumptions used in determining gratuity benefit obligation are shown below:

Particulars	For the Year ended 31-03-2020	For the Year ended 31-03-2019
Discount rate	7.00%	7.00%
Salary escalation	10.00%	10.00%

## G. FOREIGN CURRENCY TRANSACTIONS

Foreign currency is a currency other than the Indian currency and the foreign currency transaction is a transaction which is denominated in or requires settlement in a foreign currency. The foreign currency transaction is recorded, on initial recognition, in Indian currency by applying to the foreign currency amount the exchange rate between the Indian currency and the foreign currency at the date of transaction.

All foreign currency monetary assets and liabilities are restated at balance sheet date using year end rates. Resultant exchange difference is recognized as income or expenses in that period. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

## **H. RESEARCH & DEVELOPMENT**

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.

## **I. DEFERRED TAX**

In compliance with AS 22 Deferred tax is recognized subject to the consideration of prudence, on timing difference being the difference between the 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.

## **J. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an out flow of resources will be required to settle such obligation, in respect of which a reliable estimate can be made. Contingent liabilities are not recognized but are disclosed at their estimated value in the Notes to the Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

## **K. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of such an asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to revenue.

## **L. GOVERNMENT GRANT**

Government Fund received for settlement of working capital liability with consortium Banks under One Time Settlement (OTS) and for the expansion of the elements for Metallized Polypropylene Films (MPP) & Kilovolt-Ampere Reactive Capacitors (KVAR) and also for the expansion and modernization of Plant and Machinery and for setting up of KPP Nambiar Smaraka Museum has been treated as grant received from Government of Kerala under the head "Reserves & Surplus" after deducting value of fixed assets purchased out of grant after retaining nominal value of assets.

## **M. 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.

## **N. IMPAIRMENT OF FIXED ASSETS**

There were no internal or external indications for impairment of assets prevalent on the balance sheet date to recognize impairment loss as per AS 28 issued by ICAI.

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

26. The company has forfeited 12800 Nos. of Equity Shares to the extent of ₹75,239.41 (paid up value) as per the Board Resolution dated 04th September 2007.
27. In respect of derivative contracts, premium paid, gains/losses on settlement are recognized in the Statement of Profit and Loss.
28. Income Tax assessment was completed up to AY 2017-18 and there is no demand pending. Sales Tax assessment was completed up to FY 2017-18.
29. Balance in trade receivable, short-term loans and advances, trade payable, short-term borrowings, Government authorities and Financial Institutions etc., are subject to confirmation/reconciliation.
30. The names of Micro Small and Medium enterprise to which the Company owes any sum including interest as on 31-03-2020 are:-

Supplier	Principal Amount due and remaining unpaid ₹	Interest Due and unpaid interest	Interest Paid	Payment made beyond the appointed day during the year	Interest due & payable for the period of delay	Interest accrued and remaining unpaid	Amount of further interest remaining due and payable in succeeding years
Ejeyes Components Pvt Ltd	72.00	0	0	0	0	0	0
Lama Nilraj Engineering Pvt. Ltd.	11669.16	0	0	0	0	0	0
Karniz Packs LLP	10141.00	0	0	0	0	0	0
Teccap Electronics Pvt. Ltd	19477.50	0	0	0	0	0	0

31. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of loss. Since, there is no virtual certainty regarding availability of future taxable income for setting off deferred tax asset. Further we have not recognized MAT credit entitlement.
32. In accordance with clause (ii) of Sub rule (i) of Rule 4 of the (Indian Accounting Standards) Rules, 2015, Indian Accounting Standards is not applicable to the Company since the net worth does not exceed ₹ 500 crores for the accounting period beginning on or after 01st April 2019.
33. Balance lying with bankers other than Scheduled banks on close of business and maximum amount outstanding at any time during the year are:

	Balance as on 31-03-2020	Maximum Balance
The Morazha Kalliasseri Service Co- Op Bank	₹ 4,228.82	₹ 2,21,008.82
Treasury Savings Bank A/C No. 71901100000120	₹ 20,166,755.00	₹ 20,166,755.00
Treasury Savings Bank A/C No. 799012700001753	₹ 20,000,000.00	₹ 20,000,000.00

**34. A Basic Earnings per Share (EPS) of face value ₹ 10/- each is calculated as under**

Particulars	FY 2019-2020 ₹	FY 2018-19 ₹
a) Numerator		
Net Profit/(Loss) after Tax as per Statement of Profit and Loss	27,925,296.06	19,167,893.54
b) Denominator		
Weighted average No. Of Equity Shares outstanding (In Numbers)	34,233,403	34,233,403
c) Basic Earnings per Share	0.82	0.56

