

**INDEPENDENT AUDITORS' REPORT**

To

The Trustees,

Kerala State Electricity Board Limited Employees Master Pension and Gratuity Trust,  
Thiruvananthapuram.

**Qualified Opinion:**

We have audited the accompanying financial statements of Kerala State Electricity Board Limited Employees Master Pension and Gratuity Trust, which comprise the Balance sheet as at March 31, 2019 and Receipt and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information contained in notes to accounts.

In our opinion and to the best of our information and according to the explanations given to us, subject to the effect of the matters described in Basis of Qualified Opinion Paragraph and Notes attached to and forming part of the accounts, the said accounts, read together with the accounting policies and other notes attached thereto, give a true and fair view in conformity with the Accounting Principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Trust as at 31<sup>st</sup> March, 2019 and
- (ii) In the case of the Receipts and Payments Account, with respect to the receipts and payments for the year ended 31st March 2019.

**Basis for qualified opinion**

The facts relating to the qualifications as detailed in the respective notes to the accounts are as under:

- I. Interest due and amount due on redemption of bonds receivable from KSEB as detailed in note No 12.2.3 aggregating to Rs.9,07,68,21,123/- represents the proceeds from redemption of bonds with coupon rate of 10% accounted as redeemed (without actual redemption by payment by KSEB) due to financial crunch.
- II. As detailed in note No 12.2.1 The Pension and pensionary liability of 147 employees who retired from the service during the financial year has been erroneously excluded from the valuation done for the year due to delay in preparing pension payment order by certain Master Trust Units (MTUs), the exact liability for which has not hence been ascertained and provided for in the accounts for the year. The effect of this on the financial statement is not as such ascertainable.



# Varma & Varma

## Chartered Accountants

- III. The allocation of the amount of Rs.13,78,04,16,739/- received from KSEB Ltd. during the year towards interest, budgetary allocation and redemption of bond as detailed in Note. No.12.2.3 is done on the basis as certified by the management and the details of allocation has not been explained to us. The accounts are subject to this limitation.
- IV. As detailed in note No 12.2.3 to the accounts, as per clause 10 and 21 of the terms and conditions of the bond issue, interest and principal value of the bond are to be paid by the KSEBL on the first April every year, failing which an additional interest @ 24% is payable by KSEBL. Interest for default in payments of principal and interest has not been taken credit for during the year.

### Emphasis of matter

We draw attention to the following matters disclosed in Notes to accounts.

- i. As detailed in Schedule No.12.2.2 to the accounts, no income and expenditure account has been prepared by the Trust for reasons stated therein.
- ii. As detailed in Schedule No.12.2.7 the recoveries made from the payment to the pensioners towards TDS, payment to KSFE, etc. and this balances thereunder is subject to confirmation. .
- iii. As detailed in Schedule No. 12.2.9 to the accounts, no provision has been made towards liability in respect of various litigations pending with the Hon. High Court of Kerala relating to pension and pensionary benefits filed by the retired employees against the erstwhile KSE Board and also KSEB Limited.
- iv. As detailed in Schedule No.12.2.10 to the accounts, amount shown as receivable from KSEBL are subject to the confirmation

Our report is not qualified in respect of the above matters.

We have conducted our audit in accordance with Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements.

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





**Responsibilities of Management and Those Charged with Governance for the Financial Statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the trust in accordance with the accounting principles generally accepted in India and for such, internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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



# Varma & Varma

Chartered Accountants

## Other Matters

On the basis of audit conducted by us we also report that:

- a) 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 to the extent otherwise stated in this report.
- b) The Balance Sheet and the Receipts and Payments account dealt with by this report are in agreement with the books of accounts maintained by the Trust.

