

**INDEPENDENT AUDITOR'S 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 (hereinafter referred to as the 'Trust'), which comprise the Balance sheet as at March 31, 2023 and Receipts 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, 2023 and
- (ii) In the case of the Receipts and Payments Account, with respect to the receipts and payments for the year ended 31st March 2023.

**Basis for qualified opinion**

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

1. 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 by KSEB Ltd in accordance with the provisions of Ind AS. The actuarial liability as at 31.03.2023 has been determined as Rs. 3,60,73,64,34,665/-. The additional liability for the period 1.11.2013 to 31.03.2023 based on the valuation done is Rs. 2,23,39,66,74,123 /- is unfunded as on date and the said amount has been shown as "Receivable from KSEB Ltd. towards pensionary benefits as per Actuarial Valuation".

The amount receivable from KSEB (net) and corresponding balance in liability under Pension and Gratuity Trust account is understated by an amount of Rs. 623.62 Crores due to passing of entries on the basis of actuarial valuation report, wherein the figures were juxtaposed, resulting in a figure different from actual.

2. As stated in Schedule No 13.2.13 to the accounts, no provision has been made in the accounts towards unpaid portion of arrear pension relating to the period 1.7.2018 to 31.3.2021 in the absence of details regarding the same, the effect of which on the accounts is not ascertainable.



**Emphasis of matter**

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

- i. As detailed in Schedule No.13.2.2 to the accounts, no income and expenditure account has been prepared by the Trust for reasons stated therein.
- ii. As detailed in Schedule No. 13.2.9 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.13.2.10 to the accounts, amount shown as receivable from KSEBL are subject to the confirmation.
- iv. As detailed in Schedule No.13.2.20 the amounts identified as recoverable from the pensioners by the internal audit/ inspection team of the Board is pending to be effected by the respective units.

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 and receipts & payments 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 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.

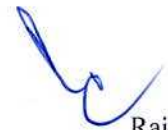
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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



Rajeev.R.  
Partner

M.No.211277

UDIN : 24211277BKDGAK7019

Place: Thiruvananthapuram  
Date : March 30, 2024



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

**Balance sheet as at 31-03-2023**

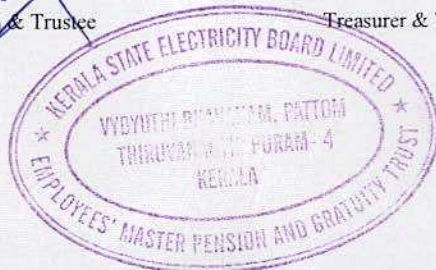
As at 31.3.2022 Rs.	LIABILITIES	Sch	As at 31.3.2023 Rs.	As at 31.3.2022 Rs.	ASSETS	Sch	As at 31.3.2023 Rs.
10,00,000	Corpus Fund		10,00,000	1,70,64,80,12,106	Receivable from KSEB Ltd. towards Pensionary benefits as per Actuarial Valuation	3	2,23,39,66,74,123
2,62,00,52,69,556	Pension and Gratuity Trust Fund	1	2,99,69,29,28,993	64,68,09,27,246	Investment in 10% Bonds	4	53,65,72,98,639
11,19,52,554	TDS Payable		9,04,04,022	26,14,53,00,000	Investment in 9% Bonds	5	22,63,74,00,000
-3,68,958	Recoveries and remittance to other departments		48,787	52,40,00,000	Budgetary Allocation receivable from KSEB Ltd.	6	-
	Recoveries and remittance On Behalf Of Banks		2,89,168	-	Interest and Redemption of Bonds receivable from KSEB Ltd.	7	-
	Recoveries and remittance to KSFE		2,52,577	13,292	TDS Asset		-
-6,830	Recoveries for Pensioners Welfare Fund payable		71,800		Bank accounts:		
10,13,000	Recoveries and remittance on behalf of co-operative society		9,28,905	10,23,770	Trust Account- SBI, Pattom		10,00,000
4,51,81,941	Recoveries and remittance to CM's disaster fund		-	69,93,142	Master Trust Units	8	15,56,231
3,79,853	Stale Cheques	2	13,71,988		Receivable from KSEB Ltd. towards recoveries effected from pensioners	9	30,24,26,650
15,52,78,109	Retention amount from Pensioners (TDS on TELS)		20,90,59,403	31,34,29,669	Terminal Benefits receivable from KSEB Ltd.	10	7,19,22,738
					Less: Terminal benefits payable to pensioners	11	7,19,22,738
					Receivable from KSEBL- Reimbursement of Expenses	12	-
<b>2,62,31,96,99,225</b>	<b>Total</b>		<b>2,99,99,63,55,643</b>	<b>2,62,31,96,99,225</b>	<b>Total</b>		<b>2,99,99,63,55,643</b>

