9th ANNUAL REPORT 2019-2020

KERALA STATE ELECTRICITY BOARD LIMITED

THIRUVANANTHAPURAM

KERALA STATE ELECTRICITY BOARD LIMITED

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NINTH ANNUAL REPORT
2019-2020

KERALA STATE ELECTRICITY BOARD LIMITED
Regd Office: Vydyuthi Bhavanam, Pattom, Thiruvananthapuram - 695004
CIN: U40100KL2011SGC027424

KERALA STATE ELECTRICITY BOARD LIMITED

THIRUVANANTHAPURAM

KERALA STATE ELECTRICITY BOARD LIMITED
(Incorporated under the Indian Companies Act, 1956)
Reg. Office: Vydyuthi Bhavanam, Pattom,
Thiruvananthapuram – 695 004, Kerala
CIN: U40100KL2011SGC027424
Office of the Chairman & Managing Director
Phone: +91 471 2514500, 2514680, Fax: 0471 2441328
mail: cmdkseb@kseb.in website: www.kseb.in.

MESSAGE FROM CHAIRMAN

I am happy to present the 9th Annual Report of the Board of Directors of Kerala State Electricity Board Ltd for the Financial Year ended on 31st March, 2020. Indeed it is a great honour for me in endorsing a message in the Annual report of the Company for the 4th consecutive year.

The Year 19-20 has been a challenging one for KSEBL. But with immense pleasure I share with you all that it has been another successful year for the Company. The profitable growth, despite the challenges brought in by the flood of the second consecutive year, is a testament to the organisation's resilience. It also reflects the company's collective strength, our execution prowess and diligence in delivering on our promises.

Electricity Infrastructure is a critical need for a world that wants to be always on and always connected. Kerala State Electricity Board Limited has made great progress during the year in its endeavour for providing quality and reliable power at reasonable price. Needless to say that our consistent financial and operational performance reflects the successful execution of our growth strategy.

KSEBL has demonstrated expertise in tackling specific challenges of space, time and capital in the matter of maintaining quality supply of power in the State. The company has recorded remarkable growth as a generator, transmitter and as a distributor of power.

With specific focus on green energy, the utility has been encouraging solar generation with an ambitious target of 1000 MW by 2022. During 2019-20, 50.39 MW solar grid connected capacity has been added to the Kerala Grid. An addition of 3689 km of LT lines and 2023 Distribution Transformers for maintaining Total Electrification Status was also made. 3,80,584 new consumers were connected to the grid during this year. The five part programme "Oorja Kerala Mission" launched by the Government of Kerala has achieved an accelerated momentum during the year and successfully progressing.

In the Transmission Network, during 2019-20, 18 substations and 383.92 ckt of lines were commissioned and a capacity addition / enhancement of 362 MVA has been made. The company has been taking earnest effort to reduce both Technical and commercial losses in the system and was able to achieve substantial loss reduction in the past several years. The T & D loss has been reduced to 12.08 % by the end of FY 2019-20 which is the lowest among the utilities in the country.

The organisation's strong connection to its core purpose has brought about considerable changes in the lives of people of our State. I would like to take this moment to express my deepest gratitude to all my Board members, Regulatory authorities, management & employees and especially the stakeholders for standing with us during the toughest times.

With warm regards to all,

N.S. PILLAI, IA&AS
CHAIRMAN & MANAGING DIRECTOR

KERALA STATE ELECTRICITY BOARD LIMITED

Registered Office: Vydyuthi Bhavanam
Pattom, Thiruvananthapuram - 695 004
CIN U40100KL2011SGC027424

CS/Adj.AGM-9/2019-20
All members, Auditors and Directors

Notice of Adjourned Annual General Meeting
Ref: AGM dated 25.09.2020

Notice is hereby given that the Adjourned 9thAnnual General Meetingof Kerala State Electricity BoardLtd, relating to the Financial Year 2019-20 will be heldon14.07.2021at 11.00 AM at the Registered Office of the Company at Vydyuthi Bhavanam, Pattom, Thiruvananthapuram-695004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements (standalone and consolidated) of the Company for the Financial Year ended 31st March 2020 along with Director's Report and the Auditors' Report thereon, and the Comments of the Comptroller & Auditor General of India.

Further to consider and, if thought fit, to pass with or without modification (s), the followingresolution as an Ordinary Resolution:

"RESOLVED that the Financial Statements (standalone and consolidated) of the Company for the year ended 31st March 2020, theAuditors' Report, the Comments of the Comptroller & Auditors General of Indiathereon, and the replies of the Company to the report of the Statutory Auditors and the comments of the Comptroller & Auditor General of India, the Directors' Report and annexurethereto and forming part thereof be and are hereby approved and adopted."

By order of the Board
For Kerala State Electricity Board Ltd

Sd/-
Chairman & Managing Director

Thiruvananthapuram
22.06.2021 **DIN:07282785**

NOTE:

1) A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on behalf of himself and proxy need not be a member of the company.

2) The proxy should be lodged with the Company at its Registered Office not lessthan 48 hours before the commencement of the meeting.

3) The 9thAnnual General meeting which was held on 25.09.2020 for consideration and adoption of audited financial statements for 2019-20 was adjourned sine die pending receipt of the comments of the Comptroller and Auditor General of India.

Ph:0471-2442125: Fax: 0471-2441328Email id: cmkseb@ksebnet.com website www.kseb.in

KSEB കേരളത്തിന്റെ ഊർജ്ജം

150 YEARS OF CELEBRATING THE MAHATMA

KERALA STATE ELECTRICITY BOARD LIMITED

Incorporated under the Companies Act, 1956

CIN : U40100KL2011SGC027424

Office of the Chairman & Managing Director

Reg. Office : Vydyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695004, Kerala.

Phone No: +91 471 2442125, Mobile No:9446008002

Fax: 0471 2441328 E-Mail: cmdkseb@kseb.in Website : www.kseb.in

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors have great pleasure in presenting the 9th Annual Report on the performance of the Company for the year ended 31st March, 2020 together with the Audited Financial Statements and the Auditors Report for the year ended 31st March, 2020.

The Kerala State Electricity Board Limited is a Public Limited Company fully owned by the Government of Kerala, engaged in Generation, Transmission and Distribution functions. The power sector in Kerala attained the status of forerunner by achieving 100% village electrification during 1987 and 100% household electrification in May 2017. One of the largest power utilities in terms of consumer strength, the Company's emphasis had been on quality, reliability and uninterrupted supply to consumers and the primary goal is to improve efficiency and to provide quality power to consumers at affordable cost. KSEBL had taken several initiatives to improve the physical and financial performance during the past several years. The constant efforts have started fetching commendable results. In its mission of providing electricity connections to all the households, the utility has succeeded, despite the flood which hit the state especially Central and Northern districts, during August 2019. Within no time, 'Mission ReConnect' – an operation on war footing was launched for rebuilding the power infrastructure of the State which was shattered by the flood. In spite of all odds in terms of natural calamities that hit the State shattering the infrastructure of the utility, no power restrictions were imposed in the State since 2016.

The bouquet of five projects 'Oorjja Kerala Mission' launched during 2018 aimed at integrated development of the utility and upliftment to world standards is successively progressing. With specific focus on green energy, the utility has been encouraging solar generation with an ambitious target of 1000 MW by 2022.

With the reporting of the first Covid case in India on 30th January 2020 at Thrissur, Kerala and the subsequent cases during March 2020, nationwide lockdown was imposed on 23rd March 2020. The COVID lock down resulted in sharp fall in energy demand and slowdown in execution of various projects in the power sector and implications thereof. All capital, and renovation modernization works were suspended due to the pandemic. Urgent works for restoring supply were only undertaken.

During 2019-20, 50.39 MW solar grid connected capacity has been added to the Kerala Grid. An addition of 3689 km of LT lines and 2023 Distribution Transformers for maintaining Total

Electrification Status was also made. 3,80,584 new consumers were connected to the grid during this year.In the Transmission Network, during 2019-20, 18 substations and 383.92 ckt of lines were commissioned and a capacity addition / enhancement of 362 MVA has been made.

The company has been taking earnest effort to reduce both Technical and commercial losses in the system and was able to achieve substantial loss reduction in the past several years. The reduction in losses was achieved by improving the network, strengthening of network, coordinated theft control activities, energy audit, replacing of faulty and electromechanical meters etc. The T & D loss in the financial year 2013-14 was 14.96% which has been reduced to 12.08 % by the end of FY 2019-20. The Losses are the lowest among the utilities in the country.

A. FINANCIAL REVIEW

A comparative statement showing revenue from operations, Net Profit/Loss of the company for the year 2019-20 and 2018-19 is furnished below.

Sl. No	Particulars	2019-20 (in ₹ Crore)	2018-19 (in ₹Crore)
1	Revenue from operations	14,644.44	13,521.20
2	Other Income	210.16	481.74
3	Total Income	14,854.60	14,002.94
	Purchase of Power	8,680.00	7,869.32
	Generation of Power	5.71	3.29
	Repairs & Maintenance	281.80	303.75
	Employee benefits expense	3,047.48	2,892.01
	Finance costs	1,592.03	1,598.90
	Depreciation and amortization expense	901.92	805.03
	Administrative Expenses	564.64	598.16
	Others	21.97	202.61
	Add: Changes in Fair Valuation and other adjustments		3.94
4	Total expenses	15,095.55	14,277.01
5	Profit/(loss) before exceptional items and tax	(240.95)	(274.06)
6	Exceptional Items	(28.60)	(15.94)
7	Profit/(loss)	(269.55)	(290.00)

Assets and Liabilities

Particulars	On 31.03.2020 (₹ in crore)	On 31.03.2019 (₹ in crore)
ASSETS		
Non current assets		
Property, Plant and Equipment	22,491.82	21,246.08
Capital work-in-progress	3,750.03	2,991.34
Intangible asset	25.72	
Financial Assets		
Investments	20.49	20.49
Trade receivables	745.44	
Loans	21.78	83.42
Others	2,945.27	77.73
Deferred Tax Assets (Net)		
Other non-current assets	310.40	5,274.69
Current assets		
Inventories	808.86	698.06
Trade receivables	1,822.04	1,288.01
Cash and cash equivalents	183.74	275.42
Bank balances Other than Cash Equivalents	109.30	78.39
Other Financial assets	113.72	
Current tax Assets (Net)	1.85	
Other current assets	1,004.65	145.32
Total Assets	**34,355.11**	**32,185.94**
Equities and Liabilities		
Equity		
Equity Share capital	3,499.05	3,499.05
Other Equity	-12,104.43	-11,163.06
Liabilities		
Non-current liabilities		
Borrowings	15,134.13	14,525.15
Other Financial Liabilities	3,937.54	3,359.84
Provisions	10,285.92	11,224.17

Other non-current liabilities	3,048.23	2,645.15
Current liabilities		
Financial Liabilities		
Borrowings	2,330.23	3,829.02
Trade payables	1,991.68	1,214.58
Other financial liabilities	4,355.95	3,033.98
Provisions	1,876.81	18.06
Total Equity and Liabilities	**34,355.11**	**32,185.94**

The company has been adopting prudent financial management practices to improve its financial position. These include availing loans at the barest minimum interest rate after fully utilizing internal accruals and obtaining funds from least cost sources.

Restricted borrowings : The company had executed capital projects for ₹` 2934.12 Cr during the year. However, the net additional borrowing has been ₹1520.37 Cr only. This was achieved by utilising internal accruals, capital grants and consumer contribution. By restricting the fresh borrowings and repaying the debts promptly, the Board has substantially reduced the outstanding debts over the period.

Reduction in interest payment : The Company has incurred ₹597.31 Cr towards interest on loans. Interest could be restricted substantially because of lower level of borrowing and the competitive interest rate at which the loan was availed. The interest as a percentage of average loan works out to be 8%. The Company has substantially reduced the interest burden by taking fresh borrowing from least cost sources and reduction of cost of raising finance by way of dispensing with Government guarantee, upfront payments, commitment charges etc.

Revenue Gap : KSERC had trued up the audited accounts of the company till 2016-17 (except for FY 2014-15 for which orders are reserved) allowing 14% rate of return on equity. The approved Revenue Gap till FY 2016-17 amounted to₹6778.74 Cr as given below:

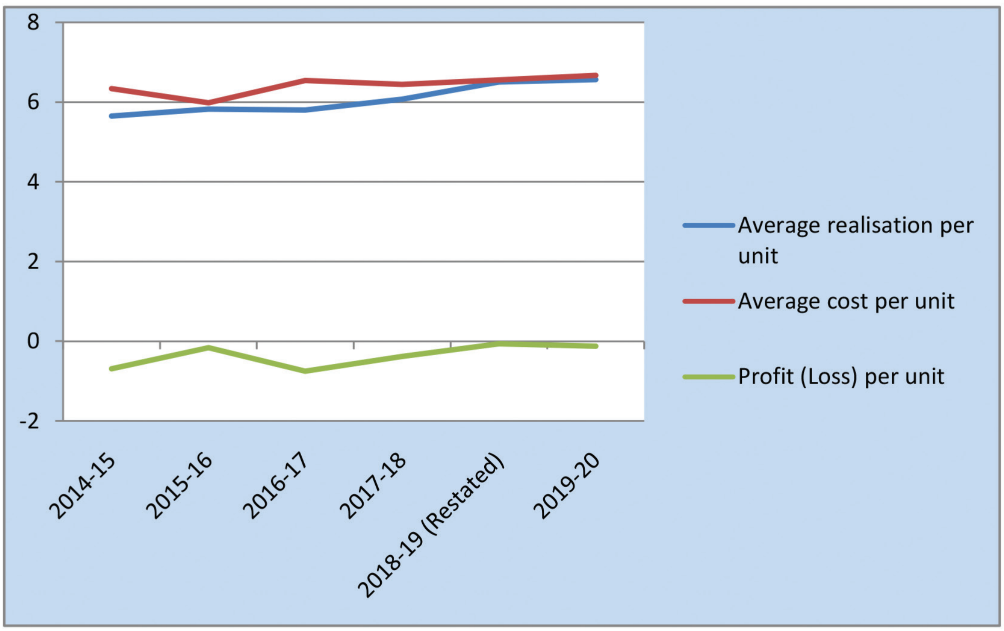
No	Year	Revenue Gap ₹ in crores
1	Till 31-3-2011	424.11
2	FY 2011-12 (and Review petition)	1391.93
3	FY 2012-13	3132.97
4	FY 2009-10 and 2010-11 (Remand Order)	312.60
5	FY 2013-14	195.50
6	FY 2014-15	NA
7	FY 2015-16	202.97
8	FY 2016-17(and Review petition)	1118.66
	Total	6778.74

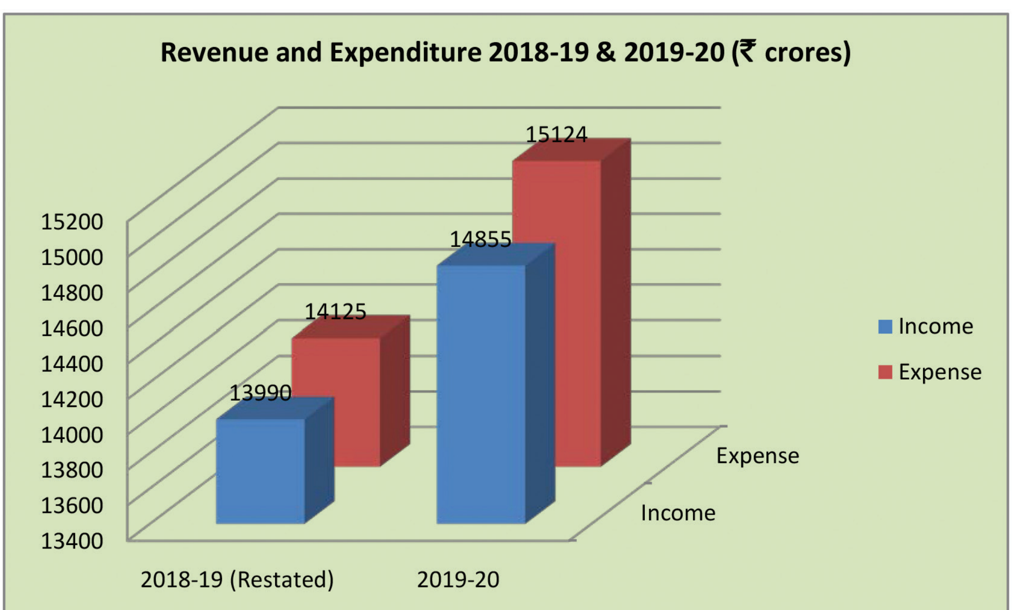
*True up sought for Fy 2017-18 (₹ 1331.81 Cr) and 2018-19 (₹ 759.88).

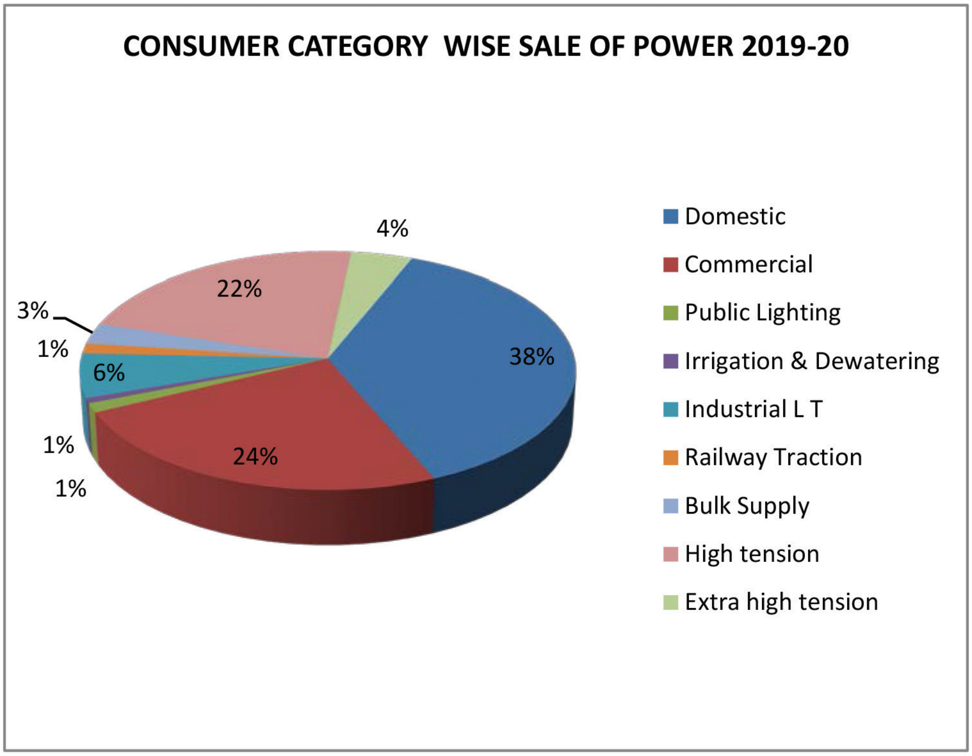
Additional true up sought for FY 2016-17 (₹63.76 Cr) and approved ₹39.61 Cr in 2020-21

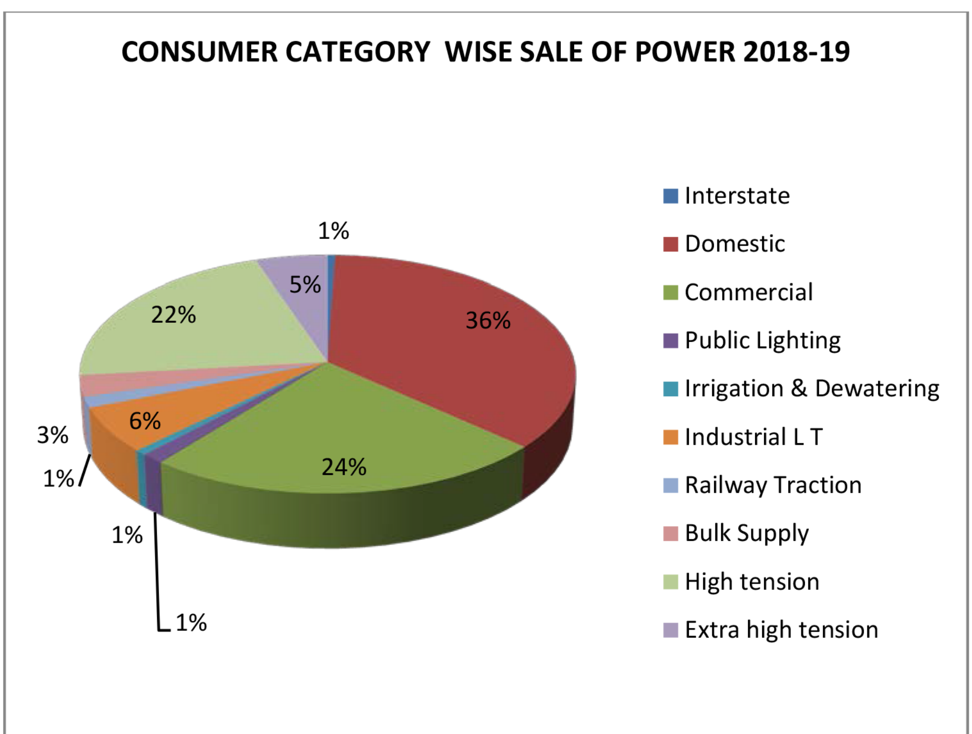
The average cost of supply per unit for the year was ₹6.52. The gap per unit (₹0.33) came down in the year similar to the previous year as given in Table below.

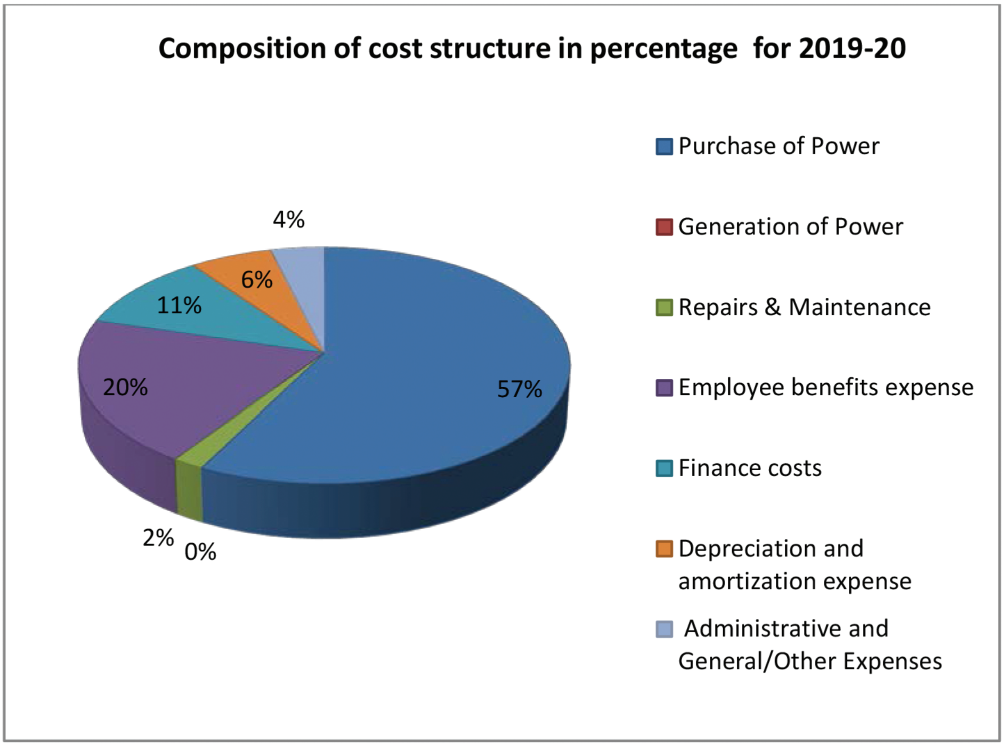
No	Particulars	FY15	FY16	FY17	FY18	FY19	FY20
1	Average cost of supply	6.22	5.86	6.48	6.35	6.19	6.52
2	Average revenue realized	5.26	5.41	5.49	5.74	5.84	6.19
3	Gap (=1-2)	0.97	0.45	0.99	0.61	0.35	0.33

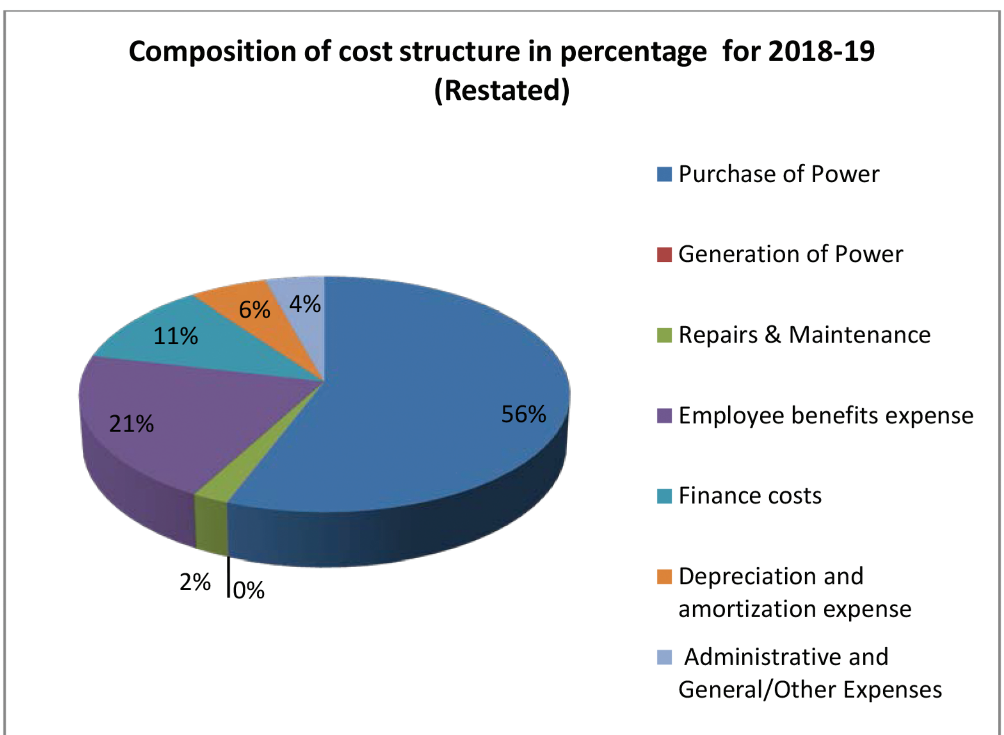





CONSUMER CATEGORY WISE SALE OF POWER 2019-20
4%
22%
3%
1%
6%
38%
1%
24%
1%
Domestic
Commercial
Public Lighting
Irrigation & Dewatering
Industrial L T
Railway Traction
Bulk Supply
High tension
Extra high tension


CONSUMER CATEGORY WISE SALE OF POWER 2018-19
1%
5%
22%
36%
3%
6%
24%
1%
1%
1%
Interstate
Domestic
Commercial
Public Lighting
Irrigation & Dewatering
Industrial L T
Railway Traction
Bulk Supply
High tension
Extra high tension


Composition of cost structure in percentage for 2019-20
4%
6%
11%
20%
57%
2%
0%
Purchase of Power
Generation of Power
Repairs & Maintenance
Employee benefits expense
Finance costs
Depreciation and amortization expense
Administrative and General/Other Expenses


Composition of cost structure in percentage for 2018-19 (Restated)
6%
4%
11%
21%
56%
2%
0%
Purchase of Power
Generation of Power
Repairs & Maintenance
Employee benefits expense
Finance costs
Depreciation and amortization expense
Administrative and General/Other Expenses

B. SHARE CAPITAL

The Authorized Share Capital of the Company is Five Hundred Crore shares of face value ₹10/- each, amounting to ₹5,000.00 Crore. The paid up share capital as on 31st March, 2020 is ₹3,499.05 Crore, which are subscribed by the Hon'ble Governor of Kerala and his nominees.

C. MANAGEMENT

1. Details of Change in Directors and Key Managerial Personnel

In exercise of powers conferred on Government under the Articles of Association of the Company, the Government at various times has ordered for reconstitution/Change in the Directorship of the Company. The details of changes in Chairman & Managing Director and other Directors till date of Report are given as under:

Sl. No.	Chairman & Managing Director	DIN	TENURE
1	N. SIVASANKARA PILLAI, IA&AS	07282785	29.01.2018TO TILL DATE

Sl. No.	DIRECTORS	DIN	TENURE
1	P. VIJAYAKUMARI	07247504	30.05.2015 TO 30.06.2019
2	N. VENUGOPAL	07558958	21.06.2016 TO 31.05.2020
3	RAJAN P	08765903	04.06.2020 TO 31.05.2021
4	SIJI JOSE	0009204346	10.06.2021 TO TILL DATE
5	P. KUMARAN	03134779	20.06.2017 TO TILL DATE
6	BIBIN JOSEPH	08574295	31.08.2019 TO 31.01.2021
7	RADHA KRISHNAN G.	0009204457	10.06.2021 TO TILL DATE
8	BRIJLAL	08574247	31.08.2019 TO 31.05.2020
9	R.SUKU	00927769	04.06.2020 TO TILL DATE
10	MINI GEORGE	08766354	04.06.2020 TO TILL DATE
11	Dr. B. ASHOK, IAS	05230812	21.03.2019 TO 16.07.2020 ,
12	DINESH ARORA, IAS	01888906	16.07.2020 TO 05.02.2021
13	SAURABH JAIN, IAS	02486586	05.02.2021 TO 04.06.2021
14	MANOJ JOSHI, IAS	02103601	28.09.2017 TO 18.02.2020
15	RAJESH KUMAR SINGH, IAS	05193269	18.02.2020 TO TILL DATE
16	V. SIVADASAN	07572823	02.07.2016 TO 17.04.2021
17	V. MURUGADAS	0009210544	15.06.2021 TO TILL DATE

Sri. BIJU R, Financial Adviser has been designated as Chief Financial Officer.

The Chairman and Managing Director, Chief Financial Officer and Company Secretary have been designated as Key Managerial Personnel of the Company.

2. Number Of Board Meetings

The Board of Directors meets at regular intervals to discuss and decide on business strategies/ policies and review the operational and financial performance of the Company. The notice of each Board Meeting along with the agenda has been given in writing to each Director separately and in exceptional cases tabled at the meeting. This ensures timely and informed decision by the Board. The interval between two consecutive meetings of the Board was not more than 120 days as specified under Section 173 of the Companies Act, 2013. In the Financial Year 2019-20, the Board of Directors met seven times. VIII Annual General Meeting for the financial year 2018-19 and Adjourned VII Annual General Meeting for financial year 2017-18 were also conducted during the year. The details are given as under:

Sl No	Type of Meeting	Date of Meeting	Total numbers of Members entitled to attend the meeting	Number of Members attended	Percent-age of total share holdings
1	Adjourned VII Annual General Meeting(2017-18)	27.06.2019	7	6	
2	VIII Annual General Meeting (2018-19)	28.09.2019	8	8	
1	Board Meeting	26.04.2019	7	6	
2		29.06.2019	7	6	
3		22.08.2019	6	6	
4		28.09.2019	8	7	
5		07.11.2019	8	8	
6		26.12.2019	8	8	
7		04.03.2020	8	8	

D. STRATEGIC BUSINESS UNITS (SBU)

The company while continuing to function as integrated electricity utility in consistence with the State Government policy is carrying out the business through three separate Strategic Business Units (SBU) for each of the functions of Generation, Transmission and Distribution, headed by Full Time Directors.

i. Generation SBU

The Generation SBU operates through two different wings for electrical and civil. Electrical wing operates and maintains 38 hydroelectric generating stations, 2 thermal power plants, and the wind farm at Kanjikode. Renovation, Modernization and Up-rating of the old hydroelectric projects which have surpassed their useful life are also being carried out by this Department. The electrical design function of projects undertaken by the company is also managed by this wing.

Civil wing of Generation SBU carries out Investigation, Planning and Design of all hydroelectric projects, land acquisition matters connected with various hydel projects, works connected with the environmental and forest clearance aspects of generation schemes, safety and maintenance of dams and connected structures, construction works of all hydroelectric projects. The related activities such as construction and maintenance of various office buildings, fabrication of line materials for distribution, yard structures for substations and accessories for hydraulic structures etc. are also carried out by the Civil Department.

Generation-Electrical wing

The Generation Electrical wing operates and maintains 15 major HEPs, 23 Small HEPs,

2 Thermal Power Plants, a Wind farm at Kanjikode and some of the solar plants.

a) Generation of electricity

The total installed capacity of hydel stations owned by KSEBL is 2058.761MWandthe designed annual generation capacity is 7215.172MU for hydro stations. The total installed capacity of solar stations owned by KSEBL is 16.419 MW. The list of generating stations within State and its capacity is given below:

Installed capacity of Kerala as on 31.3.2020

No	Name of Station	Installed Capacity (MW)	Annual Generation capacity (MU)
	KSEBL Hydel Stations		
1	Idukki	780.0000	2398.0000
2	Sabarigiri	340.0000	1338.0000
3	Idamalayar	75.0000	380.0000
4	Sholayar	54.0000	233.0000
5	Pallivasal	37.5000	284.0000
6	Kuttiyadi	75.0000	268.0000
7	Kuttiyadi Extension	50.0000	75.0000
8	Kuttiyadi Additional Extension Scheme	100.0000	223.0000
9	Neriamangalam	52.6500	237.0000
10	Lower Periyar	180.0000	493.0000
11	Poringalkuthu	36.0000	191.0000

12	Sengulam	51.2000	182.0000
13	Kakkad	50.0000	262.0000
14	Panniar	32.4000	158.0000
15	Neriamangalam Extension Scheme	25.0000	58.2700
	Sub total (Large Hydel Stations)	**1938.7500**	**6780.2700**
1	Chembukadavu stage I	2.7000	6.5900
2	Chembukadavu stage II	3.7500	9.0300
3	Kallada	15.0000	65.0000
4	Kuttiadi tailrace	3.7500	15.0000
5	Lower meenmutty	3.5000	7.6300
6	Malampuzha	2.5000	5.6000
7	Malankara	10.5000	65.0000
8	Mattupetty	2.0000	6.4000
9	P.L.B.E	16.0000	74.0000
10	Peppara	3.0000	11.5000
11	Urumi stage I	3.7500	9.7200
12	Urumi stage II	2.4000	6.2800
13	Poozhithode SHP	4.8000	10.9700
14	Ranni Perinad SHP	4.0000	16.7300
15	Peechi SHP	1.2500	3.2100
16	Vilangad SHP	7.5000	22.6300
17	Chimmony SHP	2.5000	6.7000
18	Adyanpara SHP	3.5000	9.0100
19	Barapole SHP	15.0000	36.0000
20	Poringalkuthu Micro (Screw type Turbine)	0.0110	0.0820
21	Vellathooval SHP	3.6000	12.7000
22	Perunthenaruvi	6.0000	25.7700
23	Kakkayam SHEP	3.0000	7.3400
	Sub Total (Small Hydro Stations)	**120.0110**	**434.9020**
	Sub Total Hydro Stations	**2058.7610**	**7215.1720**
	KSEBL Thermal Stations		
1	Brahmapuram Diesel Power Plant (KSEB)	63.9600	363.6000
2	Kozhikode Diesel Power Plant (KSEB)	96.0000	672.0000

	Sub total (Thermal Stations)	**159.9600**	**1035.6000**
	KSEBL Wind Stations		
1	Kanjikode (9x0.225 MW) (KSEB)	2.0250	4.0000
	KSEBL Solar Plants		
1	Kanjikode Solar Project(Ground mount)	1.0000	1.5800
2	Banasurasagar reservoir (floating Solar)	0.0100	0.0200
3	Solar- Chaliyoor colony	0.0960	0.1500
4	Solar-Poringalkuthu	0.0500	0.0800
5	Buildings under Generation Department (Roof Top)	0.7000	1.1000
6	Palakkad Tribal Colonies (DDG)	0.0650	0.1000
7	Barapole canal Grid connected	4.0000	6.3100
8	Banasurasagar Solar flower, fountain, canopy	0.0034	0.0100
9	Kollangode S/s	1.0000	1.5800
10	Padinjarethara Dam top	0.4000	0.6300
11	Idayar S/s	1.2500	1.9700
12	Thalakulathoor, Kozhikode	0.6500	1.0200
13	Vydyuthi Bhavanam, Pattom (roof top)	0.0650	0.0500
14	Manjeswaram, ground mounted	0.5000	0.7900
15	Buildings under Transmission Department (Roof top)	0.9100	1.4300
16	Buildings under Distribution Department (Roof top)	0.4600	0.7300
17	Banasurasagar reservoir (floating Solar)	0.5100	0.7900
18	Kuttippuram	0.5000	0.7900
19	Pezhakkappalli	1.2500	1.9700
20	Pothencode	2.0000	3.1500
21	Ponnani Malappuram	0.5000	0.7900
22	Peerumedu	0.5000	0.7900
	Sub total (KSEBL Solar Stations)	16.4190	25.8300
	Total KSEBLstations	**2235.1400**	**8276.6020**
	CPPs/IPP hydro Stations		
1	Kuthungal (CPP)	21.0000	79.0000
2	Maniyar (CPP)	12.0000	36.0000

3	Ullunkal (IPP)	7.0000	32.2200
4	Iruttukkanam (IPP)	4.5000	13.0000
5	Pambumkayam (Mankulam) Mini HEP (IPP)	0.1100	0.2900
6	Karikkayam SHP (IPP)	15.0000	62.4200
7	Meenvallom SHP (IPP)	3.0000	8.3700
8	Kallar micro HEP(IPP)	0.0500	0.1300
9	Pathamkayam	8.0000	21.0240
	Sub- Total (IPP/CPP Hydro Stations)	70.6600	**252.4540**
	CPP / IPP Thermal Stations		
1	BSES Kerala Power Ltd (BKPL) (IPP)	157.0000	1099.0000
2	Kasargode Power Corporation (IPP)		
3	Kayamkulam (N.T.P.C) (Central sector)	359.5800	2158.0000
4	Co-Generation Plant PCBL (CPP)		70.0800
	Sub-total (CPP / IPP Thermal Stations)	516.5800	**3327.0800**
	CPP/ IPP Wind Stations		
1	Wind-Agali	18.6000	37.4700
2	Wind-Ramakkalmedu	14.2500	32.4600
3	Wind- Ahalya, Kanjikode	8.4000	16.1900
4	Wind-INOX, Kanjikode	16.0000	30.8400
5	Wind Kosamattom	1.0000	1.9300
	Sub-total (CPP / IPP Wind Stations)	**58.2500**	**118.8900**
	CPP / IPP / Prosumer Solar Stations		
1	Hindalco Industries Ltd.(Solar)	1.0000	1.5800
2	CIAL(Solar)	29.0270	45.7700
3	ANERT	2.0000	3.1500
4	SOLAR ENERGY CORPORATION	50.0000	78.8400
5	Grid connected consumers	35.2400	55.5700
	SubTotal (Private Solar Stations)	**117.2670**	**184.9100**
	Total Private Stations	**762.7570**	**3883.3340**
	Total Installed capacity	**2999.9222**	**12163.9360**

During 2019-20, a total of 5743.98 MU energy was produced from the generating stations whereas 7988.72 MU was the generation during 2018-19. The heavy flood of 2018-19 and 2019-20 have seriously affected the generation from hydel stations. The restoration works of flood affected HEPs could be completed and machines synchronized to the grid by September / October 2019.

b) Renovation & Modernisation works

A summary of the RMU works and status is given below:

No	Station	Unit	Status (as on March 2020)
1	Poringalkuthu HEP(1x24MW)		Erection of E&M equipment in progress
2	Sholayar HEP(3x18MW)	U#1	Handed over to Contractor for the R&M works on 4.1.2020
		U#2	Taken over by KSEBL on 19.01.2020
		U#3	Taken over by KSEBL on 18.09.2020
3	Sholayar Penstock works	U#1	Work started on 6.01.2020
		U#2	Works completed on 24.10.2019
4	Barapole SHEP(3x5 MW)		Unit 1 & 3 runner replaced. Project taken over on 17.1.20
5	Chimony SHEP (1x2.5MW)		Performance test conducted on 29.9.19
6	Sengulam SHEP (4x12.8MW) –R&M work of butterfly valve		Tendering in progress
7	Renovation of Sengulam Pump House		In progress
8	Kuttiyadi HEP-RMU works		Agreement executed with M/s BHEL on 13.12.2019 and work started
9	Poovaramthodu SHEP		Tender process initiated for E&M works
10	Idukki stage I (3x130 MW) R&M works	U#1	Work in progress
		U#2	Work completed
		U#3	Work in progress
11	Thottiyar SHEP 1x30+1x10 MW		E & M works tendering in progress
12	Pallivasal Extension scheme (2x30MW)		Balance work tendering in progress
13	Perumthenaruvi SHEP (2x3MW)		Performance test conducted
14	Chinnar (2x12 MW)		Tender documents being prepared
15	Anakkayam SHEP (3x2.5 MW)		Tender documents being prepared
16	Bhoothathankettu SHEP (3x8MW)		Work in progress
16	Kakkayam SHEP (2x1.5 MW)		Commissioned on 16.7.18. Pending E&M works
17	Upper Kallar (2x1 MW)		In progress
18	Chathankottunada Stage II (3x2MW)		Work awarded and agreement executed on 30.3.2019

19	Chathankottunada Stage I (2x2.5MW)		E&M estimate under preparation
20	Upper Senkulam (1x24MW)		E&M estimate under preparation
21	Adyanpara SHEP(2x1.5MW+1x-0.5MW)		Project commissioned on 3.9.2015. Performance test evaluated
22	Olikkal SHEP(2x2.5MW)		E&M estimate under preparation
23	Moorikkadavu SHEP(2x0.75 MW)		E&M estimate under preparation
24	Peruvannamoozhy (2x3MW)		Preparation of tender documents in progress
25	Pazhassi sagar (3x2.5 MW)		Preparation of tender documents in progress
26	Poringalkuthu RMU (4x8 to 4x9 MW)		Penstock strengthening works in progress

c) Conferring of ISO : Poringal Left Bank and Poringal Left Bank Extension Power House, Sabarigiri HEP and Kakkad HEP were conferred with ISO 9001:2015.

Generation-Civil wing

The activities attended by this office are right from the investigation of Hydro Electric projects to its physical implementation. Major works of the wing are explained below:

Dam Rehabilitation and Improvement Project (DRIP)

Dam Rehabilitation & Improvement Project (DRIP) is a flagship project of Ministry of Water Resources, GoI with financial assistance from World Bank. The implementation of the project is coordinated by Central Project Management Unit under Central Water Commission (CWC). 80% of the project cost will be from World bank (40% IBRD loan and 40% IDA Credit) and balance 20% is State Govt. share. The Scheme includes various rehabilitation works, remedial measures and improvement of basic facilities to 12 Hydro Electric Projects consisting of 37 dams. Works amounting to₹12.11crore was carried out under DRIP during 2019-20.

Hydro Electric Projects

During the year 2019-20 no new projects were commissioned. Works of ten Hydro Electric Projects with a total installed capacity of 193.5 MW were progressing during 2019-20. Maripuzha SHEP(6 MW) was tendered during 2019-20. Administrative Sanction to Anakkayam SHEP(7.5MW) was accorded during 2019-20.

Land Management Unit (LMU)

The Land Management Unit (LMU) was constituted on 03-03-2014 for effective inventorisation of vast areas of land in possession of the company spread over the state and to provide guidance for the effective management of land under its control. Some land is being owned by KSE Board Ltd and some taken on lease mainly from the forest department.

Steps were initiated to take stock of all the land parcels and inventorise this in a systematic way. The Land Management Unit prepared a detailed format to capture about 25 parameters pertaining to the land parcels and the feedback was captured in special software prepared by the IT department. 1983 Land parcels (Non Forest Land) were entered in the above Database and are made available online.

No	SBU	Land Parcels	Area (Ha)	Area (Acres)
1	Generation	1331	4557.39	11261.55
2	Transmission	497	645.76	1595.70
3	Distribution	151	43.91	108.49
4	Corporate Office	4	10.82	26.74
	Total	**1983**	**5257.88**	**12992.48**

Major achievements in FY 2019-20 include:

1. An Extent of 102.36 Hectares (252.839 Acres) of land in prime locations got mutated in favour of KSE Board Ltd.
2. Copies of 454 Awards relating to various landed properties of KSE Board Ltd were traced out from different sources and uploaded in the database.

ii. Transmission SBU

Transmission Strategic Business Unit of KSEBL carries out the construction, maintenance and operation of the intra-state transmission system in Kerala. The administrative control of the State Load Dispatch Centre (SLDC) is under Transmission SBU. The activities related to grid protection and related communication facilities, testing of meters and power equipments are also carried out under this SBU. Transmission SBU is also responsible for the implementation of transmission loss reduction programs and coordinating the activities for system development. The Voltage wise capacity of the Transmission Network within the State as on 31.3.2020 is given below.

Transmission System as on 31.03.2020			
No	**Item**	**Unit**	**Quantity / Capacity**
1	400KV Transmission Lines	Ckt-km	1244.6*
2	220KV Transmission Lines	Ckt-km	2952.66
3	110KV Transmission Lines	Ckt-km	4797.75
4	66KV Transmission Lines	Ckt-km	2000.75
5	33KV Transmission Lines	Ckt-km	2057.49
	Total		**12380.61**
6	400KV Substations	Nos	5*+1
7	220KV Substations	Nos	23

8	110KV Substations	Nos	166
9	66KV Substations	Nos	68
10	33KV Substations	Nos	159
	Total		**422**
11	Total Transformation Capacity	MVA	19551.4
* PGCIL Owned			

A number of major transmission network expansion works were completed during the reporting period. A summary of new substations and Transmission lines completed during 2019-20 is shown in the Table below:

No	Particulars	400 KV	220 kV	110 kV	66 kV	33 kV	Total
1	Substations commissioned (No)	-	1	9	2	6	18
2	Lines commissioned (Ckt. Km)	92	55	165.17	18.7	53.05	383.92
3	Capacity addition/enhancement (MVA)	-	100	143	40	79	362

KSEBL had taken up the ambitious **TransGrid 2.0** project for enhancing the transmission capacity for meeting future demand, improving reliability and quality of power transmitted and to reduce losses. As part of TransGrid 2.0, the following projects were completed during 2019-20.