For Varma & Varma  
Chartered Accountants  
FRN : 004532S

  
Pankajakshan C G

Partner

M.No.020512

UDIN: 21020512AAAACB4564



Thiruvananthapuram

Date : 05.03.2021



**Kerala State Electricity Board Limited Employees' Master Pension & Gratuity Trust**

**Balance sheet as at 31-03-2019**

As at 31.3.2018 Rs.	LIABILITIES	Sch	As at 31.3.2019 Rs.	As at 31.3.2018 Rs.	ASSETS	Sch	As at 31.3.2019 Rs.
10,00,000.00	Corpus Fund		10,00,000.00	52,70,61,76,731.00	Receivable from KSEB Ltd. towards Pensionary benefits as per Actuarial Valuation	2	68,44,71,74,498.00
1,75,01,38,28,469.56	Pension and Gratuity Trust Fund	1	1,87,86,13,23,531.66	77,36,80,00,000.00	Investment in 10% Bonds	3	73,29,60,00,000.00
3,74,36,098.00	TDS Payable		2,10,95,778.00	35,02,49,00,000.00	Investment in 9% Bonds	4	32,31,61,00,000.00
5,310.00	Recoveries and remittance to other departments		(15,595.00)	4,71,60,00,000.00	Budgetary Allocation receivable from KSEB Ltd.	5	4,71,60,00,000.00
-	Recoveries and remittance to KSFE		33,250.00	5,18,74,37,862.00	Interest and Redemption of Bonds receivable from KSEB Ltd.	6	9,07,68,21,123.00
5,02,810.00	Recoveries for Pensioners Welfare Fund payable		4,53,860.00				
-	Recoveries and remittance on behalf of co-operative society		3,25,330.00		Bank accounts:		
-	Recoveries and remittance to CM's disaster fund		11,64,42,830.00	10,00,000.00	Trust Account- SBI, Pattom		10,43,566.25
3,99,810.00	Stale Cheques		3,70,838.00	35,19,430.36	Master Trust Units	7	35,38,137.46
2,68,42,348.00	Retention amount from Pensioners (TDS on TELS)		4,53,47,845.00				45,81,703.71
				6,51,86,376.00	Receivable from KSEB Ltd. towards recoveries effected from pensioners	8	18,40,54,136.00
				16,16,79,321.00	Terminal Benefits receivable from KSEB Ltd.	9	10,49,16,142.00
				(16,16,79,321.00)	Less: Terminal benefits payable to pensioners	10	(10,49,16,142.00)
				77,94,446.20	Receivable from KSEBL- Reimbursement of Expenses	11	56,46,206.95
<b>1,75,08,00,14,845.56</b>	<b>Total</b>		<b>1,88,04,63,77,667.66</b>	<b>1,75,08,00,14,845.56</b>	<b>Total</b>		<b>1,88,04,63,77,667.66</b>

Notes to accounts as per Schedule - 12

**AUDITORS' REPORT**  
As per our report of even date attached

for Kerala State Electricity Board Limited  
Employees' Master Pension & Gratuity Trust