Notes to accounts as per Schedule - 13

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

*Rajeev R*  
Chairman & Trustee

*R.P. Varma*  
Treasurer & Trustee



Thiruvananthapuram  
Date 30.03.2024

**AUDITORS' REPORT**

As per our report of even date attached

for Varma & Varma  
Chartered Accountants  
FRN : 004532S

*Rajeev R*  
Partner

Membership No. 211277

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

RECEIPTS & PAYMENTS A/C FOR THE YEAR ENDED 31.03.2023

Receipts	Amount (in Rs.)	Payments	Amount (in Rs.)
Opening Balance in Banks		Pension & other terminal liabilities disbursed to Pensioners:	
Trust Account- SBI, Pattom	10,23,770	Terminal Benefits- E/L surrender	1,42,60,61,240
Master Trust Units	69,93,142	Gratuity	2,59,72,63,679
Amount received from KSEB Ltd.	25,24,09,74,436	Commutation of Pension	3,58,71,26,364
Interest received from Banks	12,11,960	Regular Pension	10,03,66,52,652
Prior period Income	36,20,367	Family Pension	3,09,71,99,624
Other Income	48,271	Dearness Relief to Regular Pensioners	3,26,71,47,878
		Medical Allowance To Pensioners Completed 70 Years	20,46,09,541
		Special Festival Allowance To Pensioners	3,28,26,548
		Special Care Allowance	4,88,70,167
		Terminal Benefits-Gratuity to NPS employees	4,14,151
		Pension relating to prior periods	1,01,03,59,601
		Payments during the year against current liabilities	
		Add: Payable at Opening of the year:	
		Recoveries from pensioners Payable to KSEB Ltd.	1,61,28,580
		Provision For Gratuity	14,07,530
		Provision For Pension	26,70,952
		Deferred Pension - COVID 19	40,38,264
		Terminal Leave Surrender payable	-
		IT - TDS payable	11,19,52,554
		Recoveries and remittance to other departments	(3,68,958)
		Recoveries and remittance on behalf of co-operative society	10,13,000
		Recoveries and remittance to CM's disaster fund	4,51,81,941
		Recoveries and Remittance of Pensioners Welfare Fund	(6,830)
		Stale Cheques	3,79,853
		Retention amount from Pensioners(TDS on TELS)	15,52,78,109
		Less: Payable at the year end:	
		Amt. Receivable. From Ex-Employees	2,13,97,719
		Provision For Gratuity	2,48,43,219
		Provision For Pension	2,98,88,097
		IT - TDS payable	9,04,04,022
		Recov. & Remit. To Other Depts.	48,787
		Recoveries and remittance on behalf of co-operative society	9,28,905
		Recoveries and Remittance of Pensioners Welfare Fund	71,800
		Recoveries and remittance to KSFE	2,52,577
		Recoveries and remittance on Behalf Of Banks	2,89,168
		Provision for Terminal Leave Surrender payable	1,60,77,553
		Stale Cheques	13,71,988
		Deferred Pension - COVID 19	11,13,869
		Retention amount from Pensioners	20,90,59,403
		Decrease in current liability during the year	(5,80,72,112)
		MO Commission	1,64,288
		Interest on Gratuity	6,88,174
		Bank Charges	3,920
		Closing Balance in Banks	
		Trust Account- SBI, Pattom	15,56,231
		Master Trust Units	10,00,000
<b>Total</b>	<b>25,25,38,71,946</b>	<b>Total</b>	<b>25,25,38,71,946</b>



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

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2023**

Schedule 1

(amounts in Rs.)