- Upgradation of 220kV SC line to 400/220kV MC MV line from Madakkathara to Malaparamba (92 ckm)
- 110 kV Kakkayam-Nallalam portion under NRHTLS package commissioned.
- Construction of 220 KV Substation Manjeri (Elamkur)

PSDF Projects : Six projects were undertaken during the period under the Power System Development Fund Scheme (PSDF), a Government of India Scheme having a total outlay of 783.11 cr of which 90 % of DPR cost as grant component. Out of the six projects, one project was completed and the balance five projects are in progress.

Power System Engineering (PSE) : During FY 2019-20, PSE wing had conducted 84 Load flow studies, 24 earth mat design works for Substations/generating stations, System Fault study in addition to the reactive power study and loss studies at various voltage levels.

iii. Distribution SBU

iii.1. Distribution wing

Distribution SBU manages distribution of electricity business in the State other than in other Licensees' areas. The activities of the SBU include construction, operation and maintenance of distribution network up to a voltage level of 11 kV (22 kV Distribution also is in existence in some parts of Palakkad District). It is directly supplying electricity to 99% of the consumers in the State (128.01

lakh consumers as on March 2020). The Kerala State Electricity Board Limited, as an electricity distribution utility has thus become a designated consumer in terms of the Energy Conservation Act 2001. The KSEBL has to conduct energy audit, mandated by clause 3 (1) of the Bureau of Energy Efficiency (The manner and intervals of time for conduct of energy audit) Regulations 2009, engaging an accredited energy auditor. The works related to BEE in PAT Cycle II are processed by this SBU. Implementation of Central aided schemes like RAPDRP Part B, DDUGJY, IPDS etc., IT initiatives of KSEB and matters related to Customer Relations, Monitoring of Urja Kerala Mission Project, Dyuthi 2021, distribution sector projects funded externally, like MP LAD/MLA LAD/ Kerala Development Scheme, are undertaken by this SBU.

Major activities carried out & achievements during 2019-20.

1. Dyuthi 2021

With a grand vision to uplift the distribution system of the State to the best in the nation and also to achieve international standards in the distribution services by the year 2022, the Board had decided to implement a comprehensive network-based distribution plan 'Dyuthi 2021', as part of the Urja Kerala Mission. The focus of this project is to provide uninterrupted, quality power to all, with lowest technical and commercial losses, maintaining best safety standards and to develop a system capable of integrating renewable energy sources. The status of Dyuthi project is explained as achievements under "Oorja Kerala Mission".

2. Fani Cyclone

The Government of Kerala had decided to provide experienced hands in various fields to Odisha in connection with restoration activities related to FANI cyclone. The teams from KSEBL consisting of a total of 200 skilled people, both permanent and contract staff made significant contributions to the restoration of supply in various parts of Odisha by reconstructing 11kV and 33kV lines and transformers. This was another milestone to KSEBL during 2019-20.

3. Mission Reconnect 2019

The State experienced widespread damages following the unprecedented monsoon rains from the beginning of August 2019, mainly affecting the Northern districts of the State, followed by landslides and flooding of rivers, causing severe damages to the electricity infrastructure as a whole. A well planned restoration mechanism titled "Mission Re Connect" was put in place for rebuilding of the damaged assets was put into operation as was done in the previous year. In the restoration phase, resuming service to consumers was the priority for the distribution wing. Reconstruction of 17074 km distribution lines, 31129 poles, 445 Distribution Transformers, were required for resuming normalcy. Against all odds, KSEB could restore all disrupted Distribution Networks and effect almost all service connections within a week; the remaining few, which were kept isolated on safety considerations, were also re-electrified immediately after the waters receded.

This was a major achievement of KSEBL during 2019-20.

4. Other Major achievements during 2019-20

Particulars	Achievement during 2019-20				
	South	Central	North	North Malabar	Total
No of Service connections effected (Nos)	95201	99897	125303	60183	380584
HT line constructed (km)	760	558	409	204	1938.81
LT line constructed (km)	1064	1096	924	605	3688.21
No. of distribution transformers installed (Nos)	393	634	671	325	2023
Meter replacement (Nos)	316034	385706	351050	144393	1197183
HT re-conductoring (Conductor km)	180	178	240	189	786.47
LT re-conductoring (Conductor km)	7216	5153	4346	3427	20141.54
1Phase to 3Phase Conversion (km)	697	492	653	402	2244.51

5. System as on March 2020

Total Consumers at the end of the year (Nos)	1,28,01,135
Length of 11kV line (km)	64,212
Length of LT line (km)	2,93,280
Number of Distribution Transformers (Nos)	81,470

6. Consumer Grievance Redressal Forums (CGRF) have been constituted by KSEBL as per regulation of the State Electricity Regulatory Commission. The forum has independent powers to issue orders in respect of grievances presented before the forum by consumers. The details of complaints received, settled and pending for disposal in three CGRFs are given below.

Item	South	Central	North	Total
Complaints received	156	123	192	471
Complaints settled	140	123	175	438
Complaints to be settled	16	0	17	33

iii. 2. Centrally Aided Schemes executed through CAPs

Centrally Aided Projects such as RAPDRP, IPDS, DDUGJY, and SAUBHAGYA (except the IT part of RAPDRP & IPDS) and any other such projects announced by the Ministry of Power, Govt. of India, are coordinated and carried out by a separate wing under the Chief Engineer (IT, CR & CAPs).

The Integrated Power Development Scheme (IPDS)

The Integrated Power Development Scheme (IPDS) is a scheme launched by Ministry of Power (MoP) in September 2015 providing financial assistance for strengthening the sub-transmission and distribution networks in urban and semi-urban area. The scheme envisages installation of net-metered solar panels and smart meters. The earlier R-APDRP scheme has been subsumed in the new scheme. An amount of Rs. 595.03 Cr (includes PMA charge of 2.96 Cr) has been sanctioned by the MoP for IPDS in Kerala on 15.6.2016, for 63 towns under 25 Electrical Circles. The works under the scheme was completed in all the Circles by the end of December 2019 and preparation of closure report is in progress.. The grant amount received from MoP as on 31.3.2020 is Rs. 121.58 Cr. The completed cost of the project is Rs. 579.51 Crore excluding PMA charges. The details of progress as on 31.03.2020 are as given below:

No	Major item of work	Unit	Sanction	Achievement
1	New Substation	Nos	3	3
2	33/11KV Additional transformer	Nos.	1	1
3	Capacity enhancement	Nos.	11	11
4	R&M of 33/11KV S/S	Nos.	170	168
5	33KV New feeders	Km	46	52
6	33KV feeder re conductoring	Km	28	28
7	33 KV line Bay Extn	No	6	6
8	11KV New feeders	Km	339	392
9	11 KV line re-conductoring	Km	153	166
10	HT/LT ABC	Km	1165	1188
11	Distribution Transformer	Nos.	829	882
12	Capacity enhancement of LT S/s	Nos	375	412
13	LT line (New)	Km	170	199
14	LT line augmentation	Km	2344	2724
15	UG Cable	Km	200	206
16	HVDS	Nos	107	107
18	Metering	Nos.	611815	650865
19	Solar Panel	KWp	4810	4810
20	RMU	Nos.	58	71

Deen Dayal Upadhyaya Gram Jyothi Yojana (DDUGJY)

Deen Dayal Upadhyaya Gram Jyothi Yojana (DDUGJY) scheme launched by Govt. of India exclusively for rural area for providing electricity to all rural households, 24X7 power, AT & C loss reduction, executing works in the Villages selected by Member of Parliaments under Sansad Adarsh Gram Yojana (SAGY). The works under DDUGJY are being executed departmentally as per the guidelines issued by REC/MoP. All the works under the scheme was completed and preparation of closure report is in progress. The completed cost of the project is ₹ 504.84 Crore excluding PMA charges. Total grant of ₹ 238.62 Cr was received from MoP as on 31.03.2020.

The status of the project as on 31.03.2020 is given below:

Sl. No	Milestone Name	Unit	Sanction	Achievement
1	33/11 KV New Substations	Nos.	2	2
2	Augmentation of 33/11 KV Substations	Nos.	6	6
3	Distribution Transformers (DTRs)	Nos.	581	598
4	LT Line	Ckm	3368.11	2696.7
5	11 KV Line	Ckm	1281.94	1235.12
6	33 & 66 KV Line	Ckm	17	31.64
7	Energy Meter -Consumer	Nos.	1778092	2063687
8	Energy Meter - DTR	Nos.	23655	23436
9	Energy Meter - 11 KV Feeder	Nos.	103	97
10	Intensive Electrification of Villages	Nos.	1315	1315
11	SAGY Villages	Nos.	27	27
12	Connection to BPL	Nos.	98527	127196

Saubhagya

SaubhagyaScheme or Pradhan Mantri Sahaj Bijli Har Ghar Yojana is a Government of India project launched in October 2017 to provide free electricity connections to all un-electrified households in rural areas and poor un-electrified households in urban area. As Kerala State achieved the Total Electrification of all households in May 2017, Kerala was not considered for the SaubhagyaScheme at the time of launching the scheme. But considering the flood affected status of Total Electrification of the State, an amount of Rs.90 Cr. was sanctioned to KSEBL in February 2019 by Ministry of Power through Govt. of Kerala for booking the expenditure incurred for re-effecting service connections to 3 lakh rural households in Kerala state affected in flood under **Saubhagya Scheme** as a special case. The grant amount received from MoP as on 31.3.2020 is **Rs. 41.32 Cr.**

iii.3. IT initiatives during the year

The IT wing is mainly engaged in the automation of the core functional areas of KSEBL, viz. Billing of LT and HT Consumers, HR Management System, Accounting, Supply Chain Management etc. Main functions are development, testing and rollout of Application software, maintenance and update of Application Software, providing IT support services for KSEBL offices etc. Customer Care Center is also managed by this wing.

Major Developments during 2019-20

1. Students internship online application portal

A web enabled software application was developed to facilitate the process of industrial training/ project work/organizational study / research work/ industrial visit etc with the below mentioned facilities available to the students. Development of this software was completed by January 2020. Final onsite testing and debugging were completed and it was open to the students from the academic year 2019-20.

2. Centralised LT Billing Application Software - OrumaNet

All Electrical Sections have been migrated to OrumaNET, the centralised LT Billing software by October 2016. The newly formed Electrical Sections are migrated to OrumaNET as soon as the network connectivity and other facilities are established. A new mobile application 'KSEB' was released to customers which enables them to make easy electricity bill payment through mobile devices just by employing their mobile numbers. The App also disseminates electricity bill information like bill amount, due date, disconnection date etc to the customers as soon as the bill is generated in the Centralised Billing System.

3. New Online Payment Facilitieis

The following bill payment system has been integrated to company's IT facilities to enable the customers to make bill payments online.

1. Bharat Bill Payment System(BBPS)

2. Expansion of Direct integration with banks

Software developments were completed and online payments process started with the banks on 10.10.2020.

3. National Automated Clearing House (NACH)

Automated remittance of electricity bill directly from Bank Account through National Automated Clearing House (NACH) Facility has also been facilitated in co-operation with National Payment Corporation of India (NPCI)

4. Cyber Security Implementation in KSEBL

The Chief Engineer (IT&CR) has been appointed as the Information Security Officer (CISO) based on CEA and CERT directions.

Research and Development Projects

1. Smart Meter Development and Smart Power Quality Centre for Electrical Distribution Network by CDAC

As part of the smart meter implementations instead of pursuing proprietary solutions KSEBL shall adopt only standardized solutions and equipments for implementing this project. It was then known that EMC and CDAC were already advanced in developing a complete smart meter solution using open data tools.

CDAC and EMC are capable of satisfying the field requirements of KSEB and are willing to develop a feasible technology suited to KSEBL. CDAC had almost completed the development of firmware used in the energy meter. The present challenge is the proprietary firmware used in the energy meters used in the field. But such difficulties can be solved once the meter firmware is fully under the control of KSEB and forming a coordination team with CDAC for developing our own metering solutions.

Encouraged by this progress C-DAC(T) has conceived a set of projects named 'Smart Power Quality Centre (SPQC) in Distribution Grid' to be funded by National Mission on Power Electronics Technology (NaMPET) Phase III programme, Govt. of India. SPQC involves smartgrid and other technologies to convert a distribution feeder and a substation with functionalities associated with future distribution grid.

2. Advertisement in the KSEBL website

An advertisement bar was already provided in the wss.kseb.in website and this platform was provided for encouraging online payments. M/s Paytm was already utilizing this facility for advertising their wallet service facility for online payment for a monthly rent. In the year 2019, it was decided to explore the scope of this advertisement potential as an income generating source for KSEBL. It is now expected that this new venture may become successful during the financial year 2020-21.

Other ongoing Projects

Maintenance and Support Activities

(i) Online Portal For LT Consumers - 'ORUMA Web'

The Orumaweb software facilitates online payment of Electricity bills of LT consumers through centralised collection of payments from Friends and Akshaya Centres.

(ii) Human Resource Management System - 'HRIS'

The HRIS package includes Payroll, PF, Pension and Employee/Office Information System modules and is running successfully for the past seven years. A complete module of Online Transfer including GIS location mapping was developed and Online General Transfer 2017-18 was successfully released. The modifications in transfer guidelines is being implemented for General Transfer 2018-19. Additions/Modifications in Attendance Management System integrated with Biometric Tracking system are being done as per the requests from offices. Additions/Modifications in Training Management System for RPTIs and PETARC are also being done.

(iii) HT/EHT Billing System (Energise)

The HT/EHT billing system with web based consumer services is functioning successfully for the past six years and is now in maintenance phase. The update of tariff change was implemented to the date. Custom reports are being provided to corporate offices. Additional requirements finalized by Finance wing is also implemented. Steps are initiated to release new connection interface and related service integration with other agencies like KSIDC. The modification in the software as suggested by IT Audit team of STQC (Standandardisation, Testing and Quality Certification) was done. Necessary modifications as required by GST implementation are also being done.

(iv) Green Channel

As part of Ease of Doing Business initiative of Govt of India, KSIDC has developed an online clearance mechanism 'Kerala Single Window Interface for Fast and Transparent Clearance (K-SWIFT) aimed at facilitating clearances from departments / agencies concerned for setting up and running of an enterprise. KSEB has integrated with K-SWIFT portal for processing new service connection applications of both LT and HT industrial consumers. At present HT applicants can submit application online in the KSWIFT portal by paying required application fees only after obtaining energization approval from Electrical Inspectorate. In order to digitize the procedure for new service connection and for prompt activation of Electricity connection to HT/EHT consumers it is proposed to introduce a Green channel for processing the application for new HT/EHT service connection. This Green Channel will facilitate the HT/EHT applicants to submit the details of upcoming projects with tentative requirement of power, and the processing of their application will be under the supervision of top management. A web portal shall be opened for registration of application for service connection.

(v) ARU Accounting System - 'SARAS'

The centralized corporate accounting software, SARAS, is migrated to a Central Server and all ARUs are connected to the above Server. Integration of SARAS with the LT billing application software ORUMA/OrumaNet and SCM is progressing. The task of preparing final accounts for KSEBL is also progressing. Establishment of separate accounting workflow for DDUGJY and IPDS schemes. Module for budget preparation & budgetory control is under development. Integration of SARAS with RARDRP applications is also progressing.

vi) Supply Chain Management System (SCM)

The Supply Chain Management software for automating the store inventory management, procurement process and annual planning is successfully implemented. This software is running successfully in the Distribution wing of KSEB for the past seven years. Necessary modifications are being incorporated according to the revised user requirements. Integration between SCM-SARAS and OrumaNET is progressing. Integration of the SCM with RAPDRP applications is also progressing. Establishing separate material accounting workflow for DDUGJY and IPDS schemes has been done. Steps are being taken to implement the software in the Transmission and Generation Wing of KSEB.

(vii) E-Office

Pilot Implementation of e-Office (Paperless office) package has been done in about 25 KSEBL offices including corporate offices. The state -wide roll-out of e-office is being planned.

(viii) Centralized Customer Care Services (CCC)

Centralized Call Centre has been set up in Vydyuthi Bhavanam, Trivandrum and started functioning since 2014. Complaints received from official Face book page of KSEBL, Whatsapp no 9496001912, e-mail etc are also registered and followed-up in CCC. Customised reports are being provided to corporate offices as per requirements.

(ix) Social Media Help Desk

KSEBL has launched its Social Media initiatives from February, 2019 onwards. The Social Media Help Desk is functioning under Centralized Call Centre of KSEBL and currently uses WhatsApp (9496001912), Facebook account @ksebl, Twitter account KSEBLtd as its social media platform for interaction with the customers for solving their complaints and issues. Various posters and trolls relating to the services of KSEBL are published in the social media for awareness to the public.

x) Emergency Help desk

Emergency Help desk with contact nos.9496010101 and 9496061061 is also functioning under CCC for attending calls regarding accidents, line breakdown etc.

xi) Corporate Service Centre

A single window payment provision for corporate consumers was launched in the Customer Care Centre, KSEB Ltd, Vydyuthi Bhavanam, Trivandrum w.e.f. 04/01/2016 and is named as Corporate

Service Centre. Monthly about 4900 corporate consumers remit current charges using this facility. A Cash Deposit Machine (CDM) is also installed at CCC for the easy payment of electricity bills of any consumers with 24X7 basis.

xii) SCADA/DMS Project

As part of implementation of Part-A of RAPDRP, SCADA/DMS project for automation of distribution systems is being implemented in Thiruvananthapuram, Ernakulam and Kozhikode towns. Main features of SCADA/DMS are Control Centers in Trivandrum, Ernakulam & Kozhikode cities for the real time monitoring and control of 11kV distribution network, Remote terminal units (RTU) in 50 substations, Local Data Monitoring system (LDMS) at substations, Feeder Remote Terminal Units (FRTU) in 2865 Remote Terminal Units (RMU) locations on 11kV feeders, integration with State load dispatch centre (SLDC), IT Data Centre (ITDC), Customer Care centre (CCC) and Disaster Recovery (DR) centre, Advanced distribution management system (ADMS), Schematic and geographical display of 11kV network by integrating with GIS system, Fault location isolation and supply restoration (FLISR) for improved customer service, planned maintenance support, historical storage data for analysis, load flow analysis, etc. All three control rooms commissioned during the year.

IPDS Projects

- **Enterprise resource project (ERP) under IPDS**

KSEB Ltd has initiated ERP implementation under IPDS (Integrated Power Development Scheme) of Government of India. The objective of the project is to implement Enterprise Resource Planning (ERP) in KSEB Ltd as an organizational tool to integrate core business processes. The major areas identified for ERP implementation under the scheme are Finance, Supply Chain Management (SCM) and Human Resource Management (HRM). KSEBL has decided to customize or develop ERP solution departmentally by constituting a special Project team under IT Unit utilizing the services of existing experienced open source resources and also by engaging outside developers on short term contract basis. The procurement, installation and commissioning of server, storage etc. has been completed. The processes towards in-house development of ERP application is in progress.

- **Real Time Data Acquisition System(RT-DAS) for Non-SCADA Towns under IPDS**

PFC has sanctioned the implementation of Real Time Data Acquisition System (RT-DAS) using FRTU at substations to measure the reliability of power in terms of SAIFI and SAIDI to cover non-SCADA RAPDRP and IPDS towns with eligible approved project cost of Rs. 5.25 Crore covering 125 substations having a grant component of Rs. 3.15 Crore. M/s. SCOPE TNM Pvt. Ltd. has been selected as the RT-DAS Implementation Agency. The project implementation is progressing for the timely completion towards 30th June 2021.

- **Smart Meter Implementation for UDAY participating states under IPDS**

PFC has sanctioned DPR for Rs. 64.36 crore towards implementation of 3,21,800 smart meters for consumers within IPDS towns.

Other IT Initiatives

Urja Sowhrida: A project, Urja Sowhrida, the Bill Information Sytem which disseminates electricity bill information like bill amount, due date, disconnection date etc to the customers via SMS and e-mail as soon the bill has been prepared in the Centralised Billing System is running succesfully. Reminder SMS are also sent in case of non-payment before due date and disconnection date.

Urja Doothu: An Outage Management System (OMS), Urja Doothu implemented to send power outage information up to distribution transformer level to all the consumers through automated SMS is also running successfully. Reports to aid corporate level outage monitoring are also provided in Urja Doothu. Outage Management System approved by MoP, Urja Mitra which is being implemented by REC which disseminates power outage information up to HT feeder level has been integrated to KSEB OMS Application, Urja Doothu. About 1.04 Crore consumers have registered to avail free bill alerts and outage information through Urja Sowhrida and Urja Doothu.

OMS- dash board:- A dash board is developed to view the data generated in Urjadooth software in a meaningful way. This dash board shows real-time view of number of feeders, transformers, transformers under outage, feeders under outage, saifi, saidi and power availability of defferent level of offices. Historical report of power outages, reason-wise outages, urban/rural/remote area wise reports etc. are available in the dash board. A GIS view of network assets, Power Down Areas, Section office boundary is also available in the dash board. Integration with GIS and MDAS system is also done with this software, so that the meter readings of the transformers are also visible in the dash board in GIS view.

SMART- Safety Application: Safety Monitoring and Reporting Software (SMART) is also running with the functionalities Accident Reporting, generation of statutory reports for Electrical Inspectorate, provision for reporting identified defective areas and initiating workflow for rectification work, providing safety awareness through safety tutorials and videos which will shed light on procedures and practices to ensure safety, displaying safety related board orders, minutes of Safety Committee, contact details of Safety Officers, departments etc., provision for capturing and reporting availability and condition of safety related tools, availability of office hierarchy level reports required as per the standard format. Safety wing of KSEBL can also broadcast messages to field offices through the application.

Assessment of Distribution Offices based on Key Performance Indices (KPIs): The integration of applications was done to capture KPIs namely Customer Complaint Redressal, Release of New Service Connection, e-payments, Safety-Zero Fatality and Quality of Power-SAIFI &SAIDI. Data collection is completely automated from the base systems (CCC,OrumaNet,OrumaNet Reports, SMART and UrjaDooth) at one day interval. The distribution offices are assessed and ranked by automated KPI generation process. Analysis reports for all levels of office is provides in the form of line graph, bar-chart, speedometer-graph etc. for easy understanding. Customer care center data is also integrated to the KPI system and analatical monthly-summary reports are also generated based on this data to view the trend in customer complaints.

ProMoS: This application was developed for monitoring the progress of centrally funded projects, DDUGJY, IPDS etc. This application is modified to carry out the Consolidated annual plan process for the year 2018-19, 2019-2020, 2020-2021 and 2021-2022 and to prepare a bankable DPR. This is also envisaged monitor plan progress. The integration of ProMos with SCM software is in progress.

LD Permit To Work Management System : This application is developed for managing the permit to work processes at EHT levels which are permitted from System Operations . Permit work request and authorisation processes are traced and controlled by the system. A modified version of the application to suit the revised requirements of stake holders are released for testing by end users.

E-Tendering- IT wing gives guidance and support to publish and process KSEBL's e-tenders. Presently tenders with PAC above five lakhs are published only as e-tender and tenders with PAC below this limit can be invited through e-tender process, if needed. This facility is developed and maintained by IT mission of Kerala and all KSEBL offices can upload tender in this online facility.

Video Conferencing System- Video Conferencing System set up are functioning successfully in 10 locations.

Mobile Applications- Android based Mobile Apps for consumers and employees were released.

Asset Data Updation Software: Development of software application to collect Asset Data from all wings of KSEB and integration of Asset Management application with Land Management, Transmission Asset Management and Distribution Asset Management Software is in progress.

iii. 4. Safety Department

With a view to spread awareness among general public as to the need of electric safety, Safety week 2019 was observed from 1st to 7thMay. The Safety policy and Safe work procedure for Distribution & Transmission wing were prepared. Approval obtained for the operating protocol of Intake gates of Dams and Valve house of all major Hydro Electric Generating Stations of KSEB Ltd. Draft Safety Procedure for Generation wing was prepared. Tool box talks at work site were introduced for ensuring safety at work sites. Mobile App (സുരക്ഷ) for Safe Work Procedure in Distribution and Transmission was developed and made available to the field staff. Safety Tool Management (STM), a new feature available in SMART software to capture issue/reissue and return of safety equipments to field users. Intensive safety surprise inspection programme named “Operation Raksha” was conducted throughout the state during December 2019. The wing conducted “Sampoorna Suraksha Varsham 2019” campaign and Safety awareness campaign for public.

E. COMMERCIAL & TARIFF

Power Procurement and sale during 2019-20

The following Long Term Power Procurement and Banking and swapping arrangement were made during the year:

Purchase of Power

a. Long Term Power Procurement

i. KSEBL has entered into new Power Purchase Agreements/Power Sale agreements during this period for the purchase of renewable power as detailed in the table below:

Sl. No	Name of Station	Date of PPA/ Initialed PPA	Capacity MW	Tariff, Rs./kWh	Remarks
1.	Inox Renewables Ltd-Wind Power	05-04-2019	16	4.09	Tripartite PPA to be executed as directed by KSERC

2	Deviar Micro HEP	28-05-2019	0.05		PPA initialed by KSEBL and petition submitted to KSERC by developer for determination of tariff.
3	Waste to Energy power plant at Brahmapuram by M/s. G J Eco Power Private Ltd.	18-06-2019	9.76	6.17	PPA cancelled by Government
4	NTPC Floating Solar Project at Kayamkulam	28.08.2019	92	3.16	
5	Floating Solar project of NHPC at West Kallada.	31.08.2019	10	3.43	PPA initialed. NHPC has intimated that they are not proceeding with the 10MW project but proposed 50MW project at the site
6.	PSA with SECI for purchase of Wind Power	14.06.2019	200	2.83	As per order of KSERC, PSA clauses to be amended.
7.	PSA with SECI for purchase of Wind Power	06.09.2019	100	2.81	As per order of KSERC, PSA clauses to be amended.
8.	Solar project of THDCIL at Nellithadam, Kasargod	25.09.2019	5	3.10	PPA initialed. THDCIL has intimated that they are not proceeding with the project.

ii. Bid for procuring 200MW Solar power from Ground Mounted Solar PV projects within India.

Petition filed by KSEBL before KSERC for approval of bid documents for procuring 200MW Solar power from Ground Mounted Solar PV projects within India.

b. Medium Term Power Procurement – NIL

c. Short Term Power Procurement

1. Purchase through DEEP: To meet the Summer 2020 demand KSEB Ltd had purchased RTC and peak power through DEEP portal from 01-04-2020 to 31-05-2020 as follows:

- Adani Enterprises Ltd from Raipur Energen Ltd, Chhattisgarh in the Western Region.

Period	Duration Hrs	Quantum (MW) on Firm basis	Rate at Delivery Point i.e. Kerala Periphery	LOA
01.04.2020 to 30.04.2020	00:00 to 24:00	100	₹ 3.72/ per kWh	26.12.2019 for RTC and peak power
01.05.2020 to 31.05.2020	00:00 to 24:00	150	₹ 3.76/- per kWh	
01.05.2020 to 31.05.2020	19:00 to 23:00	50	₹ 4.25/- per kWh	

- DB power from DB Power Ltd,Chhattisgarh in the Western Region.

Period	Duration Hrs	Quantum (MW) on Firm basis	Rate at Delivery Point i.e. Kerala Periphery	LOA
01.04.2020 to 30.04.2020	19:00 to 23:00	50	₹4.24/- per kWh	26.12.2019 for peak power
01.05.2020 to 31.05.2020	19:00 to 23:00	50	₹ 4.24/-per kWh	

d. Banking of Power

i. Banking of power during Summer 2020:

KSEBL invited Expression of Interest (EoI) on 01.10.2019 for swapping power from 01.02.2020 to 30.09.2020 so as to meet the deficit during the coming summer months and return the same during next monsoon. KSERC approval has been obtained on 14.01.2020. Based on the LoAs issued to PTC and BYPL, the following banking transactions were made during the period from 01-02-2020 to30.04.2020, with return from 16.06.2020 to 30.09.2020.

Supplier	Month	Duration	Quantum MW)	Return Month	Return Duration (hrs)	Return Quantum (MW)
PTC TPDDL	01/02/2020 to 15/02/2020	0-6	100	16/06/2020 to 30/09/2020	00.00 -04.00 17.00 - 18.30 22.30-24. (102 % re-turn)	250.78
		6-20	50			
		20-24	150			
	16/02/2020 to 29/02/2020	0-6	100			
		6-20	50			
		20-24	150			
	01/03/2020 to 31/03/2020	0-6	150			
		6-18	50			
		18-20	100			
		20-24	150			
	01/04/2020 to 30/04/2020	0-6	150			
		6-18	50			
		18-23	75			
		23-24	50			
BYPL	16/02/2020 To 29/02/2020	0-24	75	16/06/2020 to 30/09/2020	00.00-03.00 13.00-17.00 22.00-24 (103 % return)	86.64
	01/03/2020 to 31/03/2020	0-24	75			

ii. Banking tender to manage power deficit during March 2020:

In order to manage the unexpected power deficit during March 2020 due to the forced outage of 2 units at Idukki hydel station, tender was invited for banking of power with KSEBL for the supply of 50MW RTC power and 100MW from 14 hrs to 24 hrs during March 2020. LoA issued as follows:

Supply to KSEB Ltd from MPL-BRPL			Return from KSEB Ltd to MPL-BRPL			
Period	**Duration (hrs)**	**MW**	**Period**	**Duration hrs**	**Return Percentage**	**Trading margin**
01-03-2020 to 31-03-2020	RTC	50	01-07-2020 to 31-08-2020	04.00 to 18.00	104%(in a uniformly distributed pattern)	0.86 ps/kwh
	14.00 - 24	100				

PL-Manikaran Power Ltd; BRPL- BSES Rajadhani Power Ltd, Delhi

Tariff and Regulatory Affairs

KSEBL filed MYT petition for the control period 2018-19 to 2021-22 on 31.10.2018. KSERC approved a revision in tariff for an additional revenue recovery of ₹ 902.90 Crore for the year 2019-20 with effect from 08.07.2019 vide tariff order 08.07.2019.

Further KSERC vide order dated 14.02.2020 approved additional thermal surcharge amounting to ₹62.26 Crore for the first quarter of Financial Year 2019-20 and allowed to recover the same @ 10 paise per unit for the consumption from 15.02.2020 to 31.05.2020.

KSEBL achieved Grade A for the performance in Financial Year 2018-19 as part of the eighth integrated ranking exercise of Distribution utilities performed by Ministry of Power.

F. RENEWABLE ENERGY AND ENERGY SAVINGS WING

The major achievements during the year are listed below:

Sl. No.	Achievements during 2019-20		
1	Conducted Energy audit in the Institute of Animal Health and Vetenary Biological(IAH&VB) at Palode, Trivandrum		
2	Standardisation of Distribution network and transformer stations aiming at loss reductions and safety under Electrical Section, Ollur, Kannur, Tirur and Alappuzha Electrical Circles		
3	Implemented HVDS in Tirur Division, Sultanpet Section and Harippad Circle		
4	Awarded the Kerala State Energy Conservation Award 2019		
5	Under DELP Project, distributed 60707 Nos. LED Bulbs to the consumers		
6	Filament Free Kerala- Tendering for procurement of 1 crore 9W LED bulbs in progress		
7	Tendering in progress for installing Electric Vehicle Charging Stations at KSEBL premises in 6 Corporations and another 56 locations.		
8	Work Order issued on 25.11.2019 for Supply, erection, testing and commissioning of grid Tied GM solar plant owned by KSEBL with total installed capacity of 8MWp (4MWp-Brahmapuram, 3MWp-Kanjikode, 1MWp-Agali). Agreement executed with M/s INKEL on 20.1.2020. Target date of completion is June 2021		
9	Implementation process of PM-KUSUM scheme Component A and feeder level solarisation under Component C progressing		
10	Completed Solar Projects as on 31.03.2020		
No.	**Name of the projects**	**Installed capacity (MW)**	**Date of completion**
1	Kottiyam	0.6	24.1.2020
2	IPDS(South), RT, 24 locations	0.495	30.6.2019
3	Floating Solar Project, Padinjarethara	0.5	31.3.2019
4	On grid consumers as on 31.3.2020	72.576	

11. On-going Solar Projects as on 31.03.2020	
	Solar Projects totally 64.638 MW# including Ground mounted Solar, Floating Solar and Roof Top Projects over Government Buildings are in progress

G. MAJOR INITIATIVES AND ACHEIVEMENTS

Oorjja Kerala Mission

The 'Oorjja Kerala Mission' launched during 2018, aimed at the integrated development of electricity sector in the state is progressing. The Status of the projects during 2019-20 is listed below:

SOURA

The SOURA project under the "Oorjja Kerala Mission" of the Government of Kerala, KSEBL intends to achieve a cumulative capacity of 1000 MW to its renewable content through Solar Projects by 2021, 50% (500 MW) of which is expected from Roof Top Solar Plants (RTS). Another 150 MW each is expected from solar parks and floating solar projects. Remaining 200 MW is planned to be procured through reverse e-bidding, from solar projects commissioned in the country.

Demand aggregation for first phase of RTS is already completed. For the first phase of 200 MW, 42,500 premises were selected from 2.78 Lakh consumers who expressed interest in associating with the project. Accordingly tender was floated and the work has been awarded to three developers. It is scheduled to complete the 46.5 MW Phase I project by December 2020. The Government of India (MNRE) has launched the Phase II RTS programme for domestic consumers wherein subsidy upto 40% is given to domestic consumers for installation of RTS plants. State DISCOMS are authorised as the implementing agency and KSEBL was allocated 50 MW capacity for the year 2019-20. Tenders were floated in March 2020. It is expected that the allocated capacity of 50 MW can be completed by March 2022.

Filament free Kerala

The project envisages replacing the entire Filament lamps in the State by energy efficient LED lamps and safe disposal of ICL/CFL collected with reduction in peak demand, global warming and Mercury pollution. 13.3 lakh domestic consumers registered for 107 lakh LED bulbs in 1st phase. Although tender was floated for procurement of one crore 9W LED bulbs on 4.12.2019 none of the bidders satisfied the pre-qualification criteria which led to retendering on 30.3.2020.

Dyuthi 2021

The Dyuthi project commenced during FY 2018-19 focuses on providing uninterrupted, quality power to all, with lowest technical and commercial losses, maintaining best safety standards and to develop a system capable of integrating renewable energy sources. The total plan outlay is ₹ 4036.30 crores. The Board had issued approval for the 4 year plan from 2018-19 to 2021-22 as shown below:

Financial year	Capital Investment (Rs in Crore)			
	Normal development	Replacement of faulty meters	Continued Electrification	Special Projects like SCADA
2018-19	723.64	60.00	50.00	50.00
2019-20	1221.06	54.49		
2020-21	1066.65	47.61		
2021-22	720.68	42.18		
Sub Total	**3732.03**	**204.27**	**50.00**	**50.00**
Total	**Rs.4036.30 Crore**			

GIS map preparation & DPR formulation were new experience for Distribution Works. Delay in Project Finalization and DPR preparation has resulted in the slow start of the project. More attention paid for timely completion of the Centrally Aided Projects like DDUGJY and IPDS has also delayed the project. In spite of the devastating floods during 2018 & 2019 which affected the progress of Dyuthi works, the achievement made is as below:

Financial Year	Target (in Crore)	Achievement	Financial Progress
2018-19	734.30	452.15	61.5%
2019-20	1200.34	387.03	32.2%
TOTAL	1934.64	839.18	43.3%

<u>TansGrid 2.0 – 2nd Generation Transmission Network</u>

This project aims strengthening of transmission network to meet the future energy requirement of the State and is scheduled to be implemented in two phases. The 1st phase of the project is scheduled for execution during 2017-2022 and 2nd phase for 2019-2024. The works included in the 1st phase of the project are grouped into 13 packages and comprises construction of 12 substations and 2084 Circuit kilometre of EHT lines. Out of these 12 substations, 4 are Air Insulated Substations (AIS) and the remaining 8 are Gas Insulated substations (GIS). 12 substations (AIS - 3 Nos. & GIS - 9 Nos.) are included in Phase II of the project which is grouped into 12 packages. Total cost for the two phases of the project is estimated at Rs. 10000 crores. It is proposed to arrange the finance mainly from KIIFB, PSDF under CEA, MOP and GEC, Green Energy Corridor under MNRE.

Implementation of the projects in Phase I are underway and are progressing as scheduled. 12 packages out of 13 in the 1st Phase have been awarded and tender is under process for the remaining package. Out of the 12 substations targeted in the 1st phase, one Substaion has already been completed, 6 substations (3 Nos. AIS and 3 Nos. GIS), including associated EHT lines, will be completed by July 2020. Remaining 5 substations and associated EHT lines are scheduled for commissioning by March 2021. 359.6 Ckt-Km of EHT lines have already been completed under the project. Preliminary works for the projects included in Phase -II have started. Two out of 12 packages have been tendered and DPRs for the remaining packages are under preparation.

ESafe

The eSafe project jointly mooted by Electrical Inspectorate and KSEB is aiming zero electrical accidents. Works amounting to Rs.2159.09 Cr were identified under Dyuthi pertaining to safety. Under the programme, ELCB will be provided to households of the poor belonging to SC,ST, BPL categories with Connected Load less than 500 watts and Monthly Consumption less than 20 Units.

H. INDUSTRIAL RELATIONS

A cordial and harmonious relationship exists between the company and its workmen, officers and the pensioners.

I. CONSERVATION OF ENERGY,TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Earnings & Outgo as required under Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 1 attached to and forming part of this Report.

J. EXTRACTS OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of Annual Return (MGT-9) is enclosed as Annexure 2.

K. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a very effective internal control system commensurate with its size and nature of business and complexity of its operation. The internal control system is designed through providing adequate hierarchy of functional levels and Central information with greater stress on the high value items. The internal audit wing is headed by the Chief Internal Auditor. There are Regional Audit Officers to conduct audit at regional level. In addition, the Resident Concurrent Audit section attached to the office of Chief Internal Auditor with three pre-check units across the state is entrusted to carry out pre-check of major bills related to IT, System Operation, Civil, Transmission and Generation Wings. This ensures that the internal audit is conducted in proper manner and is also reviewed periodically. The Operational, compliance related financial and economic matters are properly identified and managed overtime.

L. RISK MANAGEMENT POLICY

The Company, which is the Distribution Licensee & State Transmission Utility under Section 14 of the Electricity Act 2003 also owning power generating assets in the State of Kerala, is wholly owned by Government of Kerala. The Company functions in accordance with the policies of the State as well as Central Government in discharging its duties and responsibilities. Company has adequate mechanism compatible with its industry specific regulations for managing business risk.

M. POLICY OF APPOINTMENT OF DIRECTORS, etc.

The Company being a Government Company, the provisions of Section 134(3)(e) of the Companies Act 2013 are not applicable in view of the Notification No.GSR -463(E) dated 5.06.2015 issued by the Ministry of Corporate Affairs, Government of India.

N. DETAILS OF JOINT VENTURE / ASSOCIATES / SUBSIDIARY COMPANY

a) Baitarni West Coal Company Limited (BWCCL)

BWCCL (U401020R2008SGC009955) has its corporate office at Setu Bhawan,Plot No3(d), Nayapally Bhubaneswar, Orissa. BWCCL is a Joint Venture Company between KSEBL,OHPCL and GEL with contribution of 33.33 % Equity Share, holding 100000 number of equity shares of Rs.1000 each amounting to Rs.10 crore.

b) Kerala State Power and Infrastructure Finance Corporation limited (KSPIFCL)

KSPIFCL (U65910KL1998SGC012160) has its corporate Office at KPFC Bhavanam, Vellayambalam, Trivandrum. KSEBL is an associate company with KSPIFCL having 40.6% Equity Shares, holding 10819470 equity shares of ₹10/- each amounting to ₹10,81,94,700.00

c) Renewable Power Corporation of Kerala Limited(RPCKL)

RPCKL (U40106KL2016PLC039891) has its head quarters at Vydyuthi Bhavanam, Thiruvananthapuram and has an authorized and paid up capital of ₹1 crore of which KSEBL holds 50 % shares (5,000 Equity shares of ₹ 1000/- each).

d) K-FON

K-FON (U64200KL2018SGC05454) has its head quarters at 7th Floor, Felicity Square M.G. Road, Statue, Thiruvananthapuram-695001 and has an authorized and paid up capital of ₹ 1 crore of which KSEBL holds 49% shares (4,90,000 Equity shares of ₹ 10/- each) amounting to ₹49,00,000.

O. DECLARATION BY INDEPENDENT DIRECTORS

As per the provisions of Section 149 of the Companies Act 2013 read with notification dated 5.06.2015 issued by the Ministry of Corporate Affairs, Independent Director of the Government Company shall be a person who is in the opinion of the Ministry or Department of the Central Government which is administratively in charge of the Company or as the case may be the State Government is a person of integrity and possess relevant expertise and experience. Accordingly, the Government of Kerala had appointed Dr. V. Sivadasan as independent Director of the Company on 2.07.2016. Hence the Declaration by Independent Directors has been furnished from the year 2016-17 onwards.

P. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted on 17.05.2016, a "Corporate Social Responsibility Committee" (CSR Committee) in accordance with Section 135 read with the Companies (CSR Policy) Rules 2014. The Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The policy adopted by the company is posted on the Company's website at www.kseb.in.

Q. AUDIT COMMITTEE

The Audit Committee has been reconstituted on 3.5.2016 with the terms of reference as prescribed in Section 177 of the Companies Act 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules 2014. The Chairman of the Audit Committee is an Independent Director.

R. ESTABLISHMENT OF VIGIL MECHANISM

As per requirement of Section 177 of the Companies Act 2013 and rules made there under the Vigil mechanism for Directors and Employees has been established in KSEBL and the policy documents have been published in the official Website of the Company. No complaints have been received under vigil mechanism during the year.

S. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Ministry of Corporate Affairs vide notification dated 05.06.2015, has exempted the applicability of Section 188(1) (related party transaction) of the Companies Act, 2013 for a transaction entered into between two Government Companies. The particulars of every contract or arrangements entered into by the Company with related parties referred to Section 188(1) of the Companies Act,2013, is disclosed in **Form No.AOC 2 (Annexure 2)**.

T. RIGHT TO INFORMATION ACT, 2005 (RTI)

KSEBL has put in place an effective mechanism for implementation of Right to Information Act, 2005. Public Information Officers and Appellate Authority have been designated at all levels from Section Office to the Head office for giving information to the public as per the requirements of the RTI Act 2005.

U. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

Summary of Sexual harassment issues raised, attended and dispensed during the year 2019-20.

No: of complaints pending disposal at the beginning of the year	2
No: of complaints received in 2019-20	7
No: of complaints disposed off during the year 2019-20	5
No: of complaints pending disposal at the end of the year	4

V. AUDITORS

I. STATUTORY AUDITORS

The three Chartered Accountant Firms in M/s Mohan & Mohan (Thiruvananthapuram), M/s JRS & Co(Cochin) and M/s Krishnamoorthy & Krishnamoorthy (Cochin) were appointed as Statutory Auditors by the Comptroller and Auditor General of India during the financial year under report. They have audited the financial statements for the year ended 31st March 2020 and submitted their report. No instance of fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013. The explanations/comments by the Board on every qualification, reservation or adverse remarks or Disclaimer made by them is provided in **Annexure-A** attached.

II. C&AG COMMENTS

The Comptroller and Auditor General of India (C&AG) have conducted supplementary Audit under Section 143 of the Companies Act of the financial statements for the financial year ended

31st March 2020. The comments vide report No dated is enclosed. The explanations/comments by the Board on every qualification, reservation or adverse remarks made by them is provided in **Annexure-B** attached.

III. SECRETARIAL AUDITORS

In terms of the provisions of Section 204 of the Companies Act 2013, the Board has appointed the firm of Practicing Company Secretaries, **M/s PI & Associates**, D-38, South Extension Part-1, New Delhi-110049 for conducting Secretarial Audit for the financial year 2019-20. Secretarial Audit Report (Form MR-3) for the Financial Year 2019-20 issued by the Secretarial Auditor is attached as **Annexure-C**. The replies to the adverse comments, qualifications or reservation in the Secretarial Audit Report are furnished as **Annexure-D**.

W. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to clause (c) of subsection (3) read with sub section (5) of section 134 of the Companies Act 2013, the Directors to the best of their knowledge and belief confirm that,

a. In preparation of the Annual Accounts for the year ended 31st March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b. The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the company as at March 31, 2020 and the profit or loss of the company for that period.

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 to the extent applicable for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d. The Directors had prepared the financial statements as a going concern basis.

e. The Directors had devised proper system to ensure compliance with the provision of all the applicable laws and that such a system are adequate and operating effectively.

X. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Deposits covered/as defined under Chapter–V of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules 2014.
- Issue of Equity shares with differential rights as to dividend, voting or otherwise.
- Issue of Shares (including sweat equity shares) to employees of the Company under any scheme.
- Significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- Material Changes and Commitments affecting the financial position of the company occurred subsequent to the date of Balance Sheet.

- The Company is engaged in the infrastructure sector which is covered under the exemption provided under Section 186(11) of the Companies Act 2013. Accordingly the details of loan given or guarantee or security provided by the Company are not required to be reported.
- The Company being a Government Company is exempted vide Notification No.GSR-463(E) dated 05-Jun-2015 issued by the Ministry of Corporate Affairs, Govt. of India, to furnish information as required under section 197 of the Companies Act, 2013 relating to particulars of employees.

ACKNOWLEDGEMENT

The Board wishes to place on record gratitude to the Central and State Government Department/Agencies, Central and State Electricity Regulatory Commissions, Appellate Tribunal, Financial Institutions and Banks, Consumers and various other stakeholders for their continued assistance, cooperation and patronage. The Board is thankful to Comptroller & Auditor General of India, Statutory Auditors, Cost Auditor and Secretarial Auditors and Consultants/Advisors for their suggestions and cooperation. Last but not least, the Board would also like to place on record its deep sense of appreciation for the dedicated and committed services rendered by the employees at all levels.

For and on behalf of the Board of Directors

Sd/-
N. S. PILLAI
CHAIRMAN & MANAGING DIRECTOR

Place: Thiruvananthapuram
Date: 21.06.2021

ANNEXURE-1

2019 – 20

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule-8(3) of the Companies(Accounts) Rules, 2014.