for Varma & Varma  
Chartered Accountants  
FRN : 004532S

Chairman & Trustee



Treasurer & Trustee



Thiruvananthapuram  
Date : 05.03.2019

  
Pankajakshan C G  
Partner  
Membership No. 020512





**Kerala State Electricity Board Limited Employees' Master Pension & Gratuity Trust**

**RECEIPTS & PAYMENTS A/C FOR THE YEAR ENDED 31.03.2019**

Receipts	Amount (in Rs.)	Payments	Amount (in Rs.)
Opening Balance in Banks		Pension & other terminal liabilities disbursed to Pensioners:	
Trust Account- SBI, Pattom	35,19,430.36	Terminal Benefits- E/L surrender	44,69,89,090.00
Master Trust Units	10,00,000.00	Gratuity	97,95,21,244.00
Amount received from KSEB Ltd.		Commutation of Pension	1,17,23,74,855.00
Interest received from Banks		Regular Pension	6,81,67,00,213.00
Prior period Income		Family Pension	1,81,28,93,080.00
Other Income		Dearness Relief to Regular Pensioners	2,46,03,28,481.00
Payments during the year against current liabilities		Medical Allowance To Pensioners Completed 70 Years	10,88,80,310.00
Add: Payable at Opening of the year:		Special Festival Allowance To Pensioners	3,08,56,273.00
Recoveries from pensioners Payable to KSEB Ltd.	58,12,064.00	Interest on Gratuity	(22,60,743.00)
Provision For Gratuity	23,19,717.00	Pension - relating to past years	2,39,50,301.00
Provision For Pension	15,82,63,081.00	MO Commission	1,06,148.00
Terminal Leave Surrender payable	10,96,523.00	Other Professional Charges	890.00
IT - TDS payable	3,74,36,098.00	Bank Charges	5,465.75
Recoveries and remittance to other departments	5,310.00	Closing Balance in Banks	
Recoveries and Remittance of Pensioners Welfare Fund	5,02,810.00	Trust Account- SBI, Pattom	10,43,566.25
Stale Cheques	3,99,810.00	Master Trust Units	35,38,137.46
Retention amount from Pensioners	2,68,42,348.00		
Less: Payable at the year end:			
Recoveries from pensioners Payable to KSEB Ltd.	84,58,700.00		
Provision For Gratuity	37,83,246.00		
Provision For Pension	9,94,73,271.00		
Terminal Leave Surrender payable	16,59,625.00		
IT - TDS payable	2,10,95,778.00		
Recoveries and remittance to other departments	(15,595.00)		
Recoveries and remittance to KSFE	33,250.00		
Recoveries and remittance on behalf of co-operative soc	3,25,330.00		
Recoveries and remittance to CM's disaster fund	11,64,42,830.00		
Recoveries and Remittance of Pensioners Welfare Fund	4,53,860.00		
Stale Cheques	3,70,838.00		
Retention amount from Pensioners	4,53,47,845.00		
Increase in current liability during the year			
<b>Total</b>		<b>Total</b>	
	6,47,51,217.00		13,85,49,27,311.46
	<b>13,85,49,27,311.46</b>		<b>13,85,49,27,311.46</b>





# Kerala State Electricity Board Limited Employees' Master Pension & Gratuity Trust

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2019

**Schedule 1**

31.03.2018	Pension and Gratuity Trust Fund	31.03.2019
1,24,19,84,36,215.10	<b>Opening Balance</b>	1,75,01,38,28,469.56
52,70,61,76,731.00	<b>Add: Addition in Actuarial valuation liability as at 31.03.2019 receivable from KSEB Ltd.</b>	15,74,09,97,767.00
	<b>Add: Receipts</b>	
8,14,40,00,000.00	Interest on 10% Bonds	7,73,68,00,000.00
3,37,59,00,000.00	Interest on 9% Bonds	3,15,22,00,000.00
12,73,006.46	Interest received from Banks	13,82,113.90
6,086.00	Other Income	65,711.00
2,62,519.00	Other Income Relating to Prior Periods	37,92,100.20
	<b>Less: Payments</b>	
	<b>Terminal Benefits paid (Net):</b>	
	<b>Terminal Benefits paid (Gross):</b>	
39,56,28,627.00	Terminal E/L Surrender (Pensioners)	44,69,89,090.00
67,98,74,932.00	Gratuity	97,95,21,244.00
97,54,25,460.00	Commutation of Pension	1,17,23,74,855.00
6,81,82,98,273.00	Regular Pension	6,81,67,00,213.00
1,76,58,93,410.00	Family Pension	1,81,28,93,080.00
2,06,67,49,018.00	Dearness Relief to Regular Pensioners	2,46,03,28,481.00
11,01,95,792.00	Medical Allowance To Pensioners Completed 70 Years	10,88,80,310.00
2,90,11,238.00	Special Festival Allowance To Pensioners	3,08,56,273.00
3,78,33,050.00	Pension - relating to past years	1,87,08,010.00
4,62,14,088.00	Arrear Pensions	52,42,291.00
12,92,51,23,888.00		13,85,24,93,847.00
	<b>Add: Opening Statutory / Recoveries payable:</b>	
28,25,415.00	Recoveries from pensioners Payable to KSEB Ltd.	58,12,064.00
6,86,15,973.00	IT - TDS payable	3,74,36,098.00
1,19,696.00	Recoveries and remittance to other departments	5,310.00
1,24,000.00	Recoveries and remittance to KSFE	-
2,74,040.00	Recoveries and Remittance of Pensioners Welfare Fund	5,02,810.00
3,97,432.00	Stale Cheques	3,99,810.00
1,25,75,562.00	Retention amount from Pensioners (TDS on TELS)	2,68,42,348.00
8,49,32,118.00		7,09,98,440.00
	<b>Add: Opening Terminal benefits payable:</b>	
22,62,034.00	Provision For Gratuity payable	23,19,717.00
63,15,60,292.00	Provision For Pension payable	15,82,63,081.00
10,25,517.00	Provision for Terminal Leave Surrender payable	10,96,523.00
63,48,47,843.00		16,16,79,321.00
	<b>Less: Closing Statutory / Recoveries payable:</b>	
58,12,064.00	Recoveries from pensioners Payable to KSEB Ltd.	84,58,700.00
3,74,36,098.00	IT - TDS payable	2,10,95,778.00
5,310.00	Recoveries and remittance to other departments	(15,595.00)
-	Recoveries and remittance to KSFE	33,250.00
-	Recoveries and remittance on behalf of co-operative society	3,25,330.00
-	Recoveries and remittance to CM's disaster fund	11,64,42,830.00
5,02,810.00	Recoveries and Remittance of Pensioners Welfare Fund	4,53,860.00
3,99,810.00	Stale Cheques	3,70,838.00
2,68,42,348.00	Retention amount from Pensioners (TDS on TELS)	4,53,47,845.00
7,09,98,440.00		19,25,12,836.00
	<b>Less: Closing Terminal benefits payable:</b>	
23,19,717.00	Provision For Gratuity payable	37,83,246.00
15,82,63,081.00	Provision For Pension payable	9,94,73,271.00
10,96,523.00	Provision for Terminal Leave Surrender payable	16,59,625.00
16,16,79,321.00		10,49,16,142.00
13,41,22,26,088.00		
	<b>Total payments during the year</b>	13,78,77,42,630.00
1,75,01,38,28,469.56	<b>Total</b>	<b>1,87,86,13,23,531.66</b>