31.3.2022	Pension and Gratuity Trust Fund	31.3.2023
2,57,17,12,24,935	<b>Opening Balance</b>	2,62,00,52,69,556
19,73,29,73,428	<b>Add: Addition in Actuarial valuation liability as at 31.03.2023 receivable from KSEB Ltd.</b>	52,74,86,62,017
	<b>Add: Receipts</b>	
6,51,52,00,000	Interest on 10% Bonds	6,10,80,00,000
2,35,31,00,000	Interest on 9% Bonds	2,03,74,00,000
-	Penal interest on Bonds	2,04,00,45,829
14,56,575	Interest received from Banks	12,11,960
18,037	Other Income	48,271
8,40,309	Other Income Relating to Prior Periods	36,20,367
	<b>Less: Payments</b>	
	<b>Terminal Benefits paid (Net):</b>	
	<b>Terminal Benefits paid (Gross):</b>	
3,80,30,600	Special Care Allowance	4,88,70,167
1,23,87,10,573	Terminal E/L Surrender (Pensioners)	1,42,60,61,240
2,46,41,32,846	Gratuity	2,59,72,63,679
2,88,40,80,274	Commutation of Pension	3,58,71,26,364
9,72,90,02,701	Regular Pension	10,03,66,52,652
2,94,60,12,777	Family Pension	3,09,71,99,624
2,22,55,78,028	Dearness Relief to Regular Pensioners	3,26,71,47,878
19,21,02,445	Medical Allowance To Pensioners Completed 70 Years	20,46,09,541
3,21,14,144	Special Festival Allowance To Pensioners	3,28,26,548
3,61,79,865	Pension - relating to past years	1,01,03,59,601
2,13,05,63,284	Arrear Pensions	-
14,954	Terminal Benefits-Gratuity to NPS employees	4,14,151
-	Pension Accrued but not due-COVID 19	-
59,75,787	MO Commission	1,64,288
14,545	Other Professional Charges	-
62,08,972	Interest on Gratuity	6,88,174
1,75,162	Bank Charges	3,920
	TDS asset written off	13,292
<b>23,92,88,96,957</b>		<b>25,30,94,01,119</b>
	<b>Add: Opening Statutory / Recoveries payable:</b>	
1,29,15,378	Recoveries from pensioners Payable to KSEB Ltd.	1,61,28,580
4,55,73,135	IT - TDS payable	11,19,52,554
26,406	Recoveries and remittance to other departments	-3,68,958
26,332	Recoveries and remittance on behalf of co-operative society	10,13,000
28,36,944	Recoveries and remittance to CM's disaster fund	4,51,81,941
31,720	Recoveries and Remittance of Pensioners Welfare Fund	-6,830
3,79,853	Stale Cheques	3,79,853
10,06,61,159	Retention amount from Pensioners(TDS on TELS)	15,52,78,109
<b>16,24,50,927</b>		<b>32,95,58,249</b>
	<b>Add: Opening Terminal benefits payable:</b>	
58,64,607	Provision For Gratuity payable	14,07,530
85,54,506	Provision For Pension payable	26,70,952
72,551	Deferred Pension - COVID 19	40,38,264
13,79,176	Provision for Terminal Leave Surrender payable	-
<b>1,58,70,840</b>		<b>81,16,746</b>
	<b>Less: Closing Statutory / Recoveries payable:</b>	
1,61,28,581	Recoveries from pensioners Payable to KSEB Ltd.	2,13,97,719
11,19,52,554	IT - TDS payable	9,04,04,022
-	Recoveries and remittance on Behalf Of Banks	2,89,168
-	Recoveries and remittance to KSFE	2,52,577
(3,68,958)	Recoveries and remittance to other departments	48,787
10,13,000	Recoveries and remittance on behalf of co-operative society	9,28,905
4,51,81,941	Recoveries and remittance to CM's disaster fund	-
(6,830)	Recoveries and Remittance of Pensioners Welfare Fund	71,800
3,79,853	Stale Cheques	13,71,988
15,52,78,109	Retention amount from Pensioners(TDS on TELS)	20,90,59,403
<b>32,95,58,250</b>		<b>32,38,24,369</b>
	<b>Less: Closing Terminal benefits payable:</b>	
14,07,530	Provision For Gratuity payable	2,48,43,219
26,70,952	Provision For Pension payable	2,98,88,097
-	Provision for Terminal Leave Surrender payable	1,60,77,553
40,38,264	Deferred Pension - COVID 19	11,13,869
<b>81,16,746</b>		<b>7,19,22,738</b>
<b>23,76,95,43,728</b>	<b>Total payments during the year</b>	<b>25,25,13,29,007</b>
<b>2,62,00,52,69,556</b>	<b>Total</b>	<b>2,99,69,29,28,993</b>