(A) Conservation of energy –

i) The steps taken or impact on conservation of energy.

Energy conservation initiatives are being carried out through Renewable energy &Energy Savings wing headed by Chief Engineer reports to Director (CP, GE, SCM &Safety). The activities of the department are managed through Projects wing, ESCOT (Energy Service Co-ordination Team), Innovation wing and include

- Installation of Roof top and ground mounted solar PV projects in KSEBL, Government Land and buildings, Local Self Government Departments and Collectorates right from surveying to the execution.
- Project Management Consultancy (PMC) and Engineering Procurement and Construction (EPC) contracts for execution of Energy Saving Projects for clients.
- Energy Auditing Service and Advice on Energy Savings
- Implementation of Energy efficient pumps for agricultural irrigation and dewatering.
- Funding and implementation of innovative power projects devised by young innovators.
- Processing of connectivity and purchase agreement request from private wind and small hydro developers.

Filament free Kerala

Through this project all the existing CFL and filament bulbs in domestic and street lighting sector in the State will be replaced with energy efficient and long lasting LED lamps targeting reduction in peak demand, global warming and Hg pollution. More than 13 lakh consumers have already registered for LED lamps in the 1st phase in which domestic sector is targeted. Tender process has already been initiated for procurement of one crore, 9 watts LED lamps and the project is progressing smoothly.

Sl.No.	Achievements during 2019-20
1	Conducted Energy audit in the Institute of Animal Health and Vetenary Biological(I-AH&VB) at Palode, Trivandrum
2	Standardisation of Distribution network and transformer stations aiming at loss reductions and safety under Electrical Section, Ollur, Kannur, Tirur and Alappuzha Electrical Circles
3	Implemented HVDS in Tirur Division, Sultanpet Section and Harippad Circle
4	Awarded the Kerala State Energy Conservation Award 2019
5	Under DELP Project, distributed 60707 Nos. LED Bulbs to the consumers
6	Filament Free Kerala- Tendering for procurement of 1 crore 9W LED bulbs in progress
7	Tendering in progress for installing Electric Vehicle Charging Stations at KSEBL premises in 6 Corporations and another 56 locations.
8	Work Order issued on 25.11.2019 for Supply, erection, testing and commissioning of grid Tied GM solar plant owned by KSEBL with total installed capacity of 8MWp(4MWp-Brahmapuram, 3MWp-Kanjikode, 1MWp-Agali). Agreement executed with M/s INKEL on 20.1.2020. Target date of completion is June 2021
9	Implementation process of PM-KUSUM scheme Component A and feeder level solarisation under Component C progressing

ii) The steps taken by the company for utilizing alternate sources of energy.

The following major projects were undertaken during the year:

Completed Solar Projects as on 31.03.2020

No.	Name of the projects	Installed capacity (MW)	Date of completion
1	Kottiyam	0.6	24.1.2020
2	IPDS(South),RT,24 locations	0.495	30.6.2019
3	Floating Solar Project, Padinjarethara	0.5	31.3.2019
4	On grid consumers as on 31.3.2020	72.576	

On-going Solar Projects as on 31.03.2020w

Solar Projects totally 64.638 MW# including Ground mounted Solar, Floating Solar and Roof Top Projects over Government Buildings are in progress

iii) The capital investment on conservation equipments.

(B) Technology absorption –

i)	The efforts made towards technology absorption ;	• Development of IT infrastructure updation. • Implementation of SCADA and DMS
ii)	The benefits derived like product improvement cost reduction, product development or import substitution.	• Safety of Working Staff. • Reduction in Power Interruptions. • Consumer satisfaction on correct billing.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financing year). (a) The details of technology imported. (b) The year of import; (c) Whether the technology been fully absorbed; (d) If not fully absorbed, areas where absorption has not taken places, and the reasons thereof, and	- NIL -
iv)	The expenditure incurred on Research and Development.	
	(C) Foreign exchange earnings and outgo	
	The Foreign Exchange earned in terms of actual inflows during the years and the Foreign Exchange outgo during the year in terms of actual outflows.	- NIL -

For and on behalf of the Board of Directors

Sd/-

Place: Thiruvananthapuram **N. S. PILLAI**

Date: 21.06.2021 **CHAIRMAN & MANAGING DIRECTOR**

ANNEXURE - 2

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	**U40100KL2011SGC027424**
ii)	Registration Date	:	**14.01.2011**
iii)	Name of the Company	:	**Kerala State Electricity Board Limited**
iv)	Category / Sub-Category of the Company	:	**Company limited by shares/State Government Company**
v)	Address of the Registered office and contact details	:	**Vydyuthi Bhavanam, Pattom, Thiruvananthapuram – 695 004, Kerala. e-mail Id : cmdkseb@kseb.in ; Telephone Number : 04712514680; web site : www.kseb.in**
vi)	Whether listed company (Yes / No)	:	**No**

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Electricity	D	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Baitharani West Coal Company Limited	U40102OR2008SGC009955	Joint Venture	33.33	Sec. 2(6)
2	Kerala State Power & Infrastructure Finance Corporation Ltd.	U65910KL1998SGC012160	Associate	40.6	Sec. 2(6)
3	Renewable Power Corporation of Kerala Ltd.	U40106KL2016PLC039891	Joint Venture	50	Sec. 2(6)
4	Kerala Fiber Optic Network Ltd.	U64200KL2018SGC054541	Joint Venture	49	Sec. 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters (1) Indian g) Individual/ HUF h) Central Govt i) State Govt (s) j) Bodies Corp. k) Banks/FI l) Any Other.. **Sub-total (A) (1):-** (2) Foreign		6 3499049994 3499050000	6 3499049994 3499050000			6 3499049994 3499050000	6 3499049994 3499050000		
a) NRIs - Individuals b) Other - Individuals c) Bodies e) Any Other.... **Sub-total (A) (2):-** **Total shareholding of Promoter (A) = (A)(1)+(A)(2)**		3499050000	3499050000	100		3499050000	3499050000		

B. Public Share-holding 1. Institutions a) Mutual Funds c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds									
i) Others (specify) **Sub-total (B)(1):-**									
2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital uptoRs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									

c) Others (specify) **Sub-total (B)(2):-** Total Public Shareholding (B) = (B)(1) + (B)(2)									
i) Others (specify) **Sub-total (B)(1):-** 2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital uptoRs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh c) Others (specify) **Sub-total (B)(2):-** Total Public Shareholding (B) = (B)(1) + (B)(2)									

cC. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		3499050000	3499050000	100		3499050000	3499050000		

(ii) Shareholding of Promoters

Sl No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Share holding at the end of the year**			
		No. of Shares	**% of total Shares of the company**	**%of Shares Pledged/ encum-bered to total shares**	**No. of Shares**	**% of total Shares of the company**	**%of Shares Pledged/ en-cumbered to total shares**	**% change in share holding during the year**
1	N. Sivasankara Pillai, IA&AS	2			2			
2	Dr. B. Ashok, IAS	49994			49994			
3	Manoj Joshi, IAS	1						
4	Rajesh Kumar Singh, IAS				1			
5	Kumaran P.	1			1			
6	N. Venugopal	1			1			
7	P. Vijayakumari	1						
8	Bibin Joseph				1			
	Total	50000			50000			

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50000		50000	
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/de-crease (e.g. allotment/ transfer/bonus/ sweat equity etc):				
	At the End of the year	50000		50000	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil		Nil	
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allot-ment/ transfer/ bonus/sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	Nil		Nil	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	50000		50000	
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
	At the End of the year	50000		50000	

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	69762863645 586255497	17065000000		
Total (i+ii+iii)				**92690417842**
Change in Indebtedness during the financial year • Addition • Reduction				
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	69762863645 586255497	17065000000		
Total (i+ii+iii)				**92690417842**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
		N.Sivasankara Pillai	P.Kumaran	P.Vijayakumari	Venugopal	Bibin Joseph	Brijlal.V	
1.	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	3032823.00	1054700.00	699614.00	2179594.00	1108025.00	1108073.00	9182829.00
2.	Stock Option							
3.	Sweat Equity							
4	Commission - as % of profit -others, specify...							
5.	Others, please specify	73637.00	37064.00	23866.00	112540.00	5099.00	0.00	252206.00
	Total (A)	3106460.00	1091764.00	723480.00	2292134.00	1113124.00	1108073.00	9435035.00
	Ceiling as per the Act	60,00,000.00	60,00,000.00	60,00,000.00	60,00,000.00	60,00,000.00	60,00,000.00	

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	3. Independent Directors	Dr. V. SIVADASAN			
	• Fee for attending board committee meetings • Commission • Others, please specify	75,000.00			75,000.00
	Total (1)	75,000.00			75,000.00
	4. Other Non-Executive Directors				
	• Fee for attending board committee meetings • Commission • Others, please specify				
	Total (2)				
	Total (B) = (1 + 2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		1475461.00	1533540.00	3009001.00
2.	Stock Option				
3.	Sweat Equity				

4.	Commission - as % of profit - others, specify...				
5.	Others, please specify		165798.00	162501.00	328299.00
	Total		**1641259.00**	**1696041.00**	**3337300.00**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B.DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-
N. S. PILLAI
CHAIRMAN & MANAGING DIRECTOR

Place: Thiruvananthapuram
Date: 21.06.2021

ANNEXURE –3
2019-20

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

Sl. No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	nil
B	Nature of contracts / arrangements / transactions	nil
C	Duration of the contracts / arrangements / transactions	-
D	Salient terms of the contracts or arrangements or transactions including the value, if any	-
E	Justification for entering into such contracts or arrangements or transactions	-
F	Date of approval by the Board	-
G	Amount paid as advances, if any	-
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	
B	Nature of contracts/arrangements/transactions	
C	Duration of the contracts /arrangements /transactions	
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	
E	Date(s) of approval by the Board, if any	
F	Amount paid as advances, if any:	
Note: Form shall be signed by the persons who have signed the Board's report.		

By the order of Board,
For and on behalf of the Board of Directors

Sd/-
N. S. PILLAI
CHAIRMAN & MANAGING DIRECTOR

Place: Thiruvananthapuram
Date: 21.06.2021

KRISHNAMOORTHY & KRISHNAMOORTHY
CHARTERED ACCOUNTANTS

MOHAN & MOHAN ASSOCIATES
CHARTERED ACCOUNTANTS

JRS & Co.
Chartered Accountants

Independent Auditors' Report

To the Members of **Kerala State Electricity Board Limited**

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of M/s. Kerala State Electricity Board Limited (the 'company'), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information..

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the basis forqualified opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1) Regarding property plant and equipment –

a) The company is not providing depreciation on property, plant, and equipment of value ₹10,712 crores since 2013-14 resulting in understatement of depreciation of ₹ 565.59 crores for the year and overstatement of carrying value of property, plant, and equipmentby ₹ 3,627.54 crores.

b) The company has not made available, the records relating to the landed properties held by it including the title deeds, present ownership details etc. for audit. Therefore, we are unable to comment on the existence, ownership and possession of such landed properties held by it.

c) In the absence of the details of immovable properties held by the company, we are unable to comment on the compliance of Ind AS 40 "Investment Property".

d) The company is not following the 'componentisation approach' for accounting as mentioned in Ind AS 16 Property, Plant and Equipment. The consequent impact, on such non-compliance on carrying amount of individual assets and the corresponding depreciation / amortisation could not be ascertained.

e) In many cases, the assets of the company are capitalised on approval of corresponding work bills for payment which is after the date on which the assets are ready for use as against criteria for capitalisation of assets in Ind AS 16 Property, Plant and Equipment, leading to delay in the recognition of assets and liabilities. The consequent understatement on the carrying amount of property, plant and equipment and depreciation' expenses could not be ascertained.

f) The company is not following the practice of derecognizing the property, plant and equipment sold, exchanged, damaged, discarded or abandoned.The realisedvalue on sale of such assets are credited to the statement of profit and loss as other income and in the case of replacement of assets the cost incurred is charged to the statement of profit and loss as repairs and maintenance. The impact due to non-derecognition of the property, plant and equipment on the depreciation expenses, repairs and maintenance, other operating income and carrying value of property, plant and equipment could not be ascertained which is not in accordance of the requirements of Ind AS 16 "Property, Plant & Equipment".

g) The company has capitalised the borrowing cost on non-qualifying assets in violation of Ind AS 23 "Borrowing Costs" resulting in over-statement of the carrying value of the Property, plant and equipmentand the consequential effect on depreciation expenses and finance costs which could not be ascertained.

h) As per the accounting policy adopted by the company, decommissioning liability is recognized at the rate of 0.1% on the cost of additions of specified assets without considering present value of the future liability for decommissioning resulting in overstatement of decommissioning liability and the carrying amounts of property, plant & equipment which is not in accordance of the requirements of Ind AS 16 "Property, Plant & Equipment".

i) The company has not recognised any provision for impairment of assets. As thebasis for such conclusion has not been made available to us,we are unable to comment on the compliance with Ind AS 36 "Impairment of Assets" and its possible effect on the assets / liabilities, if any.

j) The accounting principles and policies formulated by the company for classifying the costs incurred for various works into capital and revenue expenditures were not applied consistently resulting in under / over statement of assets and expenditure of the company.

k) We refer to note no. 2.4 to the standalone financial statement regarding severe damages caused to the assets of the company in the flood affected areas, resulting in total or partial loss to property plant and equipment. The company has not assessed and provided for the actual loss on account of the above.

2) Regarding Capital work in Progress –

a) Delay in accounting of labour bills and / or material costs relating to various works were observed resulting in non-recording of capital work inprogress at the close of the year resulting in understatementof capital work in progress and corresponding liability.

b) The company is in the practice of capitalising the borrowing costs and employee costs directly attributable to the assets booked under capital work in progresswithout considering the date of completion/ readiness for use of the asset resulting in understatement /

overstatement of the carrying value of the Property, plant and equipment and the consequential effect on depreciation expenses which could not be ascertained.

c) The company has incurred ₹ 116.99 crores towards feasibility study and surveys of projects. Due to the non-availability of a detailed project wise breakup of the amount, allocation of expenses in the nature of additions to property, plant and equipment and cost of study on futile projectscould not be ascertained.

3) The company is an implementing agency for the TransGrid 2.0 Project floated by the Government of Kerala and financed by Kerala Infrastructural Investment Fund Board (KIIFB). The tripartite agreement between company, power department and KIIFB is silent regarding the rights/liabilities with respect to the assets constructed under the project. The company has shown the asset acquired or constructed under the project as part of its Capital Work in Progress, amount funded by KIIFB as its liability and advance paid to contractors as its assets. In the absence of clarity as to the ownership of assets constructed or acquired for the project out of funds provided by KIIFB and the nature of amount received from KIIFB, we are not in a position to comment on the disclosure of assets and liabilities relating to TransGrid 2.0 Project in the balance sheet of the Company as on 31 March, 2020.

4) The company is developing ERP software for integrating all the operations and has incurred an amount of Rs 13.44 crores during the current year. The system development is still in process and is not ready for use as the close of the year. However, the company has capitalised the entire cost incurred in the year under intangible assetsand charged amortisation on the cost in violation to the provisions of Ind AS 38 Intangible Assets. This has resulted in overstatement of amortisation expense by ₹ 2.02 Crores.

5) The company has neither framed any policynor estimated any impairment loss due to Expected Credit Loss in accordance with the provisions of Ind AS 109 "Financial Instruments"in respect of the-

(i) long outstanding security deposits ₹ 21.78 crores classified under loans (Non-current)

(ii) long outstanding advances given by the company amounting to ₹ 83.54 croresclassified under Other financial assets - Non current

In the absence of policy for determination of 'expected credit loss' on the financial assets, the impact on the value of aforementioned assets and its corresponding impairment loss could not be quantified.

6) The classification of trade receivables as unsecured, without considering the security deposit collected is not in accordance with the requirement of schedule III and in the absence of relevant information, the secured portion of trade receivables are unascertainable. Further, due to lack ofdetailed assessment of expected credit loss (ECL) of trade receivables we are unable to ascertain whether the allowance for bad and doubtful debts of ₹ 789.31crores provided in the accounts is adequate or excess. Consequently, we are unable to comment on the value of trade receivables disclosed in the financial statements and its consequential

impact in statement of Profit and Loss.

7) The company has recognised and disclosed the amount paid to the Forest Department towards the seigneorage value of trees amounting to ₹ 9.57crores as "Security Deposits", which in our opinion, ought to have expensed out or capitalised based on the nature of the projects / works for which such expenditure was incurred. This has resulted in overstatement of Loans and the understatement of carrying amount of assets under "Property, Plant & Equipment", "Depreciation / amortisation expenses", or the related expenses.

8) The company is not disclosing the amount receivable from Kerala Water Authority in two annual instalments from 2021-2023 amounting to ₹ 745.44 crores on account of sale of power at fair value in accordance with Ind AS 109 "Financial Instruments".

9) The company is classifying all materials in stores as inventory without bifurcating the materials / stores meant for capital / revenue purposes. The materials meant for construction of fixed assets are to be grouped under capital work in progress / noncurrent assets and the materials to be consumed in the rendering of services are to be classified as inventories. Due to the lack of information on the value of materials meant for capital purposes the understatement on the capital work in progress and corresponding impact on inventories could not be ascertained.

10) In respect of cash &cash equivalentsof various Account Rendering Units (ARUs), the company has not provided proper reconciliations for the differences between the bank balances reported in the accounts and the balances as seen in the statement received from respective banks. Such un-reconciled balances outstanding could result in overstatement or understatement of balances under "Cash and Cash Equivalents" and the balances under respective corresponding accounts.

The balances reported under "Disbursement Bank Accounts" under "Cash and Cash Equivalents" include a sum of ₹ 3.55Crores being non-existent bank balances, thereby resulting in overstatement of "Cash and Cash Equivalents" to such extent.

11) The unreconciled balances in the transactions between the ARUs amounting to ₹ 50.98 crores have been reported and recognised as "Inter Unit Balance" under "Other Current Assets", the details of which have not been provided to us. In the absence of adequate information, the impact of the above irregularity could not be quantified.

12) The company has not provided a reconciliation of the amount classified under "Deposits for Electrification, Service Connection etc" amounting to ₹ 758.79 crores with the corresponding works pending for completion, for which such deposits have been collected from the consumers. In the absence of adequate information, its impact could not be quantified. Also, the company has classified the same under Other financial liabilities - Current instead of Other current liability.

13) 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 has 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. Though the payment made to the trust are not as per the repayment schedule and the amount paid is lesser than the actual liability payable, no provision had been made for the additional interest payable of ₹ 72.43 crores for the period1 April 2018 to 31 March 2020. Consequent to this, the loss for the year is understated to the extent of ₹ 55.44 crores and the consequent understatement of liability.

14) The company has not 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 / incomes.

15) The Company has not provided the reconciliation in respect of Goods and Services Tax (GST) as per the books of accounts and the periodical returns filed. Hence the effect of such non-reconciliation, if any, on the liabilities and expenses could not be quantified.

16) The company has received a sum of ₹ 4.36 crores from M/s. Baitarani West Coal Block Ltd during 2019-20 being the share of cost of consent fees. In our opinion, the company ought to have accounted the above sum as other operating income and as financial assets in the year 2017-18 as the right to receive has been established in the same year. This has resulted in overstatement of other operating income for the year which is not in accordance with Ind AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

17) The Board of Directors, in their meeting held on 14 June 2019, has decided to increase the remuneration of daily wagers and contract employees with retrospective effect from 1 July 2018. The company has not provided for the additional expense and liability in the financial year 2018-19. This has resulted in overstatement of employee benefits for the year which is not in accordance with Ind AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

18) The company has classified the Bond principal & interest due amounting to ₹ 1,284.66 Crores under Other financial liabilities - Current instead of Borrowings -Current. The above deviation has resulted in the understatement of the balances under Borrowings -Current and overstatement of the balances under Other financial liabilities - Current to such extent.

19) The company has not complied with the disclosure requirements as required by the Ind AS 107 “Financial Instruments: Disclosures”, there by resulting in non-compliance of the disclosure requirements of the said accounting standard.

20) The financial impact of the liabilities, contingent or otherwise, on account of various claims / cases pending against the company before various courts / legal forums, of which details not made available to us could not be ascertained.

21) The company has not complied with the provisions of Ind AS 116 with respect to accounting and disclosure of Leases.Due to the non-availability of information the impact could not be ascertained.

22) The impact of the matters listed in Paras 1(a), 4, 13 and 16 above has resulted in the understatement of the Loss for the year of the company and overstatement of the “Retained Earnings” of the company by ₹ 623.37 crores. Accordingly, in the Statement of Profit and Loss, the Loss before tax”, Loss for the period from continuing operations, Loss for the year ought to have been ₹ 892.92 crores as against the currently reported loss of ₹ 269.55 crores, and the “Total Comprehensive expense for the period” ought to have been ₹ 1,489.27 crores as against the currently reported expense of ₹ 865.90 crores. The basic and diluted EPS for the year ought to have been ₹ (2.55). In the absence of adequate information, the impact of the matters listed in other Paras under Basis of qualified opinion on the Loss for the year of the company and on the items disclosed in the Balance Sheet of the Company could not be ascertained and hence not disclosed.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matter

1) Attention is invited to note no.50.4regarding adjustment of the amount payable to Government of Kerala towards electricity duty and guarantee commission etc. as on 31.03.2020 against the amount receivable from the Government in the books of accounts.

2) Attention is drawn to note no. 2.1 regarding pending transfer of land owned by TCCL having fair value of ₹ 160 crores against long pending trade receivables of ₹ 174.61 crores.

3) Attention is drawn to note no 2.2and 2.3 regarding pending transfer of land by the company to the Govt of Kerala for which no compensation has been received.

4) Attention is drawn to note no 24.1 regarding the variance in the balances of power supply vendors with the books of accounts of the company.

Our opinion is not modified in respect of the above matters.

Material Uncertainty relating to Going Concern

As per the standalone financial statements as on 31 March 2020, the accumulated losses of the company is ₹ 12,104.43 crore as against the total paid up capital of ₹ 34,99.05 crore resulting in a negative networth of ₹ 8,605.38 crores. During the year also, the company has incurred a loss of ₹269.55 crores. The impact of various qualifications in our audit report has the effect of increasing current year loss and accumulated losses. There are also non-disclosure of contingent liabilities as qualified by us.

The management is of the view that there is no material uncertainty affecting the "Going Concern" assumption mainly on account of factors and reasons referred to in Note 49.

Our opinion in not modified in respect of the above matter.

Other information

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board of directors' report, but does not include the standalone financial statements and our auditor's report thereon. The Directors Report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Director's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Ind AS.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. The statement includes comparative figures for the corresponding year ended March 31, 2019, audited by the joint auditors of the Company who were the predecessor audit firms, who had expressed qualified opinion vide their report dated September 30, 2019 on such standalone financial statements.
2. The disclosures in note no 44, 45, 46 and 50.1 relating to quantitative details of generation, purchase and sale of power and generating stationsare as disclosed by management and we do not express an audit opinion on this matters.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.;
2. As required by section 143(3) of the Act, we 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 purpose of our audit except for matters described in Basis for Qualified Opinion above;
   b) Except for the matter described in the basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The balance sheet, statement of profit and loss, including other comprehensive income, statement of changes in equity, and cash flow statement dealt with by this report are in agreement with the books of account;
   d) Except for the effects of the matter described in the basis for qualified opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019;;
   e) The matters described in the basis for qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
   f) Being a Government Company and pursuant to Notification No. GSR 463 (E) dtd. 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of sub-section (2) of Section 164 of the Act, are not applicable to the company;

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

h) Being a government company the provisions of section 197 of the Act, with respect to the matters to be included in the auditors report is not applicable.

i) With respect to other matters to be included in the Auditors Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) As the company has not furnished the details of pending litigations, we are not in a position to confirm whether there are any litigations pending which would impact its financial position;

   (ii) Since the company has not furnished the details of long-term contracts, we are not in a position to confirm whether it has any long-term contracts including derivative contracts for which there are any material foreseeable losses;

   (iii) The company has not transferred debentures and interest on debentures amounting to ₹ 7.43 crores remained unclaimed for a period of more than seven years from the date it became due for payment to the Investor Education and Protection Fund.

j) As required by section 143(5) of the Act, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India are given in Annexure III.

For Krishnamoorthy & Krishnamoorthy Chartered Accountants FRN:001488S	For Mohan & Mohan Associates Chartered Accountants FRN:002092S	For JRS & Co. Chartered Accountants FRN:008085S
Sd/- R Venugopal Partner M.No.202632 UDIN:21202632AAAABP9231	Sd/- R Suresh Mohan Partner M.No.013398 UDIN:21013398AAAAAL7513	Sd/- A Jayakumar Partner M.No.025035 UDIN:21025015AAAABK2298

Thiruvananthapuram
16/02/2021

KRISHNAMOORTHY & KRISHNAMOORTHY CHARTERED ACCOUNTANTS | MOHAN & MOHAN ASSOCIATES CHARTERED ACCOUNTANTS | JRS & Co. Chartered Accountants

Annexure1: Referred to in paragraph (1) of "Report on other legal and regulatory requirements" of our report of even date of the Company on the Standalone Ind AS Financial Statements for the year ended 31 March 2020.

(i) (a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) the company is not following the practice of physical verification of fixed assets on a regular basis and hence identification of discrepancies is not possible.

(c) The company has not produced the title deeds of the immovable properties for our verification, and thus we are unable to comment on whether the same is held in the name of the company.

(ii) The company does not have a proper system for periodical verification of the inventoryand thus, the adjustment of discrepancies has not been carried out.

(iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The loans, investments, guarantees and security provided by the company are in compliance with the provisions of the sections 185 and 186 of the Companies Act, 2013, read with Notification issued vide G.S.R 463(E) dtd. 05-06-2015.

(v) According to information and explanation given to us, during the year, the company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the Companies (Auditor's Report) Order, 2016 ("the order") is not applicable.

(vi) The company is required to maintain the cost records as specified by the Central Government under the sub-section (1) of section 148 of the Companies Act, 2013, and based on a preliminary review of the same, the company has made and maintained such prescribed accounts and records. We have not, however, made a detailed examination of the same.

(vii) a) As the company does not have a centralised system of keeping records relating to the statutory dues, we are unable to comment on the extent of undisputed statutory dues outstanding for payment as on the last day of the financial year for a period of more than six months from the date they became payable;

b) As the company does not have a centralised system of keeping records relating to the statutory dues which are not deposited on account of any dispute, we are unable to comment on the amounts involved in respect of such disputes and the forum where such disputes are pending. However, based on information and explanations provided to us, the following statutory dues of the company have not been deposited on account of disputes:

Nature of dispute	Forum where the dispute is pending	Year to which the amount relates	Amount disputed (₹ in crores)
The Income Tax Act, 1961	The Supreme Court of India	2001-02 to 2004-05	84.47
	Commissioner of Income Tax (Appeals)	2007-08	88.64
	The Income Tax Appellate Tribunal	2008-09	68.04

(viii) Based on the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) Based on the information and explanation given to us, the company has not raised any money by way of initial public offer or further public offer. Also, the company has informed us that it has utilised the proceeds of term loans raised during the year for the purposes for which those were raised.

(x) We are informed by the management that no major fraud by the company or fraud on the company by its officers or employees has been reported to the company.

(xi) The company, being a Government Company, is exempted from the provisions of section 197 read with Schedule V to the Act. Therefore, clause (xi) of the Companies (Auditor's Report) Order, 2016, is not applicable to the company.

(xii) As the company is not a Nidhi Company, the clause (xii) of the Companies (Auditor's Report) Order, 2016, is not applicable to the company.

(xiii) Based on the information and explanation given to us, all the transactions with the related parties are in compliance with sections 177 and 188 of the companies act, 2013, to the extent applicable to the Government company, and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) Based on the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) Based on the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) Based on the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
FRN:001488S

Sd/-

R Venugopal
Partner
M.No.202632
UDIN:21202632AAAABP9231

For Mohan & Mohan Associates
Chartered Accountants
FRN:002092S

Sd/-

R Suresh Mohan
Partner
M.No.013398
UDIN:21013398AAAAAL7513

For JRS & Co.
Chartered Accountants
FRN:008085S

Sd/-

A Jayakumar
Partner
M.No.025035
UDIN:21025015AAAABK2298

Thiruvananthapuram
16/02/2021

ANNEXURE 2

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting ofKerala State Electricity Board Limited (the company) as of 31 March 2020 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial controls over financial reporting (the Guidance Note) and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain Audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error, We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial control systems over financial reporting with reference to these standalone financial statements.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairy reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding the prevention or timely deduction of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements .

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion of improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over the financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March, 2020.

The company did not have an appropriate internal control over financial reporting for:

a) ensuring compliance with the applicable accounting standards, with regard to validating the completeness and accuracy of cost (including the direct costs eligible for capitalisation) for recording Property, Plant and Equipment; establishing a process of periodic verification of property plant and equipment and reconciling the same with the fixed asset register and books of account; validating the correctness of classification of the Property, Plant and Equipment

b) The company's system for identifying, determining and accounting the qualified assets and the related borrowing cost resulting in incorrect recognition of property, plant and equipment and related expenditure.

c) The Company's process of evaluating completeness and accuracy of transactions relating to impairment and derecognition of Property, Plant and Equipment based on the periodic verification and technical evaluations.

d) ensuring compliance with the applicable accounting standards, with regard to validating the completeness and accuracy of cost (including the direct costs eligible for capitalisation) for recording intangible assets;

e) in respect of certain units of the company designated as Account Rendering Units (ARUs), the internal financial controls prescribed over the accounting and reconciling bank transactions are not operating effectively, which could potentially result in incorrect accounting and reporting of bank transactions and balances;

f) The company's'system for identifying, recognizing, accounting, physical verification and determining the obsolescence / impairment of inventory and related expenses for the year;

g) The company's system for accounting of inter-unit transactions and reconciliation of inter-unit balances are not operating effectively resulting in huge unreconciled balances in inter-unit accounts and resultant misstatement of account balances;

h) The company's system for identifying, measuring and reporting of provisions and contingent liabilities, which could potentially result in misstatement of balances in the financial statements;

i) The company's information system's inadequacy to ensure transaction-level and account balance level assertions of accuracy, classification, cut-off, completeness, existence, and valuation of the financial transactions recorded in revenue, employee cost, inventory management and financial accounting system.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, because of the effect of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting with and such internal financial controls over financial reporting were not operating effectively as of 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31 March, 2020, and the material weakness has affected our opinion on the said standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements of the Company.

For Krishnamoorthy & Krishnamoorthy	For Mohan & Mohan Associates	For JRS & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN:001488S	FRN:002092S	FRN:008085S
Sd/-	Sd/-	Sd/-
R Venugopal	R Suresh Mohan	A Jayakumar
Partner	Partner	Partner
M.No.202632	M.No.013398	M.No.025035
UDIN:21202632AAAABP9231	UDIN:21013398AAAAAL7513	UDIN:21025015AAAABK2298

Thiruvananthapuram
16/02/2021

Annexure-3

Replies to Directions from Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013

Directions under section143(5) of the Companies Act, 2013	Report
Whether the company has a system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with financial implications, if any may be stated.	Yes. The company is working in Computerised Environment. The company is using five programs viz 1. ORUMA- Billing Software 2. SARAS- Accounting Software 3. SCM-Inventory Software 4. HRIS - Payroll software 5. Energize- HT/EHT Billing Software which are working in the independent platform and not integrated. Consolidation, Post consolidation, entries and final financial statements are maintained in excel spreadsheets which are not integrated with the accounting software.
Whether there is any restructuring of an existing loan or cases of waivers/ write off of debts/loans/interest etc. may be a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	As per the information and explanation provided to us, no such cases were observed.
Whether funds received/ receivable for specific schemes from Central/state agencies were properly accounted for/ utilised as per its term and conditions? List the case of deviation.	In the absence of fund based utilisation details, we are not in a position to comment on the deviations, if any.
Sector Specific Sub-direction under Section 143 (5) of the Companies Act 2013 **Power Sector**	
1. Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached upon, under litigation, not put to use or declared surplus, details may be provided	As per the explanation provided by the management, the company does not have consolidated details of entire land possessed by it. As per the explanation received from the management, the company is exercising adequate steps to prevent encroachment of land under its possession. Since the consolidated details with respect to the litigation pending before the various courts regarding encroachments are not available at head office level, we are not in a position to assess its impact on the financial statements.

2. Where land acquisition is involved in setting up new projects, report whether settlement of dues were done expeditiously and in a transparent manner in all cases. the cases of deviation may please be detailed	Land acquisition is involved in setting up of new hydroelectric projects. The private land required for the project is purchased through negotiation/ Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013(LARR) Act. For this, Government had constituted District Level Negotiated Purchase Committee (DLPC) with District Collector as the Chairman of the committee. The committee will recommend reasonable land value duly considering the land value of the area after negotiation with land holders/owners of land. If the landowners are not willing to transfer their land, provisions as per the LAAR Act is put into operation. The claims are settled expeditiously by the company and in a transparent manner as per the decision taken in DLPC meetings and no deviation in procedure reported during the F.Y.2019-20.
3.Whether the Company has any effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards	The company has an effective system for recovery of revenue as per contractual agreements except Government departments. Delayed collection of receivables from Government departments results in additional interest costs.
4. How much cost has been incurred on abandoned projects and out of this how much has been written off?	The company is in the process of decommissioning its Diesel Power Plant at Brahmapuram. Due to lack of available information regarding the cost relating to this project, we are not in a position to comment on the same. The company has incurred ₹ 116.99 crores towards feasibility study and surveys of projects. Due to the non-availability of a detailed project wise breakup of the amount, cost of study on futile projects could not be ascertained.
Generation	
1. In the cases of Thermal Power Projects, compliance with the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of Company in this regard, may be checked and commented upon.	As per the information provided to us, KSEBL owns two thermal stations based on Low Sulphur Heavy Stock(LSHS) at Brahmapuram and Kozhikode. As per the direction of the state and central pollution control boards, online pollution monitoring system has been installed at both the stations and the system was commissioned at Kozhikode Diesel Power Plant (KDPP) on 26.12.2017 and Brahmapuram Diesel Power Plant (BDPP) on 22.08.2017.

	As per B.O.(FTD) No.317/2020 dated 08.05.2020 the thermal power plant at BDPP is not operating and hence the pollution monitoring system is not active whereas the system at KDPP is presently working successfully. KSEBL has no coal fired thermal power plants.
2. Has the Company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and if so, whether they adequately protect the financial interests of the Company?	As per the explanation provided to us, the company has not entered into any revenue sharing agreements with private parties for extraction of coal at pitheads.
3. Does the Company have a proper system for reconciliation of quantity/ quality of coal ordered and received and whether grade of coal/moisture and demurrage etc., are properly recorded in the books of accounts?	This clause is not applicable since the company does not have a coal fired thermal power plants.
4. How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	No. There is no such agreements
5. In the case of Hydroelectric Projects whether the water discharges is as per policy/guidelines issued by the State Government to maintain biodiversity. Cases of deviation and penalty paid/ payable may be reported.	As informed by the management, in the case of Hydro Electric Projects water discharge is as per policy/ guidelines issued by the State Government from time to time. No penalty has been imposed by the Government so far for deviating from the Government policies and guidelines.
Transmission	
1. Is the system of power commensurate with power available for transmission with the generating Company? If not, loss if any, claimed by the generating Company may be commented.	KSEBL is handling both generation and transmission. Company has not provided the details regarding transmission loss. Hence we are not in a position to comment on the same.
2. How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same has been properly accounted for in the books of accounts?	As per the explanation provided by the management, the value of the percentage of energy loss for transmission for the year 2019-20 is less than the value fixed by the KSERC. The Company has not provided the details regarding transmission loss. Hence we are not in a position to comment on the same.

3. Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements.	As per the explanation provided to us, the assets constructed and completed on behalf of other agencies have been properly accounted as per the accounting manuals in KSEBL. Since the necessary documents relating to the same were not provided to us, we are unable to comment on the same.
Distribution	
1. Has the Company entered into agreements with franchise for distribution of electricity in selected areas and whether the revenue sharing agreements adequately protect the financial interests of the Company?	As per the explanation provided to us from the management, distribution of electricity under franchisee system is not in vogue in Kerala and hence the query is not applicable to KSEBL.
2. Report on the efficacy of the system of billing and collection of revenue in the Company.	As per the explanation given by the company, KSEB Ltd has attained 100% Consumer billing. In general, if the dues are not paid within the due dates, all services are disconnected. However, considering the social obligation it is always not possible to disconnect the services like Drinking water Supply Schemes, Government Hospitals, High security area, Police station etc.
3. Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.	KSEB has been procuring energy meters as per the prevailing BEE/IS standards. The amendments in metering standards and regulations are being incorporated in the subsequent purchase orders. Presently company is procuring energy meters having tampering indicators. As informed by the management, In order to ensure that the consumers are not resorting to unfair means, the field officers are regularly inspecting the consumer premises during the site inspections and corrective actions are taken then and there. The company has been organising special drives for faulty meter replacement at multiple instances during the year which has been slowed down by monsoon rains and COVID 19 pandemic and subsequent lockdown.
4. Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	KSEBL recovers and accounts the fuel surcharge ordered to be recovered from consumers by the KSERC. Approval of Fuel surcharge is granted in line with the MYT Tariff Regulations notified by Kerala State Electricity Regulatory Commission for the 4 year control period from 2018-19 to 2021-22. KSERC as per the order

	dated 14.02.2020 has approved the fuel surcharge for the first quarter of year 2019-20 for ₹ 62.26 Cr and ordered its recovery for the consumption from 15.02.2020 to 31.05.2020. KSERC, as per order dated 27.04.2020 approved ₹ 52.68 Cr for the second quarter but deferred its recovery on account of the prevalent COVID 19 situation. Orders for the 3rd and 4th quarters of F.Y.2019-20 are awaited.
5. Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference, if any, may be examined.	KSEB Ltd is functioning as a single utility in the state of Kerala. Generation, transmission and distribution of electricity is being done by the KSEB Ltd hence the reconciliation between the companies is not relevant. However, the company has inter unit transactions between Generation, Transmission and Distributions units which remains unreconciled as on 31st March 2020 amounting to ₹ 50.98 Crores.
6. Whether the Company is supplying power to franchisees? If so, whether the Company is supplying power to franchisees at below its average cost of purchase?	Since distribution of power through franchisees is not in vogue in Kerala, the query is not applicable.
7.How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government? Shortfall, if any, may be commented.	Subsidy is being extended by the Government of Kerala by virtue of provisions contained in section 65 of the Electricity Act 2003. The subsidies extended to the consumers is netted off against the amount payable to Government of Kerala by the company. During the Financial Year 2019-20, an amount of ₹ 394.01 Crores is booked as subsidy.

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
FRN:001488S

Sd/-
R Venugopal
Partner
M.No.202632
UDIN:21202632AAAABP9231

For Mohan & Mohan Associates
Chartered Accountants
FRN:002092S

Sd/-
R Suresh Mohan
Partner
M.No.013398
UDIN:21013398AAAAAL7513

For JRS & Co.
Chartered Accountants
FRN:008085S

Sd/-
A Jayakumar
Partner
M.No.025035
UDIN:21025015AAAABK2298

Thiruvananthapuram
16/02/2021

KRISHNAMOORTHY & KRISHNAMOORTHY
CHARTERED ACCOUNTANTS

MOHAN & MOHAN ASSOCIATES
CHARTERED ACCOUNTANTS

JRS & Co.
Chartered Accountants

Independent Auditors' Report

To the Members of **Kerala State Electricity Board Limited**

Report on the ConsolidatedFinancial Statements

Qualified Opinion

We have audited the accompanying consolidatedfinancial statements of M/s. Kerala State Electricity Board Limited(the parent company),its associates and jointly controlled entities(the parent and its associatesand its jointly controlled entities (together referred to as "theGroup")which comprise the consolidated balance sheet as at 31 March 2020, the consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the basis for qualified opinion paragraph below, and basedon the consideration of reports of other auditors onseparate financial statements and on the other financial information of the associates and jointly controlled entities, the aforesaid consolidatedfinancial statements give the information required by theCompanies Act, 2013, as amended (the "Act") in the mannerso required and give a true and fair view in conformitywith the accounting principles generally accepted inIndia, of the consolidated state of affairs of the Group asat March 31, 2020, its consolidated loss including othercomprehensive income, its consolidated cash flows andthe consolidated statement of changes in equity for theyear ended on that date.

Basis for Qualified Opinion

(1) Regarding property plant and equipment –

- (a) The parent companyis not providing depreciation on property, plant, and equipment of value ₹ 10,712 crores since 2013-14 resulting in understatement of depreciation of ₹ 565.59 crores for the year and overstatement of carrying value of property, plant, and equipmentby ₹ 3,627.54 crores.
- (b) The parent company has not made available, the records relating to the landed properties held by it including the title deeds, present ownership details etc. for audit. Therefore, we are unable to comment on the existence, ownership and possession of such landed properties held by it.
- (c) In the absence of the details of immovable properties held by the parent company, we are unable to comment on the compliance of Ind AS 40 "Investment Property".
- (d) The parent company is not following the 'componentisation approach' for accounting as mentioned in Ind AS 16 Property, Plant and Equipment. The consequent impact, on such non-compliance on carrying amount of individual assets and the corresponding depreciation / amortisation could not be ascertained.

(e) In many cases, the assets of the parent company are capitalised on approval of corresponding work bills for payment which is after the date on which the assets are ready for use as against criteria for capitalisation of assets in Ind AS 16 Property, Plant and Equipment, leading to delay in the recognition of assets and liabilities. The consequent understatement on the carrying amount of property, plant and equipment and depreciation' expenses could not be ascertained.

(f) The parent company is not following the practice of derecognizing the property, plant and equipment sold, exchanged, damaged, discarded or abandoned.The realised value on sale of such assets are credited to the consolidated statement of profit and loss as other income and in the case of replacement of assets the cost incurred is charged to the consolidated statement of profit and loss as repairs and maintenance. The impact due to non-derecognition of the property, plant and equipment on the depreciation expenses, repairs and maintenance, other operating income and carrying value of property, plant and equipment could not be ascertainedwhich is not in accordance of the requirements of Ind AS 16 "Property, Plant & Equipment".

(g) The parent company has capitalised the borrowing cost on non-qualifying assetsin violation of Ind AS 23 "Borrowing Costs" resulting in over-statement of the carrying value of theProperty, plant and equipmentand the consequential effect on depreciation expenses and finance costs which could not be ascertained.

(h) As per the accounting policy adopted by the parent company, decommissioning liability is recognized at the rate of 0.1% on the cost of additions of specified assets without considering present value of the future liability for decommissioning resulting in overstatement of decommissioning liability and the carrying amounts of property, plant & equipment which is not in accordance of the requirements of Ind AS 16 "Property, Plant & Equipment".

(i) The parent company has not recognised any provision for impairment of assets. As thebasis for such conclusion has not been made available to us,we are unable to comment on the compliance with Ind AS 36 "Impairment of Assets" and its possible effect on the assets / liabilities, if any.

(j) The accounting principles and policies formulated by the parent company for classifying the costs incurred for various works into capital and revenue expenditures were not applied consistently resulting in under / over statement of assets and expenditure of the parent company.

(k) We refer to note no. 2.4 to the consolidated financial statement regarding severe damages caused to the assets of the parent company in the flood affected areas, resulting in total or partial loss to property plant and equipment. The parent company has not assessed and provided for the actual loss on account of the above.

(2) Regarding Capital work in Progress –

a) Delay in accounting of labour bills and / or material costs relating to various works were observed resulting in non-recording of capital work in progress at the close of the year resulting in understatement of capital work in progress and corresponding liability.

b) The parent companyis in the practice of capitalising the borrowing costs and employee costs directly attributable to the assets booked under capital work in progress without considering the date of completion/ readiness for use of the asset resulting in under-statement / overstatement of the carrying value of the Property, plant and equipment and the consequential effect on depreciation expenses which could not be ascertained.

c) The parent company has incurred ₹ 116.99 crores towards feasibility study and surveys of projects. Due to the non-availability of a detailed project wise breakup of the amount, allocation of expenses in the nature of additions to property, plant and equipment and cost of study on futile projectscould not be ascertained.

(3) The parent company is an implementing agency for the TransGrid 2.0 Project floated by the Government of Kerala and financed by Kerala Infrastructural Investment Fund Board (KIIFB). The tripartite agreement between parent company, power department and KIIFB is silent regarding the rights/liabilities with respect to the assets constructed under the project. The parent company has shown the asset acquired or constructed under the project as part of its Capital Work in Progress, amount funded by KIIFB as its liability and advance paid to contractors as its assets. In the absence of clarity as to the ownership of assets constructed or acquired for the project out of funds provided by KIIFB and the nature of amount received from KIIFB, we are not in a position to comment on the disclosure of assets and liabilities relating to TransGrid 2.0 Project in the balance sheet of the parent company as on 31 March, 2020.

(4) The parent company is developing ERP software for integrating all the operations and has incurred an amount of ₹ 13.44 crores during the current year. The system development is still in process and is not ready for use as the close of the year. However, the parent company has capitalised the entire cost incurred in the year under intangible assets and charged amortisation on the cost in violation to the provisions of Ind AS 38 Intangible Assets. This has resulted in overstatement of amortisation expense by ₹ 2.02 Crores.

(5) Theparent company has neither framed any policy nor estimated any impairment loss due to Expected Credit Loss in accordance with the provisions of Ind AS 109 "Financial Instruments"in respect of the-

(a) long outstanding security deposits ₹ 21.78 crores classified under loans (Non-current)

(b) long outstanding advances given by the parent company amounting to ₹ 83.54 crores-classified under Other financial assets - Non current

In the absence of policy for determination of 'expected credit loss' on the financial assets, the impact on the value of aforementioned assets and its corresponding impairment loss could not be quantified.

(6) The classification of trade receivables as unsecured, without considering the security deposit collected is not in accordance with the requirement of schedule III and in the absence of relevant information, the secured portion of trade receivables are unascertainable. Further, due to lack of detailed assessment of expected credit loss (ECL) of trade receivables we are unable to ascertain whether the allowance for bad and doubtful debts of ₹ 789.31crores provided in the accounts is adequate or excess. Consequently, we are unable to comment on the value of trade receivables disclosed in the financial statements and its consequential

impact in statement of Profit and Loss.