## Schedule 2

31.03.2018	Receivable from KSEB Ltd. towards Pensionary benefits as per Actuarial Valuation		31.03.2019
1,24,19,00,00,000.00	<b>Opening Balance</b>		52,70,61,76,731.00
	<b>Add: Addition in Actuarial valuation liability as at 31.03.2019 receivable from KSEB Ltd.</b>		
18,27,90,95,211.00	Total Gratuity liability as per Actuarial valuation	19,47,08,44,756.00	
7,79,30,29,292.00	Total Terminal Leave surrender liability as per Actuarial valuation	8,06,07,24,488.00	
1,51,25,37,10,532.00	Total Pension liability as per Actuarial valuation	1,65,74,58,22,238.00	
1,77,32,58,35,035.00	<b>Total</b>	1,93,27,73,91,482.00	
	<b>Less: Actuarial liability of employees who joined KSEB Ltd. after 31.10.2013 (not being the liability of the Trust)</b>		
-	Actuarial valuation of Pension	90,10,299.00	
22,49,06,921.00	Actuarial valuation of Gratuity liability	36,55,83,228.00	
20,47,51,383.00	Actuarial valuation of Terminal Leave surrender liability	26,56,23,457.00	
42,96,58,304.00	<b>Total</b>	64,02,16,984.00	
1,24,19,00,00,000.00	<b>Less: Funded liability as at 31-03-2019</b>	1,24,19,00,00,000.00	
-	Opening balance of unfunded amount receivable from KSEBL	52,70,61,76,731.00	15,74,09,97,767.00
1,76,89,61,76,731.00	<b>Total Pensionary benefits as per Actuarial Valuation</b>		68,44,71,74,498.00
	<b>Less: Financed during the year by way of :</b>		
81,44,00,00,000.00	Investment in 10% Bonds	-	
37,51,00,00,000.00	Investment in 9% Bonds	-	
5,24,00,00,000.00	Budgetary Allocation receivable from KSEB Ltd.	-	
<b>52,70,61,76,731.00</b>	<b>Balance unfunded amount receivable from KSEBL</b>		<b>68,44,71,74,498.00</b>

## Schedule 3

31.03.2018	Investment in 10% Bonds		31.03.2019
-	<b>Opening Balance</b>		77,36,80,00,000.00
81,44,00,00,000.00	<b>Add: Additions during the year</b>		-
4,07,20,00,000.00	<b>Less: Redeemed during the year</b>		4,07,20,00,000.00
<b>77,36,80,00,000.00</b>	<b>Total</b>		<b>73,29,60,00,000.00</b>