Schedule 2  
Stale Cheques

ARU CODE	ARU NAME	AMOUNT (in Rs)
301	Electrical Circle (Urban),Thiruvananthapuram	2,03,463
323	Electrical Division, Attingal.	1,445
324	Electrical Division, Neyyattinkara	94,363
331	Electrical Division Kollam	6,70,670
341	Electrical Division, Kottarakkara	2,378
373	Electrical Division, Mavelikkara	1,626
383	Electrical Division, Aluva Town	8,397
386	Electrical Division, Mattancherry	1,60,071
397	Electrical Division, Wadacherry	6,597
411	Electrical Division, Kozhikode	61,714
436	Electrical Division, Tirurangadi	1,27,659
437	Electrical Division, Kondotty	2,370
441	Electrical Division, Pathanamthitta	31,235
	<b>TOTAL</b>	<b>13,71,988</b>

Schedule 3

(amounts in Rs.)

31.3.2022	Receivable from KSEB Ltd. towards Pensionary benefits as per Actuarial Valuation	31.3.2023
1,50,91,50,38,678	<b>Opening Balance</b>	1,70,64,80,12,106
	<b>Add: Addition in Actuarial valuation liability as at 31.03.2022 receivable from KSEB Ltd.</b>	
23,67,14,57,886	Total Gratuity liability as per Actuarial valuation	23,04,20,29,127
10,74,45,54,578	Total Terminal Leave surrender liability as per Actuarial valuation	11,98,01,24,109
3,23,82,52,68,818	Total Pension liability as per Actuarial valuation	3,27,88,33,11,202
<b>3,58,24,12,81,282</b>	<b>Total</b>	<b>3,62,90,54,64,438</b>
	Less: Actuarial liability of employees who joined KSEB Ltd. after 31.10.2013 (not being the liability of the Trust)	
-	Actuarial valuation of Pension	6,87,52,281
1,15,12,60,597	Actuarial valuation of Gratuity liability	1,36,12,65,656
57,96,76,703	Actuarial valuation of Terminal Leave surrender liability	73,90,11,836
<b>1,73,09,37,300</b>	<b>Total</b>	<b>2,16,90,29,773</b>
	Less: Present value of Funded liability as at 31-03-2023	1,37,33,97,60,542
1,85,86,23,31,876	Opening balance of unfunded amount receivable from KSEBL	1,70,64,80,12,106
1,50,91,50,38,678	<b>Total Pensionary benefits as per Actuarial Valuation</b>	52,74,86,62,017
<b>1,70,64,80,12,106</b>		<b>2,23,39,66,74,123</b>
-	Less: Financed during the year	-
<b>1,70,64,80,12,106</b>	<b>Balance unfunded amount receivable from KSEBL</b>	<b>2,23,39,66,74,123</b>