(7) The parent company has recognised and disclosed the amount paid to the Forest Department towards the seigneorage value of trees amounting to ₹ 9.57crores as “Security Deposits”, which in our opinion, ought to have expensed out or capitalised based on the nature of the projects / works for which such expenditure was incurred. This has resulted in overstatement of Loans and the understatement of carrying amount of assets under “Property, Plant & Equipment”, “Depreciation / amortisation expenses”, or the related expenses.

(8) The parent companyis not disclosing the amount receivable from Kerala Water Authority in two annual instalments from 2021-2023 amounting to ₹ 745.44 crores on account of sale of power at fair value in accordance with Ind AS 109 “Financial Instruments”.

(9) The parent companyis classifying all materials in stores as inventory without bifurcating the materials / stores meant for capital / revenue purposes. The materials meant for construction of fixed assets are to be grouped under capital work in progress / noncurrent assets and the materials to be consumed in the rendering of services are to be classified as inventories. Due to the lack of information on the value of materials meant for capital purposes the understatement on the capital work in progress and corresponding impact on inventories could not be ascertained.

(10) In respect of cash &cash equivalentsof various Account Rendering Units (ARUs), the parent company has not provided proper reconciliations for the differences between the bank balances reported in the accounts and the balances as seen in the statement received from respective banks. Such un-reconciled balances outstanding could result in overstatement or understatement of balances under “Cash and Cash Equivalents” and the balances under respective corresponding accounts.

The balances reported under “Disbursement Bank Accounts” under “Cash and Cash Equivalents” include a sum of ₹ 3.55Crores being non-existent bank balances, thereby resulting in overstatement of “Cash and Cash Equivalents” to such extent.

(11) The unreconciled balances in the transactions between the ARUs amounting to ₹ 50.98 crores have been reported and recognised as “Inter Unit Balance” under “Other Current Assets”, the details of which have not been provided to us. In the absence of adequate information, the impact of the above irregularity could not be quantified.

(12) The company has not provided a reconciliation of the amount classified under “Deposits for Electrification, Service Connection etc” amounting to ₹ 758.79 crores with the corresponding works pending for completion, for which such deposits have been collected from the consumers. In the absence of adequate information, its impact could not be quantified. Also, the company has classified the same under Other financial liabilities - Current instead of Other current liability.

(13) Pursuant to provisions of the Kerala Electricity Second Transfer Scheme (Re-Vesting) 2013, the parent 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 parent company has 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 parent company. Though the payment made to the trust are not as per the repayment schedule and the amount paid is lesser than the actual liability payable,no provision had been made for the additional interest payable of ₹ 72.43 crores for the period 1 April 2018 to 31 March 2020. Consequent to this, the loss for the year is understated to the extent of ₹ 55.44 crores and the consequent understatement of liability.

(14) The parent company has not 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 / incomes.

(15) The parent company has not provided the reconciliation in respect of Goods and Services Tax (GST)as per the books of accounts and the periodical returns filed. Hence the effect of such non-reconciliation, if any, on the liabilities and expensescould not be quantified.

(16) The parent company has received a sum of ₹ 4.36 crores from M/s. Baitarani West Coal Block Ltd during 2019-20 being the share of cost of consent fees. In our opinion, the parent company ought to have accounted the above sum as other operating income and as financial assets in the year 2017-18 as the right to receive has been established in the same year. This has resulted in overstatement of other operating income for the year which is not in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

(17) The Board of Directors, in their meeting held on 14 June 2019, has decided to increase the remuneration of daily wagers and contract employees with retrospective effect from 1 July 2018. The parent company has not provided for the additional expense and liability in the financial year 2018-19.This has resulted in overstatement of employee benefits for the year which is not in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

(18) The company has classified the Bond principal & interest due amounting to ₹ 1,284.66 Crores under Other financial liabilities - Current instead of Borrowings - Current. The above deviation has resulted in the understatement of the balances under Borrowings - Current and overstatement of the balances under Other financial liabilities - Current to such extent.

(19) The company has not complied with the disclosure requirements as required by the Ind AS 107 "Financial Instruments: Disclosures", thereby resulting in non-compliance of the disclosure requirements of the said accounting standard.

(20) The financial impact of the liabilities, contingent or otherwise, on account of various claims / cases pending against the parent company before various courts / legal forums, of which details not made available to us could not be ascertained.

(21) The parent company has not complied with the provisions of Ind AS 116 with respect to accounting and disclosure of Leases.Due to the non-availability of information the impact could not be ascertained.

(22) The impact of the matters listed in Paras 1(a), 4, 13 and 16 above has resulted in the understatement of the Loss for the year of the parent company and overstatement of the "Retained Earnings" of the parent company by ₹ 623.37 crores. Accordingly, in the Statement of Profit and Loss, the Loss before tax", Loss for the period from continuing operations, Loss

for the year ought to have been ₹ 892.92 crores as against the currently reported loss of ₹ 269.55 crores, and the "Total Comprehensive expense for the period" ought to have been ₹ 1,489.27 crores as against the currently reported expense of ₹ 865.90 crores. The basic and diluted EPS for the year ought to have been ₹ (2.55). In the absence of adequate information, the impact of the matters listed in other Paras under Basis of qualified opinion on the Loss for the year of the parent company and on the items disclosed in the Balance Sheet of the parent company could not be ascertained and hence not disclosed.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the ConsolidatedFinancial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidatedfinancial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of matter

(1) Attention is invited to note no. 50.4 regarding adjustment of the amount payable to Government of Kerala towards electricity duty and guarantee commission etc. as on 31.03.2020 against the amount receivable from the Government in the books of accounts.

(2) Attention is drawn to note no. 2.1 regarding pending transfer of land owned by TCCL having fair value of ₹ 160 crores against long pending trade receivables of ₹ 174.61 crores.

(3) Attention is drawn to note no 2.2 and 2.3 regarding pending transfer of land by the parent company to the Govt of Kerala for which no compensation has been received.

(4) Attention is drawn to note no 24.1 regarding the variance in the balances of power supply vendors with the books of accounts of the parent company.

Our opinion is not modified in respect of the above matters.

Material Uncertainty relating to Going Concern

As per the consolidated financial statements as on 31 March 2020, the accumulated losses of the parent company is ₹ 12,104.43 crore as against the total paid up capital of ₹ 34,99.05 croreresulting in a negative networth of ₹ 8,605.38 crores. During the year also, the parent company has incurred a loss of ₹ 269.55 crores. The impact of various qualifications in our audit report has the effect of increasing current year loss and accumulated losses. There arealso non-disclosure of contingent liabilities as qualified by us.

The management is of the view that there is no material uncertainty affecting the "Going Concern" assumption mainly on account of factors and reasons referred to in Note 49.

Our opinion in not modified in respect of the above matter.

Other information

(1) The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board of directors' report, but does not include the consolidated financial statements and our auditor's report thereon. The Directors Report is expected to be made available to us after the date of this auditor's report.

(2) Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

(3) In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

(4) When we read the Director's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Management's Responsibility for the Consolidated Financial Statements

The respective board of directors of the parent company, its associates and jointly controlled entities are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the parent company in accordance with the accounting principles generally accepted in India, including the Ind AS.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidatedfinancial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective board of directors of the companies included in the group are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether theconsolidated 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:

(1) Identify and assess the risks of material misstatement of the consolidated 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.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the parent company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidatedfinancial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the consolidatedfinancial statements, including the disclosures, and whether the consolidatedfinancial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters

The consolidated financial statements also Include the Group's share of net profit of ₹3.28crores for the year ended 31 March, 2020, as considered in the consolidated financial statements, in respect of two jointly controlled entity and one associate, whose financial statements have not been audited by us. The financial statements two jointly controlled entities and one associates have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate and jointly controlled entities, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity is based solely on the report of the other auditors.

The consolidated financial statements also Include the Group's share of net loss of ` Nilcrores for the year ended 31 March, 2020, as considered in the consolidated financial statements, in respect a associate, whose financial statements have not been audited by us. This financial statementis unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

The statement includes comparative figures for the corresponding year ended March 31, 2019, audited by the joint auditors of the parent company who were the predecessor audit firms, who had expressed qualified opinion vide their report dated September 30, 2019 on such standalone financial statements.

The disclosures in note no 44, 45, 46 and 50.1 relating to quantitative details of generation, purchase and sale of power and generating stations are as disclosed by management and we do not express an audit opinion on this matters.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on other legal and regulatory requirements

As required by section 143(3) of the Act, we 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 purpose of our audit except for matters described in Basis for Qualified Opinion above;

(b) Except for the matter described in the basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated balance sheet, consolidated statement of profit and loss, including other comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement dealt with by this report are in agreement with the books of account.

(d) Except for the effects of the matter described in the basis for qualified opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the

Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019;

(e) The matters described in the basis for qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the group.

(f) Being a Government Company and pursuant to Notification No. GSR 463 (E) dtd. 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of sub-section (2) of Section 164 of the Act, are not applicable to the parent company;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the parent company with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(h) Being a government company the provisions of section 197 of the Act, with respect to the matters to be included in the auditors report is not applicable.

(i) With respect to other matters to be included in the Auditors Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(1) As the parent company has not furnished the details of pending litigations, we are not in a position to confirm whether there are any litigations pending which would impact its financial position;

(2) Since the parent company has not furnished the details of long term contracts, we are not in a position to confirm whether it has any long term contracts including derivative contracts for which there were any material foreseeable losses;

(3) The parent company has not transferred debentures and interest on debentures amounting to ₹ 7.43 crores remained unclaimed for a period of more than seven years from the date it became due for payment to the Investor Education and Protection Fund.

For Krishnamoorthy & Krishnamoorthy	For Mohan & Mohan Associates	For JRS & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN:001488S	FRN:002092S	FRN:008085S
Sd/-	Sd/-	Sd/-
R Venugopal	R Suresh Mohan	A Jayakumar
Partner	Partner	Partner
M.No.202632	M.No.013398	M.No.025035
UDIN:21202632AAAABQ1201	UDIN:21013398AAAAAM3505	UDIN:21025035AAAABJ6969

Thiruvananthapuram
16/02/2021

KRISHNAMOORTHY & KRISHNAMOORTHY
CHARTERED ACCOUNTANTS

MOHAN & MOHAN ASSOCIATES
CHARTERED ACCOUNTANTS

JRS & Co.
Chartered Accountants

ANNEXURE 1

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting ofKerala State Electricity Board Limited (the parent company), its associates and jointly controlled entities (together referred to as "theGroup")as of 31 March 2020 in conjunction with our audit of the consolidated financial statements of the parent company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The respective board of directors of the company, its associates and jointly controlled entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company's considering the essential components of internal control stated in the guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's Internal Financial Controls over financial reporting of the parent, its associates and jointly controlled entities based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial controls over financial reporting (the Guidance Note) and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain Audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error, We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of its associates and jointly controlled entities, which are companies incorporated in india in terms of their reports referred to in other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting with reference to these consolidated financial statements of the parent company's, its associates and jointly controlled entities.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairy reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding the prevention or timely deduction of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements .

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion of improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over the financial reporting to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March, 2020.

The parent company did not have an appropriate internal control over financial reporting for:

a. ensuring compliance with the applicable accounting standards, with regard to validating the completeness and accuracy of cost (including the direct costs eligible for capitalisation) for recording Property, Plant and Equipment; establishing a process of periodic verification of property plant and equipment and reconciling the same with the fixed asset register and books of account; validating the correctness of classification of the Property, Plant and Equipment

b) The parent company's system for identifying, determining and accounting the qualified assets and the related borrowing cost resulting in incorrect recognition of property, plant and equipment and related expenditure.

c) The parent company's process of evaluating completeness and accuracy of transactions relating to impairment and derecognition of Property, Plant and Equipment based on the periodic verification and technical evaluations.

d) ensuring compliance with the applicable accounting standards, with regard to validating the completeness and accuracy of cost (including the direct costs eligible for capitalisation) for recording intangible assets;

e) in respect of certain units of the parent company designated as Account Rendering Units (ARUs), the internal financial controls prescribed over the accounting and reconciling bank transactions are not operating effectively, which could potentially result in incorrect accounting and reporting of bank transactions and balances;

f) The parent company 's' system for identifying, recognizing, accounting, physical verification and determining the obsolescence / impairment of inventory and related expenses for the year;

g) The parent company's system for accounting of inter-unit transactions and reconciliation of inter-unit balances are not operating effectively resulting in huge unreconciled balances in inter-unit accounts and resultant misstatement of account balances;

h) The parent company's system for identifying, measuring and reporting of provisions and contingent liabilities, which could potentially result in misstatement of balances in the financial statements;

i) The parent company's information system's inadequacy to ensure transaction-level and account balance level assertions of accuracy, classification, cut-off, completeness, existence, and valuation of the financial transactions recorded in revenue, employee cost, inventory managementand financial accounting system.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting with reference to these consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the parent company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, because of the effect of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the parent company has not maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of 31 March, 2020, based on the internal control over financial reporting criteria established by the parent company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the parent company for the year ended 31 March, 2020, and the material weakness has affected our opinion on the said consolidated financial statements of the parent company and we have issued a qualified opinion on the consolidated financial statements of the parent company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one jointly controlledcompany, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For Krishnamoorthy & Krishnamoorthy	For Mohan & Mohan Associates	For JRS & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN:001488S	FRN:002092S	FRN:008085S
Sd/- R Venugopal Partner M.No.202632 UDIN:21202632AAAABQ1201	Sd/- R Suresh Mohan Partner M.No.013398 UDIN:21013398AAAAAM3505	Sd/- A Jayakumar Partner M.No.025035 UDIN:21025035AAAABJ6969

Thiruvananthapuram
16/02/2021

सत्यमेव जयते

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II), KERALA, THIRUVANANTHAPURAM

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT,2013 ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF KERALA STATE ELECTRICITY BOARD LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2020

The preparation of Standalone Ind AS financial statements of **Kerala State Electricity Board Limited, Thiruvananthapuram(Company)** for the year ended **31 March 2020** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company.The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **16 February 2021.**

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6)(a) of the Act of the Standalone Ind AS financial statements of **Kerala State Electricity Board Limited,** Thiruvananthapuram for the year ended **31 March 2020**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. Comments on Profitability

Standalone Statement of Profit and Loss for 2019-20

I. Income
Other Income – (Note 28) - ₹210.16 crore

1. Loss has been overstated by ₹54.91 crore due to non-accounting of interest income earned through settlement of arrears of M/s. Travancore Cochin Chemicals Limited. This has further resulted in overstatement of Trade receivables by ₹119.70crore and consequent understatement of Property, Plant and Equipment by ₹174.61 crore.

II. Expenses –

Other Expenses –Others – (Note-36) - ₹21.97 crore

2. Loss is understated by ₹ 64.24 crore due to non-creation of provision for writing off the amount receivable from M/s. Energy Management Centre. This has resulted in consequent overstatement in Other Non-current assets.

3. Loss has been understated by ₹16.79 crore due to non-provision for contribution towards three Ultra Mega Power Projects in Andhra Pradesh, Tamilnadu and Odisha including interest recognised. This has resulted in consequent overstatement in Non-current assets.

B. Comments on Financial Position

Standalone Balance Sheet as at 31 March 2020
Assets –
Noncurrent Assets – Property, Plant and Equipment - (Note 2) - ₹22,491.82 crore

4. Property, Plant and Equipment is understated by ₹5.55 crore being value of security deposit included in arrear settlement of M/s.Travancore Cochin Chemicals Limited. This has resulted in corresponding understatement of Non-current liabilities.

Current Assets – Financial Assets –
Bank balances other than cash and cash Equivalents – (Note -13) – ₹109.30 crore

5. Bank balances other than Cash and Cash Equivalents is understated by ₹ 34.36 crore due to wrong classification of bank deposits with consequent overstatement of Cash and Cash equivalents by the same amount.

C. Comments on Cash flow statement

6. Cash flow from financing activities included the following items where no outflow of cash was involved:

   i) Interest on security deposit of ₹196.29 crore payable to customers adjusted against the energy charges receivable from the customers.

   ii) Interest payable to employees' General Provident Fund deposits amounting to ₹171.26 crore.

7. Interest paid during the year amounting to ₹1882.88 crore was wrongly shown as ₹1592.03 Crore under financing activities resulting in understatement of cash outflow from financing activities by ₹ 290.85 crore.

8. Bank Overdrafts worth ₹623.73 crore was not included in cash and cash equivalents in violation of Ind AS-7resulting in overstatement of Cash and Cash equivalents by corresponding amount.

9. Cash and Cash equivalent is overstated by ₹ 34.36 crore due to inclusion of deposits with original maturity more than three months in violation of Ind AS -7resulting in overstatement of Cash and Cash equivalents by corresponding amount.

10. Cash flow from investing activities is understated by ₹ 65.63 crore due to non-inclusion of Interest received on account of belated payment of electricity charges with consequent overstatement of cash flow from operating activities.

D. Comments on Independent Auditors' Report

Emphasis of matter

11. The Emphasis of Matter paragraph – item no. (2) is factually incorrect due to

    i) The land has already been transferred by M/s TCCL to KSEBL during 2019-20.

    ii) The fair value of the land has been wrongly stated as ₹ 160 crore instead of ₹180.16 crore.

The non-accounting of the transaction in 2019-20 has resulted in overstatement of Loss for the year, understatement of Property Plant and Equipment, and understatement of noncurrent liabilities. Hence, instead of Emphasis of Matter, the Statutory Auditors should have included as a qualification under basis of qualified opinion.

12. The default in repayment of bonds has not been reported under clause (viii) of Annexure 1 to the Independent Auditors' Report in violation of CARO, 2016.

E. Comments on disclosure

Notes forming part of Financial Statements

13. Interest received on account of belated payment of electricity charges was wrongly classified as revenue from operations, instead of other income, in deviation from the Schedule III of the Companies Act 2013.
14. The change in accounting policy regarding unbilled revenue calculation for HT and EHT consumers from half month's average revenue to One month's average revenue and its effect has not been disclosed.
15. The decision to opt out of the M/s Baitarani West Coal Company Ltd. (BWCCL), Bhubaneswar, a Joint Venture (JV) company formed by KSEBL, Odisha Hydro Power Corporation Ltd.(OHPCL) and Gujarat Power Corporation Ltd. (GPCL) and Government approval for withdrawal (April 2019) have not been disclosed.
16. Abandoned projects valuing ₹25.59 crore included in the capital work in progress was not disclosed.

For and on behalf of

The Comptroller and Auditor General of India

Sd/-

Dated: 28.05.2021 **K.P. ANAND**

Thiruvananthapuram **Principal Accountant General (Audit-II), Kerala**

सत्यमेव जयते

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II), KERALA, THIRUVANANTHAPURAM

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b)READ WITH SECTION 129(4) OF THE COMPANIES ACT,2013 ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF KERALA STATE ELECTRICITY BOARD LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2020

The preparation of Consolidated Ind AS financial statements of **Kerala State Electricity Board Limited, Thiruvananthapuram** (Company) for the year ended **31 March 2020** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company.The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4)of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 February 2021.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the Consolidated Ind AS financial statements of **Kerala State Electricity Board Limited,** Thiruvananthapuram for the year ended **31 March 2020** under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **Baitarni West Coal Company Limited** but did not conduct supplementary audit of the financial statements of **Renewable Power Corporation of Kerala Limited** and **Kerala State Power and Infrastructure Finance Corporation Limited** and issued non review certificate for the year ended on that date. We did not conduct the supplementary audit of Kerala **Fibre Optic Network Limited** for the year ended as on that date, as accounts for the year were yet to be finalised. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) read with section 129(4)of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. Comments on Profitability

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I. Income
Other Income – (Note 28) - ₹210.16 crore

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9. Cash and Cash equivalent is overstated by ₹ 34.36 crore due to inclusion of deposits with original maturity more than three months in violation of Ind AS -7 resulting in overstatement of Cash and Cash equivalents by corresponding amount.
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D. Comments on Independent Auditors' Report

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    ii) The fair value of the land has been wrongly stated as ₹ 160 crore instead of ₹180.16 crore.

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E. Commentson disclosure

Notes forming part of Financial Statements

12. Interest received on account of belated payment of electricity charges was wrongly classified as revenue from operations, instead of other income, in deviation from the Schedule III of the Companies Act 2013.
13. The change in accounting policy regarding unbilled revenue calculation for HT and EHT consumers from half month's average revenue to One month's average revenue and its effect has not been disclosed.
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15. Abandoned projects valuing ₹25.59 crore included in the capital work in progress was not disclosed.

For and on behalf of

The Comptroller and Auditor General of India

Sd/-

Dated: 19.06.2021 **K.P. ANAND**

Thiruvananthapuram **Principal Accountant General (Audit-II), Kerala**

PI & Associates

Form No MR-3
SECRETARIAL AUDIT REPORT
for the financial year ended on 31st March, 2020
[Pursuant to Section 204 (1) of the Companies Act 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Kerala State Electricity Board Limited
VydyuthiBhavanam,
Pattom. Thiruvananthapuram.
Kerala-695 004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kerala State Electricity Board Limited** (herein after called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

A) We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

   (1) The Companies Act 2013 (the Act) and the rules made there under;

   (2) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made there under; (Not applicable to the Company during the audit period.)

   (3) The Depositories Act, 1996 and the Regulations and Bye - laws framed there under; (Not applicable to the Company during the audit period.)

   (4) Foreign Exchange Management Act, 1999 and the rules and regulations made to here under to the extent of Foreign Direct Overseas Direct Investment, Commercial Borrowings. (Not applicable to the Company during the audit period.)

   (5) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India. Act, 1992 ('SEBI Act') viz :-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period.)

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992; (Not applicable to the Company during the audit period)

c. The Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations 2009; (Not applicable to the Company during the audit period).

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999; (Not applicable to the Company during the audit period.

e. The Securities and Exchange Board of India (issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period.)

f. The Securities and Exchange Board of india (Registrars to an issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client (Not applicable for the Company during the during the audit period.)

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; (Not applicable to the company during the audit period).

h. The Securities and Exchange Board of India (Buyback of Securites) Regulations. 1998; (Not applicable to the Company during the audit period.) and.

(6) Any law applicable to electricity companies during the period of audit.

B) We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued and notified by the Institute of Company Secretaries of India

ii. The listing Agreements entered into by the company with stock exchange(s) [Not applicable to the Company]

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except the following.

i. The Company has appointed only one Independent Director.

ii. The composition of Audit Committee is not in conformity with Section 177(2) of the Companies Act.

iii. The Company has not constituted Nomination and Remuneration Committee as per Section 178 (1) of the Companies Act 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

We further report that, the Board of Directors of the Company was duly constituted along with Audit Committee in compliance to the provisions of Section 177(1) read along with the Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes were sent at least 7 days in advance and a proper system is in existence for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Trivandrum

28.05.2021

For PI & Associates

Sd/-
CS Dr. Baiju Ramachandran
Partner
FRN: P2014UP035400
UDIN: F007571C000384189

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To

Kerala State Electricity Board Limited
VydyuthiBhavanam.
Pattom,Thiruvananthapuram,
Kerala 695004

Our report of even date is to be read along with this letter

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4) Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5) The compliance of the provisions of corporate and other applicable laws. rules regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Trivandrum
28.05.2021

For PI & Associates
Sd/-
CS Dr.Baiju Ramachandran
Partner
FRN: P2014UP035400

REPLIES TO THE INDEPENDENT AUDIT REPORT OF THE STATUTORY AUDITORS ON THE STANDALONE FINANCIAL STATEMENT OF THE KERALA STATE ELECTRICITY BOARD LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31ST MARCH 2020

1.Regarding property plant and equipment – a. The company is not providing depreciation on property, plant, and equipment of value ₹10,712 crores since 2013-14 resulting in understatement of depreciation of ₹565.59 crores for the year and over-statement of carrying value of property, plant, and equipment by ₹ 3,627.54 crores.	Vide G.O(P) No.46/2013/PD dated 31 October 2013 published in Kerala Gazette dated 31st October 2013, the Government of Kerala revested all the Assets and liabilities of the erstwhile KSE Board in the new company Kerala State Electricity Board limited. The Government of Kerala notified the final transfer scheme vide G.O.(P) No.3/2015/PD dated 28.01.2015 by issuing the opening Balance Sheet for the company as on 01.11.2013.In the Balance sheet, the value of Plant and Machinery was notified as ₹ 15264 Cr against the closing balance as on 31.10.2013 amounting to ₹4552 Cr. Hence the value Plant and Machinery was increased by ₹10712 Cr as part of the creation of pension fund. KSEB Ltd. is working under Electricity Act 2003, which is having overriding effect over most of the Acts. As per the Electricity Act, tariff of the electricity is determined by the respective state Electricity Regulatory Commission. As per the regulation of KSERC (Terms and Determination of Tariff) regulation 2018 para 27, no depreciation shall be allowed on increase in the value of assets on account of revaluation of assets. Hence the depreciation on the enhanced value of fixed assets notified by the Government in connection with the re-vesting of KSEB Ltd is not being provided by KSEB Ltd. It is properly disclosed in the notes to accounts as such and the above policy is being followed consistently by KSEB Ltd

b. The company has not made available, the records relating to the landed properties held by it including the title deeds, present ownership details etc. for audit. Therefore, we are unable to comment on the existence, ownership and possession of such landed properties held by it.	KSEB Ltd. is having land and land rights with book value of ₹1805.15crores as on 31.03.2020 which spread across Kerala. The land is accounted in various ARUs and is under the control of various ARU Officers. As KSEB Ltd possess various types of lands such as patta land, non patta land, forest land etc. it may not be possible to have full title deeds of such lands in full shape at head office of the company. However the company is in the process of updating the records centrally by constituting a dedicated Land Management Unit under a retired officer from Revenue Department. Reasonable internal control is being exercised over the landed property held by the company.
c. In the absence of the details of immovable properties held by the company, we are unable to comment on the compliance of Ind AS 40 “Investment Property”.	Though the immovable properties are accounted at cost at the ARUs across Kerala where it is constructed, the centralised item wise details are not available in the Head Office due to lack of Centralised Fixed Asset register. The company is in the stage of roll out of the centralised software to capture details and update the Fixed Asset register.
d. The company is not following the ‘componentisation approach’ for accounting as mentioned in Ind AS 16 Property, Plant and Equipment. The consequent impact, on such non-compliance on carrying amount of individual assets and the corresponding depreciation / amortisation could not be ascertained.	The company is in the final stage of roll out of the centralised software to capture details and update the Fixed Asset register. It is being verified whether “Componentisation approach” can be followed for accounting of depreciation / amortisation under Property, Plant and Equipment due to the complex nature of assets in the power generation, transmission and distribution industry.

e. In many cases, the assets of the company are capitalised on approval of corresponding work bills for payment which is after the date on which the assets are ready for use as against criteria for capitalisation of assets in Ind AS 16 Property, Plant and Equipment, leading to delay in the recognition of assets and liabilities. The consequent understatement on the carrying amount of property, plant and equipment and depreciation' expenses could not be ascertained.	The company is having a detailed manual on Commercial Accounting System VOLUME III – 'Capital Expenditure and Fixed Asset' to establish consistent and effective policies and procedures in the area of capital expenditure and fixed assets accounting at all levels in the Company. In addition, the company vide Letter No.609/Annual Accounts/2017-18 had directed all Account Rendering Units to follow the ready to use concept in line with the Ind As -16 without considering the commissioning of the project. It may be noted that generally the commissioning date and ready to use date will be one and the same.
f. The company is not following the practice of derecognizing the property, plant and equipment sold, exchanged, damaged, discarded or abandoned. The realised value on sale of such assets are credited to the statement of profit and loss as other income and in the case of replacement of assets the cost incurred is charged to the statement of profit and loss as repairs and maintenance. The impact due to non-derecognition of the property, plant and equipment on the depreciation expenses, repairs and maintenance, other operating income and carrying value of property, plant and equipment could not be ascertained which is not in accordance of the requirements of Ind AS 16 "Property, Plant & Equipment".	As per the accounting procedure followed by the company, whenever the assets are decommissioned, the fixed assets are to be withdrawn. The issue will be addressed once the digitalisation of Fixed Assets Register will be completed.
g. The company has capitalised the borrowing cost on non-qualifying assets in violation of Ind AS 23 "Borrowing Costs" resulting in over-statement of the carrying value of the Property, plant and equipment and the consequential effect on depreciation expenses and finance costs which could not be ascertained.	As per the accounting procedure regularly followed by the company, the borrowing cost is being booked in the capital work in progress on the basis of expenditure incurred during the year. The interest and borrowing cost booked in the Capital work in progress is being capitalised on the basis of completion of the work or shall be capitalised in the year in which the project is completed and capitalised. However this will be verified in detail for corrective action in future.

h. As per the accounting policy adopted by the company, decommissioning liability is recognized at the rate of 0.1% on the cost of additions of specified assets without considering present value of the future liability for decommissioning resulting in overstatement of decommissioning liability and the carrying amounts of property, plant & equipment which is not in accordance of the requirements of Ind AS 16 "Property, Plant & Equipment".	The decommissioning liability is recognised by the company@ 0.1% as per the B.O.D (F) No.34/2018(Annual Accounts/ IndAs 2016-17/2017-18)dated 04.01.2018. The rate was fixed after a detailed internal discussion with the technical experts and considering the complexities in the nature as well as life of assets and the complexities in the electricity sector. An estimated decommissioning liability was fixed and the same has been provided as decommissioning liability on adoption of Ind AS in the company and to comply with the Ind AS 16.
i. The company has not recognised any provision for impairments of assets. As the basis for such conclusion has not been made available to us, we are unable to comment on the compliance with Ind AS 36 "Impairment of Assets" and its possible effect on the assets / liabilities, if any.	The impairment of assets has not been done and hence no provision was made.
j. The accounting principles and policies formulated by the company for classifying the costs incurred for various works into capital and revenue expenditures were not applied consistently resulting in under / over statement of assets and expenditure of the company.	The company is having detailed manuals on Commercial Accounting Systems where the accounting policies and procedure to be followed are detailed. In the Manuals the criteria followed for the classification of the capital and revenue expenditure has been detailed. Moreover direction has been given to the field units in various regional meetings and training programmes for proper classification of capital and revenue expenditure. However this will be verified.
K. We refer to note no. 2.4 to the standalone financial statement regarding severe damages caused to the assets of the company in the flood affected areas, resulting in total or partial loss to property plant and equipment. The company has not assessed and provided for the actual loss on account of the above.	This has been suitably disclosed in the notes 2.4

2.Regarding Capital work in Progress – a.Delay in accounting of labour bills and / or material costs relating to various works were observed resulting in non-recording of capital work in progress at the close of the year resulting in understatement of capital work in progress and corresponding liability.	The audit observation is noted. However KSEB Ltd. is one of the best prompt payers in the Power sector, where the bills are being settled in time. No major cases of delay in payments is reported, which itself shows that the bill passing and accounting is being made in time. Stray cases if any cannot be generalised. However instructions are being issued to the field units to avoid any delay in accounting pointed out by the audit.
b. The company is in the practice of capitalising the borrowing costs and employee costs directly attributable to the assets booked under capital work in progress without considering the date of completion / readiness for use of the asset resulting in understatement / overstatement of the carrying value of the Property, plant and equipment and the consequential effect on depreciation expenses which could not be ascertained.	KSEB Ltd is following the rules, policies and standards prescribed in Electricity Supply Annual Accounts rules [ESAAR] 1985, saved as per Section 185(2) (d) of Electricity Act 2003 for capitalisation of expenditure. The capitalisation of expenditure is specified in following paras of Annexure III- Basic Accounting Policies and Principles in the ESAAR 1985, relevant part are reproduced for easy reference. “2.9 All employee costs in respect of the construction units shall be fully charged as cost of capital assets. 2.11 All expenses in respect of construction units shall be fully charged as cost of Capital assets. 2.94 Every year, a portion of the interest payable on the interest bearing borrowings which relate to financing of capital assets at construction stage i.e. till the point of commissioning of assets shall be computed in the manner prescribed in paragraph 1.42 Annexure V, if so directed by Central Government, be capitalized. 2.95 The amount of interest so computed and capitalized shall be reduced from the amount of interest for the year and only the balance amount shall be chargeable to the Revenue Account for the year.

	Para 1.42 of Annexure V is as follows "1.42 In computing the interest on funds utilised during construction stage of capital assets, the following factors shall be taken into consideration: (1)The full amount of interest payable for the year would be considered for the purpose. (2) Arrears of interest shall not distort the computation of interest on funds utilized in construction as these arrears are required to be debited to a Restructuring Account and then adjusted to surplus/ losses. (3) In view of the difficulties in identifying a source to its use, no attempt shall be made for source-use identification. (4). The exercise of computation of capitalisable interest shall be carried out at the head office of the Board. (5)This exercise shall be carried out considering rupees in thousands only". Similarly, Para 1.4 & 1.5 of annexure V is as follows. 1.4 Staff costs, material related expenses and other expenses which are chargeable to capital works shall be: (1)Identified to specific capital job wherever possible. (2) Failing which, identified to a specific group of capital jobs wherever possible (and within the group allocated on an ad-valorem basis). (3)Failing which, identified to a project wherever possible (and allocated on an ad-valorem basis over various jobs within the project). (4)Failing which, allocated on an ad-valorem basis over various projects and various jobs within each project. Identification to one or more jobs should be done only if possible to identify without

	any allocation. In all other cases, ad-valorem allocation shall be adopted. 1.5 By ad- valorem basis is meant allocation of capitalisable expenses as a per cent of the capital expenditure incurred during the period on that job/ project (and not as a per cent of total capital expenditure on that job/ project including the expenditure incurred in the previous periods of allocation. KSEB Ltd is consistently following the above accounting policies prescribed. Accordingly, the expenditure incurred in construction ARUs are being fully capitalised by the ARU itself. In the case of other ARUs, where both capital and O&M works are being undertaken, the employee cost & expenditure is being capitalised at a pre-set percentage as below. Transmission 25% Distribution 14% Head Office Units 5% Similarly interest and finance charges is being capitalised at the head office as prescribed in the above accounting policies. These amounts are later allocated to the ARUs on the basis of actual capital expenditure incurred during the period for capitalisation in the concerned project/ assets.
c. The company has incurred ₹116.99 crores towards feasibility study and surveys of projects. Due to the non-availability of a detailed project wise breakup of the amount, allocation of expenses in the nature of additions to property, plant and equipment and cost of study on futile projects could not be ascertained.	The deferred cost is the expenditure related to the feasibility study of the projects and the expenditure incurred before the commencement of a project. As per the policy regularly being followed by KSEB Ltd., the survey and investigation expenditure pertaining to project not yet sanctioned is being booked under the Account Head 17.3. Once the projects are sanctioned this expenditure will be transferred to work in progress (Capital) and if the project is not sanctioned, the expenditure will be written off as in fructuous Capital Expenditure.

	The amounts were verified and the expenditure incurred for the projects to which the investigation/ survey is being carried out as reported by the ARUs only is retained in this account. The balance in the books of accounts will be transferred to the CWIP on sanctioning the project.
3.The company is an implementing agency for the TransGrid 2.0 Project floated by the Government of Kerala and financed by Kerala Infrastructural Investment Fund Board (KIIFB). The tripartite agreement between company, power department and KIIFB is silent regarding the rights/liabilities with respect to the assets constructed under the project. The company has shown the asset acquired or constructed under the project as part of its Capital Work in Progress, amount funded by KIIFB as its liability and advance paid to contractors as its assets. In the absence of clarity as to the ownership of assets constructed or acquired for the project out of funds provided by KIIFB and the nature of amount received from KIIFB, we are not in a position to comment on the disclosure of assets and liabilities relating to TransGrid 2.0 Project in the balance sheet of the Company as on 31 March, 2020.	Steps have already been taken by Director (Transmission and System Operation) to get the Tripartite Agreement amended for proper accounting of assets created under Transgrid 2.0 project. In the meeting held on 17.11.2020 between Chairman & Managing Director, KSEB Ltd. and Chief Executive officer, KIIFB, it was agreed to make necessary amendments in the TPA in order to bring clarity on ownership of the asset.
4.The company is developing ERP software for integrating all the operations and has incurred an amount of ₹ 13.44 crores during the current year. The system development is still in process and is not ready for use as the close of the year. However, the company has capitalised the entire cost incurred in the year under intangible assets and charged amortisation on the cost in violation to the provisions of Ind AS 38 Intangible Assets. This has resulted in overstatement of amortisation expense by ₹ 2.02 Crores.	The practice is being followed in the case of capitalisation of Salary of employees deployed for the software development (ERP) is that the expenses incurred in this regard is treated as Intangible Asset. This will be dispensed from the year 2020-21 and the salary of employees engaged for the development of ERP shall be kept in the Capital Work in Progress till the roll out of ERP.

5.The company has neither framed any policy nor estimated any impairment loss due to Expected Credit Loss in accordance with the provisions of Ind AS 109 "Financial Instruments" in respect of the- i.long outstanding security deposits ₹ 21.78 crores classified under loans (Non-current) ii.long outstanding advances given by the company amounting to ₹ 83.54 crores classified under Other financial assets - Non current In the absence of policy for determination of 'expected credit loss' on the financial assets, the impact on the value of a forementioned assets and its corresponding impairment loss could not be quantified.	It is true that the company has not formulated any policy for the impairment loss and hence Expected Credit Loss not done for any outstanding advances. i). The amount reported under the security deposits with authorities such as excise, telephone department, forest department, customs authorities, deposits with IEX and PXI etc. for projects, purchase of power etc. This will be verified in detail by the ARUs concerned and necessary adjustment entries if any required will be provided. ii), The major amount reported under the outstanding loan include the loan given to the Energy Management Centre(EMC) and commitment advance given to the Ultra Mega Power Projects and Innovations. In the case of EMC, as per the terms and condition, the loan is repayable only if the Certified Emission Reduction (CER) is available from UNFCC (to obtain Carbon Credit).The Director Board in its meeting dated 25.05.2020 (vide agenda 10-05/2020) has resolved to write off the amount of ₹ 64.24 crores receivable from EMC as per the accounts. The accounting entries in this regard will be incorporated in the financial year 2020-21
6.The classification of trade receivables as unsecured, without considering the security deposit collected is not in accordance with the requirement of schedule III and in the absence of relevant information, the secured portion of trade receivables are unascertainable. Further, due to lack of detailed assessment of expected credit loss (ECL) of trade receivables we are unable to ascertain whether the allowance for bad and doubtful debts of ₹ 789.31 crores provided in the accounts is adequate or excess. Consequently, we are unable to comment on the value of trade receivables disclosed in the financial statements and its consequential impact in statement of Profit and Loss.	The company is collecting the security deposits from the consumers as prescribed in the Electricity Supply Code. Hence the trade receivables are secured. The company has not created any provision for bad and doubtful debts during the year as adequate provision is there. However the matter is being verified in detail.

7.The company has recognised and disclosed the amount paid to the Forest Department towards the seigneorage value of trees amounting to ₹ 9.57 crores as "Security Deposits", which in our opinion, ought to have expensed out or capitalised based on the nature of the projects / works for which such expenditure was incurred. This has resulted in overstatement of Loans and the understatement of carrying amount of assets under "Property, Plant & Equipment", "Depreciation / amortisation expenses", or the related expenses.	The seigneorage value is the compensation value given to the forest department for deforestation on account of the Hydro Electric Projects. At the time of payment to the forest department this amount has been booked by the ARU in the Deposit head under 28.9 and later transferred to the Capital Work in progress of the concerned projects. The non-transfer will be verified and direction will be issued to the field units to transfer the amount to the in which the deposit has been made.
8.The company is not disclosing the amount receivable from Kerala Water Authority in two annual instalments from 2021-2023 amounting to ₹ 745.44 crores on account of sale of power at fair value in accordance with Ind AS 109 "Financial Instruments".	Government has agreed to take over the liability of Kerala Water Authority towards current charges up to the financial year 2018 and to release the same in four equal yearly instalments. The first two instalments due is already released in the financial year 2020-21. Government orders in this regard is already issued. The unpaid amount is shown as receivable in the books of KSEB ltd.
9.The company is classifying all materials in stores as inventory without bifurcating the materials / stores meant for capital / revenue purposes. The materials meant for construction of fixed assets are to be grouped under capital work in progress / noncurrent assets and the materials to be consumed in the rendering of services are to be classified as inventories. Due to the lack of information on the value of materials meant for capital purposes the understatement on the capital work in progress and corresponding impact on inventories could not be ascertained.	Noted. However due to the complex nature of materials and same item of materials are required for capital as well as repairs and maintenance, such segregation is possible only at the stage of usage of materials. Steps to sort out such inherent limitation in the power sector will be analysed.

10.In respect of cash & cash equivalents of various Account Rendering Units (ARUs), the company has not provided proper reconciliations for the differences between the bank balances reported in the accounts and the balances as seen in the statement received from respective banks. Such un-reconciled balances outstanding could result in overstatement or understatement of balances under “Cash and Cash Equivalents” and the balances under respective corresponding accounts. The balances reported under “Disbursement Bank Accounts” under “Cash and Cash Equivalents” include a sum of ₹ 3.55 Crores being non-existent bank balances, thereby resulting in overstatement of “Cash and Cash Equivalents” to such extent.	In ARUs, two types of bank accounts are being maintained viz Collection accounts and disbursement accounts. The disbursements of the funds are being made through the operative accounts maintained at the head office as well as ARUs. All the disbursement accounts are properly reconciled. The collection accounts are in the nature of non-operative collection accounts, where only remittances are permitted. As per the agreement executed with banks, the entire amounts remitted into the collection accounts on a particular day have to be sweep transferred to the central collection account and then to the operative account maintained at head office on the same day itself. As per the agreement condition, the balance in collection account at the end of a particular day should be zero. All the central collection accounts are properly reconciled. As per the procedure in vogue, the reconciliation of collection accounts maintained at the ARUs are being made at the ARUs itself. Detailed circulars and directions has been given to the field units to prepare the proper reconciliation of bank balances. However it was noticed that a few Account Rendering Units were not submitted the bank reconciliation properly. This will be verified in detail by the internal audit wing. ii. The matter is being verified.

11. The unreconciled balances in the transactions between the ARUs amounting to ₹ 50.98 crores have been reported and recognised as "Inter Unit Balance" under "Other Current Assets", the details of which have not been provided to us. In the absence of adequate information, the impact of the above irregularity could not be quantified.	Inter Unit balance in the accounts consists of balance in the Account group 31 to 39 in the 139 ARUs of KSE Board. These Account group are being used for booking transaction between different Account Rendering Units (ARUs) as well as between ARUs and Head office. The balance of Inter unit transaction is amount booked in the 139 ARUs and it is available in the Trial balance of ARUs. The reconciliation of inter unit balance is a continuous process and the company is in the process of identifying and clearing the inter unit balances. It is true that there is lot of items to be identified and cleared in the inter unit balances. However due to the large number of transactions between the ARUs, the company was not able to clear the balances in full. The company is in the process of identifying and clearing inter unit balances by introducing online accounting system for the inter unit transactions and once the same in fully functional automatic inter unit reconciliation will occur.
12.The company has not provided a reconciliation of the amount classified under "Deposits for Electrification, Service Connection etc" amounting to ₹ 758.79 crores with the corresponding works pending for completion, for which such deposits have been collected from the consumers. In the absence of adequate information, its impact could not be quantified. Also, the company has classified the same under Other financial liabilities - Current instead of Other current liability.	The amount of work deposit under various schemes are collected and accounted in the field units. Though centralised details of each transaction is not being maintained, the details of each transaction is available at the ARU in which the deposit is received and accounted. As per the procedure in vogue, the deposit amount collected and accounted under account group 47 is to be transferred to account group 55 on completion of the work and its capitalisation. The non-transfer of the amount if any in the ARUs are being verified in detail.

13.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 has 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. Though the payment made to the trust are not as per the repayment schedule and the amount paid is lesser than the actual liability payable, no provision had been made for the additional interest payable of ₹ 72.43 crores for the period 1 April 2018 to 31 March 2020. Consequent to this, the loss for the year is understated to the extent of ₹ 55.44 crores and the consequent understatement of liability.	The bonds to the Master Trust was issued on 01.04.2017. Even though the Pension Master Trust was formed during 2015-16, KSEB Ltd has been paying the pension payment amount to the Trust as per the requirement since 2015-16. As the approved revenue gaps is not yet allowed to be passed on to the consumers, KSEB Ltd. is meeting its cash requirements by availing loans in the form of short term/ overdrafts. However, KSEB Ltd. is ensuring to transfer enough funds to the Master Trust to make Pension payments promptly. Once the approved revenue gaps are realised, KSEB will be making the required contributions to the Master Trust. KSEB Ltd. is in the process of issuing further Bonds to the Master Trust for the additional liabilities and the matter is under consideration of Government of Kerala.
14.The company has not 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 / incomes.	Noted.
15.The Company has not provided the reconciliation in respect of Goods and Services Tax (GST) as per the books of accounts and the periodical returns filed. Hence the effect of such non-reconciliation, if any,on the liabilities and expenses could not be quantified.	GST being the newly introduced tax and only one centralised registration is there for the company. The GST collection is being made at respective ARUs and consolidated remittance is made from the head office on the basis of details reported by the ARUs. Separate account heads are issued to account the collection and remittances. Periodic reconciliation of the collected amount and remitted amounts are being carried out and GST audit for the financial year 2018-19 is already completed.

16.The company has received a sum of ₹ 4.36 crores from M/s. Baitarani West Coal Block Ltd during 2019-20 being the share of cost of consent fees. In our opinion, the company ought to have accounted the above sum as other operating income and as financial assets in the year 2017-18 as the right to receive has been established in the same year. This has resulted in overstatement of other operating income for the year which is not in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".	Noted.
17.The Board of Directors, in their meeting held on 14 June 2019, has decided to increase the remuneration of daily wagers and contract employees with retrospective effect from 1 July 2018. The company has not provided for the additional expense and liability in the financial year 2018-19. This has resulted in overstatement of employee benefits for the year which is not in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".	Noted.
18.The company has classified the Bond principal & interest due amounting to ₹1,284.66 Crores under Other financial liabilities - Current instead of Borrowings - Current. The above deviation has resulted in the understatement of the balances under Borrowings - Current and overstatement of the balances under Other financial liabilities - Current to such extent	Noted.
19.The company has not complied with the disclosure requirements as required by the Ind AS 107 "Financial Instruments: Disclosures", thereby resulting in non-compliance of the disclosure requirements of the said accounting standard.	Noted.
20.The financial impact of the liabilities, contingent or otherwise, on account of various claims / cases pending against the company before various courts / legal forums, of which details not made available to us could not be ascertained.	The ARUs has been directed to report the contingent liability having the value of one crore above and none of the ARUs were reported the contingent liabilities. The contingent lability arise on dispute with Income Tax authorities and the power purchases are disclosed. The company is having a dedicated legal department headed by a District Judge to look after the legal matters.