## Schedule 4

31.03.2018	Investment in 9% Bonds		31.03.2019
-	<b>Opening Balance</b>		35,02,49,00,000.00
37,51,00,00,000.00	<b>Add: Additions during the year</b>		-
2,48,51,00,000.00	<b>Less: Redeemed during the year</b>		2,70,88,00,000.00
<b>35,02,49,00,000.00</b>	<b>Total</b>		<b>32,31,61,00,000.00</b>

## Schedule 5

31.03.2018	Budgetary Allocation receivable		31.03.2019
-	<b>Opening Balance</b>		4,71,60,00,000.00
5,24,00,00,000.00	<b>Add: Additions during the year</b>		-
52,40,00,000.00	<b>Less: Received from KSEB Ltd.</b>		-
<b>4,71,60,00,000.00</b>	<b>Total</b>		<b>4,71,60,00,000.00</b>

## Schedule 6

31.03.2018	Interest and Redemption of Bonds receivable from KSEB Ltd.		31.03.2019
	<b>Opening Balance</b>		5,18,74,37,862.00
	<b>Add: Receivable from KSEB Ltd.</b>		
8,14,40,00,000.00	Interest on 10 % bonds	7,73,68,00,000.00	
3,37,59,00,000.00	Interest on 9% Bonds	3,15,22,00,000.00	
4,07,20,00,000.00	Redemption of Investment in 10% Bonds	4,07,20,00,000.00	
2,48,51,00,000.00	Redemption of Investment in 9% Bonds	2,70,88,00,000.00	17,66,98,00,000.00
	<b>Less: Received from KSEB Ltd.</b>		
7,02,85,62,138.00	Interest on 10 % bonds	7,73,68,00,000.00	
3,37,59,00,000.00	Interest on 9% Bonds	3,15,22,00,000.00	
-	Redemption of Investment in 10% Bonds	18,26,16,739.00	
2,48,51,00,000.00	Redemption of Investment in 9% Bonds	2,70,88,00,000.00	13,78,04,16,739.00
<b>5,18,74,37,862.00</b>	<b>Total</b>		<b>9,07,68,21,123.00</b>





## Schedule 7

31.03.2018	Bank accounts: MTU's	31.03.2019
836.00	Electrical Circle (Urban),Thiruvananthapuram	4,87,352.45
19,993.15	Electrical Division, Adoor	41,020.95
7,905.50	Electrical Division, Alappuzha	83,126.00
58.00	Electrical Division, Alathur	32,612.50
437.25	Electrical Division, Aluva Town	1,16,947.75
21,657.00	Electrical Division, Attingal.	8,669.00
6,141.00	Electrical Division, Balussery	2,115.50
10,35,605.00	Electrical Division, Chalakudy	59,816.50
5,884.50	Electrical Division, Changanacherry	25,093.20
4,846.60	Electrical Division, Chathannoor	3,579.70
10,654.00	Electrical Division, Chengannoor	19,108.70
15,936.70	Electrical Division, Cherthala	64,728.20
21,965.20	Electrical Division, Chittur	87,163.70
4,503.00	Electrical Division, Ernakulam	1,47,456.50
38,213.10	Electrical Division, Feroke	1,21,931.60
11,841.50	Electrical Division, Haripad	1,372.50
3,917.25	Electrical Division, Irinjalakuda	27,637.75
6,202.75	Electrical Division, Iritty	7,488.75
1,432.00	Electrical Division, Kalpetta	24,822.50
0.90	Electrical Division, Kanhangad	26,116.40
-	Electrical Division, Kannur	66,248.00
1,17,114.25	Electrical Division, Karunagappally	54,165.25
3,123.00	Electrical Division, Kasaragod	-
293.00	Electrical Division, Kattappana	1,068.00
8,232.00	Electrical Division, Kazhakkuttom	73,085.95
374.00	Electrical Division, Kodungallur	28,651.00
3,175.50	Electrical Division, Kollam	14,749.50
8,507.50	Electrical Division, Kondotty	3,833.05
59,460.00	Electrical Division, Kottarakkara	2,160.00
46,164.00	Electrical Division, Kozhikode	27,421.00
9,516.25	Electrical Division, Kundara	1,22,430.65
1,228.00	Electrical Division, Kunnamkulam	-
3,588.00	Electrical Division, Mananthavady	5,726.50
7,005.50	Electrical Division, Manjeri	1,684.00
3,773.50	Electrical Division, Mannarkkad	9,408.00
55,599.40	Electrical Division, Mattancherry	56,452.90
66,906.00	Electrical Division, Mavelikkara	14,221.50
-	Electrical Division, Moovattupuzha	3,343.00
2,281.80	Electrical Division, N.Parur	65,173.30
5,331.00	Electrical Division, Nadapuram	4,824.50
23,957.50	Electrical Division, Nedumangad	4,346.00
80,884.95	Electrical Division, Neyyattinkara	75,267.35
40,953.00	Electrical Division, Nilambur	6,684.00
19,892.50	Electrical Division, Pala	2,161.00
39,323.10	Electrical Division, Palakkad	83,390.60
1,124.10	Electrical Division, Pallom	6,346.10
34,091.50	Electrical Division, Pathanamthitta	1,78,350.00
822.50	Electrical Division, Pattambi	822.50
1,97,888.35	Electrical Division, Payannur	0.20
18,213.60	Electrical Division, Peerumade	133.00
5,404.50	Electrical Division, Perinthalmanna	447.00
1,29,510.70	Electrical Division, Perumbavoor.	74,920.70
2,325.00	Electrical Division, Ponkunnam	4,089.00
2,873.50	Electrical Division, Ponnani	5,006.50
10,060.75	Electrical Division, Punalur	1,21,223.75
2,139.00	Electrical Division, Shoranur	26,765.00
26,665.00	Electrical Division, Thalassery	42,018.50
2,13,746.95	Electrical Division, Thiruvalla	2,55,005.45
13,659.50	Electrical Division, Thodupuzha	39,516.00
10,556.50	Electrical Division, Thrissur (West)	23,151.00
2,179.00	Electrical Division, Thrissur(East)	59,253.00
2,717.00	Electrical Division, Tirur	20,252.50
4,487.50	Electrical Division, Tirurangadi	3,374.00





