



## Mohan & Mohan Associates

Chartered Accountants

A-21, Jawahar Nagar  
Kawdiar

Trivandrum - 695 003

Telephone : 0471-2721731, 2722813

E-mail : smohan1948@gmail.com

### Independent auditor's review report on review of interim standalone financial results for the quarter ended 31.12.2021

#### To the Board of Directors of Kerala State Electricity Board Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Kerala State Electricity Board Limited ("the Company") for the quarter ended December 31, 2021, being submitted by the Company pursuant to the requirements of Department of Public Enterprises Guidelines issued by the Ministry of Power for state DISCOMS dated 11 March 2021.
2. This Statement which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statements based upon our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the company's personnel responsible for financing and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance with standards of auditing specified under section 143(10) of the Companies Act, 2013 and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We draw attention to note 3 forming part of the interim financial information of the standalone financial results, as regards the management's evaluation of COVID-19 impact on the operations and financial metrics of the Company and its subsidiaries. Our conclusion is not modified in respect of this matter.
5. Basis for qualified conclusion  
We draw reference to Notes 5-12 to the interim financial information, wherein the Company has presented the financial information in deviation from Indian Accounting Standards specified under Section 133 of the Companies Act 2013 as amended which has resulted in understatement



Branches : Karunalayam, Wynad Road, Calicut - 673 001  
No. 2806 A, 'Aiswarya', Warriam Road, Ernakulam-682 016  
4th Floor, Land mark - Enclave Building, Sahodharan Ayyappan Road, Ernakulam-682 016  
Deishe Tower, Near Ambili Theator, LIC Road, Kannur-670 002

Tel : 2765955  
Tel : 2368819  
Tel : 9447001568  
Tel : 2703957  
Tel : 9846175596

overstatement of loss and corresponding impact on the assets / liabilities of the company which the company is unable to quantify the impact and accordingly, we are unable to quantify the impact.

6. Qualified conclusion

Based on our review conducted as stated above, except to the effects / possible effects of matter described in paragraph (5) above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Department of Public Enterprises Guidelines issued by the Ministry of Power for state DISCOMS dated 11 March 2021, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Mohan & Mohan Associates  
Chartered Accountants  
FRN:002092S

R Suresh Mohan  
Partner

M.No.013398

UDIN: 22013398ADQLCC6203



Thiruvananthapuram  
21/02/2022

## Notes forming part of financial information

1. The above standalone unaudited financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of Companies Act, 2013 read with relevant rules issued thereunder.
2. The above standalone unaudited financial results for the quarter ended December 31, 2021 were reviewed by the Audit Committee at the meeting held on February 9, 2022 and approved by the Board of Directors by circular resolution on February 19, 2022.
3. Pursuant to the continuing COVID-19 pandemic, the Company has made an assessment of its liquidity position as at the date of approval of these financial results of the recoverability and carrying values of its assets including Property, Plant and Equipment (including assets under construction), Intangible assets, Trade receivables, Inventory and Investments as at the reporting date and has concluded that there are no material adjustments required in the standalone and consolidated financial results. Management believes that it has taken into account all the possible impact of known events and economic forecasts based on internal and external sources of information arising from COVID-19 pandemic while making such assessment in the preparation of the standalone and consolidated financial results. The Company will continue to closely monitor any material changes to future economic conditions.
4. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
5. The financial statements are prepared by not providing depreciation on property, plant, and equipment of value ₹10,712 crores since 2013-14 being the revaluation of assets done at the time of formation of the company. Also 'componentisation approach' for accounting of assets as mentioned in Ind AS 16 Property, Plant and Equipment is not followed by the company.
6. The borrowing costs and employee costs directly attributable to the assets booked under capital work in progress are without considering the date of completion / readiness for use of the asset and the methodology adopted by the company in computation of the borrowing cost on general borrowings on a year-to-year basis is only on the additions made to the capital work in progress in the year without considering the opening value of capital work in progress and capitalisation of asset made during the year.
7. The provision for impairment of financial assets are computed without considering the security deposit collected and without detailed assessment of expected credit loss (ECL) of trade receivables.