21.The company has not complied with the provisions of Ind AS 116 with respect to accounting and disclosure of Leases. Due to the non-availability of information the impact could not be ascertained.	Noted.
22. The impact of the matters listed in Paras 1(a), 4, 13 and 16 above has resulted in the understatement of the Loss for the year of the company and overstatement of the "Retained Earnings" of the company by ₹ 623.37 crores. Accordingly, in the Statement of Profit and Loss, the Loss before tax", Loss for the period from continuing operations, Loss for the year ought to have been₹ 892.92 crores as against the currently reported loss of ₹ 269.55 crores, and the "Total Comprehensive expense for the period" ought to have been ₹ 1,489.27 crores as against the currently reported expense of ₹ 865.90 crores. The basic and diluted EPS for the year ought to have been ₹ (2.55). In the absence of adequate information, the impact of the matters listed in other Paras under Basis of qualified opinion on the Loss for the year of the company and on the items disclosed in the Balance Sheet of the Company could not be ascertained and hence not disclosed.	Please see the reply to audit para 1 a. The company has not provided the depreciation on the increased value of assets from the date of revesting (31.10.2013). Moreover electricity companies are working under Electricity Act 2003, which is having overriding effect over most of the Acts. As per the Electricity Act, tariff of the electricity determined by the respective state Electricity Regulatory Commission. As per the regulation of KSERC (Terms and Determination of Tariff) regulation 2018 para 27 no depreciation shall be allowed on increase in the value of assets on account of revaluation of assets. Hence the depreciation on the enhanced value of fixed assets notified by the Government in connection with the re-vesting of KSEB Ltd is not being provided by KSEB Ltd. It is properly disclosed in the notes to accounts as such and the above policy is being followed consistently by KSEB Ltd.

Sd/-
DIRECTOR(FINANCE)

REPLIES TO THE INDEPENDENT AUDIT REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENT OF THE KERALA STATE ELECTRICITY BOARD LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31ST MARCH 2020

1.Regarding property plant and equipment – a. The parent company is not providing depreciation on property, plant, and equipment of value ₹ 10,712 crores since 2013-14 resulting in understatement of depreciation of ₹ 565.59 crores for the year and overstatement of carrying value of property, plant, and equipment by ₹ 3,627.54 crores.	Vide G.O(P) No.46/2013/PD dated 31 October 2013 published in Kerala Gazette dated 31st October 2013, the Government of Kerala revested all the Assets and liabilities of the erstwhile KSE Board in the new company Kerala State Electricity Board limited. The Government of Kerala notified the final transfer scheme vide G.O.(P) No.3/2015/PD dated 28.01.2015 by issuing the opening Balance Sheet for the company as on 01.11.2013. In the Balance sheet, the value of Plant and Machinery notified as ₹15264 Cr against the closing balance as on 31.10.2013 amounting to ₹4552 Cr. Hence the value Plant and Machinery was increased by ₹10712 Cr as part of the creation of pension fund. KSEB Ltd. is working under Electricity Act 2003, which is having overriding effect over most of the Acts. As per the Electricity Act, tariff of the electricity determined by the respective state Electricity Regulatory Commission. As per the regulation of KSERC (Terms and Determination of Tariff) regulation 2018 para 27, no depreciation shall be allowed on increase in the value of assets on account of revaluation of assets. Hence the depreciation on the enhanced value of fixed assets notified by the Government in connection with the re-vesting of KSEB Ltd is not being provided by KSEB Ltd. It is properly disclosed in the notes to accounts as such and the above policy is being followed consistently by KSEB Ltd
b. The parent company has not made available, the records relating to the landed properties held by it including the title deeds, present ownership details etc. for audit. Therefore, we are unable to comment on the existence, ownership and possession of such landed properties held by it.	KSEB Ltd. is having land and land rights with book value of ₹1805.15crores as on 31.03.2020 which spread across Kerala. The land is accounted in various ARUs and is under the control of various ARU Officers. As KSEB Ltd possess various types of lands such as patta land, non patta land, forest land etc. it may not be possi ble to have full title deeds of such

	lands in full shape at head office of the company. However the company is in the process of updating the records centrally by constituting a dedicated Land Management Unit under a retired officer from Revenue Department. Reasonable internal control is being exercised over the landed property held by the company.
c. In the absence of the details of immovable properties held by the parent company, we are unable to comment on the compliance of Ind AS 40 "Investment Property".	Though the immovable properties are accounted at cost at the ARUs across Kerala where it is constructed, the centralised item wise details are not available in the Head Office due to lack of Centralised Fixed Asset register. The company is in the stage of roll out of the centralised software to capture details and update the Fixed Asset register.
d. The parent company is not following the 'componentisation approach' for accounting as mentioned in Ind AS 16 Property, Plant and Equipment. The consequent impact, on such non-compliance on carrying amount of individual assets and the corresponding depreciation / amortisation could not be ascertained.	The company is in the final stage of roll out of the centralised software to capture details and update the Fixed Asset register. It is being verified whether "Componentisation approach" can be followed for accounting of depreciation / amortisation under Property, Plant and Equipment due to the complex nature of assets in the power generation, transmission and distribution industry.
e. In many cases, the assets of the parent company are capitalised on approval of corresponding work bills for payment which is after the date on which the assets are ready for use as against criteria for capitalisation of assets in Ind AS 16 Property, Plant and Equipment, leading to delay in the recognition of assets and liabilities. The consequent understatement on the carrying amount of property, plant and equipment and depreciation' expenses could not be ascertained.	The company is having a detailed manual on Commercial Accounting System VOLUME III – 'Capital Expenditure and Fixed Asset' to establish consistent and effective policies and procedures in the area of capital expenditure and fixed assets accounting at all levels in the Company. In addition, the company vide Letter No.609/Annual Accounts/2017-18 had directed all Account Rendering Units to follow the ready to use concept in line with the Ind As -16 without considering the commissioning of the project. It may be noted that generally the commissioning date and ready to use date will be one and the same.

f. The parent company is not following the practice of derecognizing the property, plant and equipment sold, exchanged, damaged, discarded or abandoned. The realised value on sale of such assets are credited to theconsolidated statement of profit and loss as other income and in the case of replacement of assets the cost incurred is charged to the consolidated statement of profit and loss as repairs and maintenance. The impact due to non-derecognition of the property, plant and equipment on the depreciation expenses, repairs and maintenance, other operating income and carrying value of property, plant and equipment could not be ascertained which is not in accordance of the requirements of Ind AS 16 “Property, Plant & Equipment”.	As per the accounting procedure followed by the company, whenever the assets are decommissioned, the fixed assets are to be withdrawn. The issue will be addressed once the digitalisation of Fixed Assets Register will be completed.
g. The parent company has capitalised the borrowing cost on non-qualifying assets in violation of Ind AS 23 “Borrowing Costs” resulting in over-statement of the carrying value of the Property, plant and equipment and the consequential effect on depreciation expenses and finance costs which could not be ascertained.	As per the accounting procedure regularly followed by the company, the borrowing cost is being booked in the capital work in progress on the basis of expenditure incurred during the year. The interest and borrowing cost booked in the Capital work in progress is being capitalised on the basis of completion of the work or shall be capitalised in the year in which the project is completed and capitalised. However this will be verified in detail for corrective action in future.
h. As per the accounting policy adopted by the parent company, decommissioning liability is recognized at the rate of 0.1% on the cost of additions of specified assets without considering present value of the future liability for decommissioning resulting in overstatement of decommissioning liability and the carrying amounts of property, plant & equipment which is not in accordance of the requirements of Ind AS 16 “Property, Plant & Equipment”.	The decommissioning liability is recognised by the company@ 0.1% as per the B.O. D (F) No.34/2018(Annual Accounts/IndAs 2016-17/2017-18)dated 04.01.2018. The rate was fixed after a detailed internal discussion with the technical experts and considering the complexities in the nature as well as life of assets and the complexities in the electricity sector. An estimated decommissioning liability was fixed and the same has been provided as decommissioning liability on adoption of Ind AS in the company and to comply with the Ind AS 16.

i. The parent company has not recognised any provision for impairment of assets. As the basis for such conclusion has not been made available to us, we are unable to comment on the compliance with Ind AS 36 "Impairment of Assets" and its possible effect on the assets / liabilities, if any.	The impairment of assets has not been done and hence no provision was made.
j. The accounting principles and policies formulated by the parent company for classifying the costs incurred for various works into capital and revenue expenditures were not applied consistently resulting in under / over statement of assets and expenditure of the parent company.	The company is having detailed manuals on Commercial Accounting Systems where the accounting policies and procedure to be followed are detailed. In the Manuals the criteria followed for the classification of the capital and revenue expenditure has been detailed. Moreover direction has been given to the field units in various regional meetings and training programmes for proper classification of capital and revenue expenditure. However this will be verified.
K. We refer to note no. 2.4 to the consolidated financial statement regarding severe damages caused to the assets of the parent company in the flood affected areas, resulting in total or partial loss to property plant and equipment. The parent company has not assessed and provided for the actual loss on account of the above.	This has been suitably disclosed in the notes 2.4
2.Regarding Capital work in Progress – a. Delay in accounting of labour bills and / or material costs relating to various works were observed resulting in non-recording of capital work in progress at the close of the year resulting in understatement of capital work in progress and corresponding liability.	The audit observation is noted. However KSEB Ltd. is one of the best prompt payers in the Power sector, where the bills are being settled in time. No major cases of delay in payments is reported, which itself shows that the bill passing and accounting is being made in time. Stray cases if any cannot be generalised. However instructions are being issued to the field units to avoid any delay in accounting pointed out by the audit.
b. The parent company is in the practice of capitalising the borrowing costs and employee costs directly attributable to the assets booked under capital work in progress without considering the date of completion / readiness for use of the asset resulting in understatement	KSEB Ltd is following the rules, policies and standards prescribed in Electricity Supply Annual Accounts rules [ESAAR] 1985, saved as per Section 185(2) (d) of Electricity Act 2003 for capitalisation of expenditure.

/ overstatement of the carrying value of the Property, plant and equipment and the consequential effect on depreciation expenses which could not be ascertained.	The capitalisation of expenditure is specified in following paras of Annexure III- Basic Accounting Policies and Principles in the ESAAR 1985, the relevant part are reproduced for easy reference. “2.9 All employee costs in respect of the construction units shall be fully charged as cost of capital assets. 2.11 All expenses in respect of construction units shall be fully charged as cost of Capital assets. 2.94 Every year, a portion of the interest payable on the interest bearing borrowings which relate to financing of capital assets at construction stage i.e. till the point of commissioning of assets shall be computed in the manner prescribed in paragraph 1.42 Annexure V, if so directed by Central Government, be capitalized. 2.95 The amount of interest so computed and capitalized shall be reduced from the amount of interest for the year and only the balance amount shall be chargeable to the Revenue Account for the year. Para 1.42 of Annexure V is as follows “1.42 In computing the interest on funds utilised during construction stage of capital assets, the following factors shall be taken into consideration: (1)The full amount of interest payable for the year would be considered for the purpose. (2) Arrears of interest shall not distort the computation of interest on funds utilized in construction as these arrears are required to be debited to a Restructuring Account and then adjusted to surplus/ losses. (3) In view of the difficulties in identifying a source to its use, no attempt shall be made for source-use identification. (4). The exercise of computation of capitalisable interest shall be carried out at the head office of the Board. (5)This exercise shall be carried out considering rupees in thousands only”.

	Similarly, Para 1.4 & 1.5 of annexure V is as follows. 1.4 Staff costs, material related expenses and other expenses which are chargeable to capital works shall be: (1)Identified to specific capital job wherever possible. (2) Failing which, identified to a specific group of capital jobs wherever possible (and within the group allocated on an ad-valorem basis). (3)Failing which, identified to a project wherever possible (and allocated on an ad-valorem basis over various jobs within the project). (4)Failing which, allocated on an ad-valorem basis over various projects and various jobs within each project. Identification to one or more jobs should be done only if possible to identify without any allocation. In all other cases, ad-valorem allocation shall be adopted. 1.5 By ad- valorem basis is meant allocation of capitalisable expenses as a percent of the capital expenditure incurred during the period on that job/ project (and not as a per cent of total capital expenditure on that job/ project including the expenditure including the expenditure incurred in the previous periods of allocation. KSEB Ltd is consistently following the above accounting policies prescribed. Accordingly, the expenditure incurred in construction ARUs are being fully capitailsed by the ARU itself. In the case of other ARUs, where both capital and O&M works are being undertaken, the employee cost & expenditure is being capitalised at a pre-set percentage as below. Transmission 25% Distribution 14% Head Office Units 5% Similarly interest and finance charges is being capitalised at the head office as prescribed in the above accounting policies. These amounts are later allocated to the ARUs on the basis of actual capital expenditure incurred during the period for capitalisation in the concerned project/ assets.

c. The parent company has incurred ₹116.99 crores towards feasibility study and surveys of projects. Due to the non-availability of a detailed project wise breakup of the amount, allocation of expenses in the nature of additions to property, plant and equipment and cost of study on futile projects could not be ascertained.	The deferred cost is the expenditure related to the feasibility study of the projects and the expenditure incurred before the commencement of a project. As per the policy regularly being followed by the Board, the survey and investigation expenditure pertaining to project not yet sanctioned is being booked under the Account Head 17.3. Once the projects are sanctioned this expenditure will be transferred to work in progress (Capital) and if the project is not sanctioned, the expenditure will be written off as in fructuous Capital Expenditure. The amounts were verified and the expenditure incurred for the projects to which the investigation/ survey is being carried out as reported by the ARUs only is retained in this account. The balance in the books of accounts will be transferred to the CWIP on sanctioning the project.
3.The parent company is an implementing agency for the TransGrid 2.0 Project floated by the Government of Kerala and financed by Kerala Infrastructural Investment Fund Board (KIIFB). The tripartite agreement between the parent company, power department and KIIFB is silent regarding the rights/liabilities with respect to the assets constructed under the project. The parent company has shown the asset acquired or constructed under the project as part of its Capital Work in Progress, amount funded by KIIFB as its liability and advance paid to contractors as its assets. In the absence of clarity as to the ownership of assets constructed or acquired for the project out of funds provided by KIIFB and the nature of amount received from KIIFB, we are not in a position to comment on the disclosure of assets and liabilities relating to TransGrid 2.0 Project in the balance sheet of the parentCompany as on 31 March, 2020.	Steps have already been taken by Director (Transmission and System Operation) to get the Tripartite Agreement amended for proper accounting of assets created under Transgrid 2.0 project. In the meeting held on 17.11.2020 between Chairman & Managing Director, KSEB Ltd. and Chief Executive officer, KIIFB, it was agreed to make necessary amendments in the TPA in order to bring clarity on ownership of the asset.

4.The parent company is developing ERP software for integrating all the operations and has incurred an amount of ₹ 13.44 crores during the current year. The system development is still in process and is not ready for use as the close of the year. However, the parent company has capitalised the entire cost incurred in the year under intangible assets and charged amortisation on the cost in violation to the provisions of Ind AS 38 Intangible Assets. This has resulted in overstatement of amortisation expense by ₹ 2.02 Crores.	The practice is being followed in the case of capitalisation of Salary of employees deployed for the software development (ERP) is that the expenses incurred in this regard is treated as Intangible Asset. This may be dispensed from the year 2020-21 and the salary of employees engaged for the development of ERP shall be kept in the Capital Work in Progress till the roll out of ERP.
5.The parent company has neither framed any policy nor estimated any impairment loss due to Expected Credit Loss in accordance with the provisions of Ind AS 109 "Financial Instruments" in respect of the- i.long outstanding security deposits ₹ 21.78 crores classified under loans (Non-current) ii.long outstanding advances given by the company amounting to ₹ 83.54 crores classified under Other financial assets - Non current In the absence of policy for determination of 'expected credit loss' on the financial assets, the impact on the value of aforementioned assets and its corresponding impairment loss could not be quantified.	It is true that the company has not formulated any policy for the impalement loss and hence Expected Credit Loss not done for any outstanding advances. i). The amount reported under the security deposits with authorities such as excise, telephone department, forest department, customs authorities, deposits with IEX and PXI etc. for projects, purchase of power etc. This will be verified in detail by the ARUs concerned and necessary adjustment entries required will be provided. ii), The major amount reported under the outstanding loan include the loan given to the Energy Management Centre(EMC) and commitment advance given to the Ultra Mega Power Projects and Innovations. In the case of EMC, as per the terms and condition, the loan is repayable only if the Certified Emission Reduction (CER) is available from UNFCC (to obtain Carbon Credit). The Director Board in its meeting dated 25.05.2020 (vide agenda 10-05/2020) has resolved to write off the amount of ₹64.24 crores receivable from EMC as per the accounts. The accounting entries in this regard will be incorporated in the financial year 2020-21.

6.The classification of trade receivables as unsecured, without considering the security deposit collected is not in accordance with the requirement of schedule III and in the absence of relevant information, the secured portion of trade receivables are unascertainable. Further, due to lack of detailed assessment of expected credit loss (ECL) of trade receivables we are unable to ascertain whether the allowance for bad and doubtful debts of ₹789.31 crores provided in the accounts is adequate or excess. Consequently, we are unable to comment on the value of trade receivables disclosed in the financial statements and its consequential impact in statement of Profit and Loss.	The company is collecting the security deposits from the consumers as prescribed in the Electricity Supply Code. Hence the trade receivables are secured. The company has not created any provision for bad and doubtful debts during the year as adequate provision is there. However the matter is being verified in detail.
7.The parent company has recognised and disclosed the amount paid to the Forest Department towards the seigneorage value of trees amounting to ₹ 9.57 crores as “Security Deposits”, which in our opinion, ought to have expensed out or capitalised based on the nature of the projects / works for which such expenditure was incurred. This has resulted in overstatement of Loans and the understatement of carrying amount of assets under “Property, Plant & Equipment”, “Depreciation / amortisation expenses”, or the related expenses.	The seigneorage value is the compensation value given to the forest department for deforestation on account of the Hydro Electric Projects. At the time of payment to the forest department this amount has been booked by the ARU in the Deposit head under 28.9 and later transferred to the Capital Work in progress of the projects concerned. The non-transfer will be verified and direction will be issued to the field units to transfer the amount to the concerned projects in which the deposit has been made.
8.The parent company is not disclosing the amount receivable from Kerala Water Authority in two annual instalments from 2021-2023 amounting to ₹745.44 crores on account of sale of power at fair value in accordance with Ind AS 109 “Financial Instruments”.	Government has agreed to take over the liability of Kerala Water Authority towards current charges up to the financial year 2018 and to release the same in four equal yearly instalments. The first two instalments due is already released in the financial year 2020-21. Government orders in this regard is already issued. The unpaid amount is shown as receivable in the books of KSEB ltd.

9.The parent company is classifying all materials in stores as inventory without bifurcating the materials / stores meant for capital / revenue purposes. The materials meant for construction of fixed assets are to be grouped under capital work in progress / noncurrent assets and the materials to be consumed in the rendering of services are to be classified as inventories. Due to the lack of information on the value of materials meant for capital purposes the understatement on the capital work in progress and corresponding impact on inventories could not be ascertained.	Noted. However due to the complex nature of materials and same item of materials are required for capital as well as repairs and maintenance, such segregation is possible only at the stage of usage of materials. Steps to sort out such inherent limitation in the power sector will be analysed.
10.In respect of cash & cash equivalents of various Account Rendering Units (ARUs), the parent company has not provided proper reconciliations for the differences between the bank balances reported in the accounts and the balances as seen in the statement received from respective banks. Such un-reconciled balances outstanding could result in overstatement or understatement of balances under “Cash and Cash Equivalents” and the balances under respective corresponding accounts. The balances reported under “Disbursement Bank Accounts” under “Cash and Cash Equivalents” include a sum of ₹ 3.55 Crores being non-existent bank balances, thereby resulting in overstatement of “Cash and Cash Equivalents” to such extent.	In ARUs, two types of bank accounts are being maintained viz Collection accounts and disbursement accounts. The disbursements of the funds are being made through the operative accounts maintained at the head office as well as ARUs. All the disbursement accounts are properly reconciled. The collection accounts are in the nature of non-operative collection accounts, where only remittances are permitted. As per the agreement executed with banks, the entire amounts remitted into the collection accounts on a particular day have to be sweep transferred to the central collection account and then to the operative account maintained at head office on the same day itself. As per the agreement condition, the balance in collection account at the end of a particular day should be zero. All the central collection accounts are properly reconciled. As per the procedure in vogue, the reconciliation of collection accounts maintained at the ARUs are being made at the ARUs itself. Detailed circulars and directions has been given to the field units to prepare the proper reconciliation of bank balances. However it was noticed that a few Account Rendering Units were not submitted the bank reconciliation properly. This will be verified in detail by the internal audit wing. ii. The matter is being verified.

11.The unreconciled balances in the transactions between the ARUs amounting to ₹ 50.98 crores have been reported and recognised as "Inter Unit Balance" under "Other Current Assets", the details of which have not been provided to us. In the absence of adequate information, the impact of the above irregularity could not be quantified.	Inter Unit balance in the accounts consists of balance in the Account group 31 to 39 in the 139 ARUs of KSE Board. These Account group are being used for booking transaction between different Account Rendering Units (ARUs) as well as between ARUs and Head office. The balance of Inter unit transaction is amount booked in the 139 ARUs and it is available in the Trial balance of ARUs. The reconciliation of inter unit balance is a continuous process and the company is in the process of identifying and clearing the inter unit balances. It is true that there is lot of items to be identified and cleared in the inter unit balances. However due to the large number of transactions between the ARUs, the company was not able to clear the balances in full. The company is in the process of identifying and clearing inter unit balances by introducing online accounting system for the inter unit transactions and once the same in fully functional automatic inter unit reconciliation will occur.
12.The parent company has not provided a reconciliation of the amount classified under "Deposits for Electrification, Service Connection etc" amounting to ₹ 758.79 crores with the corresponding works pending for completion, for which such deposits have been collected from the consumers. In the absence of adequate information, its impact could not be quantified. Also, the company has classified the same under Other financial liabilities - Current instead of Other current liability.	The amount of work deposit under various schemes are collected and accounted in the field units. Though centralised details of each transaction is not being maintained, the details of each transaction is available at the ARU in which the deposit is received and accounted. As per the procedure in vogue, the deposit amount collected and accounted under account group 47 is to be transferred to account group 55 on completion of the work and its capitalisation. The non-transfer of the amount if any in the ARUs are being verified in detail.
13.Pursuant to provisions of the Kerala Electricity Second Transfer Scheme (Re-Vesting) 2013, the parent 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 parent company has to repay the interest and principal value of bonds on 1st April of every year, failing which an additional interest @ 24%	The bonds to the Master Trust was issued on 01.04.2017. Even though the Pension Master Trust was formed during 2015-16, KSEB Ltd has been paying the pension payment amount to the Trust as per the requirement since 2015-16. As the approved revenue gaps is not yet allowed to be passed on to the consumers, KSEB Ltd. is meeting its cash requirements by availing loans in the form of short term/ overdrafts. However, KSEB Ltd. is ensuring to transfer enough funds

p.a. will be payable by the parent company. Though the payment made to the trust are not as per the repayment schedule and the amount paid is lesser than the actual liability payable, no provision had been made for the additional interest payable of ₹72.43 crores for the period 1 April 2018 to 31 March 2020. Consequent to this, the loss for the year is understated to the extent of ₹55.44 crores and the consequent understatement of liability.	to the Master Trust to make Pension payments promptly. Once the approved revenue gaps are realised, KSEB will be making the required contributions to the Master Trust. KSEB Ltd. is in the process of issuing further Bonds to the Master Trust for the additional liabilities and the matter is under consideration of Government of Kerala.
14. The parent company has not 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 / incomes.	Noted.
15. The parent Company has not provided the reconciliation in respect of Goods and Services Tax (GST) as per the books of accounts and the periodical returns filed. Hence the effect of such non-reconciliation, if any, on the liabilities and expenses could not be quantified.	GST being the newly introduced tax and only one centralised registration is there for the company. The GST collection is being made at respective ARUs and consolidated remittance is made from the head office on the basis of details reported by the ARUs. Separate account heads are issued to account the collection and remittances. Periodic reconciliation of the collected amount and remitted amounts are being carried out and GST audit for the financial year 2018-19 is already completed.
16. The parent company has received a sum of ₹ 4.36 crores from M/s. Baitarani West Coal Block Ltd during 2019-20 being the share of cost of consent fees. In our opinion, the parent company ought to have accounted the above sum as other operating income and as financial assets in the year 2017-18 as the right to receive has been established in the same year. This has resulted in overstatement of other operating income for the year which is not in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".	Noted.

17.The Board of Directors, in their meeting held on 14 June 2019, has decided to increase the remuneration of daily wagers and contract employees with retrospective effect from 1 July 2018. The parent company has not provided for the additional expense and liability in the financial year 2018-19. This has resulted in overstatement of employee benefits for the year which is not in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".	Noted.
18.The company has classified the Bond principal & interest due amounting to ₹ 1,284.66 Crores under Other financial liabilities - Current instead of Borrowings - Current. The above deviation has resulted in the understatement of the balances under Borrowings - Current and overstatement of the balances under Other financial liabilities - Current to such extent	Noted.
19.The company has not complied with the disclosure requirements as required by the Ind AS 107 "Financial Instruments: Disclosures", thereby resulting in non-compliance of the disclosure requirements of the said accounting standard.	Noted.
20.The financial impact of the liabilities, contingent or otherwise, on account of various claims / cases pending against the company before various courts / legal forums, of which details not made available to us could not be ascertained.	The ARUs has been directed to report the contingent liability having the value of one crore above and none of the ARUs were reported the contingent liabilities. The contingent lability arise on dispute with Income Tax authorities and the power purchases are disclosed. The company is having a dedicated legal department headed by a District Judge to look after the legal matters.
21.The parent company has not complied with the provisions of Ind AS 116 with respect to accounting and disclosure of Leases. Due to the non-availability of information the impact could not be ascertained.	Noted.

22. The impact of the matters listed in Paras 1(a), 4, 13 and 16 above has resulted in the understatement of the Loss for the year of the parent company and overstatement of the "Retained Earnings" of the parent company by ₹ 623.37 crores. Accordingly, in the Statement of Profit and Loss, the Loss before tax", Loss for the period from continuing operations, Loss for the year ought to have been ₹892.92 crores as against the currently reported loss of ₹ 269.55 crores, and the "Total Comprehensive expense for the period" ought to have been ₹ 1,489.27 crores as against the currently reported expense of ₹ 865.90 crores. The basic and diluted EPS for the year ought to have been ₹ (2.55). In the absence of adequate information, the impact of the matters listed in other Paras under Basis of qualified opinion on the Loss for the year of the company and on the items disclosed in the Balance Sheet of the Company could not be ascertained and hence not disclosed.	Please see the reply to audit para 1 a. The company has not provided the depreciation on the increased value of assets from the date of revesting (31.10.2013). Moreover electricity companies are working under Electricity Act 2003, which is having overriding effect over most of the Acts. As per the Electricity Act, tariff of the electricity determined by the respective state Electricity Regulatory Commission. As per the regulation of KSERC(Terms and Determination of Tariff) regulation 2018 para 27 no depreciation shall be allowed on increase in the value of assets on account of revaluation of assets. Hence the depreciation on the enhanced value of fixed assets notified by the Government in connection with the re-vesting of KSEB Ltd is not being provided by KSEB Ltd. It is properly disclosed in the notes to accounts as such and the above policy is being followed consistently by KSEB Ltd.

Sd/-
DIRECTOR(FINANCE)

REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF KERALA STATE ELECTRICITY BOARD LIMITED, THIRUVANANATHAPURAM FOR THE YEAR ENDED 31 MARCH 2020

COMMENTS	REPLIES OF THE COMPANY
A. Comments on Profitability **Standalone Statement of Profit and Loss for 2019-20**	
I. Income Other Income – (Note 28) - ₹210.16 crore	
1.Loss has been overstated by ₹54.91 crore due to non-accounting of interest income earned through settlement of arrears of M/s. Travancore Cochin Chemicals Limited. This has further resulted in overstatement of Trade receivables by ₹119.70 crore and consequent understatement of Property, Plant and Equipment by ₹174.61 crore.	Even though the transfer and other formalities regarding the transfer of land between KSEBL and TCCL completed during the financial year 2019-20 the final decision on the accounting has only been taken place in the Board of Directors meeting held on 14.10.2020 and resolved to adjust the current charge arrear of TCC Limited amounting to ₹174.61 Cr against the value of land of 8.0937 hectors (20 acres). This has been accounted during the financial year 2020-21 in the books of accounts of the ARU of Special Officer (Revenue).
II. Expenses **Other Expenses –Others – (Note-36) - ₹21.97 crore**	
2.Loss is understated by ₹ 64.24 crore due to non-creation of provision for writing off the amount receivable from M/s. Energy Management Centre. This has resulted in consequent overstatement in Other Non-current assets	The Director Board in its meeting dated 25.05.2020 (vide agenda 10/05/2020) has resolved to write off the amount of ₹ 64.24 crores receivable from M/s. Energy Management Centre. This has been accounted vide Journal No.86 of 03/2021 in the Location code 999.
3.Loss has been understated by ₹16.79 crore due to non-provision for contribution towards three Ultra Mega Power Projects in Andhra Pradesh, Tamilnadu and Odisha including interest recognised. This has resulted in consequent overstatement in Non-current assets.	This will be verified in detail and necessary adjustments will be provided in next financial year.
B. Comments on Financial Position **Standalone Balance Sheet as at 31 March 2020** **Assets –Noncurrent Assets – Property, Plant and Equipment - (Note 2) - ₹22,491.82 crore**	
4.Property, Plant and Equipment is understated by ₹5.55 crore being value of security deposit	Even though the transfer and other formalities regarding the transfer of land between KSEBL

included in arrear settlement of M/s. Travancore Cochin Chemicals Limited. This has resulted in corresponding understatement of Non-current liabilities.	and TCCL completed during the financial year 2019-20 the final decision on the accounting has only been taken place in the Board of Directors meeting held on 14.10.2020 and resolved to adjust the current charge arrear of TCC Limited amounting to ₹ 174.61 Cr against the value of land of 8.0937 hectors (20 acres). This will be accounted during the financial year 2020-21 in accordance with the Board order No.B.O (DB) No.658/2020 (SOR/AMU4/HTB1/102/Arear Settlement/2020-21) dated 03.11.2020.
Current Assets – Financial Assets – Bank balances other than cash and cash Equivalents – (Note -13) – ₹109.30 crore	
5. Bank balances other than Cash and Cash Equivalents is understated by ₹ 34.36 crore due to wrong classification of bank deposits with consequent overstatement of Cash and Cash equivalents by the same amount	The amount disclosed under the Bank balances other than cash and cash Equivalents amounting to ₹ 109.30 crore is the bank deposits with maturity of more than three months but less than 12 months as on 31.03.2020, which is the date of financial statements. As per Guidance Note on Division II - Ind As Schedule III to the Companies Act 2013, Bank deposits with more than 12 months maturity shall be disclosed under 'Other financial assets. The maturity should be construed as remaining maturity of more than 12 months. Also, in the guidance note - bank deposits with original maturity of more than three months but less than 12 months is to be classified under Bank balances other than cash and cash Equivalents. Based on the above the classification of deposits having remaining maturity more than 3 months and less than 12 months have been classified under bank balances other than cash and cash equivalents and balance with remaining maturity more than 12 months is classified under non-current financial assets.
C. Comments on Cash Flow Statement	
6. Cash flow from financing activities included the following items where no outflow of cash was involved: i. Interest on security deposit of ₹196.29 crore payable to customers adjusted against the	Noted for future guidance.

energy charges receivable from the customers. ii. Interest payable to employees' General Provident Fund deposits amounting to ₹ 171.26 crore.	
7.Interest paid during the year amounting to ₹1882.88 crore was wrongly shown as ₹1592.03 Crore under financing activities resulting in understatement of cash outflow from financing activities by ₹ 290.85 crore.	Noted for future guidance.
8.Bank Overdrafts worth ₹623.73 crore was not included in cash and cash equivalents in violation of Ind AS-7resulting in overstatement of Cash and Cash equivalents by corresponding amount.	Noted for future guidance.
9.Cash and Cash equivalent is overstated by ₹ 34.36 crore due to inclusion of deposits with original maturity more than three months in violation of Ind AS -7resulting in overstatement of Cash and Cash equivalents by corresponding amount.	Please see reply to para.5 above.
10.Cash flow from investing activities is understated by ₹ 65.63 crore due to non-inclusion of Interest received on account of belated payment of electricity charges with consequent overstatement of cash flow from operating activities.	The interest on account of belated payment of electricity charge was considered in Cashflow from operating activity since the interest was generated as a part of operation of the company. Since there was no investing activity, the interest received was not considered under cashflow from investing activity. The audit comment is noted for future guidance.
D. Comment on Independent Auditors Report **Emphasis of Matter**	
11.The Emphasis of Matter paragraph – item no. (2) is factually incorrect due to i) The land has already been transferred by M/s TCCL to KSEBL during 2019-20. ii) The fair value of the land has been wrongly stated as ₹ 160 crore instead of ₹180.16 crore. The non-accounting of the transaction in 2019-20 has resulted in overstatement of Loss for the year, understatement of Property Plant and Equipment, and understatement of noncurrent liabilities. Hence, instead of Emphasis of Matter, the Statutory Auditors should have included as a qualification under basis of qualified opinion.	Since value to be adopted is fair value and the formal decision is taken only in 2020-21, the auditors have included this in emphasis of matter Para.

12.The default in repayment of bonds has not been reported under clause (viii) of Annexure 1 to the Independent Auditors' Report in violation of CARO, 2016.	The Statutory auditors replied that the Clause (viii) of CARO covers the defaults made for repayment of debentures only. As the said clause does not apply to the Bonds, they have not reported the outstanding dues under bonds.
E. Comments on Disclosure **Notes forming part of Financial Statements**	
13.Interest received on account of belated payment of electricity charges was wrongly classified as revenue from operations, instead of other income, in deviation from the Schedule III of the Companies Act 2013.	As per Guidance Note on the Schedule III to the Companies Act, 2013 the term "other operating revenue" is not defined. This would include Revenue arising from a company's operating activities, i.e., either its principal or ancillary revenue-generating activities, but which is not revenue arising from the sale of products or rendering of services. Whether a particular income constitutes "other operating revenue" or "other income" is to be decided based on the facts of each case and detailed understanding of the company's activities. The company receives interest on delayed payments of bills from customers which has a direct nexus or is ancillary to the operations of the company and is not on par with the interest earned on deposits with banks. Hence on the basis of this we have considered the interest earned on delayed payment of bills as other operating income.
14.The change in accounting policy regarding unbilled revenue calculation for HT and EHT consumers from half month's average revenue to One month's average revenue and its effect has not been disclosed.	Noted for future guidance.
15.The decision to opt out of the M/s Baitarani West Coal Company Ltd. (BWCCL), Bhubaneswar, a Joint Venture (JV) company formed by KSEBL, Odisha Hydro Power Corporation Ltd. (OHPCL) and Gujarat Power Corporation Ltd. (GPCL) and Government approval for withdrawal (April 2019) have not been disclosed.	As per the financial statements for the year ended March 31, 2020 of BWCCL, the company has a net worth of Rs.32.10 crores as against the total investment by the JV companies of Rs.30 Crores. Though the company has discontinued operations it is having sufficient Cash and bank balances and is having a positive cashflow during the year.

	Further an amount of Rs.4.36 crores has been paid by the company to each of the JV companies during the financial year 2019-20. Hence, as per our evaluation there has been no impairment to be considered in the accounts though the company has discontinued its operations. The audit comment is noted for future guidance.
16.Abandoned projects valuing ₹25.59 crore included in the capital work in progress was not disclosed.	Noted.

Sd/-
DIRECTOR(FINANCE)

REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF KERALA STATE ELECTRICITY BOARD LIMITED, THIRUVANANATHAPURAM FOR THE YEAR ENDED 31 MARCH 2020

COMMENTS	REPLIES OF THE COMPANY
A. Comments on Profitability **Consolidated Statement of Profit and Loss for 2019-20**	
I. Income **Other Income – (Note 28) - ₹210.16 crore**	
1.Loss has been overstated by ₹54.91 crore due to non-accounting of interest income earned through settlement of arrears of M/s. Travancore Cochin Chemicals Limited. This has further resulted in overstatement of Trade receivables by ₹119.70 crore and consequent understatement of Property, Plant and Equipment by ₹174.61 crore.	Even though the transfer and other formalities regarding the transfer of land between KSEBL and TCCL completed during the financial year 2019-20 the final decision on the accounting has only been taken place in the Board of Directors meeting held on 14.10.2020 and resolved to adjust the current charge arrear of TCC Limited amounting to ₹174.61 Cr against the value of land of 8.0937 hectors (20 acres). This has been accounted during the financial year 2020-21 in the books of accounts of the ARU of Special Officer (Revenue).
II. Expenses **Other Expenses –Others – (Note-36) - ₹21.97 crore**	
2. Loss is understated by ₹ 64.24 crore due to non-creation of provision for writing off the amount receivable from M/s. Energy Management Centre. This has resulted in consequent overstatement in Other Non-current assets.	The Director Board in its meeting dated 25.05.2020 (vide agenda 10/05/2020) has resolved to write off the amount of ₹64.24 crores receivable from M/s. Energy Management Centre. This has been accounted vide Journal No.86 of 03/2021 in the Location code 999.
3.Loss has been understated by ₹16.79 crore due to non-provision for contribution towards three Ultra Mega Power Projects in Andhra Pradesh, Tamil Nadu and Odisha including interest recognised. This has resulted in consequent overstatement in Non-current assets.	This will be verified in detail and necessary adjustments will be provided in next financial year.

B. Comments on Financial Position
Consolidated Balance Sheet as at 31 March 2020
Assets –Noncurrent Assets – Property, Plant and Equipment - (Note 2) - ₹22,491.82 crore

4.Property, Plant and Equipment is understated by ₹5.55 crore being value of security deposit included in arrear settlement of M/s. Travancore Cochin Chemicals Limited. This has resulted in corresponding understatement of Non-current liabilities.	Even though the transfer and other formalities regarding the transfer of land between KSEBL and TCCL completed during the financial year 2019-20 the final decision on the accounting has only been taken place in the Board of Directors meeting held on 14.10.2020 and resolved to adjust the current charge arrear of TCC Limited amounting to ₹174.61 Cr against the value of land of 8.0937 hectors (20 acres). This will be accounted during the financial year 2020-21 in accordance with the Board orderB.O (DB)No.658/2020(SOR/AMU4/HTB1/102/ArearSettlement/2020-21) dated 03.11.2020.

Current Assets – Financial Assets –
Bank balances other than cash and cash Equivalents – (Note -13) – ₹109.30 crore

5.Bank balances other than cash and cash Equivalents is understated by ₹ 34.36 crore due to wrong classification of bank deposits with consequent overstatement of Cash and Cash equivalents by the same amount	The amount disclosed under the Bank balances other than cash and cash Equivalents amounting to ₹109.30 crore is the bank deposits with maturity of more than three months but less than 12 months as on 31.03.2020, which is the date of financial statements. As per Guidance Note on Division II - Ind As Schedule III to the Companies Act 2013, Bank deposits with more than 12 months maturity shall be disclosed under 'Other financial assets. The maturity should be construed as remaining maturity of more than 12 months. Also, in the guidance note - bank deposits with original maturity of more than three months but less than 12 months is to be classified under Bank balances other than cash and cash Equivalents. Based on the above the classification of deposits having remaining maturity more than 3 months and less than 12 months have been classified under bank balances other than cash and cash equivalents and balance with remaining maturity more than 12 months is classified under non-current financial assets.

C. Comments on Cash Flow Statement	
6.Cash flow from financing activities included the following items where no outflow of cash was involved: i. Interest on security deposit of ₹196.29 crore payable to customers adjusted against the energy charges receivable from the customers. ii. Interest payable to employees' General Provident Fund deposits amounting to ₹171.26 crore.	Noted for future guidance.
7. Interest paid during the year amounting to ₹1882.88 crore was wrongly shown as ₹1592.03 Crore under financing activities resulting in understatement of cash outflow from financing activities by ₹ 290.85 crore.	Noted for future guidance.
8.Bank Overdrafts worth ₹623.73 crore was not included in cash and cash equivalents in violation of Ind AS-7 resulting in overstatement of Cash and Cash equivalents by corresponding amount.	Noted for future guidance.
9.Cash and Cash equivalent is overstated by ₹ 34.36 crore due to inclusion of deposits with original maturity more than three months in violation of Ind AS -7 resulting in overstatement of Cash and Cash equivalents by corresponding amount.	Please see reply to para.5 above.
10.Cash flow from investing activities is understated by ₹65.63 crore due to non-inclusion of Interest received on account of belated payment of electricity charges with consequent overstatement of cash flow from operating activities.	The interest on account of belated payment of electricity charges was considered in Cashflow from operating activity since the interest was generated as a part of the operations of the company. Since there was no investing activity, the interest received was not considered under cash flow from investing activity. The audit comment is noted for future guidance.

D. Comment on Independent Auditors Report Emphasis of Matter	
11.The Emphasis of Matter paragraph – item no. (2) is factually incorrect due to i) The land has already been transferred by M/s TCCL to KSEBL during 2019-20. ii) The fair value of the land has been wrongly stated as ₹ 160 crore instead of ₹180.16 crore. The non-accounting of the transaction in 2019-20 has resulted in overstatement of Loss for the year, understatement of Property Plant and Equipment, and understatement of noncurrent liabilities. Hence, instead of Emphasis of Matter, the Statutory Auditors should have included as a qualification under basis of qualified opinion.	Since value to be adopted is fair value and the formal decision is taken only in 2020-21, the auditors have included this in emphasis of matter Para.
E. Comments on Disclosure Notes forming part of Financial Statements	
12.Interest received on account of belated payment of electricity charges was wrongly classified as revenue from operations, instead of other income, in deviation from the Schedule III of the Companies Act 2013.	As per Guidance Note on the Schedule III to the Companies Act, 2013 the term “other operating revenue” is not defined. This would include Revenue arising from a company’s operating activities, i.e., either its principal or ancillary revenue-generating activities, but which is not revenue arising from the sale of products or rendering of services. Whether a particular income constitutes “other operating revenue” or “other income” is to be decided based on the facts of each case and detailed understanding of the company’s activities. The company receives interest on delayed payments of bills from customers which has a direct nexus or is ancillary to the operations of the company and is not on par with the interest earned on deposits with banks. Hence on the basis of this we have considered the interest earned on delayed payment of bills as other operating income.

13.The change in accounting policy regarding unbilled revenue calculation for HT and EHT consumers from half month's average revenue to One month's average revenue and its effect has not been disclosed.	Noted for future guidance.
14.The decision to opt out of the M/s Baitarni West Coal Company Ltd. (BWCCL), Bhubaneswar, a Joint Venture (JV) company formed by KSEBL, Odisha Hydro Power Corporation Ltd. (OHPCL) and Gujarat Power Corporation Ltd. (GPCL) and Government approval for withdrawal (April 2019) have not been disclosed.	As per the financial statements for the year ended March 31, 2020 of BWCCL, the company has a net worth of ₹32.10 crores as against the total investment by the JV companies of ₹30 Crores. Though the company has discontinued operations it is having sufficient Cash and bank balances and is having a positive cashflow during the year. Further an amount of ₹4.36 crores has been paid by the company to each of the JV companies during the financial year 2019-20. Hence, there has been no impairment to be considered in the accounts though the company has discontinued its operations. The audit comment is noted for future guidance.
15.Abandoned projects valuing ₹25.59 crore included in the capital work in progress was not disclosed.	Noted.

Sd/-
DIRECTOR (FINANCE)

KERALA STATE ELECTRICITY BOARD LIMITED
(Incorporated under the Indian Companies Act, 1956)
CIN: U40100KL2011SGC027424
Reg. Office: Vydyuthi Bhavanam, Pattom,
Thiruvananthapuram – 695 004, Kerala

No: CS.24 / KSEBL-Secretarial Auditor/2019-20 Date : 02.06.2021

REPLIES OF THE MANANGEMENT
TO THE OBSERVATIONS IN THE AUDIT REPORT DATED 28.05.2021
OF M/s PI & ASSOCIATES, SECRETARIAL AUDITOR FOR THE YEAR – 2019-20.

Sl. No.	Query	Response
1	The Company has appointed only one Independent Director.	During 2019-20, only one Independent Director was appointed by the Government of Kerala, the appointing authority. The Government in Power Department has already been requested for appointment of required number of Independent Directors vide KSEBL letters from the Chairman & Managing Director to Power Department dated 03/05/2016 and continuation letters thereafter dated, 07/02/2017, 22/03/2018, 08/06/2020, 23.01.2021, 28.04.2021 and 1.6.2021. The Chief Secretary, Government of Kerala has also given instructions in the meeting convened by him on 30.03.2021, to initiate necessary steps for appointment of required number of Independent Directors as per the Companies Act, 2013 to the Board of KSEBL to comply with the Corporate Governance Guidelines.
2	The composition of Audit Committee is not in conformity with Section 177(2) of the Companies Act.	Once the appointment of required number of Independent Directors is made by the Government, the Audit Committee could be reconstituted with majority of Independent Directors.
3	The Company has not constituted Nomination and Remuneration Committee as per Section 178(1) of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.	For permanent employees at the entry level other than compassionate and sports quota recruitment are done through Kerala Public Service Commission (KPSC) as per the KPSC (Additional Functions) Act and Rules. Service Rules applicable to the Government Employees viz., KSR, KS&SSR etc. are made applicable to the employees of the company. Promotion to Officer cadre is done on the basis of recommendations of the Departmental Promotion Committee (DPC) in line

		with KS&SSR and all other promotions are based on seniority. For workmen category, wages and other conditions of services are decided through wage negotiation process between recognized trade unions and the management as per the Industrial Disputes Act, 1947. KSEBL has availed the service of an external expert Committee headed by Sri. James K. Joseph (Rtd. Accountant General) on 30.01.2021 to arrive at optimal package of salary and allowances and related service conditions in respect of employees of the company. In view of the above, a separate Nomination and Remuneration Committee has not been constituted in the company. Moreover, during 2019-20, only one Independent Director was appointed by the Government of Kerala. Once the appointment of required number of Independent Directors is made by the Government, action would be taken in due course to constitute Nomination and Remuneration Committee as per the requirement under the Companies Act, 2013.

