

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, 2020 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 31st March, 2020 and
- (ii) In the case of the Receipts and Payments Account, with respect to the receipts and payments for the year ended 31st March 2020.

Basis for qualified opinion

The facts relating to the qualifications given below 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 an amount of Rs.12,84,66,25,992 represents the proceeds from redemption of bonds with coupon rate of 10% accounted as redeemed (without actual redemption by payment by KSEB) due on financial crunch.
- II. The allocation of the amount of Rs.15,58,87,95,131 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. The effect of this on the financial statement is not as such ascertainable.
- III. 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. 12.2.9 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.
- iii. 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.

T.C.9/2610-1, E-3, "Sahasraram", Elankom Gardens, Sasthamangalam, Thiruvananthapuram - 695010

Tel : 0471-2727345, 2727346, Email : trivandrum@varmaandvarma.com



Varma & Varma

Chartered Accountants

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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.

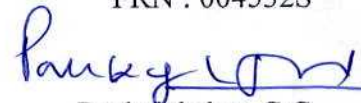
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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: 21020512AAAACC6725



Thiruvananthapuram

Date : 05.03.2021

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

Balance sheet as at 31-03-2020

As at 31.3.2019 Rs.	LIABILITIES	Sch	As at 31.3.2020 Rs.	As at 31.3.2019 Rs.	ASSETS	Sch	As at 31.3.2020 Rs.
10,00,000.00	Corpus Fund		10,00,000.00	68,44,71,74,498.00	Receivable from KSEB Ltd. towards Pensionary benefits as per Actuarial Valuation	2	78,50,21,90,530.00
1,87,86,13,23,531.66	Pension and Gratuity Trust Fund	1	1,92,56,46,29,548.53	73,29,60,00,000.00	Investment in 10% Bonds	3	69,22,40,00,000.00
2,10,95,778.00	TDS Payable		2,96,73,615.00	32,31,61,00,000.00	Investment in 9% Bonds	4	29,36,36,00,000.00
(15,595.00)	Recoveries and remittance to other departments		(2,25,947.00)	4,71,60,00,000.00	Budgetary Allocation receivable from KSEB Ltd.	5	2,62,00,00,000.00
33,250.00	Recoveries and remittance to KSFE		-	9,07,68,21,123.00	Interest and Redemption of Bonds receivable from KSEB Ltd.	6	12,84,66,25,992.00
4,53,860.00	Recoveries for Pensioners Welfare Fund payable		42,380.00				
3,25,330.00	Recoveries and remittance on behalf of co-operative society		-		Bank accounts:		
11,64,42,830.00	Recoveries and remittance to CM's disaster fund		6,42,006.00	1043566.25	Trust Account- SBI, Pattom		10,37,336.50
3,70,838.00	Stale Cheques		5,85,359.00	35,38,137.46	Master Trust Units	7	22,14,951.73
4,53,47,845.00	Retention amount from Pensioners (TDS on TELS)		6,95,15,592.00				32,52,288.23
				18,40,54,136.00	Receivable from KSEB Ltd. towards recoveries effected from pensioners	8	10,02,33,005.00
				10,49,16,142.00	Terminal Benefits receivable from KSEB Ltd.	9	5,29,44,235.00
				(10,49,16,142.00)	Less: Terminal benefits payable to pensioners	10	(5,29,44,235.00)
				56,46,206.95	Receivable from KSEBL- Reimbursement of Expenses	11	59,60,738.30
1,88,04,63,77,667.66	Total		1,92,66,58,62,553.53	1,88,04,63,77,667.66	Total		1,92,66,58,62,553.53