1,53,663.50	Electrical Division, Tripunithura	1,49,469.50
2,42,047.50	Electrical Division, Vadakara	1,54,810.00
574.10	Electrical Division, Vaikom	5,937.10
14,853.80	Electrical Division, Wadakkancherry	4,602.80
7,283.90	Generation Circle, Meencut	28,084.00
42,070.25	Generation Circle, Moolamattom	1,12,636.75
30,949.00	Generation Circle, Thrissur	9,793.00
5,24,809.21	Office of the Chief Engineer (HRM)	97,474.91
<b>35,19,430.36</b>	<b>Total</b>	<b>35,38,137.46</b>

**Schedule 8**

31.03.2018	Receivable from KSEB Ltd. towards recoveries effected from pensioners	31.03.2019
58,12,064.00	Recoveries from pensioners Payable to KSEB Ltd.	84,58,700.00
3,74,36,098.00	IT - TDS payable	2,10,95,778.00
5,310.00	Recoveries and remittance to other departments	(15,595.00)
-	Recoveries and remittance to KSFE	33,250.00
5,02,810.00	Recoveries and Remittance of Pensioners Welfare Fund	4,53,860.00
-	Recoveries and remittance on behalf of co-operative society	3,25,330.00
-	Recoveries and remittance to CM's disaster fund	11,64,42,830.00
3,99,810.00	Stale Cheques	3,70,838.00
2,68,42,348.00	Retention amount from Pensioners (TDS on TELS)	4,53,47,845.00
58,12,064.00	<u>Less:</u> Amount payable to KSEB Ltd.	84,58,700.00
<b>6,51,86,376.00</b>	<b>Total</b>	<b>18,40,54,136.00</b>

**Schedule 9**

31.03.2018	Terminal Benefits receivable from KSEB Ltd.	31.03.2019
23,19,717.00	For Gratuity	37,83,246.00
15,82,63,081.00	For Pension	9,94,73,271.00
10,96,523.00	Terminal Leave Surrender	16,59,625.00
<b>16,16,79,321.00</b>	<b>Total</b>	<b>10,49,16,142.00</b>