(Sd/-)
Chairman & Managing Director

Kerala State Electricity Board Limited

Standalone Balance Sheet as at 31 March 2020

₹ in Crores

Particulars	Note	As at 31 March 2020	As at 31 March 2019 Restated	As at 1 April 2018 Restated
Assets				
Non current assets				
Property, Plant and Equipment	2	22,491.82	21,246.07	20,377.04
Capital work-in-progress	4	3,750.03	3,066.95	2,555.51
Intangibe Asset	3	25.72	6.96	-
Financial Assets				
Investments	5	20.49	20.49	20.00
Trade receivables	6	745.44	1,070.78	982.17
Loans	7	21.78	39.10	24.69
Others	8	2,945.27	3,651.33	4,166.92
Deferred Tax Assets (Net)				
Other non-current assets	9	310.40	213.85	124.59
Total non current assets		**30,310.95**	**29,315.53**	**28,250.92**
Current assets				
Inventories	10	808.86	698.03	485.91
Financial Assets				
Trade receivables	11	1,822.04	819.77	662.11
Cash and cash equivalents	12	183.74	275.39	275.89
Bank balances Other than Cash Equivalents	13	109.30	78.39	70.07
Other financial assets	14	113.72	16.42	33.01
Current Tax Assets (Net)	15	1.85	2.56	2.75
Other current assets	16	1,004.65	908.36	742.20
Total current assets		**4,044.16**	**2,798.92**	**2,271.94**
Total Assets		**34,355.11**	**32,114.45**	**30,522.86**
Equities and Liabilities				
Equity				
Equity Share capital	17	3,499.05	3,499.05	3,499.05
Other Equity	18	(12,104.43)	(11,238.53)	(10,007.06)

Total Equity		(8605.38)	(7739.48)	(6508.01)
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	**19**	15,134.13	14,530.83	17,300.37
Other Financial Liabilities	20	3,937.54	3,450.12	3,172.45
Provisions	21	10,285.92	9,625.37	8,358.13
Other Non-Current Liabilities	22	3,048.23	2,549.19	1,851.79
Total Non-Current Liabilities		32405.82	30155.51	30682.74
Current liabilities				
Financial Liabilities				
Borrowings	23	2,330.23	2,710.31	1,024.48
Trade payables	24			
Total outstanding dues of micro enterprises and small enterprises		6.43	0.92	-
Total outstanding dues of trade payables other than micro enterprises and small enterprises		1,985.25	1,553.28	1,228.04
Other financial liabilities	25	4,355.95	3,817.05	2,688.34
Provisions	26	1,876.81	1,616.86	1,407.27
Total current liabilities		**10,554.67**	**9,698.42**	**6,348.13**
Total liabilities		**42,960.49**	**39,853.93**	**37,030.87**
Total equity and liabilities		**34,355.11**	**32,114.45**	**30,522.86**

The accompanying notes are an integral part of the Standalone Financial Statements.
For and on behalf of the Board

Sd/-
N S Pillai IA&AS
Chairman & Managing Director
DIN:07282785

Sd/-
Mini George
Director
DIN: 08766354

Sd/-
Biju R
Chief Financial officer

Sd/-
Lekha G
Company Secretary

As per our report of even date

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
FRN:001488S

Sd/-
R Venugopal
Partner
M.No.202632

For Mohan & Mohan Associates
Chartered Accountants
FRN:002092S

Sd/-
R Suresh Mohan
Partner
M.No.013398

For JRS & Co.
Chartered Accountants
FRN:008085S

Sd/-
A Jayakumar
Partner
M.No.025035
Thiruvananthapuram
16/02/2021

Kerala State Electricity Board Limited

Standalone Statement of Profit and Loss for the year ended 31st March 2020

₹ in Crores

	Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019 Restated
	Income			
I	Revenue From Operations	27	14644.44	13837.02
II	Other Income	28	210.16	152.86
III	**Total Income**		**14854.6**	**13989.88**
IV	Expenses			0
	Purchase of Power	29	8680	7873.39
	Generation of Power	30	5.71	3.28
	Repairs & Maintenance	31	281.8	304.32
	Employee benefits expense	32	3047.48	2912.88
	Finance costs	33	1592.03	1598.55
	Depreciation and amortization expense	34	901.92	805.03
	Other Expenses			
	a) Administrative and General Expenses	35	564.64	591.51
	b) Others	36	21.97	19.65
V	**Total Expenses**		**15095.55**	**14108.61**
VI	Loss before exceptional items and tax (III- V)		(240.95)	(118.73)
VII	Exceptional Items	37	28.6	15.95
VIII	**Loss before tax (VI-VII)**		**(269.55)**	**(134.68)**
IX	Tax expense:			0
	(1) Current tax		0	0
	(2) Deferred tax		0	0
X	**Loss for the period from continuing operations (VIII-IX)**		**(269.55)**	**(134.68)**
XI	Profit/(loss) from discontinued operations			0
XII	**Loss from Discontinued operations**		**0**	**0**
XIII	**Loss for the period (X+XII)**		**(269.55)**	**(134.68)**
	Other Comprehensive Expense			**0**

	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement of the Defined Benefit Plans	38	(596.35)	(1096.79)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0	0
	B (i) Items that will be reclassified to profit or loss		0	0
	(ii) Income tax relating to items that will be reclassified to profit or loss		0	0
XIV	**Total Other Comprehensive Expense for the year**		**(596.35)**	**(1096.79)**
XV	**Total Comprehensive Expense for the year (XIII+XIV)**		**(865.9)**	**(1231.47)**
XVI	**Earnings per equity share (for continuing operation):**			
	Basic & Diluted `	**39**	**(0.77)**	**(.38)**

The accompanying notes are an integral part of the Standalone Financial Statements.
For and on behalf of the Board

Sd/-
N S Pillai IA&AS
Chairman & Managing Director
DIN:07282785

Sd/-
Mini George
Director
DIN: 08766354

Sd/-
Biju R
Chief Financial officer

Sd/-
Lekha G
Company Secretary

As per our report of even date

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
FRN:001488S

Sd/-
R Venugopal
Partner
M.No.202632

For Mohan & Mohan Associates
Chartered Accountants
FRN:002092S

Sd/-
R Suresh Mohan
Partner
M.No.013398

For JRS & Co.
Chartered Accountants
FRN:008085S

Sd/-
A Jayakumar
Partner
M.No.025035
Thiruvananthapuram
16-2-2021

Kerala State Electricity Board Limited

Standalone Statement of Cash Flows for the year ended 31st March 2020

		₹ in Crores
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Operating Activities		
Profit before Tax	**(269.55)**	**(134.68)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortisation	701.71	659.85
Finance cost	1592.03	1598.55
Finance Income	(9.95)	(7.68)
Operating profit before working capital changes Working capital adjustments:	**2014.24**	**2116.04**
Increase in Inventories	(110.83)	(212.12)
(Increase) / Decrease in trade receivables and other receivables	(179.88)	94.84
Increase / (Decrease) in trade and other payables	2500.61	2857.62
Cash generated from Operations	4224.14	4856.38
Income Taxes paid	0	0
Net cash flows from operating activities (A)	**4224.14**	**4856.38**
Investing activities		
Purchase of property, plant and equipment	(2934.12)	(2173.61)
Inhouse development of Intangible assets	(22.81)	(8.19)
Change in Investments	0	(0.49)
Interest received (finance income)	9.95	7.68
Net cash flows used in investing activities (B)	**(2946.98)**	**(2174.63)**
Financing activities		
Net proceeds from borrowings and repayments	223.22	(1083.71)
Interest paid	(1592.03)	(1598.55)
Net cash flow from financing activities (C)	**(1368.81)**	**(2682.25)**
Net change in cash & cash equivalents	**(91.65)**	**(0.50)**

Cash & cash equivalents at the beginning of the year	**275.39**	**275.89**
Cash & cash equivalents at year end	**183.74**	**275.39**

The accompanying notes are an integral part of the Standalone Financial Statements.
For and on behalf of the Board

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N S Pillai IA&AS
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A Jayakumar
Partner
M.No.025035
Thiruvananthapuram
16-2-2021

Kerala State Electricity Board Limited

Standalone Statement of Changes in Equity for the year ended 31st March 2020

A Equity Share Capital ₹ in Crores

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
Balance as at the beginning of the year	5000000000	5000	5000000000	5000
Changes in Authorised Equity Share capital during the year	0	0	0	0
Balance as at the end of the year	5000000000	5000	5000000000	5000
Issued Share Capital				
Balance as at the beginning of the year	3499050000	3499.05	3499050000	3499.05
Changes in Equity Share capital during the year	0	0	0	0
Balance as at the end of the year	3499050000	3499.05	3499050000	3499.05

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 2018	**(4971.12)**	**(4805.48)**	**0**	**(9776.6)**
Changes due to prior period errors	(230.46)	0	0	(230.46)
Restated balance at the beginning of the reporting period (1 April 2018)	(5201.58)	(4805.48)	0	(10007.06)

	Restated Loss for the year ended 31 March 2019	(134.68)	0	0	(134.68)
	Other Comprehensive Income	0	(1096.79)	0	(1096.79)
	Balance at 31 March 2019	**(5336.26)**	**(5902.27)**	**0**	**(11238.53)**
	Loss for the year ended 31 March 2020	(269.55)	0	0	(269.55)
	Other Comprehensive Income	0	(596.35)	0	(596.35)
	Balance at 31 March 2020	**(5605.81)**	**(6498.62)**	**0**	**(12104.43)**

The accompanying notes are an integral part of the Standalone Financial Statements.
For and on behalf of the Board

Sd/-
N S Pillai IA&AS
Chairman & Managing Director
DIN:07282785

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Sd/-
A Jayakumar
Partner
M.No.025035
Thiruvananthapuram
16-2-2021

1.1 Corporate information

"Kerala State Electricity Board Limited (KSEBL) the company is incorporated under the Companies Act, 2013 and is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 domiciled in India. It is the successor entity of Kerala State Electricity Board which was constituted by the Government of Kerala, as per order no. EL1-6475/56/PW dated 7-3-1957 of the Kerala State Government, under the Electricity (Supply) Act, 1948 for carrying out the business of Generation, Transmission and Distribution of electricity in the State of Kerala. The Registered Office of the Company is Vydyuthi Bhavanam, Pattom, Thiruvananthapuram, Kerala-695004 The financial statements were approved for issue in accordance with a resolution of the directors on 15 February, 2021."

Significant Accounting Policies followed by the Company

1.2 Basis of Preparation of financial statements

1.2.1 Compliance with Ind AS

"These financial statements are the standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements. "

1.2.2 Application of New Accounting Pronouncements

The company has not adopted Ind AS 116 - Leases pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2019, with effect from 1st April, 2019 as the same do not have any material impact on the Financial Statements of the Company.

1.2.3 Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value at the end of each reporting period;

2) defined benefit plans - plan assets measured at fair value;

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

1.2.4 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest crore (up to two decimals), except when indicated otherwise.

1.2.5 Current and non-current classification

"The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is classified as current when it is:
• Expected to be realized or intended to be sold or consumed in normal operating cycle;
• Held primarily for the purpose of trading;
• Expected to be realized within twelve months after the reporting period; or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.
"A liability is classified as current when:
• It is expected to be settled in normal operating cycle;
• It is held primarily for the purpose of trading;
• It is due to be settled within twelve months after the reporting period; or
• There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period."
"All other liabilities are classified as non-current.
Assets and liabilities are classified between current and non-current considering 12 months period as normal operating cycle."

1.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Key sources of estimation uncertainty :

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i Useful Life of Property, Plant and Equipment

"The useful life of property, plant and equipment are generally based on factors including obsolescence, demand and such other economic factors including the required maintenance expenditure to ensure the future cash flow from the asset. Useful life of the asset, used for the generation, transmission and distribution of electricity is determined by the Central Electricity Regulatory Commission, as mentioned in part in part B of Schedule II of the Companies, 2013. Machinery spares acquired with the equipment are depreciated using the same rates and method applicable for the original machinery. In the case of Machinery spares procured separately for future use, rate equivalent to accumulated depreciation for the expired life of the relative machinery are charged in the year of acquisition along with depreciation for the year. "

ii Impairment of Property, Plant and Equipment

"The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used."

iii Capital Work-in-progress

The amount of capital work in progress is estimated based on the bills that are accounted towards capital expenditure but to be capitalized. Such capital expenditure shall remain till the asset is ready to use and capitalized.

iv Decommissioning Liabilities

The liability for decommissioning costs are recognised when the Company has an obligation to perform site restoration activity. The recognition and measurement of decommissioning provisions involves the use of estimates and assumptions.

v Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment

vi Provisions and Contingencies

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

vii Impairment of Financial And Non-Financial Assets

"The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used."

viii Post-retirement benefit plans

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided. A liability is recognised for the amount expected to be paid under short-term performance related cash bonus if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Retirement benefits in the form of gratuity is defined benefit obligations and is provided for based on an actuarial valuation, using projected unit credit method as at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

"Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.
National Pension Scheme (NPS) was implemented in KSEB Limited vide B.O (FB)

No.843/2013 (PRC/335/2013) dated 09.04.2013. All employees appointed on or after 01.04.2013 come under the coverage of NPS. The NPS will work on defined contribution basis and will have two tiers Viz., Tier I and Tier II. Contribution to Tier I will be mandatory for all employees appointed on or after 01.04.2013 whereas the Tier II will be optional and at the discretion of Board employees. In Tier I, the Board Employees shall make a contribution of 10% of (Basic pay + DA) from the salary every month. The company is also making equal matching contribution. The company is not making any contribution towards Tier II. "

The employees who are recruited on or after 1st April 2013 are included in the new national pension scheme and do not come under the regular pension scheme. The company has no further obligation beyond the monthly contributions.

Vide G.O (P) No.14/2015/PD dated 27.04.2015 Government of Kerala notified that General provident fund scheme existed in the KSE Board is applicable to the KSEB Ltd also. This scheme is applicable for all employee of KSEB Ltd. Minimum employee contribution to the scheme is fixed as 6% of the basic salary. The contribution made by the employees for general Provident Fund is credited to General Provident Fund Account There is no contribution by the company to this scheme. Company is providing interest to the deposit in this scheme at the rate applicable to the provident fund scheme of the Kerala Government Employees.

As per section 6(8) & 6(9) of the Kerala State Electricity Second Transfer Scheme a Master Trust was registered on 12/02/2015. This Trust was formed to disburse the pension of pensioners of erstwhile KSE Board. As per the transfer scheme the Trust was operationalized and the pension has been disbursed to the pensioners from the Master Trust. The Master Trust made operational with effect from 01.04.2017 and the bonds were issued on that date.

ix Revenue

Revenue from sale of power within the State is recognized on accrual basis at the tariff as notified by the Kerala State Regulatory Commission from time to time. Company estimates unbilled power consumed based on the average consumption of the year.

x Investment in Subsidiaries, Associates and Joint Ventures

Investment in jointly controlled entities and associates are measured at cost less impairment as per Ind AS 27 - 'Separate Financial Statements'.

xi Tax expenses and tax balances

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

1.4 Property, Plant and Equipment (PPE)

"On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'. PPE are initially recognised at cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets. PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any."

In cases where final settlement of bills with contractors is pending, but the asset is complete and available for use, capitalisation is done on estimated basis subject to necessary adjustments. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term projects if the recognition criteria are met in accordance with Ind AS 23 Borrowing Cost. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on the assets which belongs to generation of electricity business and on the assets of Corporate & other offices is charged on straight line method following the rates notified by the CERC Tariff Regulations and in accordance with Schedule II of the Companies Act, 2013. Depreciation is calculated on straight-line method up to 90% of the original cost of assets at the rates notified by the Central Electricity Regulatory Commission. Claw back of depreciation has been provided in the accounts on the assets created out of the contribution received from consumers and government grants and subsidies.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

"The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss. Fully depreciated assets still in use are retained in financial statements."

1.5 Capital Work-in-progress

"Capital work-in-progress comprises of the cost of PPE that are not yet ready for their intended use as at the balance sheet date. Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (CWIP). Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc."

Employee cost of various units are allocated to capital work in progress on the basis of following ratio;

Units	Employee cost
Generation	100% for offices exclusive for Civil works.
Transmission	25%
Distribution	14%
HO	5%

1.6 Intangible assets

"The company accounts the intangible assets as under -

Type of Asset	Amortisation rate
Software	15%

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line over their estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

1.7 Borrowing Costs

"Borrowing costs that are directly attributable to the acquisition, construction / development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period to get ready for their intended use or sale.

When the Company borrows funds specifically for obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset."

"Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs about the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization. The quantum of borrowing cost is measured based on the weighted average cost of capital. Other borrowing costs are recognized as an expense in the year in which they are incurred."

1.8 Regulatory Deferral Accounts

The tarrif charged by the Company for electricity sold to its customers is determined by the KSERC which provides extensive guidance on the principles and methodologies for determination of the tariff for sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return. Since the company has not recognised any amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP, the Company is not eligible to apply Ind AS 114, Regulatory Deferral Accounts. Hence Company has not recognised any regulatory deferral account balances.

1.9 Financial instruments

1.9.1 Initial recognition

Financial instruments are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

1.9.2 Subsequent measurement

1 Financial assets

a. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

c. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d. Investment in Associates and joint ventures

The investment in associates and joint ventures is carried at cost in the financial statements in accordance with Ind AS 27. The Company reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

e. Impairment of financial assets

"The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses."

f. Impairment of trade receivables

Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity. In some cases, this may not be probable until the consideration is received or until an uncertainty is removed. When an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount or the amount in respect of which recovery has ceased to be probable is recognised as an expense in profit and loss account. Such amount shall be reduced from the gross arraying amount of a financial asset when no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Age of debtors	Provisioning rate (%)
More than 5 years	75%
Between 3 to 5 years	40%
Between 1 to 3 years	15%
Between 6 months to 1 year	5%
Less than 6 months	0%

g. Derecognition of financial instruments

"The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires."

h. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognizes Financial liabilities only when Company's obligations are discharged, cancelled or have expired. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

1.10 Non-current assets held for sale

Non-current assets if any, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale and an active programme to locate a buyer and complete the plan must have been initiated, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations,if any, will be presented separately in the Statement of Profit and Loss.

1.11 Inventory

Inventories are stated at the lower of cost or net realisable value. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. From 01.07.2017 onwards, the company dispensed the policy of standard rate method and adopted the policy of FIFO (First in First Out) method on implementation of material management software in the company. Inventories procured up to 30.06.2017 are still valued at standard rates, determined by the company. The difference between actual cost and standard rate for these items is debited or credited to Material cost variance as the case may be and debit balance, if any in the Material cost variance account is charged to Statement of Profit and Loss.

1.12 Government Grant

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

1.13 Retirement and Other Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided. A liability is recognised for the amount expected to be paid under short-term performance related cash bonus if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Retirement benefits in the form of gratuity is defined benefit obligations and is provided for based on an actuarial valuation, using projected unit credit method as at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

1.14 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

"Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers."

The specific recognition criteria described below must also be met before revenue is recognised.

i. The Company's contracts with customers for the sale of electricity generally include one performance obligation. The Company has concluded that revenue from sale of electricity should be recognised at the point in time when electricity is transferred to the customer.

ii. Interest income is recognised on time proportion basis at the effective interest rate ("EIR") applicable.

iii. Dividend income from investments, if any, recognised when the company's right to receive payment is established which is generally when shareholders approve the dividend.

iv. Late payment charges and interest on delayed payment for power supply are recognized based on receipt basis.

1.15 Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and laws) enacted or substantively enacted by the reporting date.

Current Income tax assets and Liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively, at the reporting date.

Deferred tax

"Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled."

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

"Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period."

1.16 Segment Reporting

"In accordance with Ind AS 108, the operating segments used to present segment information are identified based on policy formulated from internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve performance assessment measures put in place."

Electricity generation, transmission and distribution is the principal business activity of the Company. Other operations do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'. Segment revenue, segment result, segment assets and segment liabilities include the respective amount identified to each of the segments on reasonable basis from the internal reporting system. The Company is having a single geographical segment as all its Power Stations and Transmission/Distribution channels are located within the state.

1.17 Transactions Foreign currency

Transactions in foreign currency are initially recorded at the functional currency the date the transaction first qualifies for recognition. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

1.18 Contract Balances

1.18.1 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

1.18.2 Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due and the amount is billable.

1.18.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs obligations under the contract.

1.19 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1.19.1 The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.19.2 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the period in which they are incurred.

Rental expense from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

1.20 Provisions and Contingent Liabilities

"In accordance with Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets, a provision is required to be recognised to settle a future obligation, both legal and constructive, by way of an economic outflow, resulting out of a past event and which can be reliably estimated. The amount of provision is recognised as the best estimate of present value of any obligation that need to be settled taking into account the risks and uncertainties surrounding the obligation. The provision is discounted if the effect of time value of money for the provision is material and shall be recognised as a finance cost in profit and loss account. Contingent liabilities, on the other hand is not recognised, but disclosed ad quately as parts of the financial statement. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are disclosed based on judgment of the management/independent experts with careful understanding of the circumstance of each case. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate."

1.21 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (net off distribution on Perpetual Securities whether declared or not) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares

1.22 Micro, Small and Medium Enterprises

Disclosure, if any, relating to amounts unpaid as on date of balance sheet together with interest paid/ payable as required under the Micro, Small and Medium Enterprises Development Act 2006 which came into effect from 2nd October 2006 is being provided only on receipt of information from its suppliers regarding their status under the Act.

1.23 Statement of Cash Flows

Cash flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (IND AS) 7 “Statement of Cash Flows”.

1.24 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31st March 2019, except for (a) the adoption of new standard effective as of 1st April, 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. None of interpretation or amendment have any material impact on the Financial Statements of the Company.

1.26 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash at banks and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company’s cash management.

1.25 Opening Balance on revesting

Vide G.O(P) No.46/2013/PD dated 31 October 2013 published in Kerala Gazette dated 31st October 2013, the Government of Kerala revested all the Assets and liabilities of the erstwhile KSE Board in the new company Kerala State Electricity Board limited. Then the Government of Kerala issued the final transfer scheme vide G.O.(P) No.3/2015/PD dated 28.01.2015 by issuing a new opening Balance Sheet for the company as on 01.11.2013. The statement of accounts for 2013-14 of the company has been prepared based on the value of Assets & Liabilities notified by the Government of Kerala vide notification dated 28.01.2015.

2 Property, Plant and Equipment **₹ in Crores**

Particulars	Land & Land Rights	Buildings	Hydraulic Works	Other Civil Works	Plant & Machinery	Lines, Cable & Network	Vehicles	Furniture & Fixtures	Office Equipments	Total
Cost/Deemed Cost										
As at 1 April 2018	**1783.79**	**758.3**	**1371.99**	**625.17**	**16456.26**	**8900.76**	**24.58**	**42.24**	**144.42**	**30107.51**
Additions	7.47	26.12	37.26	36.17	312.39	1239.5	1.37	3.86	8.69	1672.83
Deletions	0	0	0	0	0	0	0	0	0	0
As at 31 March 2019	**1791.26**	**784.42**	**1409.25**	**661.34**	**16768.65**	**10140.26**	**25.95**	**46.1**	**153.11**	**31780.34**
Additions	13.89	62.83	3.08	41.52	297.4	1680.15	0.38	4.09	40.3	2143.64
Deletions	0	0	0	0	0	0	0	0	0	0
As at 31 March 2020	**1805.15**	**847.25**	**1412.33**	**702.86**	**17066.05**	**11820.41**	**26.33**	**50.19**	**193.41**	**33923.98**
Accumulated Depreciation										
As at 1 April 2018	**0**	**345.67**	**666.83**	**198.67**	**3588.21**	**4801.71**	**18.42**	**21.89**	**89.09**	**9730.47**
Depreciations Expenses	0	23.27	68.88	21.49	227.74	447.89	1.31	2.1	11.12	803.8
Deletions / Adjustments	0	0	0	0	0	0	0	0	0	0
As at 31 March 2019	**0**	**368.93**	**735.71**	**220.16**	**3815.95**	**5249.6**	**19.73**	**23.98**	**100.21**	**10534.27**
Depreciations Expenses	0	25.19	70.04	22.95	248.08	514.94	1.52	2.61	12.56	897.89
Deletions / Adjustments	0	0	0	0	0	0	0	0	0	0
As at 31 March 2020	**0**	**394.12**	**805.75**	**243.11**	**4064.03**	**5764.54**	**21.25**	**26.59**	**112.77**	**11432.16**
Carrying amount										
As at 31 March 2020	**1805.15**	**453.13**	**606.58**	**459.75**	**13002.02**	**6055.87**	**5.08**	**23.6**	**80.64**	**22491.82**
As at 31 March 2019	**1791.26**	**415.49**	**673.54**	**441.18**	**12952.7**	**4890.66**	**6.22**	**22.12**	**52.9**	**21246.07**

2.1 Vide G.O.(M.S) No.34/2017/PD dated 04/04/2017 Government of Kerala ordered that 20 acres of land owned by Travancore Cochin Chemicals Ltd (TCCL), which is currently under the lease to BSES Kerala Power Ltd to be transferred to KSEBL against outstanding dues from TCCL amounting to ₹ 174.61 Crores plus interest subject to the condition that KSEBL shall not alienate the land under any circumstances. The property of 20 Acres of land owned by TCCL is transferred on December 2020 in settlement of the dues as per the B.O.(DB) No.658/2020(SOR/AMU4/HTB1/102/ARREAR SETTLEMENT/2020-21) dated 03.11.2020 during the year 2020-21.

2.2 "Government of Kerala vide order G.O (M.S) No.13/07/PD dated 05.07.2007 has ordered to transfer 100 acres of land originally acquired by KSEB for the Brahmapuram Diesel Power Plant at Brahmapuram to the Revenue Department in Government subject to the conditions that

(i) The value of Land will be determined and paid by Government to KSEB later.

(ii) Additional compensation ordered to be paid by Government in Revenue Department. The Government had fixed the compensation for acquisition at ₹7.57 crores and the Board had requested the Government to enhance the compensation and for giving value of land at current market rate. No amount has been received till date and physical transfer of land has not taken place. Hence Accounting adjustments were also not made."

2.3 45.715 cents of Land belonging to the company in Thiruvananthapuram was transferred to Thiruvananthapuram Development Authority for widening the road as per the decision of the Government of Kerala. Since the value of the land is not yet received from the Government, necessary adjustments are yet to be made in the Books of Accounts.

2.4 Kerala State suffered a heavy damage due to natural calamity and flood during the month of August 2018 and the company also suffered damages. The power restoration work had been carried out on war foot basis and electricity connections were restored in time. The assets of KSEB Ltd in the flood affected areas were severely damaged. Some assets were fully lost and assets which are partly damaged and reusable were repaired and restored and the cost incurred for this is stated as exceptional items in note no 37. The company had taken sincere effort to identify the asset fully lost in the flood,but the details had not been received from the Accounting Rendering units since the Fixed Assets register has not been properly maintained in the field offices. The value of such assets are not removed from the books of accounts and the note on Property Plant and Equipment comprise the value of the asset lost in the flood also.

2.5 For preparation of the Financial statements, the value of asset and liabilities notified under the re-vesting second Transfer (Amendment) Scheme (Re-vesting) 2015, have been duly adopted. The fixed asset of erstwhile KSE Board revested to KSEB Ltd. is taken at the value notified vide Government notification G.O.(P).No.3/2015/PD dated 28.01.2015. Depreciation is charged on the book value of asset except the revalued asset. As per para 27 of the KSERC (Terms and conditions for determination of Tariff), Regulations,2018 provided that no depreciation shall be allowed on account of revaluation of assets.

3	Intangible Assets		₹ in Crores
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Cost		
	Balance as at beginning of the year	8.19	0
	Additions during the year	22.81	8.19
	Deletions / Adjustments during the year	0	0
	Balance as at end of the year	31	8.19
	Accumulated Amortization		
	Balance as at beginning of the year	1.23	0
	Amortisation expense for the year	4.05	1.23
	Deletions / Adjustments during the year	0	0
	Balance as at end of the year	5.28	1.23
	Carrying amount of Intangible Assets		
	As at beginning of the year	6.96	0
	As at end of the year	25.72	6.96

3.1 The additions to intangible assets comprise of employee cost for inhouse development of software amounting to Rs. 13.44 crores (previous year Rs. 8.16 crores) and Rs. 9.00 Cr (previous year Nil) towards rights secured for laying transmission cables for Edamon Kochi project.

4	Capital Work In Progress		₹ in Crores
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	As at 1 April 2019	3066.95	2555.51
	Additions	2826.72	2184.27
	Capitalised / adjustments	2143.64	1672.83
	As at 31 March, 2020	3750.03	3066.95

4.1 During the financial year an amount of ₹ 645.52 crores (Previous Year ₹ 599.81 crore) has been charged to the capital work in progress over capital works for the capitalisation of employee cost and interest and finance charges as detailed below. The same shall be capitalised in the financial year 2020-21.

	Particulars	**₹ in crores**	**₹ in crores**
	Employee Cost	323.55	334.28
	Interest and Finance charges	307	252.09

	Software development Expenses	14.97	13.44
		645.52	599.81

Interest and finance charges (borrowing cost) of Project Specific Loans are added to the value of asset and the interest and finance charges of general borrowings are added to the value of the assets at a capitalisation rate of 7.69% on the cost of assets.

5	**Investments - Non current**		**₹ in Crores**
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Investment in unquoted investments fully paid up and valued at cost		
	"Kerala Power and Infrastructure Finance Corporation Ltd Associate company 10819440 Shares of Rs 10 each (Previous year 10819440 shares)"	9.50	9.50
	"Baitarani West Coal Company Ltd. Joint venture company 100000 shares of Rs 1000 each (Previous year 100000 shares) "	10	10
	"Renewable Power Corporation of Kerala Joint venture company 5000 shares of Rs 1000 each (Previous year 5000 shares)"	0.50	0.50
	"Kerala FibreOptic Network Limited Associate company (490000 shares of Rs 10 each) (Previous year 490000 shares)"	0.49	0.49
	Total	**20.49**	**20.49**
5.1	**Aggregate amount of unquoted investments**	**20.49**	**20.49**
	Aggregate amount of impairment in value of investments	**0**	**0**

6	**Trade receivables - Non current**		**₹ in Crores**
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Secured considered good	0	0
	Unsecured considered good	745.44	1070.78
	Less: Allowance for Doubtful Trade Receivables	0	0
	Total	**745.44**	**1070.78**

7	Loans - Non current at amortised cost		₹ in Crores
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Security Deposit		
	Unsecured and considered good	21.78	39.1
	Less: Allowance for Doubtful Deposits	0	0
	Total	**21.78**	**39.1**

8	Other financial assets - Non current		₹ in Crores
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Others		
	Unsecured, considered good		
	Receivable from Government of Kerala	2854.44	3567.89
	Advance - others	83.54	83.44
	Balances with Banks:		
	In deposit accounts with original maturity more than 12 months	**7.29**	**0**
	Total	**2945.27**	**3651.33**

9	Other Non Current Assets		₹ in Crores
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Capital Advances		
	Unsecured considered good	289.86	195.85
	Doubtful	0	0
	Others		
	Advance Agricultural Income Tax	0.22	0.22
	Non Current Tax Assets	20.32	17.78
	Total	**310.4**	**213.85**

10	Inventories		₹ in Crores
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Oils & Lubricants	5.05	6.49
	Stores & spares	785.51	645.29
	Others	18.77	46.72
	(Less) Provision for Shortages and Obsolescence	-0.47	-0.47
	Total	**808.86**	**698.03**

11	**Trade receivables - Current**		**₹ in Crores**
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Trade Receivables		
	Secured, considered good	0	0
	Unsecured considered good		
	Sundry Debtors for Sale of Power	1506.86	493.11
	Sundry Debtors for Inter State Sale of Power	3.47	75.64
	Sundry Debtors for Electricity Duty	125.95	75.23
	Sundry Debtors (Miscellaneous)	185.76	175.79
	Doubtful		
	Sundry Debtors for Sale of Power	789.31	789.31
	Allowance for Bad and Doubtful Debts	-789.31	-789.31
	Total	**1822.04**	**819.77**

12	**Cash & Cash Equivalents**		**₹ in Crores**
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Balances with bank		
	in current accounts	145.07	231.89
	in treasury accounts	0.1	0.18
	Deposits with original maturity less than 3 months	34.47	35.79
	Cash on hand	4.10	7.53
	Total	**183.74**	**275.39**

13	**Bank balances other than cash and cash equivalents**		**₹ in Crores**
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Balances with Banks includes		
	Deposits with original maturity more than 3 months but within 1 year	109.30	78.39
	Total	**109.3**	**78.39**

14 Other financial assets - Current

₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Rent Receivable	0.08	0.08
Receivable from Power suppliers	96.83	0
Interest Accrued But Not Due	16.81	16.34
Total	**113.72**	**16.42**

15 Current Tax assets (Net)

₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Current tax assets (net)	1.85	2.56
Less Provision for tax	0	0
Total	**1.85**	**2.56**

16 Other Current Assets

₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Advances to Employees	8.52	9.75
Advance to Contractors & Suppliers	4.29	6.34
Unbilled revenue receivable	940.86	852.66
Others		
Inter Unit Balances	50.98	39.61
Total	**1004.65**	**908.36**
The net amount of Inter Unit balances pending reconciliation is classified as other current assets.		

17 Equity Share capital

₹ in Crores

Particulars		As at 31 March 2020	As at 31 March 2019
Authorised			
Equity Shares of Rs 10/- each Nos			
	Nos	5000000000	5000000000
	₹ Crores	5000	5000
	Issued		
	Nos	3499050000	3499050000
	₹ Crores	3499.05	3499.05
Subscribed and Paid-up			
	Nos	3499050000	3499050000
	₹ Crores	3499.05	3499.05
Equity Shares			
At the beginning of the year			
	Nos	3499050000	3499050000
	₹ Crores	3499.05	3499.05
Issued during the year			
	Nos	0	0
	₹ Crores	0	0
Outstanding at the end of the year			
	Nos	3499050000	3499050000
	₹ Crores	3499.05	3499.05

17.1 Vide G.O.(MS) No.17/2015/PD dated 13.05.2015 the equity capital of Government in Kerala State Electrcity Board Ltd is Rs.3499.05 Cr (fully paid up) and there has been no movement in the share capital since then.

17.2 "Terms and rights attached to equity shares The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding."

17.3 The company has only one share holder since inception being the **Honourable Governor of Kerala**

18 Other equity **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Retained Earnings	-5605.81	-5336.26
Other Comprehensive income		
Remeasurements of Defined Benefit Plans Gains	-6498.62	-5902.27
"Total Other Equity"	-12104.43	-11238.53
Retained Earnings		
Opening Balance	-5336.26	-5201.58
Less: Loss for the year	-269.55	-134.68
Add/(Less) Adjustments due to restatement	0	0
Closing Balance	-5605.81	-5336.26
Other Comprehensive income		
Opening Balance	-5902.27	-4805.48
Less: Loss for the year	-596.35	-1096.79
Add/(Less) Adjustments due to restatement		
Closing Balance	-6498.62	-5902.27

Remeasurements of Defined Benefit Plans Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS 19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

19 Borrowings - Non current **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Bonds		
Unsecured Bonds	9156.31	9858.76
Term Loans		
From Banks		
Secured Loans	892.27	75
From Others		
Secured Loans	5085.55	4597.07
Total	**15134.13**	**14530.83**

19.1 Details of Terms of Repayment, Rate of Interest and Security of Bonds
"Unsecured Bonds consist of two series of bonds issued to The Kerala State Electricity Board Limited Employees Pension and Gratuity Trust as per G.O.(P).No.3/2015/PD dated 28.01.2015 as on 01.04.2017.

i) 20 years bond with a coupon of rate 10% p.a. For ₹ 8144 crores.
ii) 10-year bond with a coupon of rate 9% p.a. For ₹3751 crores.

These bonds have been redeemed every year as per the Government Order referred above. The Government of Kerala provides for the redemption of 9% Bond (including interest thereon) every year by way of adjustment against electricity duty payable to Government. During the current year, ₹407.20 crores in respect of 10% bond and ₹295.25 crores in respect of 9% bond has been redeemed. The amount of ₹586.10 crore required for the redemption of 9% bond (including interest of ₹290.85 crore thereon) for the year was provided by the Government of Kerala by adjustment against the Electricity Duty payable to Government. The provision for interest on bonds adjustable against the Electricity Duty and the amount receivable from Government provided in the opening balance sheet of the company as on 01.11.2013."

19.2 Details of Terms of Repayment, Rate of Interest and Security of Term Loans

The secured Loan from Bank consist of:

(i) Term loan from State Bank of India for shoring up of Net Working Capital of the Company which is to be paid in monthly installments up to 31 October 2029. The applicable interest rate presently is 8.62%.

(ii) Term loan from South Indian Bank for commissioning of Barapole Small Hydro Electric Power Project (SHEP) which is to be paid in monthly installments up to 29 February 2028. The applicable interest rate presently is 10%.

19.3 The secured Loan from other Financial Institutions consist of:

(i) Term loan from Power Finance Corporation Limited (PFC) :

(a) As part of R-APDRP Part- A (Distribution scheme) for which the repayment is not finalised. The applicable interest rate presently is 9%.

(b) As part of R-APDRP Part- B (Distribution scheme) for which the repayment is not finalised. The applicable interest rate presently is 9%.

(c) As a special assistance to be paid in monthly installments up to 14 September 2033. The applicable interest rate presently is 9.08%.

(ii) Term loan from PFC Green Energy Limited :

(a) For commissioning Perunthenaruvi SHEP which is to be paid in monthly installments up to 15 July.2033. The applicable interest rate presently is 10.125%.

(b) For commissioning Kakkayam SHEP which is to be paid in monthly installments up to 15 January.2034. The applicable interest rate presently is 9.875%.

(iii) Term loan from REC Limited :

(a) For commissioning Thottiyar SHEP which is to be paid in monthly installments up to 30 June.2029. The applicable interest rate presently is 11.52%.

(b) For commissioning Poringalkuthu SHEP for which the repayment is not finalised. The applicable interest rate presently is 10.25%.

(c) For commissioning Bhoothankettu SHEP for which the repayment is not finalised. The applicable interest rate presently is 10.25%.

(d) For laying Kattakada-PothencodeTransmission Line which is to be paid in monthly installments up to 31 March 2026. The applicable interest rate presently is 11.5%.

(e) As laying Transmission lines across Kerala which is to be paid in monthly installments up to 01 January 2032. The applicable interest rate presently is 10.25%.

(f) As part of various schemes across 23 Distribution Circles which is to be paid in monthly installments up to 01 January 2032. The applicable interest rate presently is 10.125%.

g) As part of Distribution Meter Scheme which is to be paid in monthly installments up to 01 January 2022. The applicable interest rate presently is 9.75%.

(h) As part of RAPDRP Part B Scheme which is to be paid in monthly installments up to 30 December 2027. The applicable interest rate presently is 10.125%.

(i) As part of RGGVY Scheme which is to be paid in monthly installments up to 28 February 2028. The applicable interest rate presently is 10.5%.

(j) As part of DDG Scheme for which the repayment is not finalised. The applicable interest rate presently is 10.5%.

(k) As part of Special Assistance which is to be paid in monthly installments up to 31 March 2032. The applicable interest rate presently is 9.08%.

(iv) Term loan from NABARD for commissioning Banasura Sagar SHEP and Upper Kallar SHEP which is to be paid in monthly installments up to 01 January 2023. The applicable interest rate presently is 6.25%.

19.4 Default in repayment of borrowings

	Particulars	As at 31 March 2020	As at 31 March 2019
	Bonds		
	Principal & interest	1284.66	907.68
	Term Loans		
	Principal & interest	0	0

20	**Other financial liabilities - Non current at amortised cost**		**₹ in Crores**
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Security deposit from consumers	3205.21	3021.22
	Interest payable on consumers deposit	364.72	338.62
	Amount received from KIIFB & DRIP	367.61	90.28
	Total	**3937.54**	**3450.12**

21	**Provisions - Non current**		**₹ in Crores**
	Particulars	**As at 31 March 2020**	**As at 31 March 2019**
	Provision for Employee Benefits		
	Contributory Provident Fund	0.04	0.04
	General provident Fund	2342.96	2209.47
	Terminal benefits as per acturial valuation	6350.58	5782.66
	Others	0	0
	Provision for Interest on bonds adjustable against Electricity duty	1166.34	1457.2
	Provision for Pay revision	426	176
	Total	**10285.92**	**9625.37**

Terminal benefits comprises the amount of future terminal liability arising out of the actuarial valuation from 1 November 2013 to 31 March 2020 and the funding pattern of the terminal liability has not been finalised

22 Other liabilities - Non Current ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Decommissioning Liability	24.19	22.18
Deferred revenue on government grants	1417.74	1203.01
Deferred revenue on deposit works	1606.3	1324
Total	**3048.23**	**2549.19**

23 Borrowings - Current ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured borrowings at amortised cost		
From banks		
Bank Overdraft	623.73	510.84
Demand Loan	1306.5	1799.47
Short term Loan	400	400
From others	0	0
Total	**2330.23**	**2710.31**

Refer note no. 19.1 for details on terms and conditions of borrowings.

24 Trade payables - Current ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Payables for supply of power	1642.26	1207.32
Payables for supply of materials and services	182.01	181.56
Payables for Expenses	167.41	165.32
Total	**1991.68**	**1554.20**

24.1 The vendor balances on purchase of power are unreconciled to the extent of Rs. 48.74 crores (Dr) from M/s. NLC India Limited and Rs. 47.49 crores (Cr) from M/s. Jhabua Power Limited, Rs.16.66 Crores (Cr) and Rs. 8.66 crores (Dr) from other suppliers of power due to disagreement in the claimability of costs. The managemet is of the opinion that no further provisions are required to effected in the books of accounts of the company.

24.2 Information in respect of micro and small enterprises as at 31 March 2020 as required by Micro, Small and Medium Enterprises DevelopmentAct, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management during 2019-20 is as follows:

₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
a) Amount remaining unpaid to any supplier:		
Principal amount	6.43	0.92
Interest due thereon	0	0
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day	0	0
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0	0
d) Amount of interest accrued and remaining unpaid	0	0
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	0	0

There are no material dues owed by the Company to Micro and Small Enterprises which are outstanding for more than 45 days during the year and as at March 31, 2020. This information as required under Micro and Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors,.