8. The inventories includes materials / stores meant for construction of capital assets and repairs.
9. The unreconciled balances in the transactions between the ARUs amounting to ₹ 127.38 crores as on December 31, 2021, have been reported and recognised as "Inter Unit Balance" under "Other Current Assets".
10. The reconciliation of the amount classified under "Deposits for Electrification, Service Connection etc" amounting to ₹ 728.35 crores as on December 31, 2021 with the corresponding works pending for completion, for which such deposits have been collected from the consumers is yet to be carried out.
11. Pursuant to provisions of the Kerala Electricity Second Transfer Scheme (Re-Vesting) 2013, the company issued bonds to Kerala State Electricity Board Limited Employees' Pension and Gratuity Fund Trust on April 1, 2017 for meeting the terminal liabilities. As per the terms and conditions of the bond issue, the company is liable to repay the interest and principal value of bonds on 1st April of every year, failing which an additional interest @ 24% p.a. will be payable by the company. The liability of interest on the unpaid amount is not considered as a liability in the books of the company.
12. The company has neither determined nor recognised the deferred tax liabilities or deferred tax assets, if any, as required by the Ind AS 12 "Income Taxes", thereby understating the Deferred Tax Liability/Assets as may be applicable, and the corresponding impact on tax expenses. As the company is expecting a loss at the end of the financial year no provision for current tax is provided for.
13. Previous period figures have been regrouped/ reclassified wherever considered necessary to correspond with the current period's classification /disclosure



Kerala State Electricity Board Limited  
Unaudited Standalone Balance Sheet as at 31 December 2021

₹ in Crores


Particulars	As at 31 December 2021 (Unaudited)	As at 31 December 2020 (Unaudited)	As at 31 March 2021 (Audited)
<b>Assets</b>			
<b>non current assets</b>			
Property, Plant and Equipment	24,167.33	22,556.33	24,090.83
Capital work-in-progress	5,226.80	4,982.25	4,131.67
Other Intangible Assets	29.16	22.45	32.37
Intangible assets under development	31.06	14.97	31.06
<b>Financial Assets</b>			
Investments	20.49	20.49	20.49
Trade receivables	407.77	407.77	407.77
Loans	28.83	213.42	26.76
Others	1,609.48	2,411.10	2,139.11
Non current tax assets (net)	26.40	23.67	24.25
Other non-current assets	374.62	298.31	330.88
<b>Total non current assets</b>	<b>31,921.94</b>	<b>30,950.76</b>	<b>31,235.19</b>
<b>Current assets</b>			
Inventories	700.76	654.52	684.96
<b>Financial Assets</b>			
Trade receivables	2,111.47	1,546.98	2,118.93
Cash and cash equivalents	49.23	529.84	250.39
Bank balances Other than Cash Equivalents	180.98	144.24	180.98
Other financial assets	3.08	20.38	3.82
Other current assets	1,307.90	1,470.86	1,203.62
<b>Total current assets</b>	<b>4,353.42</b>	<b>4,366.82</b>	<b>4,442.70</b>
<b>Total Assets</b>	<b>36,275.36</b>	<b>35,317.58</b>	<b>35,677.89</b>
<b>Equities and Liabilities</b>			
<b>Equity</b>			
Equity Share capital	3,499.05	3,499.05	3,499.05
Other Equity	(14,482.59)	(13,905.25)	(14,588.58)
<b>Total Equity</b>	<b>(10,983.54)</b>	<b>(10,406.20)</b>	<b>(11,089.53)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16,606.64	16,115.25	16,445.82
Other Financial Liabilities	4,720.33	4,156.75	4,433.19
Provisions	12,658.61	11,621.67	12,294.98
Other non-current liabilities	3,660.48	3,292.95	3,577.13
<b>Total Non-Current Liabilities</b>	<b>37,646.06</b>	<b>35,186.62</b>	<b>36,751.12</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2,035.05	3,397.77	1,656.92
Trade payables	-	-	1.76
small enterprises	-	-	1.76
Total outstanding dues of trade payables other than micro enterprises and small enterprises	2,144.16	1,969.43	2,100.32
Other financial liabilities	2,609.08	2,341.62	3,432.75



Unaudited Standalone Balance Sheet as at 31 December 2021 Contd.