**B. Diluted (EPS) of face value of ₹ 10/- each is calculated as under:**

Particulars	FY 2019-2020 ₹	FY 2018-19 ₹
a) Numerator		
Net Profit/(Loss) after Tax as per Statement of Profit and Loss	27,925,296.06	19,167,893.54
b) Denominator		
Weighted average No. of Equity Shares outstanding (In Numbers)	34,233,403	34,233,403
Add: Incremental Equity Shares from assumed conversion of Loan	NIL	NIL
c) Diluted Earnings Per Share (a/b)	0.82	0.56

**35. Details of provisions made as per AS 29 is shown below:**

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31 <sup>st</sup> Mar'2020	As at 31 <sup>st</sup> Mar'19	As at 31 <sup>st</sup> Mar'2020	As at 31 <sup>st</sup> Mar'19
<b>Balance at the beginning of the year</b>	<b>7,31,29,207.00</b>	<b>8,55,99,629.00</b>	<b>1,97,36,071.00</b>	<b>2,09,68,597.00</b>
Less: Paid during the year on account of retirement/resignation	23,297,489.00	3,23,82,898.00	62,50,916.00	70,30,193.00
Add: Provided during the year	1,624,358.00	1,99,12,476.00	40,45,018.00	57,97,667.00
Less: Contribution to Plan Asset with LIC of India	0.00	0.00	0.00	0.00
<b>Balance at the end of the year</b>	<b>66,075,304.00</b>	<b>7,31,29,207.00</b>	<b>1,75,30,173.00</b>	<b>1,97,36,071.00</b>
Classified as Non-Current	4,48,59,641.00	4,52,66,099.00	1,62,15,409.00	1,82,55,868.00
Classified as Current	2,12,15,663.00	2,78,63,108.00	13,14,764.00	14,80,203.00

**36. Quantitative details and value of Trade Items**

Item	Unit	Opening Stock		Purchase		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Capacitors	K Nos	14738.300	98,89,653.36	48809500	4,08,34,519.00	55528200.00	6,42,40,015.66	8019600.00	90,13,015.33
KVAR	No.	1399	213432.99	1	7000.00837	837	1,10,164.00	563	0
Others	-	-	39221.93	-	79,42,700.52	-	92,68,269.19	-	65547.54

### 37. MATERIAL CONSUMPTION

Particulars	01.04.2019 to 31.03.2020			01.04.2018 to 31.03.2019	
	Unit	Nos.	Value (₹)	Nos.	Value (₹)
<b>I. Capacitors</b>					
Aluminium foil	Sqr	481239.901	105,056,243.37	481892.758	102,922,473.23
Aluminium cans	Nos	71188744	17,911,529.22	85475195	19,297,361.33
Bungs	Nos	70755100	45,83,084.42	84333350	5,769,387.46
Paddles	Nos	110518370	50,41,647.11	186228000	8,491,870.99
Electrolytic paper	Kg	32278.874	12,326,912.80	31864.070	11,078,722.88
Others	-	-	44,516,898.90	-	4,26,82,044.13
<b>Total</b>			<b>1,89,436,315.82</b>		<b>1,90,241,860.02</b>
<b>II. Communication &amp; Watch Crystals</b>					
Semi-finished Crystals	Nos	36200.00	371,371.84	79929	699,459.48
Others	-	-	24282.80	-	134,232.94
<b>Total</b>			<b>395,654.64</b>		<b>833,692.42</b>
<b>III. MPP Capacitor</b>					
Elements	Nos	5963280	26,608,340.00	3490690	15,247,867.17
MPP film	kg	148422.450	49,789,485.74	137136.022	52,016,641.28
Resin	Kg	187849.000	12,946,451.00	137419.100	9,333,294.29
Hardner	Kg	89549.000	10,144,595.05	76822.000	13,036,153.61
PP & AL Cans	Nos	24090760	21,036,048.21	13372470	18,009,625.88
Others	-	-	46,302,609.86	-	38,814,250.93
<b>Total</b>			<b>1,66,827,529.86</b>		<b>1,46,457,833.16</b>
<b>IV. Resistors</b>					
Ceramic core	Nos	0	0	35000	1,345.40
Steel Caps	Nos	4800000	29,220.00	5900000	43,376.00
TC Wire	Kg	8175.68	5,194,019.08	4890.492	2,997,072.95
Epoxy Resin	Kg	400.01	178,411.83	432.488	191,009.92
Hardner	Kg	83.32	56,080.98	157.696	102,261.31
Colour Coding Ink	Kg	58.37	33,877.78	18.877	10,357.70
Carbon/Metal} Coated Capped}	Nos	60668970	2,039,961.12	67661585	2,171,105.11
Unsorted CFR/MFR} Elements}	Nos	15000.00	10,800.00	66240.000	69,363.42
Others	-	-	1,360,244.49	-	157,218.43
<b>Total</b>			<b>8,902,615.28</b>		<b>5,743,110.24</b>