25 Other financial liabilities - Current ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Liability for capital supply/works	120.29	133.7
Staff related liabilities and provisions	163.41	229.82
Bond principal & interest due	1284.66	907.68
Deposit and Retentions from Suppliers/Contractors	467.63	423.14
Accrued/Unclaimed amount relating to borrowings	227.61	203.51
Deposit for Electrification, Service connection etc	758.79	800.49
Current maturities of long term borrowings from others	530.07	410.26
Current maturities of long term borrowings from bank	101.04	6
Current maturities of bonds	702.45	702.45
Total	**4355.95**	**3817.05**

26 Provisions - Current ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Dearness Allowance arrears	22.89	18.06
Terminal benefits	1853.92	1598.8
Total	**1876.81**	**1616.86**

27 Revenue from operations ₹ in Crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of Power		
Interstate	1.25	72.02
Domestic	5262.8	4621.04
Commercial	3394.22	3062.8
Public Lighting	175.59	172.77
Irrigation & Dewatering	97.6	86.78
Industrial L T	837.7	792.76
Railway Traction	194.2	186.38
Bulk Supply	396.74	369.33
High tension	3057.71	2758.59
Extra high tension	621.08	663.48
Trading	17.86	267.32
Reactive Energy Charges - Interstate sale TANGEDCO	16.02	20.63
Electricity Duty Recovery	969.12	790.94
Other State Levies Recovered	17.04	24.28
Meter Rent/Service Line Rental	96.95	94.38
Recovery of theft/Mal practices	7.67	8.66
Wheeling Charge recoveries	3.65	0
Misc. Charges from Consumers	203.41	344.27
Total revenue from sale of power	**15370.61**	**14336.43**
Less: Electricity Duty Payable	969.12	790.94
Less: Other State Levies Payable	17.04	24.28
Total (A)	**14384.45**	**13521.21**

Other Operating Income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rebate Received	109.14	134.11
Interest Advances to Suppliers/Contractors	6.8	7.11
Income from sale of bulbs, Scrap, Tender form etc	41.51	72.63
Miscellaneous Receipts	102.54	101.96

	Total (B)	**259.99**	**315.81**
	Total (A+B)	**14644.44**	**13837.02**

For monthly as well as bi-monthly billed consumers under various tariff categories, an estimated amount of ₹ 940.86 crores is recognized as unbilled revenue as on 31.03.2020(Previous year ₹ 852.66 crores) and the amount is debited to Other Current Assets

28	**Other Income**		**₹ in Crores**
	Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
	Interest Income		
	Staff Loans and Advances	0.05	0.01
	Income From Loans &others	0.09	0.51
	Banks	9.81	7.16
	Clawback of Grant	200.21	145.18
	Total (a+b)	**210.16**	**152.86**

29	**Purchase of Power**		**₹ in Crores**
	Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
	Power purchased from Central Generating Stations	2862.51	2712.55
	Power purchased from Others	5204.45	4584.18
	Power purchased from Wind Generating Stations	44.77	51.22
	Wheeling Charges	567.34	513.41
	Other charges on sale through power exchange	0.74	5.38
	Purchase others	0.19	6.65
	Total	**8680**	**7873.39**

30	**Generation of Power**		**₹ in Crores**
	Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
	Oil	4.65	1.79
	High Speed Deisel Oil	0.21	0.21
	Lubrication Oil	0.15	0.05
	Consumable stores	0.7	1.23
	Total	**5.71**	**3.28**

31 Repairs & Maintenance ₹ in Crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Plant and Machinery	41.39	43.92
Buildings	8.43	9.97
Civil Works	9.72	11.18
Hydraulic Works	3.52	3.92
Lines, Cable Network etc.	214.17	230.09
Vehicles	2.21	2.07
Furniture and Fixtures	0.39	0.48
Office Equipments	1.97	2.69
Total	**281.8**	**304.32**

32 Employee Benefits ₹ in Crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries & allowances	2513.1	2523.59
Over Time/Holiday Wages	0.37	0.29
Dearness Allowance	707.88	547.44
Other Allowances	76.7	77.4
Bonus	9.74	9.44
Leave Travel Assistance	0.26	0.22
Earned Leave Encashment	160.45	181.1
Payment under Workmen's Compensation Act	0.22	0.54
Leave Salary & Pension Contribution	22.2	18.24
Funeral Allowance	0.06	0.07
Medical Expenses Reimbursement	12.85	12.88
Staff Welfare Expenses	4.52	4.29
Terminal Benefits	0.07	0
(Less) Expenses Capitalised	-460.94	-462.62
Total	**3047.48**	**2912.88**

33	Finance Cost		₹ in Crores
	Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
	Finance Charges on Financial Liabilities Mea-sured Interest expense	**at Amortised Cost**	
	Interest on other loans/deferred credits	597.31	570.12
	Interest to Consumers	196.29	177.31
	Interest on Borrowings for Working Capital	189.25	148.95
	Other interest and finance charges		**0**
	Rebate allowed for prompt payment	0	0.83
	Discount to Consumers for timely payment of bills	2.33	2.16
	Interest To Suppliers/Contractors/others	0.23	0
	Interest on General Provident Fund	171.26	162.17
	Cost of Raising Finance	0.02	0
	Other Charges	9.38	15.42
	Interest on bond isuued to master Trust	732.96	773.68
	Less: Interest and Finance Charges Capitalised	-307	-252.09
	Total	**1592.03**	**1598.55**

34	Depreciation, Amortisation and Impairment Expenses		₹ in Crores
	Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
	Depreciation		
	Depreciation - Buildings	25.19	23.27
	Depreciation - Hydraulic Works	70.04	68.88
	Depreciation - Other Civil Works	22.95	21.49
	Depreciation - Plant & Machinery	248.08	227.74
	Depreciation - Line Cable & Network	514.94	447.89
	Depreciation - Vehicles	1.51	1.31
	Depreciation - Furniture & Fixtures	2.6	2.1
	Depreciation - Office Equipments	12.56	11.12
	Total	**897.87**	**803.8**
	Amortisation		
	Amortisation of intangible assets	4.05	1.23
	Total	**901.92**	**805.03**

35 Administrative and General Expenses		₹ in Crores
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Rent	9.51	8.33
Rates and Taxes	2.14	2.4
Telephone Charges, Postage, Telegram & Telex charges	9.93	13.13
Internet charges	0.51	2.72
Legal Charges	1.79	2.16
Audit Fees - Statutory audit	0.44	0.44
Audit Fees - others	0.05	0.03
Consultancy Charges	0.06	0.11
Technical Fees	0.67	0.59
Other Professional Charges	1.4	2.09
Notoary fee and other exopenses relating to CGRF and ERC	4.42	11.93
Conveyance and Travel	65.44	62.85
Salary and other allowance of Appellet Authority	0	0.05
Fees and Subscriptions	0.81	0.88
Books and Periodicals	0.07	0.08
Printing and Stationary	7.26	7.12
Data Processing Charges	0.13	0.13
Advertisements,Exhibition and Publicity	0.49	1.14
Contribution to EWF	2.39	2.2
Contribution to CMDRF	0.69	36.2
Water Charges	1	1.38
Sports,Entertainment	1.56	1.32
Study Tour & Training	2.92	2.81
Electrciity Duty 3(1)	130.43	123.81
Other Operative Expenses	199.39	167.35
Power factor incentive to consumers	102.65	114.07
Freight	12.61	11.21
Other Expenses	7.54	15.38
Less: Expenses capitalised	-1.66	-0.4
Total	**564.64**	**591.51**

35.1 Payment to Statutory Auditors consist of		
Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Remuneration of statutory auditors	0.44	0.44
Reimbursement of Expenses	0.05	0.03
Total	**0.49**	**0.47**

36 Others		₹ in Crores
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Material Cost Variance	-4.68	-2.55
Research and Development Expenses	0.1	0.06
Miscellaneous	-0.2	-0.06
Miscellaneous Losses and Write Offs	21.81	22.18
Sundry Expenses	0	0.02
Loss/(compensation) on account of flood cyclone etc	4.94	0
TOTAL (A)	**21.97**	**19.65**

37 Exceptional Items		₹ in Crores
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Plant and Machinery	1.99	0.77
Buildings	0.02	0.03
Civil Works	1.08	1.1
Hydraulic Works	0.44	0.77
Lines, Cable Network etc.	25.07	13.28
Total	**28.6**	**15.95**

38 Other comprehensive income		₹ in Crores
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Portion of acturial valuation not pertains to Current year	596.35	1096.79
Total	**596.35**	**1096.79**

39 Earnings per Share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Earnings Available to Equity Share Holders (₹ in crores)	-269.55	-134.68
weighted average no of equity shares	3499050000	3499050000
Face value per share (₹)	10	10
Earnings per Share (Basic)	-0.77	-0.38
Earnings per Share (Diluted)	-0.77	-0.38

40 Contingent liabilities, Capital liabilities and Capital commitments **₹ in crores**

	Particulars	2019-20	2018-19
	A. Contingent Liabilities		
1	Disputed Income-tax Matters	241.15	323.7
2	Claims against Company pending Court Orders/ Government orders (Ref Note 40.2)	104.01	104.01
3	Claim by NLC India Limited (Ref Note No 40.3)	26.52	26.52
4	Claim by M/s PTCIL Balco. (Ref Note No 40.4)	93.84	93.84
5	Bank Guarantees invoked by Ministry of Coal against on behalf of Baitrani West Coal Company Limited	12.50	12.50
	B. Capital Liabilities and Capital Commitments		
1	Capital liabilities becoming due for re-payment/ redemption	6976.28	5178.59
2	Estimated value of contracts remaining to be executed	532.52	484.62

40.1 The company has not disclosed the effect of individual and / or cumulative effect of claims individually lower than Rs. 1 crore, arising to the company as “contingent liabilities” to the company

40.2 Commercial Tax Department had disallowed the concessional tax of 4% given to M/s KPCL and directed BPCL to collect differential amount with retrospective effect from 2001-02. M/s KPCL in turn had claimed an amount of ₹40.31 crores vide invoice dated 20-3-2016. The matter was referred to the high-power committee constituted by Government of Kerala for granting concessional rate to KPCL as the entire power is being drawn by KSEBL. The high-power committee had decided that KSEBL shall reimburse the differential tariff and to waive the interest and penal interest elements after taking approval of the council of

Ministers. The differential tax was estimated as ₹30.70 crores. However as per section 26 of the KVAT Act, the department can claim only the differential tax for five years from 2006-07 to 2010-11 amounting to ₹13.34 crores. Accordingly, an amount of ₹13.34 crores is provided in the accounts though the claim is not admitted by the Company. KSEBL had approached the Government to waive the interest claim in this regard amounting to ₹78.65 crores. And to withdraw the claim of balance differential tax amounting to ₹25.36 crores. The Company is expecting favorable orders from the Government of Kerala. Accordingly, an amount of ₹104.01 crores is shown under contingent liabilities.

40.3 KSEBL has disputed the Guidelines for Fixation of Lignite Transfer Price during the regulation period 2019-24 and has filed a Misc. Petition No.532/MP/2020 with Central Electricity Regulatory Commission. Hence the payment against Energy Bills of Generating Stations of NLC India Limited from the month of 12/2019 has been disputed and released only 95% of the bill amount. M/s NLCIL has claimed in 01/2020 Rs 26.52Cr vide Debit note towards the arrear claims as per Lignite Transfer Price guidelines which was disputed and not provided.

40.4 i) M/s PTCIL-Balco has claimed ₹54.98 crores towards reimbursement as per Article 10 of PPA (change in law) of additional expenditure incurred until 02.2017. KSEBL calculated the provisional amount of ₹32.37 crores due to PTC in compliance with the order of APTEL dated 01.05.2019. The said amount of ₹.32.37 crore may change subject to the final order of APTEL. Upon placing it on record, APTEL insisted that KSEBL shall under take to pay the same. Later as per the daily orders of APTEL dated 15.05.2019 and 20.5.2019, ₹16.185 crore was released on 21.05.2019.

ii) M/s PTCIL-Balco claimed ₹57.49 crores towards ECR revision due to change in escalation rates for domestic coal as per CERC amendment dated 08/12/2017 for the period from 03/2015 to 02/2017 vide invoice dated 20/12/2017. Since the final decision has not been taken the same has not been provided in the accounts. iii)

(iii) Balco has filed a petition No.317/MP/2019 with CERC against KSEBL for nonpayment of Fixed charges on account of adjustment of Fixed charges on annual basis of ₹ 13.27 crore up to 2018-19 and the transmission losses attributable to Supply of power beyond the normative availability of ₹0.47 crores up to 2018-19. If the final order is against KSEBL, similar claims under other DBFOO agreements will become payable with applicable interest which has not been provided in the accounts.

40.5 Letter of credit facility is offered to the suppliers of power as per the agreement conditions. The LC charges in this regard, being directly attributable to purchase of power, is being accounted as power purchase costs.

41 Related Party Disclosures

41.1 List of related parties and nature of relationships where control exists.

Sl. No	Name of the Related Party	Nature of Relationship
2	Renewable Power Corporation of Kerala Ltd.	Joint Venture
2	Kerala State Power and Infrastructure Finance Corporation	Associate
3	Baitarani West Coal Company Ltd.	Joint Venture
4	Kerala- Fibre Optic Network Limited	Associate
5	Kerala State Electricity Board Employees Master pension and Gratuity Trust	Post employeement benefit fund
6	Kerala Hydel Tourism Centre	Society promoted by the company

Transactions between company and related entities through co-holder of third-party entity during the year and the status of outstanding balances as on the given dates. The period of restriction for disposal of investment has also been given.

Particulars	Year	Period of Restriction for disposal of investment as per related agreements	Subsidiaries	JCE	Associate
Investment in equity shares and prefer-ence shares	31.03.2020	0	0	0	0
	31.03.2019	0	0	0	0
Impairment allowance on Investments	31.03.2020	0	0	0	0
	31.03.2019	0	0	0	0

41.2 List of Key Managerial Personnel as defined in 2(51) of Companies Act, 2013 and disclosure of transaction entered with key managerial personnel.

No.	Name	Designation	Year ended 31st March 2020	Year ended 31st March 2019
1	N.S.Pillai IA&AS	CMD	0.31	0.29
2	Vijaya Kumari. P(Rt on 30.06.2019)	Director	0.05	0.21
3	Venugopalan.N	Director	0.22	0.23
4	Kumaran.P(Rtd on 31.08.2019)	Director	0.16	0.22
5	Bipin Joseph	Director	0.13	0
6	Brijlal.V	Director	0.13	0

7	Biju.R	CFO	0.16	0.14
8	Lekha.G	Company Secretary	0.15	0.13
9	Mani PK	Director	0	0.2
10	Rajeev S	Director	0	0.14

41.3 Kerala State Electricity Board Employees Master pension and Gratuity Trust Details of Amount payable to Master Trust as on 31.03.2020

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening Balance	907.68	518.74
Payable during the period		
Principal Repayment of bond	407.2	407.2
Interest payable by the Company	732.96	773.68
Government Contribution to Master Trust	586.1	586.1
Other receipt	209.6	0
Total Payable	2843.54	2285.72
Less: Paid during the year	1558.88	1378.04
Balance payable	1284.66	907.68

41.4 Enterprises promoted by the company Kerala Hydel Tourism Centre
There are no transactions during the year (previous year Nil)

42 Segment Reporting

Disclosure as per Ind AS 108 is given below.

The Company has three reportable segments, i.e Generation, Transmission and Distribution.

₹ in crores

Particulars	Year ended 31 March, 2020				
	Business segments			Inter Segment Elimination	Total
	Generation	Transmission	Distribution		
Segment Revenue	613.28	1037.63		1650.91	
Sale of energy & Meter rent	0	0	14384.45	0	14384.45
Total	**613.28**	**1037.63**	**14384.45**	**1650.91**	**14384.45**
Segment result	305.74	511.82	12137.25	0	12954.81

Allocable expenses	189.35	391.83	13113.33	0	13694.51
Operating income	0	0	0	0	0
Other income (net)	16.3	70.87	382.98	0	470.15
Profit before taxes	132.69	190.86	(593.1)	0	(269.55)
Tax expenses	0	0	0	0	0
Net profit for the year	**132.69**	**190.86**	**(593.1)**	**0**	**(269.55)**
Other comprehensive income	(26.9)	(58.86)	(510.59)	0	(596.35)
Total comprehensive income	**105.79**	**132.00**	**(1103.69)**	**0**	**(865.9)**

₹ in crores

Particulars	**Year ended 31 March, 2019**			**Business segments**	
	Generation	**Trans-mission**	**Distribu-tion**	**Inter Seg-ment Elimina-tion**	**Total**
Segment Revenue	586.66	1068.69		1655.35	0
Sale of energy & Meter rent	0	0	13521.51	0	13521.2
Total	**586.66**	**1068.69**	**13521.21**	**1655.35**	**13521.2**
Segment result	290.76	515.16	11149.6	0	11955.53
Allocable expenses	161.91	382.32	12027.71	0	12571.95
Operating income	0	0	0	0	0
Other income (net)	24.49	56.45	400.08	0	481.02
Profit before taxes	0	0	0	0	0
Tax expenses	153.33	189.30	(477.31)	0	(134.68)
Net profit for the year	**153.33**	**189.3**	**(477.31)**	**0**	**(134.68)**
Other comprehensive income	(60.34)	(110.25)	(924.4)	0	(1094.99)
Total comprehensive income	**92.99**	**77.25**	**(1401.71)**	**0**	**(1231.47)**

₹ in crores

Particulars	Year ended 31 March, 2020 Business segments			
	Generation	Trans-mission	Distribu-tion	Total
Segment assets				
Allocable assets	11274.44	891.01	18439.63	30605.08
Total assets	11274.44	891.01	18439.63	30605.08
Segment liabilities				
Allocable liabilities	12858.94	2047.44	19448.73	34355.11
Total liabilities	12858.94	2047.44	19448.73	34355.11
Other information				
Capital expenditure				
Capital expenditure (Allocable)	1584.50	1156.43	1009.1	3750.03
Depreciation and amortisation (allocable)	186.04	235.46	480.42	901.92
Depreciation and amortisation (unallocable)	0	0	0	0
Other significant non-cash expenses	0	0	0	0

₹ in crores

Particulars	Year ended 31 March, 2020 Business segments			
	Generation	Trans-mission	Distribu-tion	Total
Segment assets				
Allocable assets	14428.03	3312.19	11307.28	29047.50
Total assets	14428.03	3312.19	11307.28	29047.5
Segment liabilities				
Allocable liabilities	15822.52	3947.90	12344.03	32114.45
Total liabilities	15822.52	3947.90	12344.03	32114.45
Other information				
Capital expenditure				
Capital expenditure (Allocable)	1323	635.71	1108.24	3066.95
Depreciation and amortisation (allocable)	132.36	239.43	433.24	805.03
Depreciation and amortisation (unallocable)	0	0	0	0
Other significant non-cash expenses	0	0	0	0

43 Taxation

The company has reported loss during the period and provision for current tax or deferred tax not provided in the accounts.

44 Generation, Purchase and Sale of Power in Million Units

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)
Hydel	5741.83	37.16	5704.67	7602.41	31.81	7570.6
Thermal	12.30	1.65	10.65	4.09	1.44	2.65
Wind	1.42		1.42	1.33	0	1.33
Solar	25.95		25.95	18.54	0	18.54
Sub Total	5781.23	38.81	5742.42	7626.37	33.25	7593.12
Purchase	21128.51		21128.51	18761.47		18761.47
Auxiliary consumption (Substations)		19.60	19.60		16.11	16.11
Total	26909.74	58.41	26851.33	26387.84	49.36	26338.48

Energy injected by Private IPPs at generator end for sale outside state through open access	37.5	39.17
Energy purchased by consumers through open access at Kerala periphery	405.86	216.6

44 Generation, Purchase and Sale of Power **in Million Units**

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)
Total Generation and power purchased			27294.69			26594.25
Energy sale outside the state by KSEBL at Kerala periphery			55.95			824.78
Swap return			231.93			168.02

Sale outside the state by Private IPPs through open access			35.96			37.40
External PGCIL loss			356.46			714.90
Net energy available in Kerala Grid for consumption with in the state			26226.08			24849.15
Energy sale within the state by KSEBL alone			22660.93			21536.77
Energy consumed by open access consumers at consumer end			386.52			205.44
Energy Given to RGCCPP for auxiliary consumption			11.47			8.04
Energy consumption within the state including open access consumers			23058.91			21750.25
Loss in KSEBL system			3167.17			3098.9
Loss % in KSEBL system			12.08%			0.1247
Transmission Loss with in Kerala			971.24			
% transmission loss			3.70%			
Distribution loss			2195.93			
% Distribution loss			8.70%			

45 Generating Stations

a) Plants in operation since the beginning of the year

Sl. No.	LOCATION	Unit Capacity (in MW)	Installed Capacity (MW)
1	Pallivasal	3X5+3X7.5	37.5
2	Poringalkuthu	4X8	32
3	Sengulam	4X12	48
4	Neriamangalam	3X17.5	52.5
5	Panniyar	2X16	32
6	Sholayar	3X18	54
7	Sabarigiri	4X55+2X60	340

8	Kuttiyadi	3X25	75
9	Idukki	6X130	780
10	Idamalayar	2X37.5	75
11	Kallada	2X7.5	15
12	Kanjikode (Wind Farm)	9X0.225	2.03
13	Peppara	1X3	3
14	Lower Periyar	3X60	180
15	Madupetty	1X2	2
16	Brahmanapuram (Diesel)	5X21.32	106.6
17	Poringalkuthu Left Bank	1X16	16
18	Kozhikode (Diesel)	8X16	128
19	Kakkad	2X25	50
20	Malampuzha	1X2.5	2.5
21	Kuttiadi Extension	1X50	50
22	Chembukadavu I	3X0.90	2.7
23	Chembukadavu II	3X1.25	3.75
24	Urumi I&II	3X1.25+3X0.8	6.15
25	MSHEP Malankara	3X3.5	10.5
26	Lower Meenmutty	2X1.5+1X0.5	3.5
27	NeriamangalamExtn Scheme	1X25	25
28	Kuttiadi Tail Race	3X1.25	3.75
29	Kuttiadi Addl. Extn. Scheme	2X50	100
30	Poohithodu	3X1.6	4.8
31	Ranni- Perunadu	2X2	4
32	Peechi- HEP	1X1.25	1.25
33	Vilangad HEP	3X2.5	7.5
35	Chimmony SHEP	1X2.5	2.5
36	Adyanpara SHEP	2X1.5+.5	3.5
37	Barapole	3X5	15
38	PoringalKuthu Micro SHEP	0.011X1	0.011
39	Vellathooval	1.8x2	3.6
40	Perumthenaruvi	3X2	6
41	Kakkayam SHEP	2X1.5	3
	Total		**2287.641**

b) Projects commissioned during the Year

Sl. No.	LOCATION	Unit Capacity (in MW) Nil	Installed Capacity (MW) Nil
	Total		

c) Other Private Captive & IPPs (in MW)
Hydro

1	Maniyar	3X4	12
2	Kuthungal	3X7	21
IPP			
1	NTPC Kayamkulam	2X116.6+1X126.38	359.58
2	KPCL Kasargode	3X7.31	21.93
3	BSES Kochi	3X40.5+1X35.5	157
4	Ramakkalmedu (Wind IPP)	19 X 0.750	14.25
5	Agali (Wind IPP)	31X0.60	18.6
6	Ullumkal (IPP Hydro)	2X3.50	7
7	MPS Steel (IPP-Co-Gen)	1X10	10
8	PCBL	1X10	10
9	Iruttukanam	3X1.50	4.5
	Total		635.86

46 Purchase of Power

In the case of power purchase related expenditure from Central Utilities, the utilities are raising invoices based on provisional tariff order/relevant notification of the concerned authorities, which are subject to final orders for the relevant tariff period. Out of the total power purchase related expenditure, the following claims has been provided in the accounts though the claims are not fully admitted by the Company.

₹ in crores

Sl No.	Supplier	Year ended 31 March 2020	Year ended 31 March 2019
1	MAITHON	1.2	15.38
2	Jindal Power Limited	2.66	4.26
3	Jindal Thermal Power Limited	0.11	4.33
5	JHABUA POWER	77.33	101.63

6	BALCO		1.19
8	NLC	41.35	
9	PGCIL-POC	0.94	1.54
10	PTC		32.37
11	NTPC	10.61	26.4
12	KPTCL (RE charges)	0.01	0.02
13	NTPC Tamil Nadu Energy Co.Ltd	0.90	-
14	NPCIL- Kudankulam	0.20	6.72
	Total	**135.31**	**193.84**

47 Actuarial Valuation

Actuarial valuation of employee related liabilities was carried out as on 31.03.2020 and provided in the accounts as detailed below.

47.1 Actuarial valuation of the earned leave liability for the period from 01/04/2019 to 31/03/2020 as per IND AS-19

Change in benefit Obligations		**₹ in crores**
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Present Value of obligation at the beginning of the period	806.07	779.30
Acquisition Adjustment		
Interest Cost	59.89	60
Service Cost	58.36	54.82
Past Service Cost including curtailing gains/losses		
Benefits paid	-59.49	-44.96
Total Actuarial(Gain)/Loss on obligation	6.16	-43.09
Present Value of obligation as at the end of the period	870.99	806.07

Actuarial Assumptions

i) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Discounting Rate	6.45%	7.43%
Future salary Increase	9%	10%

ii) Demographic Assumption

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

Leave availment / encashment / lapse rates are entity's best estimate for future based on past historical experience & its HR policy.

Particulars	As at 31 March 2020	As at 31 March 2019
i) Retirement Age (Years)	56	56
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012-14)	100% IALM(2006-08)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	6	6
From 31 to 44 years	3	3
Above 44 years	1	1
iv) Leave		
Leave Availment Rate	2.50%	2.50%
Leave Lapse rate while in service	Above 300 days	Above 300 days
Leave Lapse rate on exit		
Leave encashment Rate while in service	5%	5%

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

Mortality Rates inclusive of disability for specimen ages

Age	Rate	Age	Rate	Age	Rate
15	0.00070	45	0.00258	75	0.03822
20	0.00092	50	0.00444	80	0.06199
25	0.00093	55	0.00751	85	0.10098
30	0.00098	60	0.01116	90	0.16351
35	0.00120	65	0.01593	95	0.25971
40	0.00168	70	0.02406	100	0.39773

47.2 Actuarial valuation of the gratuity liability for the period from 01/04/2019 to 31/03/2020, as per IND AS-19

Change in benefit Obligations

₹ in crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Present Value of obligation at the beginning of the period	1947.08	1827.91
Acquisition Adjustment		
Interest Cost	123.56	140.74
Service Cost	144.67	121.75
Past Service Cost including curtailing gains/losses		
Benefits paid	-128.12	-97.82
Total Actuarial(Gain)/Loss on obligation	7.29	-45.5
Present Value of obligation as at the end of the period	2094.49	1947.08

Actuarial Assumptions

i) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Discounting Rate	6.45%	7.43%
Future salary Increase	9%	10%

ii) Demographic Assumption

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
i) Retirement Age (Years)	56	56
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012-14)	100% IALM(2006-08)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	6	6
From 31 to 44 years	3	3
Above 44 years	1	1

In case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

Mortality & Morbidity rates - 100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

Mortality rates for specimen ages

Age	Rate	Age	Rate	Age	Rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

47.3 Actuarial valuation of the Pension liability for the period from 01/04/2019 to 31/03/2020, as per IND AS-19.

Change in benefit Obligations

₹ in crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Present Value of obligation at the beginning of the period	16574.58	15125.37
Acquisition Adjustment	0	
Interest Cost	1231.49	1164.65

Service Cost	361.85	346.19
Past Service Cost including curtailing gains/losses	0	
Benefits paid	-1356.58	-1247.02
Total Actuarial(Gain)/Loss on obligation	582.89	1185.39
Present Value of obligation as at the end of the period	17394.24	16574.58

Actuarial Assumptions

i) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Discounting Rate	6.45%	7.43%
Future salary Increase	9%	10%

ii) Demographic Assumption

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
i) Retirement Age (Years)	56	56
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012-14)	100% IALM(2006-08)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	6	6
From 31 to 44 years	3	3
Above 44 years	1	1

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately

Mortality & Morbidity rates

(a) While in service-100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

Mortality Rates inclusive of disability(while in service) for specimen ages

Age	Rate	Age	Rate	Age	Rate
15	0.000698	35	0.001202	55	0.007513
20	0.000924	40	0.00168	60	0.011162
25	0.000931	45	0.002579		
30	0.000977	50	0.004436		

(b) After Retirement- 100% of (1996-98) rates have been assumed
Mortality Rates for specimen ages (Retired Employees)

Age	Rate	Age	Rate	Age	Rate
50	0.004243	70	0.024301	85	0.106891
60	0.010907	75	0.043272	90	0.151539
65	0.01389	80	0.070802	100	0.266511

B. Reconciliation of Actuarial Valuation as on 31.03.2020 **₹ in crores**

Particulars	Pension	Earned Leave	Gratuity	Total
Opening balance(A)	16574.58	806.07	1947.08	19327.73
Current year				
1.Service Cost	361.85	58.36	123.56	543.78
2.Interest Cost	1231.49	59.89	144.67	1436.05
3.Remeasurement	582.89	6.16	7.29	596.35
Total B(1+2+3)	2176.23	124.41	275.52	2576.18
Benefit paid(C)	1356.58	59.49	128.12	1544.19
Balance to be provided D(B-C)	819.65	64.92	147.41	1031.99
Closing balance(A+D)	17394.24	870.99	2094.49	20359.73

48 In accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimation and Errors and Ind AS 1- Presentation of Financial Statements, the company has corrected the errors by retrospectively restating the comparatives . Relevant extracts of balance sheet and statement of profit and loss are reproduced below:

Balance sheet	31 March 2019 (as previously reported)	Increase / (decrease) due to correction of error	31 March 2019 (restated)	1 April 2018 (as previously reported)	Increase / (decrease) due to correction of error	1 April 2018 (restated)
Non current assets Capital work-in-progress	2991.34	75.61	3066.95	2448.90	106.61	2555.51
Non Current Financial Assets						
Trade receivables	0	1070.78	1070.78	0	982.17	982.17
Loans	83.43	-44.33	39.10	82.95	-58.26	24.69
Other financial asset	77.73	3573.60	3651.33	63.32	4103.60	4166.92
Other non-current assets	5274.70	-5060.85	213.85	4310.60	-4186.01	124.59
Current Financial Assets						
Trade receivables	1288.01	-468.24	819.77	2299.26	-1637.15	662.11
Other financial assets	0	16.42	16.42	0	33.01	33.01
Current Tax Assets (Net)	0	2.56	2.56	0	2.75	2.75
Other current assets	145.32	763.04	908.36	126.50	615.70	742.2
Total Assets	32185.94	-71.49	32114.45	30560.45	-37.59	30522.86
Other Equity	-11163.06	-75.47	-11238.53	-9776.61	-230.45	-10007.06
Non Current Financial Liabilities						
Borrowings	14525.15	5.68	14530.83	15934.54	1365.82	17300.37
Other Financial Liabilities	3359.85	90.27	3450.12	3170.45	2.00	3172.45
Provisions	11224.17	-1598.80	9625.37	9765.40	-1407.27	8358.13

Other non-current liabilities	2645.15	-95.96	2549.19	1922.76	-70.97	1851.79
Current Financial Liabilities						
Borrowings	3829.02	-1118.71	2710.31	2737.59	-1713.11	1024.48
Trade Payables	1214.58	339.62	1554.20	968.37	259.67	1228.04
Other financial liabilities	3033.98	783.07	3817.05	2329.90	358.45	2688.34
Provisions	18.06	1598.80	1616.86	9	1398.27	1407.27
Total equity and liabilities	32185.94	-71.49	32114.45	30560.45	-37.58	30522.86

Statement of profit and loss	31 March 2019 (as previously reported)	Increase / (decrease) due to correction of error	31 March 2019 (restated)
Revenue From Operations	13521.21	315.81	13837.02
Other Income	481.74	-328.88	152.86
Purchase of Power	7869.32	4.07	7873.39
Repairs & Maintenance	303.75	0.57	304.32
Employee benefits expense	2892.01	20.87	2912.88
Finance costs	1598.90	-0.35	1598.55
Administrative and General Expenses	598.16	-6.65	591.51
Other Expenses - Others	202.61	-182.96	19.65

49 Going Concern

KSEB Ltd. is the only integrated Electricity Company in the State of Kerala providing electricity to around 1.28 Crore customers in the state. The company is fully owned by the Government of Kerala. The Company has positive cash flows and has not defaulted in honoring liabilities. Electricity business being regulated by Electricity Act, 2003, the state regulator has so far approved Rs. 5,693.25 crore. out of the accumulated loss of Rs. 12,004.79 Cr. and the company is eligible to recover the same through Tariff Revision which will be reflected in the accounts on passing the same to the consumers. The company is regularly reducing its losses over the years and reported cash profit during the current financial year. Accordingly, the financial statement has been prepared on the basis of Going Concern assumption.

50 Other Matters

50.1 The company has procured 365.45 Million Units at traders delivery point through swap arrangement during 2019-20 and 231.93 Million Units returned as swap arrangement at Kerala Periphery.

50.2 The company has taken insurance on asset financed by long term loans as per terms and condition of loan agreement. Apart from above insurance on assets is taken for thermal projects

50.4 in the 57th board meeting it was resolved to give in principle approval to incorporate the adjustment entries regarding the amount payable to Government of Kerala towards electricity duty and other payable as on 31.03.2020 against the amount receivable from the Government in the books of accounts and to report the matter to the Government for concurrence. Accordingly, an amount of ₹1107.45 crores (previous year Rs. 930.31 crores) is netted off with the amount receivable from the Government.

50.5 A separate wing named SPIN has been formulated previously by the company to cater to the in house needs/works of the company, by applying latest technologies like the Pre-Fab technology. Since these works have been predominantly done for company itself, no separate accounts have been maintained. Now the spin has been reformulated as Consultancy Wing, steps have been taken to switch over to a separate Account.

50.6 "The company has permitted Kerala Hydel Tourism Center (KHTC), a society registered under the Travancore Cochin Charitable Societies Act to use the dam sites of the company at various locations for tourism promotion activities. The details of asset used and agreement are appended herewith.

i) KSEB Ltd vide B.O.(CMD) No.686/2015(KHTC/HQ-GEN/2015) dated 18.03.2015 has accorded sanction for conducting Boating and other tourism related activities in various location of Hydroelectric projects.

ii) KSEB Ltd vide B.O.(CMD) No.898/2015(KHTC/HQ-GEN/2015) dated 10.04.2015 has accorded sanction for operating petrol pumps in Banasura Sagar,Munnar,Madupetty in connections with the hydel tourism. Further proceedings were stalled due to non receipt of explosive license from concerned authorities.

iii) KSEB Ltd vide B.O.(CMD) No.1615/KHTC/HQ-GEN/2015) dated 02.07.2015 has accorded sanction for utilisation of unused quarters/buildings of KSEB Limited in connection with the tourism activities. Accordingly, renovation works of building located at Mattupetty, Kundala, Kulamavu and Wayanad were started. All the works completed and handed over for tourism activities except buildings at kulamavu.

iv) Kerala Hydel Tourism Director has agreed to remit the share of 15% revenue entitled to KSEB Limited.

v) The relationship between KSEB Ltd and Hydel Tourism Corporation is only in the nature of mutual agreement to form a society to promote hydel tourism activities in the state. Permission to use the property of KSEB Ltd is only given to Hydel Tourism Corporation and no assets of KSEB Ltd is transferred to Hydel Tourism corporation.

50.7 Figures for the previous year have been re arranged and regrouped wherever necessary.

51 a) Expenditure in foreign currency (on accrual basis)

Particular	Year ended 31 March 2020	Year ended 31 March 2019
Travelling	0	0
Professional & Consultation fee	0	0
Interest	0	0
Others	0	0
Total	0	0
b) CIF Value of Imports		
Particular	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Raw materials	NIL	NIL
Capital goods	NIL	NIL
Components & Spares	NIL	NIL
Total	NIL	NIL

51 Due to outbreak of COVID-19 globally and in India, the Group has made initial assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Group is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the company has ensured not only the availability of its power plants to generate power but has also continued to supply power during the period of lockdown, considering essential service as declared by the Government of India.

However, for the short term period the demand of power on HT and EHT is lower than the average demand but the domestic demand has increased during the lock down period. Basis above, the management has estimated its future cash flows for the company which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, there is no material impact on the company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The company is closely monitoring the financial impact on the revenue and expenditure due to the pandemic on a regular basis.

For and on behalf of the Board

Sd/- N S Pillai IA&AS Chairman & Managing Director DIN:07282785	Sd/- Mini George Director DIN: 08766354
Sd/- Biju R Chief Financial officer	Sd/- Lekha G Company Secretary

As per our report of even date

For Krishnamoorthy & Krishnamoorthy Chartered Accountants FRN:001488S	For Mohan & Mohan Associates Chartered Accountants FRN:002092S	For JRS & Co. Chartered Accountants FRN:008085S
Sd/- R Venugopal Partner M.No.202632	Sd/- R Suresh Mohan Partner M.No.013398	Sd/- A Jayakumar Partner M.No.025035 Thiruvananthapuram 16-2-2021

Trifurcated Standalone Balance sheet and Profit and Loss Account
Balance Sheet as at 31 March 2020

	Particulars	Company as a whole	Generation	Transmission	Distribution
A	**Assets**				
	Non Current Assets				
	Property Plant and Equipment	22491.82	14009.12	2726.39	5756.31
	Capital Work in Progress	3750.03	1584.5	1156.43	1009.10
	Intangible Asset	25.72	1.75	10	13.97
	Financial Assets				
	Investments	20.49	9	7.49	4
	Trade receivables	745.44			745.44
	Loans	21.78	100.94	100.39	(179.55)
	Others	2945.27	24.29	0	2920.98
	Deferred Tax Assets(Net)	0	0	0	0
	Other Non Current Assets	310.40	46.96	242.64	20.8
	Total Non Current Asset	**30310.95**	**15776.56**	**4243.34**	**10291.05**
	Current Assets				
	Inventories	808.86	8.68	121.12	679.06
	Financial Asset				
	Trade receivables	1822.04	0	0	1822.04
	Cash and cash equivalnts	183.74	30.97	20.02	132.75
	Bank balances other than Cash Equivalents	109.30	0	0	109.30
	Other financial assets	113.72	3.57	4.86	105.30
	Current Tax Assets(Net)	1.85	0.14	1.36	0.35
	Other Current Assets	1004.65	(2960.98)	(2343.25)	6308.88
	Total Current Assets	**4044.16**	**(2917.62)**	**(2195.90)**	**9157.68**
	Total Assets	**34355.11**	**12858.94**	**2047.44**	**19448.73**
B	**Equity and liabilities**				
	Equity				
	Equity Share Capital	3499.05	831.26	857.05	1810.74
	Other Equity	(12104.43)	739.12	322.57	(13166.12)

	Total Equity	**(8605.38)**	**1570.38**	**1179.62**	(11355.38)
	Liabilities				
	Non Current liabilities				
	Financial Liabilities				
	Borrowings	15134.13	10264.50	1245.81	3623.81
	Other financial libailities	3937.54	62.79	304.81	3569.94
	Provisions	10285.92	(860.18)	(2949.14)	(14095.24)
	Other non current liabilities	3048.23	72.78	572.58	2402.87
	Total Non Current Liabilities	**32405.82**	**9539.90**	**(825.94)**	**(23691.87)**
Current Liabilities					
Financial Liabilities					
	Borrowings	2330.23	491.64	699.29	1139.30
	Trade payables				
	Total outstanding dues of micro enterprises and small enterprises	6.43	0.64	1.29	4.50
	Total outstanding dues of trade payables other than micro enterprises and small enterprises	1985.25	(3.08)	(0.78)	1989.11
	Other financial libailities	4355.95	1174.81	808.73	2372.40
	Provisions	1876.81	84.64	185.25	1606.92
	Total Current Liabilities	**10554.67**	**1748.66**	**1693.78**	**7112.23**
	Total Equity and Liabilities	**34355.11**	**12858.94**	**2047.44**	**19448.73**

Trifurcated statement of profit and loss for the year ended 31 March 2020

	Particulars	**Company as a whole**	**Generation**	**Transmission**	**Distribution**
	Income				
I	Revenue from operations	14644.44	621.45	1075.66	14598.22
II	Other Income	210.16	8.13	32.83	169.19
III	**Total Income(I+II)**	**14854.60**	**629.58**	**1108.49**	**14767.42**
IV	**Expenses**				
	Purchase of power	8680	0	0	10330.90
	Generation of power	5.71	5.71	0	
	Repairs and Maintenance	281.8	25.48	39.06	217.26
	Employee benefit expenses	3047.48	154.41	352.63	2540.44

	Finance Cost	1592.03	95.57	192.29	1304.17
	Depreciation and Amortisation	901.92	186.04	235.46	480.42
Other expenses					
	Administrative Expnses	564.64	25.92	96.70	442.02
	Others	21.97	0.02	1.36	20.593
	Total Expenses(IV)	**15095.55**	**493.15**	**917.50**	**15335.80**
V	**Loss before exceptional items and tax (III- IV-V)**	**(240.95)**	**136.44**	**190.99**	**(568.38)**
VII	Exceptional Items	28.60	3.75	0.13	24.72
VIII	**Loss before tax (VI-VII)**	**(269.55)**	**132.69**	**190.86**	**(593.10)**
IX	**Tax Expenses**				
	(i)Current Tax				
	(ii) Deferred Tax				
X	Loss for the period from continuing operations (VIII-IX)	(269.55)	(132.69)	(190.86)	(593.10)
XI	**Profit/(loss) from discontinued operations**				
XII	**Loss from Discontinued operations (X-XI)**				
XIII	**Loss for the period (X+XII)**				
	Other Comprehensive Expense				
	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss				
	Remeasurement of the Defined Benefit Plans	(596.35)	(26.90)	(58.86)	(510.59)
	(ii) Income tax relating to items that will not be reclassified to profit or loss				
	B (i) Items that will be re-classified to profit or loss				
	(ii) Income tax relating to items that will be reclassi-fied to profit or loss				
XIV	Total Other Comprehensive Expense for the year	(596.35)	(26.90)	(58.86)	(510.59)
XV	**Total Comprehensive Ex-pense for the year (XIII+XIV)**	**(865.90)**	**(105.78)**	**(132.00)**	**(1103.68)**

Kerala State Electricity Board Limited
Consolidated Balance Sheet as at 31 March 2020

₹ in Crores

Particulars	Note	As at 31 March 2020	As at 31 March 2019 Restated	As at 1 April 2018 Restated
Assets				
Non current assets				
Property, Plant and Equipment	2	22491.82	21246.07	20377.04
Capital work-in-progress	4	3750.03	3066.95	2555.51
Intangibe Asset	3	25.72	6.96	
Financial Assets				
Investments in associates / jointventure	5	46.89	43.61	40.28
Trade receivables	6	745.44	1070.78	982.17
Loans	7	21.78	39.1	24.69
Others	8	2945.27	3651.33	4166.92
Deferred Tax Assets (Net)				
Other non-current assets	9	310.40	213.85	124.59
Total non current assets		**30337.35**	**29338.65**	**28271.2**
Current assets				
Inventories	10	808.86	698.03	485.91
Financial Assets				
Trade receivables	11	1822.04	819.77	662.11
Cash and cash equivalents	12	183.74	275.39	275.89
Bank balances Other than Cash Equivalents	13	109.3	78.39	70.07
Other financial assets	14	113.72	16.42	33.01
Current Tax Assets (Net)	15	1.85	2.56	2.75
Other current assets	16	1004.65	908.36	742.2
Total current assets		**4044.16**	**2798.92**	**2271.94**
Total Assets		**34381.51**	**32137.57**	**30543.14**
Equities and Liabilities				
Equity				
Equity Share capital	17	3499.05	3499.05	3499.05

Other Equity	18	(12078.03)	(11215.41)	(9986.78)
Total Equity		**(8578.98)**	**(7716.36)**	**(6487.73)**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	19	15134.13	14530.83	17300.37
Other Financial Liabilities	20	3937.54	3450.12	3172.45
Provisions	21	10285.92	9625.37	8358.13
Other non-current liabilities	22	3048.23	2549.19	1851.79
Total Non-Current Liabilities		**32405.82**	**30155.51**	**30682.74**
Current liabilities				
Financial Liabilities				
Borrowings	23	2330.23	2710.31	1024.48
Trade payables	24			
Total outstanding dues of micro enterprises and small enterprises		6.43	0.92	0
Total outstanding dues of trade payables other than micro enterprises and small enterprises		1985.25	1553.28	1228.04
Other financial liabilities	25	4355.95	3817.05	2688.34
Provisions	26	1876.81	1616.86	1407.27
Total current liabilities		**10554.67**	**9698.42**	**6348.13**
Total liabilities		**42960.49**	**39853.93**	**37030.87**
Total equity and liabilities		**34381.51**	**32137.57**	**30543.14**

The accompanying notes are an integral part of the Consolidated Financial Statements.
For and on behalf of the Board

Sd/- N S Pillai IA&AS Chairman & Managing Director DIN:07282785	Sd/- Mini George Director DIN: 08766354
Sd/- Biju R Chief Financial officer	Sd/- Lekha G Company Secretary

As per our report of even date

For Krishnamoorthy & Krishnamoorthy Chartered Accountants FRN:001488S	For Mohan & Mohan Associates Chartered Accountants FRN:002092S	For JRS & Company Chartered Accountants FRN:008085S
Sd/- R Venugopal Partner M.No.202632	Sd/- R Suresh Mohan Partner M.No.013398	Sd/- A Jayakumar Partner M.No.025035 Thiruvananthapuram

16-2-2021

Kerala State Electricity Board Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020

₹ in Crores

	Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019 Restated
	Income			
I	Revenue From Operations	27	14644.44	13837.02
II	Other Income	28	210.16	152.86
III	**Total Income**		**14854.60**	**13989.88**
IV	**Expenses**			
	Purchase of Power	29	8680	7873.39
	Generation of Power	30	5.71	3.28
	Repairs & Maintenance	31	281.80	304.32
	Employee benefits expense	32	3047.48	2912.88
	Finance costs	33	1592.03	1598.55
	Depreciation and amortization expense	34	901.92	805.03
	Other Expenses			
	a) Administrative and General Expenses	35	564.64	591.51
	b) Others	36	21.97	19.65
	Total Expenses		**15095.55**	**14108.61**
V	**Loss before share of net profits of investments accounted for using equity method and tax**		**(240.95)**	**(118.73)**
	Share of net profit of associates accounted for using the equity method	5	3.28	2.84
VI	**Loss before exceptional items and tax (III- IV-V)**		**(237.67)**	**(115.89)**
VII	Exceptional Items	37	28.60	15.95
VIII	**Loss before tax (VI-VII)**		**(266.27)**	**(131.84)**
IX	Tax expense:			
	(1) Current tax			
	(2) Deferred tax			
X	**Loss for the period from continuing operations (VIII-IX)**		**(266.27)**	**(131.84)**
XI	**Profit/(loss) from discontinued operations**			

XII	**Loss from Discontinued operations**			
XIII	**Loss for the period (X+XII)**		**(266.27)**	**(131.84)**
	Other Comprehensive Expense			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement of the Defined Benefit Plans	**38**	**(596.35)**	**(1096.79)**
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XIV	**Total Other Comprehensive Expense for the year**		**(596.35)**	**(1096.79)**
XV	**Total Comprehensive Expense for the year (XIII+XIV)**		**(862.62)**	**(1228.63)**
XVI	**Earnings per equity share (for continuing operation):**			
	Basic & Diluted `	**39**	**(0.76)**	**(0.38)**

The accompanying notes are an integral part of the Consolidated Financial Statements.

