



NAMBOODIRI ASSOCIATES

CHARTERED ACCOUNTANTS

Brahmaswom Madom Building,
MG Road,

Thrissur-680001

Email:
csnnamboodiri@gmail.com

Phone: 9446997940

To,
THE ASSISTANT SECRETARY
THRISSUR CORPORATION ELECTRICITY DEPARTMENT,
CORPORATION BUILDING
THRISSUR.

Introduction

This report is issued in accordance with the terms of our engagement letter dated 15.07.2023. I have been requested by the management of Thrissur Corporation Electricity Department (TCED) to provide a report on the accompanying statement prepared in accordance with regulation 10(10)(e) of the Kerala State Electricity Regulatory Commission (Terms & Conditions for Determination of Tariff) Regulations, 2018 ("Tariff Regulations") of TCED for the year ended 31.03.2024, for the limited purpose of assessing variation in financial performance from the aggregate revenue requirement and expected revenue from tariff and charges as approved by the Kerala State Electricity Regulatory Commission ("The Commission").

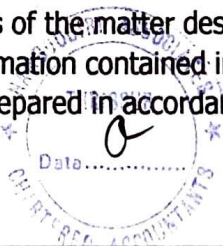
I have conducted our audit placing reliance on the Annual Accounts of TCED for the year ended 31.03.2024. The annual accounts of TCED for the year 2023-24 has been approved by the Finance Standing Committee on 25/11/2024

Report on the Financial Statements

I have audited the annexed financial statements of Thrissur Corporation Electricity Department, which comprise of the balance sheet as on March 31, 2024, Income and expenditure account for the year ended and a summary of significant accounting policies.

Qualified Opinion

In my opinion and to the best of my knowledge and information and according to the explanations given to me, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial information contained in the accompanying statements for the year ended 31.03.2024 is prepared in accordance with regulation



10(10)(e) of the Tariff Regulations and the variances reported therein shows a true and fair view.

Basis for Qualified Opinion

1. As I have no access to the balances before 2012 the accuracy of the opening balances cannot be ascertained.
2. The closing balances of security deposit are not tallying with their respective ledgers.
3. The closing balances of EMD are not matching with EMD register maintained.
4. TCED has accounted certain amounts as receivable like Meter Rent Receivable from KSEB from the past several years, but the same has not been received so far.
5. TCED has not given effect in the Fixed Asset register of the stock returns of damaged goods or any other stock return to the store. This has led to doubling of assets in the asset register when the asset is repaired and reissued. However TCED is trying to correct it through physical verification of assets. The corrections after physical verification will be incorporated in the financials in the next financial year.
6. The balance in service connection charges could not be verified as it's a balance that relates to year prior to 2012. There are no transactions in this account for the past several years. The balances of various accounts like Land Cutting and Restoration, Purchase Bill Pending Payment- Solar Project have balances that have remained unchanged over the years.
7. TCED has booked rent due to Thrissur Corporation, based on a valuation of the rental value of its occupied premises. However, no payments have been made till date.
8. The Interest on Security Deposit due to the consumers of TCED booked in the accounts have been computed based on the prevalent bank rate and average balance of security deposit.
Whereas the actual interest doesn't take into account the security deposits for CDC consumers.
9. The impact of above clause on the 'Profit for the year, Reserves, Assets and Liabilities as at 31st March 2024 could not be ascertained.

I conducted my audit in accordance with Standards on Auditing (SAs). My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the financial statements and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

1. The amount shown as Pension Amount Recoverable from Government is based on the payments by the TCED to its pension account for disbursement.
2. TCED started to bring the Return on Equity (ROE) approved by KSERC from FY 2006-07. The previous year ROE brought it to books by adjusting the reserves and surplus. It is now adjusted with the street light demand pending from Thrissur Corporation.

3. In KSERC Truing Up order 2022-23 , the commission prescribed the methodology for calculation of depreciation and interest on normative loan.
But the calculations are only incorporated in the D-format financials not in audited financials.