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



Pankajakshan C G
Partner
Membership No. 020512

Thiruvananthapuram
Date : 05.03.2021



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

RECEIPTS & PAYMENTS A/C FOR THE YEAR ENDED 31.03.2020

Receipts		Amount (in Rs.)	Payments		Amount (in Rs.)
Opening Balance in Banks			Pension & other terminal liabilities disbursed to Pensioners:		
Trust Account- SBI, Pattom	10,43,566.25		Terminal Benefits- E/L surrender	59,49,34,922.00	
Master Trust Units	35,38,137.46	45,81,703.71	Gratuity	1,28,11,76,889.00	
Amount received from KSEB Ltd.		15,58,87,95,131.00	Commutation of Pension	1,42,34,98,456.00	
Interest received from Banks		15,05,856.67	Regular Pension	6,80,16,24,677.00	
Prior period Income		23,48,565.50	Family Pension	1,89,82,13,524.30	
Other Income		2,01,548.00	Dearness Relief to Regular Pensioners	3,29,77,53,768.00	
			Medical Allowance To Pensioners Completed 70 Years	11,34,15,517.00	
			Special Festival Allowance To Pensioners	3,09,16,348.00	
			Interest on Gratuity	96,161.00	
			Pension - relating to past years	1,85,29,596.00	15,46,01,59,858.30
			Payments during the year against current liabilities		
			Add: Payable at Opening of the year:		
			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 society	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(TDS on TELS)	4,53,47,845.00	
			Less: Payable at the year end:		
			Amt. Receivable. From Ex-Employees	1,04,49,450.00	
			Provision For Gratuity	1,87,12,347.00	
			Provision For Pension	2,30,80,701.00	
			Terminal Leave Surrender payable	1,11,51,187.00	
			IT - TDS payable	2,96,73,615.00	
			Recov.& Remit. To Other Depts.	(2,25,947.00)	
			Recov.& Remit. To CM's Distress Relief Fund	6,42,006.00	
			Recoveries and Remittance of Pensioners Welfare Fund	42,380.00	
			Stale Cheques	5,85,359.00	
			Retention amount from Pensioners	6,95,15,592.00	
			Decrease in current liability during the year		13,38,02,288.00
			MO Commission		1,97,261.00
			Other Professional Charges		1,010.00
			Bank Charges		20,099.35
			Closing Balance in Banks		
			Trust Account- SBI, Pattom	10,37,336.50	
			Master Trust Units	22,14,951.73	32,52,288.23
Total		15,59,74,32,804.88	Total		15,59,74,32,804.88



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

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2020

Schedule 1

31.03.2019	Pension and Gratuity Trust Fund	31.03.2020
1,75,01,38,28,469.56	Opening Balance	1,87,86,13,23,531.66
15,74,09,97,767.00	Add: Addition in Actuarial valuation liability as at 31.03.2020 receivable from KSEB Ltd.	10,05,50,16,032.00
	Add: Receipts	
7,73,68,00,000.00	Interest on 10% Bonds	7,32,96,00,000.00
3,15,22,00,000.00	Interest on 9% Bonds	2,90,85,00,000.00
13,82,113.90	Interest received from Banks	15,05,856.67
65,711.00	Other Income	2,01,548.00
37,92,100.20	Other Income Relating to Prior Periods	23,48,565.50
	Less: Payments	
	Terminal Benefits paid (Net):	
	Terminal Benefits paid (Gross):	
44,69,89,090.00	Terminal E/L Surrender (Pensioners)	59,49,34,922.00
97,95,21,244.00	Gratuity	1,28,11,76,889.00
1,17,23,74,855.00	Commutation of Pension	1,42,34,98,456.00
6,81,67,00,213.00	Regular Pension	6,80,16,24,677.00
1,81,28,93,080.00	Family Pension	1,89,82,13,524.30
2,46,03,28,481.00	Dearness Relief to Regular Pensioners	3,29,77,53,768.00
10,88,80,310.00	Medical Allowance To Pensioners Completed 70 Years	11,34,15,517.00
3,08,56,273.00	Special Festival Allowance To Pensioners	3,09,16,348.00
1,87,08,010.00	Pension - relating to past years	1,72,79,184.00
52,42,291.00	Arrear Pensions	12,50,412.00
13,85,24,93,847.00		15,46,00,63,697.30
	Add: Opening Statutory / Recoveries payable:	
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
	Add: Opening Terminal benefits payable:	
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
	Less: Closing Statutory / Recoveries payable:	
84,58,700.00	Recoveries from pensioners Payable to KSEB Ltd.	1,04,49,450.00
2,10,95,778.00	IT - TDS payable	2,96,73,615.00
(15,595.00)	Recoveries and remittance to other departments	(2,25,947.00)
33,250.00	Recoveries and remittance to KSFE	-
3,25,330.00	Recoveries and remittance on behalf of co-operative society	-
11,64,42,830.00	Recoveries and remittance to CM's disaster fund	6,42,006.00
4,53,860.00	Recoveries and Remittance of Pensioners Welfare Fund	42,380.00
3,70,838.00	Stale Cheques	5,85,359.00
4,53,47,845.00	Retention amount from Pensioners(TDS on TELS)	6,95,15,592.00
19,25,12,836.00		11,06,82,455.00
	Less: Closing Terminal benefits payable:	
37,83,246.00	Provision For Gratuity payable	1,87,12,347.00
9,94,73,271.00	Provision For Pension payable	2,30,80,701.00
16,59,625.00	Provision for Terminal Leave Surrender payable	1,11,51,187.00
10,49,16,142.00		5,29,44,235.00
13,78,77,42,630.00	Total payments during the year	15,59,38,65,985.30
1,87,86,13,23,531.66	Total	1,92,56,46,29,548.53