Schedule 4

31.03.2022	Investment in 10% Bonds	31.03.2023
69,22,40,00,000	<b>Opening Balance</b>	64,68,09,27,246
	Add: Additions during the year	
4,54,30,72,754	Less: Redeemed during the year	11,02,36,28,607
<b>64,68,09,27,246</b>	<b>Total</b>	<b>53,65,72,98,639</b>

Schedule 5

31.03.2022	Investment in 9% Bonds	31.03.2023
29,36,36,00,000	<b>Opening Balance</b>	26,14,53,00,000
-	Add: Additions during the year	-
3,21,83,00,000	Less: Redeemed during the year	3,50,79,00,000
<b>26,14,53,00,000</b>	<b>Total</b>	<b>22,63,74,00,000</b>

Schedule 6

31.03.2022	Budgetary Allocation receivable	31.03.2023
52,40,00,000	<b>Opening Balance</b>	52,40,00,000
-	Less: Received from KSEB Ltd.	52,40,00,000
<b>52,40,00,000</b>	<b>Total</b>	<b>-</b>



Schedule 7

(amounts in Rs.)

31.03.2022	Interest and Redemption of Bonds receivable from KSEB Ltd.		31.03.2023
7,13,71,98,462	Opening Balance		-
	Add: Receivable from KSEB Ltd.		
6,51,52,00,000	Interest on 10 % bonds	6,10,80,00,000	
2,35,31,00,000	Interest on 9% Bonds	2,03,74,00,000	
-	Penal interest on Bonds	2,04,00,45,829	
4,54,30,72,754	Redemption of Investment in 10% Bonds	11,02,36,28,607	
3,21,83,00,000	Redemption of Investment in 9% Bonds	3,50,79,00,000	
16,62,96,72,754			24,71,69,74,436
	Less: Received from KSEB Ltd.		
6,51,52,00,000	Interest on 10 % bonds	6,10,80,00,000	
2,35,31,00,000	Interest on 9% Bonds	2,03,74,00,000	
-	Penal interest on Bonds	2,04,00,45,829	
11,68,02,71,216	Redemption of Investment in 10% Bonds	11,02,36,28,607	
3,21,83,00,000	Redemption of Investment in 9% Bonds	3,50,79,00,000	
23,76,68,71,216			24,71,69,74,436
-	Total		-

Schedule 8

(amounts in Rs.)

31.03.2022	Bank accounts: MTU's		31.03.2023
3,05,263	Electrical Circle (Urban),Thiruvananthapuram		23,696
2,482	Electrical Division, Adoor		0
85,989	Electrical Division, Alappuzha		29,574
2,77,185	Electrical Division, Alathur		34,683
9,031	Electrical Division, Aluva Town		4,630
22,445	Electrical Division, Attingal.		1,377
13,900	Electrical Division, Balussery		17,905
22,255	Electrical Division, Chalakudy		484
2,44,531	Electrical Division, Changanacherry		103
3,038	Electrical Division, Chathannoor		1
54,086	Electrical Division, Chengannoor		27,963
84,099	Electrical Division, Cherthala		1
32,760	Electrical Division, Chittur		0
2,976	Electrical Division, Ernakulam		376
1,48,050	Electrical Division, Feroke		705
17,397	Electrical Division, Haripad		10,887
4,007	Electrical Division, Irinjalakuda		11,085
12,911	Electrical Division, Iritty		655
11,252	Electrical Division, Kalpetta		604
4,168	Electrical Division, Kanhangad		116
4,091	Electrical Division, Kannur		33
5,511	Electrical Division, Karunagappally		619
9,417	Electrical Division, Kasaragod		2,018
8,899	Electrical Division, Kattakada		5,000
2,246	Electrical Division, Kattappana		-
58,000	Electrical Division, Kazhakkuttom		459
2,532	Electrical Division, Kodungallur		6,802
3,591	Electrical Division, Kollam		8,50,423
6,790	Electrical Division, Kondotty		450
8,701	Electrical Division, Kottarakkara		14,392
38,928	Electrical Division, Kozhikode		1,07,031
19,142	Electrical Division, Kundara		16,533
3,503	Electrical Division, Kunnankulam		442
420	Electrical Division, Mananthavady		115
11,600	Electrical Division, Manjeri		4,717
37,528	Electrical Division, Mannarkkad		3
4,905	Electrical Division, Mattancherry		2,395
77,264	Electrical Division, Mavelikkara		26,601
2,095	Electrical Division, Moovattupuzha		1,285
3,333	Electrical Division, N.Parur		530
1,029	Electrical Division, Nadapuram		178
585	Electrical Division, Nedumangad		377
5,113	Electrical Division, Neyyattinkara		442
3,289	Electrical Division, Nilambur		1
6,411	Electrical Division, Pala		10,141
14,391	Electrical Division, Palakkad		2,190
16,557	Electrical Division, Pallom		3,426
9,840	Electrical Division, Pathanamthitta		13,023
3,736	Electrical Division, Pattambi		1,900
20,715	Electrical Division, Payyannur		102
327	Electrical Division, Peerumade		850
11,703	Electrical Division, Perinthalmanna		1,926
7,437	Electrical Division, Perumbavoor.		3,237
41,195	Electrical Division, Ponkunnam		1,900
5,03,134	Electrical Division, Ponnani		248
821	Electrical Division, Punalur		46,147
44,177	Electrical Division, Shoranur		5,901