Responsibilities of Management and Those Charged with Governance for the financial statement:

Management of TCED is responsible for the preparation of these statements and other relevant supporting records and documents in accordance with the "Tariff Regulations". This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of these statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements:

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

As part of an audit in accordance with SAS, I exercise professional judgment and maintain professional skepticism throughout the audit.

I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Place : Thrissur

Date : 27/11/2024

UDIN : 24201525BKAQTF4875

for NAMBOODIRI ASSOCIATES
Chartered Accountants
Firm Registration No. 005824S

CA. C.S. NARAYANAN NAMBOODIRI
Proprietor
Membership No. 201525

Trichur Corporation Electricity Department			
Balance Sheet as on 31.03.2024			
PARTICULARS	SCHE DULE NO.	As at 31.03.2024	As at 31.03.2023
SOURCES OF FUNDS			
(1) Owner's Funds		<u>84,11,28,698</u>	<u>93,08,90,263</u>
Capital Account		40,40,60,306	40,40,60,306
Reserves & Surplus	1	43,70,68,392	52,68,29,957
(2) Consumer Contribution		<u>7,27,93,752</u>	<u>7,04,28,933</u>
TOTAL		<u>91,39,22,450</u>	<u>1,00,13,19,196</u>
APPLICATION OF FUNDS			
(1) Net Fixed Assets		<u>31,20,77,551</u>	<u>32,68,09,698</u>
(a) Gross Block	2	70,63,73,641	69,88,80,154
(b) Less : Accumulated Depreciation	2	39,42,96,090	37,20,70,455
(c) Net Block	2	<u>31,20,77,551</u>	<u>32,68,09,698</u>
(d) Capital Work in Progress	2		
(2) Current Assets, Loans & Advances		<u>1,47,97,38,769</u>	<u>1,47,13,21,817</u>
(a) Inventories	3	49,85,084	49,27,558
(b) Sundry Debtors		18,66,38,142	17,86,93,917
Less : Provision for Doubtful Debts		-	-
Net Sundry debtors		18,66,38,142	17,86,93,917
(c) Loans and Advances	4	70,56,77,433	71,48,35,102
(d) Interest Accrued on Investments		1,75,79,938	3,26,35,738
(e) Cash and Bank Balance		56,48,58,172	54,02,29,503
Less : Current Liabilities and Provisions	5	<u>87,78,93,870</u>	<u>79,68,12,320</u>
Net Current Assets		<u>60,18,44,899</u>	<u>67,45,09,498</u>
TOTAL		<u>91,39,22,450</u>	<u>1,00,13,19,196</u>

As per the Books and Accounts produced before me

Date: 27-11-2024

Place: Thrissur

UDIN: 24201525BKAQTF4875

for NAMBOODIRI ASSOCIATES
Chartered Accountants
Firm Registration No. 005824S

M
CA. C.S. NARAYANAN NAMBOODIRI
Proprietor
Membership No. 201525

Trichur Corporation Electricity Department			
Income & Expenditure as on 31.03.2024			
PARTICULARS	SCHEDULE NO.	Year Ended 31st March 2024	Year Ended 31st March 2023
INCOME			
Revenue from Sale of Power	6	1,51,72,20,140	1,32,37,57,712
Other Income	7	6,04,98,129	5,29,50,664
TOTAL INCOME		1,57,77,18,269	1,37,67,08,376
EXPENDITURE			
Purchase of Power - Bulk Supply		1,34,35,78,668	1,16,32,96,707
Employee Costs	8	11,38,06,542	10,81,96,019
Repairs & Maintenance Expenses	9	1,04,00,864	79,30,683
Administration and General Expenses	10	3,34,45,517	3,04,41,726
Depreciation	2	2,22,25,637	2,31,88,098
Interest and Finance Charges	11	2,95,44,663	1,74,21,356
Provisions		1,27,50,000	1,27,50,000
TOTAL EXPENDITURE		1,56,57,51,892	1,36,32,24,588
Net Profit / (Loss) for the period		1,19,66,377	1,34,83,787
Return on equity		1,41,00,942	
Balance carried forward to Balance Sheet		(21,34,565)	1,34,83,787