Particulars	As at 31 (Unaudited)	As at 31 (Unaudited)	As at 31 March (Audited)
Provisions	2,824.55	2,828.34	2,824.55
<b>Total current liabilities</b>	<b>9,612.84</b>	<b>10,537.16</b>	<b>10,016.30</b>
<b>Total liabilities</b>	<b>47,258.90</b>	<b>45,723.78</b>	<b>46,767.42</b>
<b>Total equity and liabilities</b>	<b>36,275.36</b>	<b>35,317.58</b>	<b>35,677.89</b>

For and on behalf of the Board

  
V.R. Hari IRS  
Director(Finance)

DIN: 09491040

21.02.2022

  
Biju R FCA  
Chief Financial officer



## Kerala State Electricity Board Limited

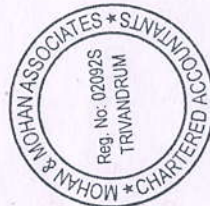
Unaudited Standalone Statement of Profit and Loss for the Quarter and Nine months ended 31 December 2021

₹ in Crores

Particulars	Quarter ended			Nine month ended		Year ended
	31 December 2021 (Unaudited)	30 September 2021 (Unaudited)	31 December 2020 (Unaudited)	31 December 2021 (Unaudited)	31 December 2020 (Unaudited)	31 March 2021 (Audited)
<b>Income</b>						
I Revenue From Operations	4,450.81	3,795.00	3,746.11	12,089.30	10,649.83	14,420.63
II Other Income	127.00	123.92	90.31	390.63	240.95	748.76
III Total Income	4,577.81	3,918.92	3,836.42	12,479.93	10,890.78	15,169.39
<b>IV Expenses</b>						
Purchase of Power	2,075.72	1,917.48	1,966.21	6,211.23	5,743.79	8,057.93
Generation of Power	0.22	0.31	2.07	0.81	4.49	4.80
Repairs & Maintenance	66.14	99.59	43.68	229.74	191.48	260.58
Employee benefits expense	1,134.58	868.81	1,260.97	2,992.48	3,739.29	5,153.17
Finance costs	408.87	412.09	429.77	1,209.55	1,244.68	1,726.36
Depreciation and amortization expense	291.92	275.46	252.99	842.82	758.99	1,011.98
Other Expenses						
a) Administrative and General Expenses	162.49	151.62	140.07	456.69	415.22	593.86
b) Others	10.65	28.98	3.31	40.23	89.50	164.45
<b>Total Expenses</b>	4,150.59	3,754.34	4,099.07	11,983.55	12,180.10	16,973.13
V Profit/(Loss) before exceptional items and tax (III- IV)	427.22	164.58	(262.65)	496.38	(1,289.32)	(1,803.74)
VI Exceptional Items	15.39	-	4.86	15.39	15.13	18.61
VII Profit/(Loss) before tax (V-VI)	411.83	164.58	(267.51)	480.99	(1,304.45)	(1,822.35)
VIII Tax expense:	-	-	-	-	-	-
IX Profit/(Loss) for the period from continuing operations (VIII-IX)	411.83	164.58	(267.51)	480.99	(1,304.45)	(1,822.35)
X Profit/(loss) from discontinued operations	-	-	-	-	-	-
XI Profit/(Loss) from Discontinued operations	-	-	-	-	-	-
IX Profit/(Loss) for the period (VII+VIII)	411.83	164.58	(267.51)	480.99	(1,304.45)	(1,822.35)
Other Comprehensive Expense						
Remeasurement of the Defined Benefit Plans	(125.00)	(125.00)	(165.45)	(375.00)	(496.35)	(661.80)
X Total Other Comprehensive Expense for the period	(125.00)	(125.00)	(165.45)	(375.00)	(496.35)	(661.80)
XI Total Comprehensive Expense for the period (IX+X)	286.83	39.58	(432.96)	105.99	(1,469.90)	(2,484.15)
XII Earnings per equity share (for continuing operation):						
Basic & Diluted	1.18	0.47	(0.76)	1.37	(3.73)	(5.21)

For and on behalf of the Board

V.R.Hari IRS  
Director(Finance)  
DIN: 09491040  
21.02.2022



Biju R FCA  
Chief Financial officer

Kerala State Electricity Board Limited

Unaudited Standalone Statement of Cash Flows for the Nine month ended 31 December 2021