## Schedule 8

(amounts in Rs.)

31.03.2022	Bank accounts: MTU's		31.03.2023
10,01,969	Electrical Division, Thalassery		197
14,106	Electrical Division, Thiruvalla		19,638
26,75,215	Electrical Division, Thodupuzha		6,447
1,00,000	Electrical Division, Thrissur (West)		15
7,697	Electrical Division, Thrissur(East)		586
9,344	Electrical Division, Tirur		672
401	Electrical Division, Tirurangadi		7,782
7,258	Electrical Division, Tripunithura		1,723
25,103	Electrical Division, Vadakara		517
4,152	Electrical Division, Vaikom		673
2,96,773	Electrical Division, Wadakkancherry		11,545
85,292	Generation Circle, Meencut		977
35,264	Generation Circle, Moolamattom		6,041
34,514	Generation Circle, Thrissur		16,741
3,39,279	Office of the Chief Engineer (HRM)		1,85,995
69,93,142	<b>Total</b>		<b>15,56,231</b>

## Schedule 9

(amounts in Rs.)

31.03.2022	Receivable from KSEB Ltd. towards recoveries effected from pensioners		31.03.2023
1,61,28,581	Recoveries from pensioners Payable to KSEB Ltd.	2,13,97,719	
11,19,52,554	IT - TDS payable	9,04,04,022	
(3,68,958)	Recoveries and remittance to other departments	48,787	
(6,830)	Recoveries and Remittance of Pensioners Welfare Fund	71,800	
10,13,000	Recoveries and remittance on behalf of co-operative society	9,28,905	
4,51,81,941	Recoveries and remittance to CM's disaster fund	-	
-	Recov.& Remit. To KSFE	2,52,577	
-	Recoveries and Remittance On Behalf Of Banks	2,89,168	
3,79,853	Stale Cheques	13,71,988	
15,52,78,109	Retention amount from Pensioners(TDS on TELS)	20,90,59,403	32,38,24,369
1,61,28,581	Less: Amount payable to KSEB Ltd.		2,13,97,719
31,34,29,669	<b>Total</b>		<b>30,24,26,650</b>

## Schedule 10

31.03.2022	Terminal Benefits receivable from KSEB Ltd.		31.03.2023
14,07,530	For Gratuity		2,48,43,219
26,70,952	For Pension		2,98,88,097
-	Terminal Leave Surrender		1,60,77,553
40,38,264	Deferred Pension - COVID 19		11,13,869
81,16,746	<b>Total</b>		<b>7,19,22,738</b>