Schedule 2

31.03.2019	Receivable from KSEB Ltd. towards Pensionary benefits as per Actuarial Valuation		31.03.2020
52,70,61,76,731.00	Opening Balance		68,44,71,74,498.00
	Add: Addition in Actuarial valuation liability as at 31.03.2020 receivable from KSEB Ltd.		
19,47,08,44,756.00	Total Gratuity liability as per Actuarial valuation	20,94,49,05,702.00	
8,06,07,24,488.00	Total Terminal Leave surrender liability as per Actuarial valuation	8,70,99,86,924.00	
1,65,74,58,22,238.00	Total Pension liability as per Actuarial valuation	1,73,94,24,02,349.00	
1,93,27,73,91,482.00	Total	2,03,59,72,94,975.00	
	Less: Actuarial liability of employees who joined KSEB Ltd. after 31.10.2013 (not being the liability of the Trust)		
90,10,299.00	Actuarial valuation of Pension	1,51,30,202.00	
36,55,83,228.00	Actuarial valuation of Gratuity liability	52,40,85,056.00	
26,56,23,457.00	Actuarial valuation of Terminal Leave surrender liability	36,58,89,187.00	
64,02,16,984.00	Total	90,51,04,445.00	
1,24,19,00,00,000.00	Less: Funded liability as at 31-03-2020	1,24,19,00,00,000.00	
52,70,61,76,731.00	Opening balance of unfunded amount receivable from KSEBL	68,44,71,74,498.00	10,05,50,16,032.00
68,44,71,74,498.00	Total Pensionary benefits as per Actuarial Valuation		78,50,21,90,530.00
-	Less: Financed during the year		-
68,44,71,74,498.00	Balance unfunded amount receivable from KSEBL		78,50,21,90,530.00

Schedule 3

31.03.2019	Investment in 10% Bonds	31.03.2020
77,36,80,00,000.00	Opening Balance	73,29,60,00,000.00
4,07,20,00,000.00	Less: Redeemed during the year	4,07,20,00,000.00
73,29,60,00,000.00	Total	69,22,40,00,000.00

Schedule 4

31.03.2019	Investment in 9% Bonds	31.03.2020
35,02,49,00,000.00	Opening Balance	32,31,61,00,000.00
2,70,88,00,000.00	Less: Redeemed during the year	2,95,25,00,000.00
32,31,61,00,000.00	Total	29,36,36,00,000.00

Schedule 5

31.03.2019	Budgetary Allocation receivable	31.03.2020
4,71,60,00,000.00	Opening Balance	4,71,60,00,000.00
-	Less: Received from KSEB Ltd.	2,09,60,00,000.00
4,71,60,00,000.00	Total	2,62,00,00,000.00