**Schedule 10**

31.03.2018	Terminal benefits payable to pensioners	31.03.2019
23,19,717.00	Provision For Gratuity payable	37,83,246.00
15,82,63,081.00	Provision For Pension payable	9,94,73,271.00
10,96,523.00	Provision for Terminal Leave Surrender payable	16,59,625.00
<b>16,16,79,321.00</b>	<b>Total</b>	<b>10,49,16,142.00</b>

**Schedule 11**

31.03.2018	Receivable from KSEBL- Reimbursement of Expenses	31.03.2019
23,12,607.00	MO Commission	24,18,755.00
12,645.00	Other Professional Charges	13,535.00
53,47,518.00	Interest on Gratuity	30,86,775.00
1,21,676.20	Bank Charges	1,27,141.95
<b>77,94,446.20</b>	<b>Total</b>	<b>56,46,206.95</b>





**KERALA STATE ELECTRICITY BOARD LIMITED  
EMPLOYEES MASTER PENSION AND GRATUITY TRUST  
Thiruvananthapuram**

**Schedule 12**

**Notes attached to and forming part of the accounts for the year ended 31.03.2019**

**About the Trust**

The Trust has been formed with the objective of making arrangements for the payment of pension and terminal benefits to the employees of the erstwhile KSE Board in pursuance of the order of the Government of Kerala -Kerala Electricity Second Transfer Scheme (Re-vesting) 2013 vide GO No.46/2013/PD dt 31.10.2013 read with GO (P) No.3/2015/PD dt 28.1.2015 and the Tripartite agreement entered into among Government of Kerala , Kerala State Electricity Board Limited and Kerala State Electricity Board Employees Unions and Associations dt 1.8.2014.

**1. Significant Accounting Policies**

**1. Basis of accounting**

The accounts are maintained on accrual basis and all known expenses/income have been accounted for except amounts receivable from family members of deceased pensioners for the pension paid for the period after the death of the pensioner, which is accounted for on cash basis. Interest income on savings bank accounts and sweep accounts are also accounted for on cash basis.

**2. Investments**

Investments are either classified as current or long term based on Management's intention. Current investments are carried at the lower of cost and fair value of each investment individually. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment

**3. Retirement Benefits**

Retirement benefits in the nature of Pension, Gratuity and Encashment of earned leave are determined and provided for on the basis of actuarial valuation.

Other benefits to the retired employees like medical, festival allowance etc are written off in the year in which the same are incurred.

**2. Other Notes to accounts**

1. As per the GO and the agreements on the basis of which the Trust has been created, the Net Present Value of the unfunded liability towards pension and pensionary benefits has been actuarially valued at Rs.12,419 Crores as on 31.10.2013. The unfunded liability of Rs.12,419 crore, funded as under as on 01/04/2017 by issuing bonds as provided below and the budgetary allocation accounted as receivable:

Bonds issued by KSEB Limited

20 Year bond with coupon rate of 10%	8144 Crores
10 Year bond with coupon rate of 9%	3751 Crores
State Government Support through budgetary provision @ Rs.52.40 Crores per year for 10 years	524 Crores

In addition, KSEB Limited will pay annual pension contribution based on actuarial valuation in respect of the personnel of KSEB.





The actuarial valuation of the liability towards pension and pensionary benefits to the eligible employees of KSEB Limited (transferred from KSE Board) has been done during the year, the actuarial liability as at 31.3.2019 has been provided for in the accounts amounting to Rs. 192,637,174,498/- The additional liability for the period 1.11.2013 to 31.03.2019 based on the verification done of Rs. 68,447,174,498/- is unfunded as on date and the said amount has been shown as "Receivable from KSEB Ltd. towards pensionary benefits as per Actuarial Valuation". Actuarial liability towards pension and pensionary benefits of 74 employees who joined KSEBL after 31.10.2013 from other Government departments who are eligible for pension under Kerala Service Rules, to whom Trust does not have any liability as per deed of Trust has been correctly excluded for the current year liability.

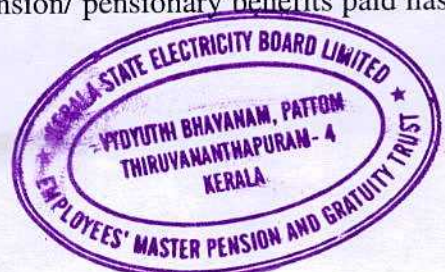
The Pension and pensionary liability of 147 employees who retired from the service during the financial year has been erroneously excluded from the valuation done for the year due to delay in preparing pension payment order by certain Master Trust Units (MTUs) the exact liability for which has not hence been ascertained and provided for in the accounts for the year.