## Schedule 11

31.03.2022	Terminal benefits payable to pensioners		31.03.2023
14,07,530	Provision For Gratuity payable		2,48,43,219
26,70,952	Provision For Pension payable		2,98,88,097
-	Provision for Terminal Leave Surrender payable		1,60,77,553
40,38,264	Deferred Pension - COVID 19		11,13,869
81,16,746	<b>Total</b>		<b>7,19,22,738</b>

## Schedule 12

31.03.2022	Receivable from KSEBL- Reimbursement of Expenses		31.03.2023
-	MO Commission		-
-	Other Professional Charges		-
-	Interest on Gratuity		-
-	Bank Charges		-
-	<b>Total</b>		<b>-</b>



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

**Schedule 13**

**Notes attached to and forming part of the accounts for the year ended 31.03.2023**

**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 by KSEB Ltd in accordance with the provisions of Ind AS. The actuarial liability as at 31.03.2023 has been determined as Rs. 3,60,73,64,34,665/-. The additional liability for the period 1.11.2013 to 31.03.2023 based on the valuation done is Rs. 2,23,39,66,74,123 /- is unfunded as on date and the said amount has been shown as "Receivable from KSEB Ltd. towards pensionary benefits as per Actuarial Valuation".

For the purpose of ascertaining the net liability of KSEB as at 31.3.2023, the present value of funded liability has been taken as Rs.1,37,33,97,60,542 by the actuary. However, the Fair value of amount receivable by the Trust is only Rs. 13,110.36 Crore.

- 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.
- Trust received Rs. 25,24,09,74,436/- 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, and redemption of 10% and 9% bonds as shown below. Also, amount allocated towards 10% bonds received during the year includes an amount of Rs.7,42,27,01,361/- which is due for next year ,but received from KSEBL in the current year.

Particulars	Receivable as at opening	Receivable during the year	Total Receivable	Received during the year	Receivable as at closing
Interest on 10% Bonds	-	6,10,80,00,000	6,10,80,00,000	6,10,80,00,000	-
Interest on 9% Bonds	-	2,03,74,00,000	2,03,74,00,000	2,03,74,00,000	-
Redemption of Investment in 10% Bonds	(47,10,72,754)	4,07,20,00,000	3,60,09,27,246	11,02,36,28,607	(7,42,27,01,361)
Redemption of Investment in 9% Bonds	-	3,50,79,00,000	3,50,79,00,000	3,50,79,00,000	-
Penal Interest on Bonds	-	2,04,00,45,829	2,04,00,45,829	2,04,00,45,829	-
Sub Total	(47,10,72,754)	17,76,53,45,829	17,29,42,73,075	24,71,69,74,436	(7,42,27,01,361)
Budgetary allocation receivable	52,40,00,000	-	52,40,00,000	52,40,00,000	-
<b>Total</b>	<b>5,29,27,246</b>	<b>17,76,53,45,829</b>	<b>17,81,82,73,075</b>	<b>25,24,09,74,436</b>	<b>(7,42,27,01,361)</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. During the current financial year, KSEBL has remitted Rs. 204 Crores as penal interest on bonds for the delay from 1<sup>st</sup> April 2018 to 30<sup>th</sup> April 2022, however penal interest was paid on 31<sup>st</sup> March 2023.