Schedule 6

31.03.2019	Interest and Redemption of Bonds receivable from KSEB Ltd.		31.03.2020
5,18,74,37,862.00	Opening Balance		9,07,68,21,123.00
	Add: Receivable from KSEB Ltd.		
7,73,68,00,000.00	Interest on 10 % bonds	7,32,96,00,000.00	
3,15,22,00,000.00	Interest on 9% Bonds	2,90,85,00,000.00	
4,07,20,00,000.00	Redemption of Investment in 10% Bonds	4,07,20,00,000.00	
2,70,88,00,000.00	Redemption of Investment in 9% Bonds	2,95,25,00,000.00	17,26,26,00,000.00
	Less: Received from KSEB Ltd.		
7,73,68,00,000.00	Interest on 10 % bonds	7,32,96,00,000.00	
3,15,22,00,000.00	Interest on 9% Bonds	2,90,85,00,000.00	
18,26,16,739.00	Redemption of Investment in 10% Bonds	30,21,95,131.00	
2,70,88,00,000.00	Redemption of Investment in 9% Bonds	2,95,25,00,000.00	13,49,27,95,131.00
9,07,68,21,123.00	Total		12,84,66,25,992.00



Schedule 7

31.03.2019	Bank accounts: MTU's	31.03.2020
4,87,352.45	Electrical Circle (Urban),Thiruvananthapuram	3,004.95
41,020.95	Electrical Division, Adoor	2,771.45
83,126.00	Electrical Division, Alappuzha	13,385.70
32,612.50	Electrical Division, Alathur	1,499.00
1,16,947.75	Electrical Division, Aluva Town	2,830.24
8,669.00	Electrical Division, Attingal.	31,784.50
2,115.50	Electrical Division, Balussery	45,301.50
59,816.50	Electrical Division, Chalakudy	1,712.00
25,093.20	Electrical Division, Changanacherry	2,655.70
3,579.70	Electrical Division, Chathanoor	7,509.50
19,108.70	Electrical Division, Chengannoor	12,328.20
64,728.20	Electrical Division, Cherthala	2,320.70
87,163.70	Electrical Division, Chittur	1,76,351.90
1,47,456.50	Electrical Division, Ernakulam	6,933.50
1,21,931.60	Electrical Division, Feroke	49,852.10
1,372.50	Electrical Division, Haripad	175.00
27,637.75	Electrical Division, Irinjalakuda	33,399.50
7,488.75	Electrical Division, Iritty	6,329.75
24,822.50	Electrical Division, Kalpetta	1,208.50
26,116.40	Electrical Division, Kanhangad	1,61,116.65
66,248.00	Electrical Division, Kannur	4,082.25
54,165.25	Electrical Division, Karunagappally	11,330.25
-	Electrical Division, Kasaragod	352.00
1,068.00	Electrical Division, Kattappana	1,689.00
73,085.95	Electrical Division, Kazhakkuttom	4,709.95
28,651.00	Electrical Division, Kodungallur	44,633.00
14,749.50	Electrical Division, Kollam	3,212.25
3,833.05	Electrical Division, Kondotty	5,667.00
2,160.00	Electrical Division, Kottarakkara	9,413.00
27,421.00	Electrical Division, Kozhikode	27,257.00
1,22,430.65	Electrical Division, Kundara	6,951.65
-	Electrical Division, Kunnankulam	1,737.00
5,726.50	Electrical Division, Mananthavady	55.75
1,684.00	Electrical Division, Manjeri	2,146.00
9,408.00	Electrical Division, Mannarkkad	623.50
56,452.90	Electrical Division, Mattancherry	69,986.15
14,221.50	Electrical Division, Mavelikkara	0.50
3,343.00	Electrical Division, Moovattupuzha	27,836.00
65,173.30	Electrical Division, N.Parur	5,262.90
4,824.50	Electrical Division, Nadapuram	40,258.50
4,346.00	Electrical Division, Nedumangad	354.50
75,267.35	Electrical Division, Neyyattinkara	0.45
6,684.00	Electrical Division, Nilambur	698.00
2,161.00	Electrical Division, Pala	6,877.50
83,390.60	Electrical Division, Palakkad	5,353.75
6,346.10	Electrical Division, Pallom	1,772.60
1,78,350.00	Electrical Division, Pathanamthitta	1,90,689.50
822.50	Electrical Division, Pattambi	-
0.20	Electrical Division, Payyannur	1,731.15
133.00	Electrical Division, Peerumade	10,490.00
447.00	Electrical Division, Perinthalmanna	2,698.75
74,920.70	Electrical Division, Perumbavoor.	8,716.95
4,089.00	Electrical Division, Ponkunnam	1,129.00
5,006.50	Electrical Division, Ponnani	8,187.50
1,21,223.75	Electrical Division, Punalur	3,407.25
26,765.00	Electrical Division, Shoranur	4,218.00
42,018.50	Electrical Division, Thalassery	2,59,126.00
2,55,005.45	Electrical Division, Thiruvalla	2,309.70
39,516.00	Electrical Division, Thodupuzha	3,048.00
23,151.00	Electrical Division, Thrissur (West)	1,871.50
59,253.00	Electrical Division, Thrissur(East)	76,026.50
20,252.50	Electrical Division, Tirur	1,208.50
3,374.00	Electrical Division, Tirurangadi	287.50
1,49,469.50	Electrical Division, Tripunithura	3,652.50
1,54,810.00	Electrical Division, Vadakara	1,436.72
5,937.10	Electrical Division, Vaikom	14,019.10
4,602.80	Electrical Division, Wadakkancherry	563.10