**V. Value of Raw Material, Stores & Components consumed during the year.**

Particulars	01.04.2019 to 31.03.2020		01.04.2018 to 31.03.2019	
	₹	% of Consumption	₹	% of Consumption
Imported	16,98,96,468.45	46.00	16,47,72,718.00	48.00
Indigenous	19,56,65,647.15	54.00	17,85,03,777.84	52.00
<b>Total</b>	<b>36,55,62,115.60</b>	<b>100.00</b>	<b>3,43,276,495.84</b>	<b>100.00</b>

**38. CIF VALUE OF IMPORTS**

Particulars	₹	₹
Raw materials & Components	22,78,24,944.48	19,75,88,847.97
Spares	6,36,337.00	11,39,853.06
Exchange Rate Variation	3,99,133.00	(10,59,465.12)
<b>Total</b>	<b>22,88,60,414.48</b>	<b>1,97,669,235.91</b>

**39. EXPENDITURE IN FOREIGN CURRENCY**

Particulars	₹	₹
Raw materials & Components	22,73,47,682.07	197,227,049.37
Spares	6,36,337.00	1,101,014.50
Exchange Rate Variation	3,99,133.00	(10,59,465.12)
Usance Interest	5,86,557.00	7,13,806.00
<b>Total</b>	<b>22,89,69,709.07</b>	<b>19,79,82,404.75</b>

**40. EARNINGS IN FOREIGN EXCHANGE**

FOB Value of Exports	0	48180.30
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**41. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A) Whole time Director's remuneration	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
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1. Sri.Krishna Kumar K.G.	₹	₹
Salary	10,78,390.00	13,58,892.00
PF contribution	121816.00	46,740.00
Medical benefits	81,375.00	32,460.00
<b>Total</b>	<b>12,81,581.00</b>	<b>14,38,092.00</b>

**B) Remuneration of Other Key Management Personnel**

1. Sri.Jose Joseph	₹	₹
Salary	9,24,113.49	8,13,932.00
PF contribution	21,600.00	21,600.00
<b>Total</b>	<b>9,45,713.49</b>	<b>8,35,532.00</b>
2. Smt. Thahira P P(From 14/02/2020)		
Salary	46,551.72	
PF contribution	3600.00	
<b>Total</b>	<b>50,151.72</b>	

#### 42. DUE FROM COMPANIES UNDER SAME MANAGEMENT

Particulars	As at 31-03-2020		As at 31-03-2019	
	Closing balance	Max. Bal	Closing balance	Max. Bal
	₹	₹	₹	₹
a) Under Trade receivables				
i Kerala State Electronics Development Corporation Ltd.				
■ Communication Division	24722.00	24722.00	16,776.00	30,107.00
■ Keltron Controls	0	15503.00	0	26,813.00
ii. Keltron Equipment Complex	179460.00	179460.00	0	88,809.00
iii. Keltron Electro Ceramics Ltd		4657.00	3,240.00	10,436.00
b) Under Loans and Advances				
i Kerala State Electronics Development Corporation Ltd.				
a) ID Project	4,25,716.56	4,25,716.56	4,25,716.56	4,25,716.56
b) KSED CMO Collection A/C	24,08,889.91	34,08,889.91	34,08,889.91	43,58,889.91
c) KSED-KEC	47688.85	47688.85	26,206.85	26,206.85
d) KSED- Monvila Kulathur	790515.00	790515.00	1,71,897.00	2,35,434.00
ii Keltron Electro Ceramics Ltd	2,14,191.89	2,14,191.89	1,76,516.89	1,76,516.89

#### 43. DISCLOSURE OF RELATED PARTY TRANSACTIONS

Particulars	Names of related parties and description of relationship
1. Holding Company	Kerala State Electronics Development Corporation Ltd
2. Fellow Subsidiaries	1. Keltron Electro Ceramics Ltd
	2. Keltron Rectifiers Ltd
	3. Keltron Power Devices Ltd
	4. Keltron Counters Ltd
3. Key Management Personnel	1. Shri Krishna Kumar K G, Managing Director
	2. Shri. Jose Joseph, Chief Fin Officer
	3. Smt. Thahira P P Company Secretary