₹ in Crores

Particulars	Nine month ended 31 December 2021	Year ended 31 March 2021 (Audited)
<b>Operating Activities</b>		
Profit/(Loss) for the period	480.99	(1,822.35)
Adjustments for:		
Interest income	(178.77)	(156.09)
Finance cost	980.80	1,416.60
Depreciation of property, plant and equipment	636.86	761.93
Amortisation of intangible assets	3.27	4.36
Operating profit before working capital changes	<b>1,923.15</b>	<b>204.45</b>
<b>Working capital adjustments:</b>		
(Increase) / Decrease in Inventories	(15.80)	123.90
(Increase) / Decrease in trade receivables and other receivables	428.59	700.43
Increase / (Decrease) in trade and other payables	896.64	3,886.95
Cash generated by Operations	<b>3,232.58</b>	<b>4,915.73</b>
Income Taxes paid	-	-
<b>Net cash flows from operating activities (A)</b>	<b>3,232.58</b>	<b>4,915.73</b>
<b>Investing activities</b>		
Interest received (finance income)	178.77	169.16
Purchases of property, plant and equipment (Acquisition) / disposal of investments	(2,063.04)	(3,096.71)
	-	-
<b>Net cash flows used in investing activities (B)</b>	<b>(1,884.27)</b>	<b>(2,927.55)</b>
<b>Financing activities</b>		
Net proceeds from borrowings and repayments	(405.62)	298.93
Interest paid	(1,120.07)	(1,698.03)
<b>Net cash flow from financing activities (C)</b>	<b>(1,525.69)</b>	<b>(1,399.09)</b>
<b>Net change in cash &amp; cash equivalents (A+B+C)</b>	<b>(177.38)</b>	<b>589.08</b>
<b>Cash &amp; cash equivalents at the beginning of the period</b>	<b>114.72</b>	<b>(474.36)</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>(62.66)</b>	<b>114.72</b>

For and on behalf of the Board

  
V.R. Han IRS  
Director(Finance)  
DIN: 09491040  
21.02.2022



  
Biju.R.FCA  
Chief Financial officer



Kerala State Electricity Board Limited

Unaudited Standalone Statement of Changes in Equity for the Nine month ended 31 December 2021

A Equity Share Capital

₹ in Crores

Particulars	As at 31 December 2021 (Unaudited)		As at 31 March 2021 (Audited)	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
At the beginning of the period	5000000000	5,000.00	5000000000	5,000.00
Changes in Authorised Equity Share capital during the year	-	-	-	-
At the end of the period	5000000000	5,000.00	5000000000	5,000.00
<b>Issued Share Capital</b>				
At the beginning of the period	3499050000	3,499.05	3499050000	3,499.05
Changes in Equity Share capital during the year	-	-	-	-
At the end of the period	3499050000	3,499.05	3499050000	3,499.05

B Other Equity

Attributable to owners of Kerala State Electricity Board Limited

Particulars	Retained Earnings	Other Comprehensive income	Other Reserves	Total Other Equity
Balance at 1 April 2021	(5,605.81)	(6,498.62)		(12,104.43)
Loss for the year ended 31 st March 2021	(1,822.35)			(1,822.35)
Other Comprehensive Income		(661.80)		(661.80)
Balance at 1 April 2021	(7,428.16)	(7,160.42)		(14,588.58)
Profit for the Half year ended ended 30 September 2021	69.16	-	-	69.16
Other Comprehensive Income for the half year ended 30 september 2021	-	(250.00)	-	(250.00)
Balance at 30 September 2021	(7,359.00)	(7,410.42)	-	(14,769.42)
Profit for the quarter ended 31 December 2021	411.83	-	-	411.83
Other Comprehensive Income for the quarter ended 31 December 2021	-	(125.00)	-	(125.00)
Balance at 31 December 2021	(6,947.17)	(7,535.42)	-	(14,482.59)

For and on behalf of the Board

V.R.Hari IRS  
Director(Finance)

DIN: 09491040

21.02.2022



Biju R FCA  
Chief Financial officer