As per the Books and Accounts produced before me

Date: 27-11-2024

Place: Thrissur

UDIN: 24201525BKAQTF4875

for NAMBOODIRI ASSOCIATES
Chartered Accountants
Firm Registration No. 005824S

CA. C.S. NARAYANAN NAMBOODIRI
Proprietor
Membership No. 201525

Trichur Corporation Electricity Department		
Cash Flow Statement for the year ended 31.03.2024		
Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	1,19,66,377	1,34,83,787
Adjustment for :		
Depreciation	2,28,07,567	2,35,35,010
Interest Income	(3,78,41,040)	(3,11,90,104)
Non-Operating Interest Expenses	-	-
Operating profit / (loss) before working capital changes	(30,67,096)	58,28,694
Changes in Working Capital		
(Increase)/Decrease in Inventories	(57,527)	14,30,256
(Increase)/Decrease in Debtors	(79,44,225)	1,05,35,329
(Increase)/Decrease in Loans & Advances	91,57,669	(7,71,48,222)
Increase/(Decrease) in Trade Payables & Provisions	8,10,81,547	4,83,91,322
(Increase)/Decrease in Interest Accrued on Investment	1,50,55,800	(44,68,827)
Cash Generated from Operations	9,42,26,169	(1,54,31,449)
Less : Direct taxes paid	-	-
Income Tax / Fringe Benefit Tax / Wealth Tax	-	-
Net Cash flow from Operating Activities	9,42,26,169	(1,54,31,449)
B. Cash flow from Investing Activities		
(Increase)/Decrease in Fixed Assets	(80,75,418)	(1,05,23,413)
(Increase)/Decrease in CWIP	-	-
Interest earned on Investments	3,78,41,040	3,11,90,104
Net Cash flow from Investing Activities	2,97,65,623	2,06,66,691
C. Cash flow from Financing Activities		
Increase / (Decrease) in Capital	23,64,820	13,53,031
Increase / (Decrease) in Reserves	(10,17,27,943)	(1,49,480)
Net Cash flow from Financing Activities	(9,93,63,123)	12,03,551
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	2,46,28,669	64,38,792
Opening Balance of Cash and Cash Equivalents	54,02,29,503	53,37,90,711
Closing Balance of Cash and Cash Equivalents	56,48,58,172	54,02,29,503

As per the Books and Accounts produced before me

Date: 27-11-2024

Place: Thrissur
UDIN: 24201525BKAQTF4875

For NAMBOODIRI ASSOCIATES
Chartered Accountants
Firm Registration No. 005824S

Nh
CA. C.S. NARAYANAN NAMBOODIRI
Proprietor
Membership No. 201525

SCHEDULE - 1
Reserves and surplus

SI NO	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	Opening Reserves and surplus	52,68,29,957	51,33,46,170
2	Add profit /-Loss	(21,34,565)	1,34,83,787
3	Less Adjustments	(8,76,27,000)	-
4	Closing balance of Reserves and surplus	43,70,68,392	52,68,29,957