2. No Income and Expenditure account has been prepared as the Trust is only acting as the intermediary institution for effecting disbursement of Pension, Gratuity and other retirement benefits of the employees of erstwhile KSEB and the receipts / payments are accordingly credited / debited to the fund account. There is no revenue earning activity for the trust in view of the above.
3. Trust received Rs. 13,780,416,739/- towards disbursement of pension and pensionary benefits as per requirement and at the end of the year said amount is allocated towards receipt of interest, budgetary allocation receivable and redemption of bonds as shown below. Thus an amount Rs. 9,076,821,123/- receivable from KSEB Limited and shown as "Interest and Redemption of Bonds receivable from KSEB Ltd".

Particulars	Receivable as at opening	Receivable during the year	Received during the year	Receivable as at closing
Interest on 10% Bonds	11,15,43,7862	773,68,00,000	773,68,00,000	111,54,37,862
Interest on 9% Bonds	-	315,22,00,000	315,22,00,000	-
Budgetary allocation receivable	-	-	-	-
Redemption of Investment in 10% Bonds	407,20,00,000	407,20,00,000	18,26,16,739	796,13,83,261
Redemption of Investment in 9% Bonds	-	270,88,00,000	270,88,00,000	-
<b>Total</b>	<b>518,74,37,862</b>	<b>1766,98,00,000</b>	<b>1378,04,16,739</b>	<b>907,68,21,123</b>

As per clause 10 & 21 of the terms and conditions of the bond issue, interest and principal value of the bond are to be paid by the KSEBL on the first April every year, failing which an additional interest @24% is payable by KSEBL. Interest for default in payment of principal and interest as above has not been ascertained and provided in books.

4. As per Clause 25 of the Trust deed, the Trustees have to invest the funds of the Trust to earn adequate returns to provide the terminal benefits to the members in accordance with the terms and conditions attached thereto. In accordance with the above, income by way of interest and other miscellaneous income received has been credited to the "Pension and Gratuity Trust Fund account" in the balance sheet. Contribution received from KSEB Ltd. has been credited and pension/ pensionary benefits paid has been debited to the above fund account.





5. The Trust is not liable for pension payable to personnel who joined KSEB Ltd. during the period 01/04/2013 to 31/10/2013 as the pension of personnel who have joined the service of KSEB on or after 01/04/2013 will be governed by the National Pension System (NPS) adopted vide BO (FB) No. 843/2013 (PRC/335/2013), dated 09/04/2013 and the Government orders, Circulars and guidelines issued from time to time in this regard. However, the Trust is liable for gratuity and terminal leave surrender of employees joined during the period 01/04/2013 to 31/10/2013, for which provision has been made in the accounts.
6. Amount of pension and other retirement benefits for the year outstanding for payment as at the close of the year has been net off against amount receivable from KSEB towards discharge of such liability in the balance sheet.
7. Amounts receivable from KSEB as disclosed in Schedule No. 8 to the Balance sheet represents recoveries made from the payment to the pensioners towards TDS, payment to KSFE, etc. which has not been discharged pending receipt of the amount from KSEB Ltd and this balance is subject to confirmation.
8. The Trust has been granted approval of gratuity scheme under rule 2(1) of Part C of the fourth schedule of Income Tax Act, 1961 with effect from 12.02.2015 vide C. No. 304/Gratuity/5/Pr. CIT/TVM/2015-16 DATED 29/08/2016, which continues to be in force from the date of the order.
9. Contingent liabilities in respect of various litigations pending with the Hon. High Court of Kerala relating to pension and pensionary benefits filed by the retired employees against the erstwhile KSE Board and also KSEB Limited is not ascertainable and hence not disclosed in the accounts.
10. Amounts receivable from KSEB as disclosed in Schedule No. 8, 9 and 11 to the Balance sheet are subject to confirmation.
11. Previous year figures have been regrouped wherever necessary to suit with current year layout.