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 incremented pensionary benefits 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. With respect to Letter No. B&P/Master Trust/Bond/2023-24 dated 09/08/2023, KSEB has requested government to accord sanction through Government orders for issue of bonds for a period of 10 to 20 years to Master Trust in respect of unfunded terminal liabilities amounting to Rs.22,339.66 Crore as on 31.03.2023. The decision regarding which is still pending.
6. The Trust is not liable for pension payable to personnel who joined KSEB Ltd. during the period 01/04/2013 to 31/10/2013 and is not included in the actuarial valuation referred above. 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.
7. Amount of pension and other retirement benefits for the year outstanding for payment as at the close of the year has been set off against amount receivable from KSEB towards discharge of such liability in the balance sheet.
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. 9 and 10 to the Balance sheet are subject to confirmation.
11. The account 'Recoveries and remittance to CMDRF having a balance of Rs.4,51,81,941, of which an amount of Rs.4,51,10,281 has been paid to CMDRF as on 07.11.2022. Balance amount in CMDRF account was refunded to pensioners.
12. Stale cheques of Rs 13,71,988 will be reversed in books only when the cheques are returned by the respective family pensioners. Hence, the closing balance of Rs 3,79,853 remains outstanding from the previous year.
13. As per the Circular No : CIA/Pension Audit/Audit Circular-1/2018/2021 dated 16.03.2021,  
'Arrears of pension due to all pensioners as per present Pension revision from 01.07.2018/01.08.2018 to 31.03.2021 may be disbursed in the following manner:-
  - a) Those who attain 80 years of age on or before 01.04.2021 may be disbursed in lump during June 2021.
  - b) In all other cases, arrears may be disbursed in three equal consecutive installments beginning from July 2021.

Provision for unpaid arrears could not be ascertained and provided for in the accounts in the absence of details.



14. Pension payment during the year includes Provisional payment (Provisional pension) of Rs.1,54,96,812/- pending closure of departmental/Judicial proceedings against them.
15. Special care allowance of Rs.1000/- per month has been granted to Service pensioners/ Family pensioners/Ex gratia pensioners/ Exgratia Family pensioners /PTC pensioners/PTC Family Pensioners on completion of 80 years of age with effect from 01.04.2021 Vide Circular No. CIA/Pension Audit/Audit Circular-1/2018/2021 dt 16.03.2021.
16. In Traces, TDS defaults amounting to Rs.39,09,773.80/- (detailed below) is seen which will be subsequently rectified by the management.

Financial Year	Short Payment	Short Deduction	Interest on payments default u/c 201	Interest on deduction default u/s 201	Late filing fee u/s 234E	Interest u/s 220(2)	Total Defaults
2023-24	2,56,500.00	-	18,647.50	31,179.00	-	-	3,06,326.50
2022-23	-	15,556.95	17,181.00	12,652.00	7,200	873.00	53,462.95
2021-22	-	5,59,512.27	1,38,795.00	53,816.00	13,980.00	2,272.50	7,68,375.77
2020-21	-	1,21,888.98	43,412.50	61,689.00	800.00	1,035.00	2,28,825.48
Prior Years	2,75,143.00	18,06,408.10	1,48,218.50	2,12,480.50	80,800.00	29,733.00	25,52,783.10
<b>Total</b>	<b>5,31,643.00</b>	<b>25,03,366.30</b>	<b>3,66,254.50</b>	<b>3,81,816.50</b>	<b>1,02,780.00</b>	<b>33,913.50</b>	<b>39,09,773.80</b>

17. In Alappuzha division (MTU 371), on 29/08/2022 an amount of Rs 2,89,739/- and on 03/10/2022 an amount of Rs 36,413/- of uncashed cheques in given in BRS. However, the same was cleared only on 09/06/2023 and 21/06/2023 respectively. These uncashed cheques are not treated as state cheques in the Financials as these cheques were subsequently cleared by the bank directly and no separate cheque was issued.
18. Previous year figures have been regrouped wherever necessary to suit with current year layout.
19. Balances in sweep accounts with various banks as at the end of the year has not been separately disclosed in the absence of details from banks. The amounts are included and carried forward as Bank balance.
20. Amount identified by the internal audit/Inspection team as recoverable from the pension payment of retired employees by various Master Trust Units (MTU's) is pending to be effected by the respective Units. A Consolidated list of amount due is not available at the Head Office and hence no adjustment has been made on the books of accounts to this effect.

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

1. Chairman & Trustee  
Rajesh
2. Treasurer & Trustee  
R.P. Singh



Thiruvananthapuram  
Date: 30.03.2024

for Varma & Varma  
Chartered Accountants  
(FRN : 004532S)

(Rajeev.R)  
Partner  
M.No. 211277