**SCHEDULE - 2
FIXED ASSETS**

Sl No.	Description of Assets	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK		
		Opening as on 01-04-2023	Additions during 2023-24	Deductions during 2023-24	Closing as on 31-03-2024	Opening as on 01-04-2023	Depreciation for the year	Deductions during 2023-24	Closing as on 31-03-2024	Closing as on 31-03-2024	Opening as on 01-04-2023
1	Land Development	23,39,191.14	-		23,39,191.14	-	-	-	23,39,191.14	23,39,191.14	
2	Building	1,19,93,047.70	-		1,19,93,047.70	38,96,372.17	-	42,46,487.52	77,46,560.19	80,96,675.53	
3	Plant & Machinery	33,31,79,384.76	84,99,645.00	25,53,489.23	33,91,25,540.53	16,28,15,226.25	87,38,842.57	4,21,656.45	16,79,93,128.16	17,03,64,158.50	
4	Underground Lines(Cables)	7,98,50,523.72	3,93,880.70	1,49,729.14	8,00,94,675.28	3,49,30,983.41	29,93,105.15	5,569.56	3,79,18,519.00	4,49,19,540.32	
5	Overhead Lines (Lines)	16,98,28,059.50	8,23,815.00	20,19,653.62	16,86,32,220.88	11,30,10,982.87	38,12,362.56	1,54,703.89	11,66,68,641.55	5,68,17,076.63	
6	Vehicles	53,67,762.00	-		53,67,762.00	51,26,093.08	-	51,26,093.08	2,41,668.92	2,41,668.92	
7	Furniture	32,53,992.28	2,07,320.00		34,61,312.28	14,21,321.13	1,63,936.62	-	18,76,054.52	18,32,671.14	
8	Office Equipments	1,38,06,867.91	1,02,100.00		1,39,08,967.91	96,61,320.07	3,63,005.42	-	38,84,642.42	41,45,547.84	
9	IT Equipments	1,31,57,295.16	3,29,599.00		1,34,86,894.16	1,02,40,988.34	4,85,424.03	-	27,60,484.32	29,16,306.81	
10	Meter	6,24,05,446.34	18,60,000.00		6,42,65,446.34	2,78,12,476.45	56,72,451.67	-	3,07,80,518.22	3,45,92,969.89	
11	Software	36,98,583.00	-		36,98,583.00	31,54,691.33	2,28,323.70	-	3,15,567.97	5,43,891.67	
	TOTAL	69,88,80,153.51	1,22,16,359.70	47,22,871.99	70,63,73,641.22	37,20,70,455.11	2,28,07,567.08	5,81,929.90	39,42,96,089.75	32,68,09,698.40	



**SCHEDULE - 3
INVENTORIES**

SI NO	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	Opening Balance of Inventory	49,27,558	63,57,814
2	Add : Purchase during the year	1,33,50,208	1,18,47,066
3	Less : Consumption, charged to Corporation Current Account and Capitalization during the year	1,32,92,682	1,32,77,322
4	Closing Balance of Inventory	49,85,084	49,27,558

**SCHEDULE - 4
LOANS AND ADVANCES**

SI NO	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	Security Deposit with KSEB	9,86,46,585	8,62,57,385
2	Festival Advance	12,000	12,000
3	Advance given for Cable Laying Works	23,31,244	23,31,244
4	Corporation Current Account	57,50,55,250	59,80,42,701
5	Imprest Advance to Asst Engineers	1,51,994	71,314
6	Meter rent receivable from KSEB	1,38,460	1,24,300
7	Small Hydel Project	2,22,75,000	2,22,75,000
8	Legal Fee Deposit	1,07,000	1,07,000
9	Other Receivables	4,80,575	5,92,535
10	Pole rental charges recievable	64,79,325	20,52,494
11	Employee Compensation Deposit	-	29,69,129
	TOTAL	70,56,77,433	71,48,35,102