28,084.00	Generation Circle, Meencut	80,144.30
1,12,636.75	Generation Circle, Moolamattom	822.51
9,793.00	Generation Circle, Thrissur	4,229.00
97,474.91	Office of the Chief Engineer (HRM)	6,90,207.91
35,38,137.46	Total	22,14,951.73

Schedule 8

31.03.2019	Receivable from KSEB Ltd. towards recoveries effected from pensioners	31.03.2020
84,58,700.00	Recoveries from pensioners Payable to KSEB Ltd.	1,04,49,450.00
2,10,95,778.00	IT - TDS payable	2,96,73,615.00
(15,595.00)	Recoveries and remittance to other departments	(2,25,947.00)
33,250.00	Recoveries and remittance to KSFE	
4,53,860.00	Recoveries and Remittance of Pensioners Welfare Fund	42,380.00
3,25,330.00	Recoveries and remittance on behalf of co-operative society	
11,64,42,830.00	Recoveries and remittance to CM's disaster fund	6,42,006.00
3,70,838.00	Stale Cheques	5,85,359.00
4,53,47,845.00	Retention amount from Pensioners(TDS on TELS)	6,95,15,592.00
		11,06,82,455.00
84,58,700.00	Less: Amount payable to KSEB Ltd.	1,04,49,450.00
18,40,54,136.00	Total	10,02,33,005.00

Schedule 9

31.03.2019	Terminal Benefits receivable from KSEB Ltd.	31.03.2020
37,83,246.00	For Gratuity	1,87,12,347.00
9,94,73,271.00	For Pension	2,30,80,701.00
16,59,625.00	Terminal Leave Surrender	1,11,51,187.00
10,49,16,142.00	Total	5,29,44,235.00

Schedule 10

31.03.2019	Terminal benefits payable to pensioners	31.03.2020
37,83,246.00	Provision For Gratuity payable	1,87,12,347.00
9,94,73,271.00	Provision For Pension payable	2,30,80,701.00
16,59,625.00	Provision for Terminal Leave Surrender payable	1,11,51,187.00
10,49,16,142.00	Total	5,29,44,235.00

Schedule 11

31.03.2019	Receivable from KSEBL- Reimbursement of Expenses	31.03.2020
24,18,755.00	MO Commission	26,16,016.00
13,535.00	Other Professional Charges	14,545.00
30,86,775.00	Interest on Gratuity	31,82,936.00
1,27,141.95	Bank Charges	1,47,241.30
56,46,206.95	Total	59,60,738.30



**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 31.03.2020

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 31.3.2020 has been provided for in the accounts amounting to Rs. 2,02,69,21,90,530 /- The additional liability for the period 1.11.2013 to 31.03.2020 based on the verification done of Rs. 78,50,21,90,530/- is unfunded as on date and the said amount has been shown as "Receivable from KSEB Ltd. towards pensionary benefits as per Actuarial Valuation".

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. 15,588,795,131/- 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. 12,846,625,992/- 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	1115437862	7329600000	7329600000	1115437862
Interest on 9% Bonds	-	2908500000	2908500000	-
Budgetary allocation receivable	-	2096000000	2096000000	-
Redemption of Investment in 10% Bonds	7961383261	4072000000	302195131	11731188130
Redemption of Investment in 9% Bonds	-	2952500000	2952500000	-
Total	9076821123	19358600000	15588795131	12846625992

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.
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 KSEBL 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.