Particulars		Holding Company	Fellow Subsidiaries	Key Managerial Personnel
Transaction for the year ended 31-03-2020		₹	₹	₹
1	Purchase of goods	9,16,500.00	-	-
2	Purchase of Fixed assets	0	-	-
3	Sale of goods to	3,20,647.00	24,077.00	-
4	Interest on Loan paid to	1,31,295.00	-	-
5	Managerial Remuneration	-	-	22,77,446.21
<b>Outstanding as on 31-03-2020</b>				
1	Debtors	2,04,182.00	3,240.00	-
2	Creditors	378360.00	-	-
3	Loans and Advances	36,72,810.32	2,14,191.89	-
4	Unsecured Loan	-	-	-
5	Other payables	1,23,85,001.23	-	-

44. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

As per our Report of even date attached separately

For and on behalf of the Board

For SVM Associates  
Chartered Accountants  
FRN: 005793S

Sd/-  
CA. G.SANTHOSH PAI  
Partner  
M.No.025486

Sd/-  
N. NARAYANA MOORTHY  
Chairman  
DIN: 05251681

Sd/-  
K.G. KRISHNA KUMAR  
Managing Director  
DIN: 07649134

Sd/-  
JOSE JOSEPH  
Chief Fin. Officer

Sd/-  
THAHIRA P.P.  
Company Secretary  
M. No. A60401

UDIN: 20214242AAAAPI301

Place: Kannur  
Date : 16.3.2021



**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 KELTRON COMPONENT COMPLEX LIMITED, KANNUR FOR  
THE YEAR ENDED 31 MARCH 2020**

The preparation of financial statements of **Keltron Component Complex Limited, Kannur** for the year ended **31 March 2020** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with 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 **16 March 2021**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **Keltron Component Complex Limited, Kannur** for the year ended **31 March 2020** under Section 143(6) (a) of the Act.

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

Sd/

**Thiruvananthapuram  
Dated: 10.05.2021**

**K.P. ANAND  
PRINCIPAL ACCOUNTANT GENERAL (AUDIT II), KERALA**

## **KELTRON COMPONENT COMPLEX LIMITED**

**KELTRON NAGAR, KALLIASSERY, KANNUR, KERALA-670562**

**(CIN No : U31904KL1974SGC002630)**

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 46th Adjourned Annual General Meeting of the Company at the registered office of the Company at KELTRON NAGAR, KALLIASSERY PO, KANNUR, KERALA 670562 on **Friday, the 27th August 2021 at 3.00 pm.**

\_\_\_\_\_  
Full Name of the Shareholder  
(In Block Letters)

\_\_\_\_\_  
Signature

### **ATTENDANCE SLIP**

#### **ADJOURNED ANNUAL GENERAL MEETING ON 27th AUGUST 2021**

Regd. Folio No. ....

DP ID No\* .....

Client ID No\* .....

*\*Applicable for members holding shares in electronic form.*

\_\_\_\_\_  
Full Name of Proxy  
(In block Capitals)

\_\_\_\_\_  
Signature

<b>EVEN</b> (Remote e-voting event no)	<b>USER ID</b>	<b>PASSWORD</b>

#### **NOTES :**

- Members/Proxy holders are requested to bring the attendance slip with them when they come to the meeting and hand it over at the entrance after affixing signature.



**Form No. MGT-11  
Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]*

CIN: U31904KL1974SGC002630

Name of the company: KELTRON COMPONENT COMPLEX LIMITED

Registered office: KELTRON NAGAR, KALLIASSERY, KANNUR, KERALA 670562

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/Client Id :

DPID :

I/We, being the member(s) of.....shares of the above named company,  
hereby appoint

1. Name:.....

Address:

E-mail Id:

Signature.....,or failing him

2. Name:.....

Address:

E-mail Id:

Signature.....,or failing him

3. Name:.....

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the..... Annual General Meeting / Extra ordinary general meeting of the company, to be held on the.....day of.....at.....a.m./ p.m. at.....(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

2.....

3.....

Signed this.....day of.....20.....

Signature of share holder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**KELTRON**  
Kalliasseri Component Complex Ltd.

**K.P.P. NAMBIAR**  
**ELECTRONICS**  
**RESEARCH &**  
**DEVELOPMENT**  
**CENTRE**

കെ.പി.പി. നമ്പ്യാർ  
ഇലക്ട്രോണിക്സ്  
ഗവേഷണ വികസന കേന്ദ്രം  
കല്ലാശ്ശേരി, കണ്ണൂർ



KPP NAMBIAR SMARAKAM  
Inaugurated By Hon'ble Chief Minister  
On 23-02-21



**KELTRON COMPONENT COMPLEX LTD**

Kalliasseri P.O. Kannur, Kerala, India, Pin-670 562  
Phone : 0497-2780831-4(4Lines), Fax:0497-2781055  
Email:info@keltroncomp.org