**SCHEDULE - 5
CURRENT LIABILITIES AND PROVISIONS**

SI No	Particulars	As at 31.03.2024	As at 31.03.2023
1	Security Deposits	44,57,13,521	41,82,38,467
2	EMD	1,14,81,020	1,04,56,435
3	Liability for KSEB's Bulk Supply Bill	12,97,67,280	11,55,48,280
4	Liability for Solar Project Installation Pending Payme	24,38,252	24,38,252
5	Liability for Purchase bills pending for payment	6,47,036	-
6	Liability for Salary Payable	96,59,534	26,57,635
7	Liability for Vehicle Hiring charges Payable	1,17,079	7,53,548
8	Liability for Section 3 Duty	25,94,889	24,79,596
9	Liability for Section 4 Duty	8,12,89,935	8,10,86,009
10	Liability for Section 5 Duty	9,124	7,611
11	Liability for Thermal / Fuel Charges	39,19,801	14,70,907
12	Liability for HT Surcharge	1,16,136	1,96,335
13	Liability for Unpaid Interest on Security Deposit	3,35,61,715	3,24,04,749
14	Provision for Salary Pay revision	11,09,80,373	9,82,30,373
15	Provision for Loss by Theft	49,25,664	49,25,664
16	Interest on Security Deposit - Accrued but not due	2,95,44,767	1,74,21,356
17	Retention	1,40,000	1,40,000
18	Liability For Solar Registration Fee Collected	38,10,819	26,78,200
19	Liability For Solar EC Payable	26,87,317	11,89,468
20	Liability for Stale Cheque	5,29,846	5,29,846
21	Other Liabilities	39,59,761	39,59,588
22	Return on equity payable	-	
	TOTAL	87,78,93,870	79,68,12,320



SCHEDULE - 6
REVENUE FROM SALE OF POWER

Sl No	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	Domestic	28,99,65,001	24,40,63,732
2	Non-Domestic	1,19,59,73,405	1,04,96,56,048
3	Agricultural	2,46,825	2,25,533
4	Industry	2,42,26,125	2,30,80,321
5	Street Lights	58,51,134	58,06,117
6	Self Consumption	9,57,650	9,25,960
	TOTAL	1,51,72,20,140	1,32,37,57,712

SCHEDULE - 7
OTHER INCOME

Sl No	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	Interest Income on Deposits with Banks	3,14,86,286	2,75,24,165
2	Interest Income on Security Deposit with KSEB	63,54,754	36,65,939
3	Penal Interest Income (Late Payment Charges received)	68,94,211	76,90,217
4	Collection Charges on Section 4 Duty and HT Surchar	12,49,126	10,79,747
5	Income from Poles - Rent	52,58,306	45,85,990
6	Anti Power Theft Squad Penalty	1,27,160	6,605
7	Other penalties (u/s 127,135,152)	5,47,860	-
8	Miscellaneous Income	28,85,579	33,82,618
9	Meter Rent	48,75,769	47,06,353
10	Solar Energy application fees and connectivity Fees	8,19,078	3,09,030
	TOTAL	6,04,98,129	5,29,50,664



**SCHEDULE - 8
EMPLOYEE COST**

Sl No	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	Salary	7,22,23,918	7,43,42,954
2	Wages	1,92,51,960	1,79,01,223
3	Pension Contribution	85,48,254	87,36,818
4	Earned Leave Surrendered	72,68,559	40,87,272
5	Allowances	37,09,775	25,47,738
6	Salary Arrears	28,04,076	5,80,014
	TOTAL	11,38,06,542	10,81,96,019

**SCHEDULE - 9
REPAIRS & MAINTANENCE COST**

Sl No	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	Stores Consumption	92,19,291	63,08,379
2	Other R & M Cost	11,81,573	16,22,304
	TOTAL	1,04,00,864	79,30,683

**SCHEDULE - 10
ADMINISTRATION & GENERAL EXPENSES**

Sl No	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	Other Administration & General Expenses	1,78,42,046	1,48,09,006
2	Section 3 Duty	98,44,822	87,38,277
3	Rent for the year		
	i) Buildings	48,01,000	59,68,483
4	Self Consumption	9,57,650	9,25,960
	TOTAL	3,34,45,517	3,04,41,726

**SCHEDULE - 11
INTEREST AND FINANCE CHARGES**

Sl No	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	Interest on Security Deposit	2,95,44,663	1,74,21,356
	TOTAL	2,95,44,663	1,74,21,356