For and on behalf of the Board

Sd/-
N S Pillai IA&AS
Chairman & Managing Director
DIN:07282785

Sd/-
Mini George
Director
DIN: 08766354

Sd/-
Biju R
Chief Financial officer

Sd/-
Lekha G
Company Secretary

As per our report of even date

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
FRN:001488S

Sd/-
R Venugopal
Partner
M.No.202632

For Mohan & Mohan Associates
Chartered Accountants
FRN:002092S

Sd/-
R Suresh Mohan
Partner
M.No.013398

For JRS & Co.
Chartered Accountants
FRN:008085S

Sd/-
A Jayakumar
Partner
M.No.025035
Thiruvananthapuram
16-2-2021

Kerala State Electricity Board Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2020

A Equity Share Capital — **₹ in Crores**

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
Balance as at the beginning of the year	**5000000000**	**5000**	**5000000000**	**5000**
Changes in Authorised Equity Share capital during the year	0	0	0	0
Balance as at the end of the year	**5000000000**	**5000**	**5000000000**	5000
Issued Share Capital				
Balance as at the beginning of the year	**3499050000**	**3499.05**	**3499050000**	**3499.05**
Changes in Equity Share capital during the year	0	0	0	0
Balance as at the end of the year	**3499050000**	**3499.05**	**3499050000**	**3499.05**

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 2018	(4950.84)	(4805.48)		(9756.32)
Changes due to prior period errors	(230.46)			(230.46)
Restated balance at the beginning of the reporting period (1 April 2018)	(5181.30)	(4805.48)		(9986.78)
Restated Loss for the year ended 31 March 2019	(131.84)			(131.84)
Other Comprehensive Income	0	(1096.79)		(1096.79)

	Balance at 31 March 2019	(5313.14)	(5902.27)		(11215.41)
	Loss for the year ended 31 March 2020	(266.27)			(266.27)
	Other Comprehensive Income		(596.35)		(596.35)
	Balance at 31 March 2020	**(5579.41)**	**(6498.62)**		**(12078.03)**

The accompanying notes are an integral part of the Consolidated Financial Statements.
For and on behalf of the Board

Sd/-
N S Pillai IA & AS
Chairman & Managing Director
DIN:07282785

Sd/-
Mini George
Director
DIN: 08766354

Sd/-
Biju R
Chief Financial officer

Sd/-
Lekha G
Company Secretary

As per our report of even date

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
FRN:001488S

Sd/-
R Venugopal
Partner
M.No.202632

For Mohan & Mohan Associates
Chartered Accountants
FRN:002092S

Sd/-
R Suresh Mohan
Partner
M.No.013398

For JRS & Co.
Chartered Accountants
FRN:008085S

Sd/-
A Jayakumar
Partner
M.No.025035
Thiruvananthapuram
16-2-2021

Kerala State Electricity Board Limited
Consolidated Statement of cash flows for the year ended 31 March 2020

₹ in Crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Operating Activities		
Profit before Tax	(266.27)	(131.84)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortisation	701.71	659.85
Finance cost	1592.03	1598.55
Finance Income	(9.95)	(7.68)
Operating profit before working capital changes	2017.52	2118.88
Working capital adjustments:		
Increase in Inventories	(110.83)	(212.12)
(Increase) / Decrease in trade receivables and other receivables	(179.88)	94.84
Increase / (Decrease) in trade and other payables	2500.61	2857.62
Cash generated from Operations	**4227.42**	**4859.22**
Income Taxes paid		
Net cash flows from operating activities (A)	**4227.42**	**4859.22**
Investing activities		
Purchase of property, plant and equipment	(2934.12)	(2173.61)
inhouse development of Intangible assets	(22.81)	(8.19)
Change in Investments	(3.28)	(3.33)
Interest received (finance income)	9.95	7.68
Net cash flows used in investing activities (B)	**(2950.26)**	**(2177.47)**
Financing activities		
Net proceeds from borrowings and repayments	223.22	(1083.71)
Interest paid	(1592.03)	(1598.55)
Net cash flow from financing activities (C)	**(1368.81)**	**(2682.25)**
Net change in cash & cash equivalents	**(91.65)**	**(0.5)**
Cash & cash equivalents at the beginning of the year	275.39	275.89
Cash & cash equivalents at year end	183.74	275.39

The accompanying notes are an integral part of the Consolidated Financial Statements.

For and on behalf of the Board

Sd/- N S Pillai IA&AS Chairman & Managing Director DIN:07282785	Sd- Mini George Director DIN: 08766354
Sd- Biju R Chief Financial officer	Sd/- Lekha G Company Secretary

As per our report of even date

For Krishnamoorthy & Krishnamoorthy Chartered Accountants FRN:001488S	For Mohan & Mohan Associates Chartered Accountants FRN:002092S	For JRS & Co. Chartered Accountants FRN:008085S
Sd/- R Venugopal Partner M.No.202632	Sd/- R Suresh Mohan Partner M.No.013398	Sd/- A Jayakumar Partner M.No.025035 Thiruvananthapuram

16-2-2021

1.1 Corporate information

Kerala State Electricity Board Limited (KSEBL) the company is incorporated under the Companies Act, 2013 and is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 domiciled in India. It is the successor entity of Kerala State Electricity Board which was constituted by the Government of Kerala, as per order no. EL1-6475/56/PW dated 7-3-1957 of the Kerala State Government, under the Electricity (Supply) Act, 1948 for carrying out the business of Generation, Transmission and Distribution of electricity in the State of Kerala. The Registered Office of the Company is Vydyuthi Bhavanam, Pattom, Thiruvananthapuram, Kerala-695004 The financial statements were approved for issue in accordance with a resolution of the directors on 15 February, 2021.

Significant Accounting Policies followed by the Company

1.2 Basis of Preparation of financial statements

1.2.1 Compliance with Ind AS

These financial statements are the consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

1.2.2 Application of New Accounting Pronouncements

The company has not adopted Ind AS 116 - Leases pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2019, with effect from 1st April, 2019 as the same do not have any material impact on the Financial Statements of the Company.

1.2.3 Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value at the end of each reporting period;

2) defined benefit plans - plan assets measured at fair value;

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.2.4 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest crore (up to two decimals), except when indicated otherwise.

1.2.5 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or use to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Assets and liabilities are classified between current and non-current considering 12 months period as normal operating cycle.

1.2.6 Basis of consolidation

The consolidated financial statements comprise of the following financial statements :

Particulars	Details
Kerala State Power and Infrastructure Finance Corporation Limited	
Investment in Equity of Associate company 10819440 equity shares of face value Rs 1000 each (Previous year - 10819440 equity shares of face value Rs 10 each) Percentage of interest Last audited balance sheet date	9.5 40.60% 31-3-2020
Baitarni West Coal Company Ltd Investment in Equity of Joint venture company	
100000 equity shares of face value Rs 1000 each (Previous year - 100000 equity shares of face value Rs 1000 each) Percentage of interest	10 33.33%
Last audited balance sheet date	31-3-2020
Kerala Fibre Optic Network Ltd Investment in Equity of Associate company	
490000 equity shares of face value Rs 10 each (Previous year - 490000 equity shares of face value Rs 10 each) Last audited balance sheet date	.49 31-3-2019
Renewable Power Corporation of Kerala Ltd	
Investment in Equity of Joint venture company 5000 equity shares of face value Rs 1000 each (Previous year - 5000 equity shares of face value Rs 1000 each)	0.50
Percentage of interest	50%
Last audited balance sheet date	31-3-2020

Interest in associate / joint venture

A joint venture is an arrangement in which the Corporation has joint control and has rights to the net assets of the n associate arrangement, rather than the rights to its assets and obligation for its liabilities. A associate is an enterprise in which the investor has significant influence and which is neither a subsidary nor joint venture of the investor.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in The Consolidated Statement of Profit and Loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains if any on transactions between the Company and joint venture are eliminated to the extent of the Company's interest in these entities. Unrealised losses if any are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the company. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Key sources of estimation uncertainty :

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Useful Life of Property, Plant and Equipment

"The useful life of property, plant and equipment are generally based on factors including obsolescence, demand and such other economic factors including the required maintenance expenditure to ensure the future cash flow from the asset. Useful life of the asset, used for the generation, transmission and distribution of electricity is determined by the Central Electricity Regulatory Commission, as mentioned in part in part B of Schedule II of the Companies, 2013. Machinery spares acquired with the equipment are depreciated using the same rates and method applicable for the original machinery. In the case of Machinery spares procured separately for future use, rate equivalent to accumulated depreciation for the expired life of the relative machinery are charged in the year of acquisition along with depreciation for the year.

ii) Impairment of property plant and equipment

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

iii Capital Work-in-progress

The amount of capital work in progress is estimated based on the bills that are accounted towards capital expenditure but to be capitalized. Such capital expenditure shall remain till the asset is ready to use and capitalized.

iv Decommissioning Liabilities

The liability for decommissioning costs are recognised when the Company has an obligation to perform site restoration activity. The recognition and measurement of decommissioning provisions involves the use of estimates and assumptions.

v Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment

vi Provisions and Contingencies

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

vii Impairment of Financial And Non-Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

viii Post-retirement benefit plans

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided. A liability is recognised for the amount expected to be paid under short-term performance related cash bonus if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Retirement benefits in the form of gratuity is defined benefit obligations and is provided for based on an actuarial valuation, using projected unit credit method as at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. National Pension Scheme (NPS) was implemented in KSEB Limited vide B.O (FB) No.843/2013 (PRC/335/2013) dated 09.04.2013. All employees appointed on or after 01.04.2013 come under the coverage of NPS. The NPS will work on defined contribution basis and will have two tiers Viz., Tier I and Tier II. Contribution to Tier I will be mandatory for all employees appointed on or after 01.04.2013 whereas the Tier II will be optional and at the discretion of Board employees. In Tier I, the Board Employees shall make a contribution of 10% of (Basic pay + DA) from the salary every month. The company is also making equal matching contribution. The company is not making any contribution towards Tier II.

The employees who are recruited on or after 1st April 2013 are included in the new national pension scheme and do not come under the regular pension scheme. The company has no further obligation beyond the monthly contributions.

Vide G.O (P) No.14/2015/PD dated 27.04.2015 Government of Kerala notified that General provident fund scheme existed in the KSE Board is applicable to the KSEB Ltd also. This scheme is applicable for all employee of KSEB Ltd. Minimum employee contribution to the scheme is fixed as 6% of the basic salary. The contribution made by the employees for general Provident Fund is credited to General Provident Fund Account There is no contribution by the company to this scheme. Company is providing interest to the deposit in this scheme at the rate applicable to the provident fund scheme of the Kerala Government Employees.

As per section 6(8) & 6(9) of the Kerala State Electricity Second Transfer Scheme a Master Trust was registered on 12/02/2015. This Trust was formed to disburse the pension of pensioners of erstwhile KSE Board. As per the transfer scheme the Trust was operationalized and the pension has been disbursed to the pensioners from the Master Trust. The Master Trust made operational with effect from 01.04.2017 and the bonds were issued on that date.

ix Revenue

Revenue from sale of power within the State is recognized on accrual basis at the tariff as notified by the Kerala State Regulatory Commission from time to time. Company estimates unbilled power consumed based on the average consumption of the year.

x Investment in Subsidiaries, Associates and Joint Ventures

Investment in jointly controlled entities and associates are measured at cost less impairment as per Ind AS 27 - 'Separate Financial Statements'.

xi Tax expenses and tax balances

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

1.4 Property, Plant and Equipment (PPE)

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets. PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

In cases where final settlement of bills with contractors is pending, but the asset is complete and available for use, capitalisation is done on estimated basis subject to necessary adjustments. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term projects if the recognition criteria are met in accordance with Ind AS 23 Borrowing Cost. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on the assets which belongs to generation of electricity business and on the assets of Corporate & other offices is charged on straight line method following the rates notified by the CERC Tariff Regulations and in accordance with Schedule II of the Companies Act, 2013. Depreciation is calculated on straight-line method up to 90% of the original cost of assets at the rates notified by the Central Electricity Regulatory Commission. Claw back of depreciation has been provided in the accounts on the assets created out of the contribution received from consumers and government grants and subsidies.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss. Fully depreciated assets still in use are retained in financial statements.

1.5 Capital Work-in-progress

Capital work-in-progress comprises of the cost of PPE that are not yet ready for their intended use as at the balance sheet date. Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (CWIP). Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

Employee cost of various units are allocated to capital work in progress on the basis of following ratio;

Units	Employee cost
Generation	100% for offices exclusive for Civil works.
Transmission	25%
Distribution	14%
HO	5%

1.6 Intangible assets

"The company accounts the intangible assets as under

Type of Asset	Amortisation rate
Software	15%

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line over their estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

1.7 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction / development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period to get ready for their intended use or sale.

When the Company borrows funds specifically for obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs about the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization. The quantum of borrowing cost is measured based on the weighted average cost of capital. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.8 Regulatory Deferral Accounts

The tarrif charged by the Company for electricity sold to its customers is determined by the KSERC which provides extensive guidance on the principles and methodologies for determination of the tariff for sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return. Since the company has not recognised any amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP, the Company is not eligible to apply Ind AS 114, Regulatory Deferral Accounts. Hence Company has not recognised any regulatory deferral account balances.

1.9 Financial instruments

1.9.1 Initial recognition

Financial instruments are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

1.9.2 Subsequent measurement

I Financial assets

a Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

c Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d Investment in Associates and joint ventures

The investment in associates and joint ventures is carried at cost in the financial statements in accordance with Ind AS 27. The Company reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

e Impairment of financial assets

"The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset. Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The

Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses."

f Impairment of trade receivables

Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity. In some cases, this may not be probable until the consideration is received or until an uncertainty is removed. When an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount or the amount in respect of which recovery has ceased to be probable is recognised as an expense in profit and loss account. Such amount shall be reduced from the gross arraying amount of a financial asset when no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Age of debtors	Provisioning rate (%)
More than 5 years	75%
Between 3 to 5 years	40%
Between 1 to 3 years	15%
Between 6 months to 1 year	5%
Less than 6 months	0%

g Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

h Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognizes Financial liabilities only when Company's obligations are discharged, cancelled or have expired. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

1.10 Non-current assets held for sale

Non-current assets if any, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale and an active programme to locate a buyer and complete the plan must have been initiated, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations,if any, will be presented separately in the Statement of Profit and Loss.

1.11 Inventory

Inventories are stated at the lower of cost or net realisable value. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. From 01.07.2017 onwards, the company dispensed the policy of standard rate method and adopted the policy of FIFO (First in First Out) method on implementation of material management software in the company. Inventories procured up to 30.06.2017 are still valued at standard rates, determined by the company. The difference between actual cost and standard rate for these items is debited or credited to Material cost variance as the case may be and debit balance, if any in the Material cost variance account is charged to Statement of Profit and Loss.

1.12 Government Grant

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

1.13 Retirement and Other Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided. A liability is recognised for the amount expected to be paid under short-term performance related cash bonus if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Retirement benefits in the form of gratuity is defined benefit obligations and is provided for based on an actuarial valuation, using projected unit credit method as at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

1.14 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers.

The specific recognition criteria described below must also be met before revenue is recognised.

i The Company's contracts with customers for the sale of electricity generally include one performance obligation. The Company has concluded that revenue from sale of electricity should be recognised at the point in time when electricity is transferred to the customer.

ii Interest income is recognised on time proportion basis at the effective interest rate ("EIR") applicable.

iii Dividend income from investments, if any, recognised when the company's right to receive payment is established which is generally when shareholders approve the dividend.

iv Late payment charges and interest on delayed payment for power supply are recognized based on receipt basis.

1.15 Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and laws) enacted or substantively enacted by the reporting date.

Current Income tax assets and Liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively, at the reporting date.

Deferred tax

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.16 Segment Reporting

In accordance with Ind AS 108, the operating segments used to present segment information are identified based on policy formulated from internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve performance assessment measures put in place.

Electricity generation, transmission and distribution is the principal business activity of the Company. Other operations do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'. Segment revenue, segment result, segment assets and segment liabilities include the respective amount identified to each of the segments on reasonable basis from the internal reporting system. The Company is having a single geographical segment as all its Power Stations and Transmission/Distribution channels are located within the state.

1.17 Transactions Foreign currency

Transactions in foreign currency are initially recorded at the functional currency the date the transaction first qualifies for recognition. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

1.18 Contract Balances

1.18.1 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

1.18.2 Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due and the amount is billable.

1.18.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs obligations under the contract.

1.19 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1.19.1 The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.19.2 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the period in which they are incurred.

Rental expense from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

1.20 Provisions and Contingent Liabilities

In accordance with Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets, a provision is required to be recognised to settle a future obligation, both legal and constructive, by way of an economic outflow, resulting out of a past event and which can be reliably estimated. The amount of provision is recognised as the best estimate of present value of any obligation that need to be settled taking into account the risks and uncertainties surrounding the obligation. The provision is discounted if the effect of time value of money for the provision is material and shall be recognised as a finance cost in profit and loss account.

Contingent liabilities, on the other hand is not recognised, but disclosed adequately as parts of the financial statement. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are disclosed based on judgment of the management/independent experts with careful understanding of the circumstance of each case. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

1.21 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (net off distribution on Perpetual Securities whether declared or not) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares

1.22 Micro, Small and Medium Enterprises

Disclosure, if any, relating to amounts unpaid as on date of balance sheet together with interest paid/ payable as required under the Micro, Small and Medium Enterprises Development Act 2006 which came into effect from 2nd October 2006 is being provided only on receipt of information from its suppliers regarding their status under the Act.

1.23 Statement of Cash Flows

Cash flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (IND AS) 7 “Statement of Cash Flows”.

1.24 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31st March 2019, except for (a) the adoption of new standard effective as of 1st April, 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. None of interpretation or amendment have any material impact on the Financial Statements of the Company.

Cash and cash equivalents in the balance sheet comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash at banks and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company’s cash management.

Vide G.O(P) No.46/2013/PD dated 31 October 2013 published in Kerala Gazette dated 31st October 2013, the Government of Kerala revested all the Assets and liabilities of the erstwhile KSE Board in the new company Kerala State Electricity Board limited. Then the Government of Kerala issued the final transfer scheme vide G.O.(P) No.3/2015/PD dated 28.01.2015 by issuing a new opening Balance Sheet for the company as on 01.11.2013. The statement of accounts for 2013-14 of the company has been prepared based on the value of Assets & Liabilities notified by the Government of Kerala vide notification dated 28.01.2015.

2 Property, Plant and Equipment **₹ in Crores**

Particulars	Land & Land Rights	Buildings	Hydraulic Works	Other Civil Works	Plant & Machinery	Lines, Cable & Network	Vehicles	Furniture & Fixtures	Office Equipments	Total
Cost/Deemed Cost										
As at 1 April 2018	**1783.79**	**758.3**	**1371.99**	**625.17**	**16456.26**	**8900.76**	**24.58**	**42.24**	**144.42**	**30107.51**
Additions	7.47	26.12	37.26	36.17	312.39	1239.5	1.37	3.86	8.69	1672.83
Deletions										
As at 31 March 2019	**1791.26**	**784.42**	**1409.25**	**661.34**	**16768.65**	**10140.26**	**25.95**	**46.1**	**153.11**	**31780.34**
Additions	13.89	62.83	3.08	41.52	297.4	1680.15	0.38	4.09	40.3	2143.64
Deletions										
As at 31 March 2020	**1805.15**	**847.25**	**1412.33**	**702.86**	**17066.05**	**11820.41**	**26.33**	**50.19**	**193.41**	**33923.98**
Accumulated Depreciation										
As at 1 April 2018		**345.67**	**666.83**	**198.67**	**3588.21**	**4801.71**	**18.42**	**21.89**	**89.09**	**9730.47**
Depreciations Expenses		23.27	68.88	21.49	227.74	447.89	1.31	2.1	11.12	803.8
Deletions / Adjustments										
As at 31 March 2019		**368.93**	**735.71**	**220.16**	**3815.95**	**5249.6**	**19.73**	**23.98**	**100.21**	**10534.27**
Depreciations Expenses		25.19	70.04	22.95	248.08	514.94	1.52	2.61	12.56	897.89
Deletions / Adjustments										
As at 31 March 2020		**394.12**	**805.75**	**243.11**	**4064.03**	**5764.54**	**21.25**	**26.59**	**112.77**	**11432.16**
Carrying amount										
As at 31 March 2020	**1805.15**	**453.13**	**606.58**	**459.75**	**13002.02**	**6055.87**	**5.08**	**23.6**	**80.64**	**22491.82**
As at 31 March 2019	**1791.26**	**415.49**	**673.54**	**441.18**	**12952.7**	**4890.66**	**6.22**	**22.12**	**52.9**	**21246.07**

2.1 Vide G.O.(M.S) No.34/2017/PD dated 04/04/2017 Government of Kerala ordered that 20 acres of land owned by Travancore Cochin Chemicals Ltd (TCCL), which is currently under the lease to BSES Kerala Power Ltd to be transferred to KSEBL against outstanding dues from TCCL amounting to ₹. 174.61 Crores plus interest subject to the condition that KSEBL shall not alienate the land under any circumstances. The property of 20 Acres of land owned by TCCL is transferred on December 2020 in settlement of the dues as per the B.O.(DB) No.658/2020 (SOR/AMU4/HTB1/102/ARREAR SETTLEMENT/2020-21) dated 03.11.2020 during the year 2020-21.

2.2 Government of Kerala vide order G.O (M.S) No.13/07/PD dated 05.07.2007 has ordered to transfer 100 acres of land originally acquired by KSEB for the Brahmapuram Diesel Power Plant at Brahmapuram to the Revenue Department in Government subject to the conditions that (i) The value of Land will be determined and paid by Government to KSEB later. (ii) Additional compensation ordered to be paid by Government in Revenue Department. The Government had fixed the compensation for acquisition at ₹7.57 crores and the Board had requested the Government to enhance the compensation and for giving value of land at current market rate. No amount has been received till date and physical transfer of land has not taken place. Hence Accounting adjustments were also not made.

2.3 45.715 cents of Land belonging to the company in Thiruvananthapuram was transferred to Thiruvananthapuram Development Authority for widening the road as per the decision of the Government of Kerala. Since the value of the land is not yet received from the Government, necessary adjustments are yet to be made in the Books of Accounts.

2.4 Kerala State suffered a heavy damage due to natural calamity and flood during the month of August 2018 and the company also suffered damages. The power restoration work had been carried out on war foot basis and electricity connections were restored in time. The assets of KSEB Ltd in the flood affected areas were severely damaged. Some assets were fully lost and assets which are partly damaged and reusable were repaired and restored and the cost incurred for this is stated as exceptional items in note no 37. The company had taken sincere effort to identify the asset fully lost in the flood,but the details had not been received from the Accounting Rendering units since the Fixed Assets register has not been properly maintained in the field offices. The value of such assets are not removed from the books of accounts and the note on Property Plant and Equipment comprise the value of the asset lost in the flood also.

2.5 For preparation of the Financial statements, the value of asset and liabilities notified under the re-vesting second Transfer (Amendment) Scheme (Re-vesting) 2015, have been duly adopted. The fixed asset of erstwhile KSE Board revested to KSEB Ltd. is taken at the value notified vide Government notification G.O.(P).No.3/2015/PD dated 28.01.2015. Depreciation is charged on the book value of asset except the revalued asset. As per para 27 of the KSERC (Terms and conditions for determination of Tariff), Regulations,2018 provided that no depreciation shall be allowed on account of revaluation of assets.

3. Intangible Assets

₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Cost		
Balance as at beginning of the year	8.19	
Additions during the year	22.81	8.19
Deletions / Adjustments during the year		
Balance as at end of the year	31	8.19
Accumulated Amortization		
Balance as at beginning of the year	1.23	0
Amortisation expense for the year	4.05	1.23
Deletions / Adjustments during the year		
Balance as at end of the year	**5.28**	**1.23**
Carrying amount of Intangible Assets		
As at beginning of the year	6.96	
As at end of the year	25.72	6.96

3.1 The additions to intangible assets comprise of employee cost for inhouse development of software amounting to Rs. 13.44 crores (previous year Rs. 8.16 crores) and Rs. 9.00 Cr (previous year Nil) towards rights secured for laying transmission cables for Edamon Kochi project.

4 Capital Work In Progress

₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
As at 1 April 2019	**3066.95**	**2555.51**
Additions	2826.72	2184.27
Capitalised / adjustments	2143.64	1672.83
As at 31 March, 2020	**3750.03**	**3066.95**

4.1 During the financial year an amount of ₹ 645.52 crores (Previous Year ₹ 599.81 crore) has been charged to the capital work in progress over capital works for the capitalisation of employee cost and interest and finance charges as detailed below. The same shall be capitalised in the financial year 2020-21.

Particulars	₹ in crores	₹ in crores
Employee Cost	323.55	334.28
Interest and Finance charges	307	252.09
Software development Expenses	14.97	13.44
	645.52	599.81

Assets

Interest and finance charges (borrowing cost) of Project Specific Loans are added to the value of asset and the interest and finance charges of general borrowings are added to the value of the assets at a capitalisation rate of 7.69% on the cost of assets.

5 Investments in associates / joint venture accounted for using equity method ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Kerala State Power and Infrastructure Finance Corporation Limited		
Investment in Equity of associate company	9.50	9.50
10819440 equity shares of face value Rs 10 each (Previous year - 10819440 equity shares of face value Rs 10 each)		
Percentage of interest	40.60%	40.60%
Reconciliation to carrying amounts		
Opening carrying amount	31.77	29.86
Investment in associate during the year		
Add:Financial Reporting of Interests in associate		
Profit / (Loss) for the period	2.24	1.91
Other comprehensive income		
Dividend received		
Closing net assets (i)	**34.01**	**31.77**
Baitarni West Coal Company Ltd		
Investment in Equity of joint venture company	10	10
100000 equity shares of face value Rs 1000 each (Previous year - 100000 equity shares of face value Rs 1000 each)		
Percentage of interest	33.33%	33.33%
Reconciliation to carrying amounts		
Opening carrying amount	10.26	9.72
Investment in Joint venture during the year		
Add:Financial Reporting of Interests in Joint Ventures		
Profit / (Loss) for the period	0.44	0.54
Other comprehensive income		
Dividend received		

Closing net assets (ii)	10.70	10.26
Kerala Fibre Optic Network Ltd		
Investment in Equity of associate company 490000 equity shares of face value Rs 10 each (Previous year - 490000 equity shares of face value Rs 10 each)	0.49	0.49
Percentage of interest	49%	49%
Reconciliation to carrying amounts		
Opening carrying amount	0.49	0.49
Investment in associate during the year		
Add:Financial Reporting of Interests in associate		
Profit / (Loss) for the period		
Other comprehensive income		
Dividend received		
Closing net assets (iii)	**0.49**	**0.49**
Renewable Power Corporation of Kerala Ltd		
Investment in Equity of joint venture company	0.50	0.50
5000 equity shares of face value Rs 1000 each (Previous year - 5000 equity shares of face value Rs 1000 each)		
Percentage of interest	**50%**	**50%**
Reconciliation to carrying amounts		
Opening carrying amount	1.10	0.71
Investment in Joint venture during the year		
Add: Financial Reporting of Interests in Joint Ventures		
Profit / (Loss) for the period	0.6	0.39
Other comprehensive income		
Dividend received		
Closing net assets (iv)	**1.70**	**1.10**
Share of net profit of associates accounted for using the equity method	**3.28**	**2.84**
Total Closing net assets (i+ii+iii+iv)	**46.89**	**43.61**

6. Trade receivables - Non current **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Secured considered good		
Unsecured considered good	745.44	1070.78
Less: Allowance for Doubtful Trade Receivables		
Total	**745.44**	**1070.78**

7. Loans - Non current at amortised cost **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Security Deposit		
Unsecured and considered good	21.78	39.1
Less: Allowance for Doubtful Deposits		
Total	**21.78**	**39.1**

8. Other financial assets - Non current **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Others		
Unsecured, considered good		
Receivable from Government of Kerala	2854.44	3567.89
Advance - others	83.54	83.44
Balances with Banks:		
In deposit accounts with original maturity more than 12 months	7.29	
Total	**2945.27**	**3651.33**

9. Other Non Current Assets **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Capital Advances		
Unsecured considered good	289.86	195.85
Doubtful		
Others		
Advance Agricultural Income Tax	0.22	0.22
Non Current Tax Assets	20.32	17.78
Total	**310.40**	**213.85**

10. Inventories ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Oils & Lubricants	5.05	6.49
Stores & spares	785.51	645.29
Others	18.77	46.72
(Less) Provision for Shortages and Obsolescence	-0.47	-0.47
Total	**808.86**	**698.03**

11. Trade receivables - Current ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Trade Receivables		
Secured, considered good		
Unsecured considered good		
Sundry Debtors for Sale of Power	1506.86	493.11
Sundry Debtors for Inter State Sale of Power	3.47	75.64
Sundry Debtors for Electricity Duty	125.95	75.23
Sundry Debtors (Miscellaneous)	185.76	175.79
Doubtful		
Sundry Debtors for Sale of Power	789.31	789.31
Allowance for Bad and Doubtful Debts	-789.31	-789.31
Total	**1822.04**	**819.77**

12. Cash & Cash Equivalent ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with bank		
in current accounts	145.07	231.89
in treasury accounts	0.10	0.18
Deposits with original maturity less than 3 months	34.47	35.79
Cash on hand	4.1	7.53
Total	**183.74**	**275.39**

13. Bank balances other than cash and cash equivalents ₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with Banks includes		
Deposits with original maturity more than 3 months but within 1 year	109.30	78.39
Total	**109.30**	**78.39**

14. Other financial assets - Current		₹ in Crores
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Rent Receivable	0.08	0.08
Receivable from Power suppliers	96.83	
Interest Accrued But Not Due	16.81	16.34
Total	**113.72**	**16.42**

15. Current Tax assets (Net)		₹ in Crores
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Current tax assets (net)	1.85	2.56
Less Provision for tax		
Total	**1.85**	**2.56**

16 Other Current Assets		₹ in Crores
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Advances to Employees	8.52	9.75
Advance to Contractors & Suppliers	4.29	6.34
Unbilled revenue receivable	940.86	852.66
Others		
Inter Unit Balances	50.98	39.61
Total	**1004.65**	**908.36**

The net amount of Inter Unit balances pending reconciliation is classified as other current assets.

17. Equity Share capital		₹ in Crores
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Authorised		
Equity Shares of Rs 10/- each Nos		
Nos	5000000000	5000000000
₹ Crores	5000	5000
Issued		
Nos	3499050000	3499050000
₹ Crores	3499.05	3499.05
Subscribed and Paid-up		
Nos	3499050000	3499050000

₹ Crores	3499.05	3499.05
Equity Shares		
At the beginning of the year		
Nos	3499050000	3499050000
₹ Crores	3499.05	3499.05
Issued during the year		
Nos		
₹ Crores		
Outstanding at the end of the year		
Nos	3499050000	3499050000
₹ Crores	3499.05	3499.05

17. 1 Vide G.O.(MS) No.17/2015/PD dated 13.05.2015 the equity capital of Government in Kerala State Electrcity Board Ltd is Rs.3499.05 Cr (fully paid up) and there has been no movement in the share capital since then.

17.2 Terms and rights attached to equity sharesThe company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

17. 3 The company has only one share holder since inception being the Honourable Governor of Kerala

18. Other equity **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Retained Earnings	-5605.81	-5336.26
Other Comprehensive income		
Remeasurements of Defined Benefit Plans Gains	-6498.62	-5902.27
Total Other Equity	-12104.43	-11238.51
Retained Earnings		
Opening Balance	-5336.26	-5201.58
Less: Loss for the year	-269.55	-134.68
Add / (Less) Adjustments due to restatement		
Closing Balance	-5605.81	-5336.26
Other Comprehensive income		
Opening Balance	-5902.27	-4805.48
Less: Loss for the year	-596.35	-1096.79
Add/(Less) Adjustments due to restatement		
Closing Balance	-6498.62	-5902.27

Remeasurements of Defined Benefit Plans Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS 19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

19 Borrowings - Non current **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Bonds		
Unsecured Bonds	9156.31	9858.76
Term Loans		
From Banks		
Secured Loans	892.27	75
From Others		
Secured Loans	5085.55	4597.07
Total	**15134.13**	**14530.83**

Details of Terms of Repayment, Rate of Interest and Security of Bonds

19.1 Details of Terms of Repayment, Rate of Interest and Security of Bonds

Unsecured Bonds consist of two series of bonds issued to The Kerala State Electricity Board Limited Employees Pension and Gratuity Trust as per G.O.(P).No.3/2015/PD dated 28.01.2015 as on 01.04.2017.

i) 20 years bond with a coupon of rate 10% p.a. For ₹ 8144 crores.

ii) 10-year bond with a coupon of rate 9% p.a. For ₹3751 crores.

These bonds have been redeemed every year as per the Government Order referred above. The Government of Kerala provides for the redemption of 9% Bond (including interest thereon) every year by way of adjustment against electricity duty payable to Government. During the current year, ₹407.20 crores in respect of 10% bond and ₹295.25 crores in respect of 9% bond has been redeemed. The amount of ₹586.10 crore required for the redemption of 9% bond (including interest of ₹290.85 crore thereon) for the year was provided by the Government of Kerala by adjustment against the Electricity Duty payable to Government. The provision for interest on bonds adjustable against the Electricity Duty and the amount receivable from Government provided in the opening balance sheet of the company as on 01.11.2013.

19.2 Details of Terms of Repayment, Rate of Interest and Security of Term Loans

The secured Loan from Bank consist of:

(i) Term loan from State Bank of India for shoring up of Net Working Capital of the Company which is to be paid in monthly installments up to 31 October 2029. The applicable interest rate presently is 8.62%.

(ii) Term loan from South Indian Bank for commissioning of Barapole Small Hydro Electric Power Project (SHEP) which is to be paid in monthly installments up to 29 February 2028. The applicable interest rate presently is 10%.

19.3 The secured Loan from other Financial Institutions consist of:

(i) Term loan from Power Finance Corporation Limited (PFC) :

(a) As part of R-APDRP Part- A (Distribution scheme) for which the repayment is not finalised. The applicable interest rate presently is 9%.

(b) As part of R-APDRP Part- B (Distribution scheme) for which the repayment is not finalised. The applicable interest rate presently is 9%.

(c) As a special assistance to be paid in monthly installments up to 14 September 2033. The applicable interest rate presently is 9.08%.

(ii) Term loan from PFC Green Energy Limited :

(a) For commissioning Perunthenaruvi SHEP which is to be paid in monthly installments up to 15 July.2033. The applicable interest rate presently is 10.125%.

(b) For commissioning Kakkayam SHEP which is to be paid in monthly installments up to 15 January.2034. The applicable interest rate presently is 9.875%.

(iii) Term loan from REC Limited :

(a) For commissioning Thottiyar SHEP which is to be paid in monthly installments up to 30 June.2029. The applicable interest rate presently is 11.52%.

(b) For commissioning Poringalkuthu SHEP for which the repayment is not finalised. The applicable interest rate presently is 10.25%.

(c) For commissioning Bhoothankettu SHEP for which the repayment is not finalised. The applicable interest rate presently is 10.25%.

(d) For laying Kattakada-PothencodeTransmission Line which is to be paid in monthly installments up to 31 March 2026. The applicable interest rate presently is 11.5%.

(e) As laying Transmission lines across Kerala which is to be paid in monthly installments up to 01 January 2032. The applicable interest rate presently is 10.25%.

(f) As part of various schemes across 23 Distribution Circles which is to be paid in monthly installments up to 01 January 2032. The applicable interest rate presently is 10.125%.

(g) As part of Distribution Meter Scheme which is to be paid in monthly installments up to 01 January 2022. The applicable interest rate presently is 9.75%.

(h) As part of RAPDRP Part B Scheme which is to be paid in monthly installments up to 30 December 2027. The applicable interest rate presently is 10.125%.

(i) As part of RGGVY Scheme which is to be paid in monthly installments up to 28 February 2028. The applicable interest rate presently is 10.5%.

(j) As part of DDG Scheme for which the repayment is not finalised. The applicable interest rate presently is 10.5%.

(k) As part of Special Assistance which is to be paid in monthly installments up to 31 March 2032. The applicable interest rate presently is 9.08%.

(iv) Term loan from NABARD for commissioning Banasura Sagar SHEP and Upper Kallar SHEP which is to be paid in monthly installments up to 01 January 2023. The applicable interest rate presently is 6.25%.

19.4 Default in repayment of borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Bonds Principal & interest	1284.66	907.68
Term Loans Principal & interest	0	0

20 Other financial liabilities - Non current at amortised cost		₹ in Crores
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Security deposit from consumers	3205.21	3021.22
Interest payable on consumers deposit	364.72	338.62
Amount received from KIIFB & DRIP	367.61	90.28
Total	**3937.54**	**3450.12**

21 Provisions - Non current		₹ in Crores
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Provision for Employee Benefits		
Contributory Provident Fund	0.04	0.04
General provident Fund	2342.96	2209.47
Terminal benefits as per acturial valuation	6350.58	5782.66
Others		
Provision for Interest on bonds adjustable against Electricity duty	1166.34	1457.2
Provision for Pay revision	426	176
Total	**10285.92**	**9625.37**

Terminal benefits comprises the amount of future terminal liability arising out of the actuarial valuation from 1 November 2013 to 31 March 2020 and the funding pattern of the terminal liability has not been finalised

22 Other liabilities - Non Current		₹ in Crores
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Decommissioning Liability	24.19	22.18
Deferred revenue on government grants	1417.74	1203.01
Deferred revenue on deposit works	1606.30	1324.00
Total	**3048.23**	**2549.19**

23 Borrowings - Current		₹ in Crores
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Unsecured borrowings at amortised cost		
From banks		

Bank Overdraft	623.73	510.84
Demand Loan	1306.5	1799.47
Short term Loan	400	400
From others	0	0
Total	**2330.23**	**2710.31**

Refer note no. 19.1 for details on terms and conditions of borrowings.

24 Trade payables - Current **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Payables for supply of power	1642.26	1207.32
Payables for supply of materials and services	182.01	181.56
Payables for Expenses	167.41	165.32
Total	**1991.68**	**1554.2**

24. 1 The vendor balances on purchase of power are unreconciled to the extent of Rs. 48.74 crores (Dr) from M/s. NLC India Limited and Rs. 47.49 crores (Cr) from M/s. Jhabua Power Limited, Rs.16.66 Crores (Cr) and Rs. 8.66 crores (Dr) from other suppliers of power due to disagreement in the claimability of costs. The managemet is of the opinion that no further provisions are required to effected in the books of accounts of the company.

24.2 Information in respect of micro and small enterprises as at 31 March 2020 as required by Micro, Small and Medium Enterprises DevelopmentAct, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management during 2019-20 is as follows:

₹ in Crores

Particulars	As at 31 March 2020	As at 31 March 2019
a) Amount remaining unpaid to any supplier:		
Principal amount	6.43	0.92
Interest due thereon		
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day		
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006		
d) Amount of interest accrued and remaining unpaid		

e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act		

There are no material dues owed by the Company to Micro and Small Enterprises which are outstanding for more than 45 days during the year and as at March 31, 2020. This information as required under Micro and Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors,.

25. Other financial liabilities - Current **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Liability for capital supply/works	120.29	133.70
Staff related liabilities and provisions	163.41	229.82
Bond principal & interest due	1284.66	907.68
Deposit and Retentions from Suppliers/Contractors	467.63	423.14
Accrued/Unclaimed amount relating to borrowings	227.61	203.51
Deposit for Electrification, Service connection etc	758.79	800.49
Current maturities of long term borrowings from others	530.07	410.26
Current maturities of long term borrowings from bank	101.04	6
Current maturities of bonds	702.45	702.45
Total	**4355.95**	**3817.05**

26. Provisions - Current **₹ in Crores**

Particulars	As at 31 March 2020	As at 31 March 2019
Dearness Allowance arrears	22.89	18.06
Terminal benefits	1853.92	1598.80
Total	**1876.81**	**1616.86**

27. Revenue from operations		₹ in Crores
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Sale of Power		
Interstate	1.25	72.02
Domestic	5262.80	4621.04
Commercial	3394.22	3062.80
Public Lighting	175.59	172.77
Irrigation & Dewatering	97.60	86.78
Industrial L T	837.70	792.76
Railway Traction	194.2	186.38
Bulk Supply	396.74	369.33
High tension	3057.71	2758.59
Extra high tension	621.08	663.48
Trading	17.86	267.32
Reactive Energy Charges - Interstate sale TANGEDCO	16.02	20.63
Electricity Duty Recovery	969.12	790.94
Other State Levies Recovered	17.04	24.28
Meter Rent/Service Line Rental	96.95	94.38
Recovery of theft/Mal practices	7.67	8.66
Wheeling Charge recoveries	3.65	
Misc. Charges from Consumers	203.41	344.27
Total revenue from sale of power	15370.61	14336.43
Less: Electricity Duty Payable	969.12	790.94
Less: Other State Levies Payable	17.04	24.28
Total (A)	**14384.45**	**13521.21**
Other Operating Income	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Particulars		
Rebate Received	109.14	134.11
Interest Advances to Suppliers/Contractors	6.80	7.11

Income from sale of bulbs, Scrap, Tender form etc	41.51	72.63
Miscellaneous Receipts	102.54	101.96
Total (B)	**259.99**	**315.81**
Total (A+B)	**14644.44**	**13837.02**

For monthly as well as bi-monthly billed consumers under various tariff categories, an estimated amount of ₹ 940.86 crores is recognized as unbilled revenue as on 31.03.2020(Previous year ₹ 852.66 crores) and the amount is debited to Other Current Assets

28. Other Income ₹ in Crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest Income		
Staff Loans and Advances	0.05	0.01
Income From Loans &others	0.09	0.51
Banks	9.81	7.16
Clawback of Grant	200.21	145.18
Total (a+b)	**210.16**	**152.86**

29. Purchase of Power ₹ in Crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Power purchased from Central Generating Stations	2862.51	2712.55
Power purchased from Others	5204.45	4584.18
Power purchased from Wind Generating Stations	44.77	51.22
Wheeling Charges	567.34	513.41
Other charges on sale through power exchange	0.74	5.38
Purchase others	0.19	6.65
Total	**8680**	**7873.39**

30. Generation of Power ₹ in Crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Oil	4.65	1.79
High Speed Deisel Oil	0.21	0.21
Lubrication Oil	0.15	0.05
Consumable stores	0.70	1.23
Total	**5.71**	**3.28**

31. Repairs & Maintenance		₹ in Crores
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Plant and Machinery	41.39	43.92
Buildings	8.43	9.97
Civil Works	9.72	11.18
Hydraulic Works	3.52	3.92
Lines, Cable Network etc.	214.17	230.09
Vehicles	2.21	2.07
Furniture and Fixtures	0.39	0.48
Office Equipments	1.97	2.69
Total	**281.80**	**304.32**

32. Employee Benefits		₹ in Crores
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Salaries & allowances	2513.10	2523.59
Over Time/Holiday Wages	0.37	0.29
Dearness Allowance	707.88	547.44
Other Allowances	76.70	77.4
Bonus	9.74	9.44
Leave Travel Assistance	0.26	0.22
Earned Leave Encashment	160.45	181.10
Payment under Workmen's Compensation Act	0.22	0.54
Leave Salary & Pension Contribution	22.20	18.24
Funeral Allowance	0.06	0.07
Medical Expenses Reimbursement	12.85	12.88
Staff Welfare Expenses	4.52	4.29
Terminal Benefits	0.07	
(Less) Expenses Capitalised	(460.94)	(462.62)
Total	**3047.48**	**2912.88**

33. Finance Cost ₹ in Crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Finance Charges on Financial Liabilities Measured at Amortised Cost		
Interest expense		
Interest on other loans/deferred credits	597.31	570.12
Interest to Consumers	196.29	177.31
Interest on Borrowings for Working Capital	189.25	148.95
Other interest and finance charges		0
Rebate allowed for prompt payment	0	0.83
Discount to Consumers for timely payment of bills	2.33	2.16
Interest To Suppliers/Contractors/others	0.23	0
Interest on General Provident Fund	171.26	162.17
Cost of Raising Finance	0.02	0
Other Charges	9.38	15.42
Interest on bond isuued to master Trust	732.96	773.68
Less: Interest and Finance Charges Capitalised	(307.00)	(252.09)
Total	**1592.03**	**1598.55**

34. Depreciation, Amortisation and Impairment Expenses ₹ in Crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation		
Depreciation - Buildings	25.19	23.27
Depreciation - Hydraulic Works	70.04	68.88
Depreciation - Other Civil Works	22.95	21.49
Depreciation - Plant & Machinery	248.08	227.74
Depreciation - Line Cable & Network	514.94	447.89
Depreciation - Vehicles	1.51	1.31
Depreciation - Furniture & Fixtures	2.60	2.10
Depreciation - Office Equipments	12.56	11.12
Total	**897.87**	**803.80**
Amortisation		
Amortisation of intangible assets	4.05	1.23
Total	**901.92**	**805.03**

35. Administrative and General Expenses		₹ in Crores
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rent	9.51	8.33
Rates and Taxes	2.14	2.40
Telephone Charges, Postage, Telegram & Telex charges	9.93	13.13
Internet charges	0.51	2.72
Legal Charges	1.79	2.16
Audit Fees - Statutory audit	0.44	0.44
Audit Fees - others	0.05	0.03
Consultancy Charges	0.06	0.11
Technical Fees	0.67	0.59
Other Professional Charges	1.40	2.09
Notary fee and other expenses relating to CGRF and ERC	4.42	11.93
Conveyance and Travel	65.44	62.85
Salary and other allowance of Appellate Authority		0.05
Fees and Subscriptions	0.81	0.88
Books and Periodicals	0.07	0.08
Printing and Stationary	7.26	7.12
Data Processing Charges	0.13	0.13
Advertisements,Exhibition and Publicity	0.49	1.14
Contribution to EWF	2.39	2.20
Contribution to CMDRF	0.69	36.20
Water Charges	1.00	1.38
Sports,Entertainment	1.56	1.32
Study Tour & Training	2.92	2.81
Electrciity Duty 3(1)	130.43	123.81
Other Operative Expenses	199.39	167.35
Power factor incentive to consumers	102.65	114.07
Freight	12.61	11.21
Other Expenses	7.54	15.38
Less: Expenses capitalised	(1.66)	(0.40)
Total	**564.64**	**591.51**

35.1 Payment to Statutory Auditors consist of

Particulars	"For the year ended March 31, 2020"	"For the year ended March 31, 2019"
Remuneration of statutory auditors	0.44	0.44
Reimbursement of Expenses	0.05	0.03
Total	**0.49**	**0.47**

36. Others **₹ in Crores**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Material Cost Variance	(4.68)	(2.55)
Research and Development Expenses	0.1	0.06
Miscellaneous	-0.2	-0.06
Miscellaneous Losses and Write Offs	21.81	22.18
Sundry Expenses	0	0.02
Loss/(compensation) on account of flood cyclone etc	4.94	0
Total (A)	**21.97**	**19.65**

37 Exceptional Items **₹ in Crores**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Plant and Machinery	1.99	0.77
Buildings	0.02	0.03
Civil Works	1.08	1.1
Hydraulic Works	0.44	0.77
Lines, Cable Network etc.	25.07	13.28
Total	**28.6**	**15.95**

38. Other comprehensive income **₹ in Crores**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Portion of acturial valuation not pertains to Current year	596.35	1096.79
Total	**596.35**	**1096.79**

39. Earnings per Share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Earnings Available to Equity Share Holders (₹ in crores)	-266.27	-131.84
weighted average no of equity shares	3499050000	3499050000
Face value per share (₹)	10	10
Earnings per Share (Basic)	(0.76)	(0.38)
Earnings per Share (Diluted)	(0.76)	(0.38)

40 Contingent liabilities, Capital liabilities and Capital commitments **₹ in crores**

	Particulars	2019-20	2018-19
	A. Contingent Liabilities		
1	Disputed Income-tax Matters	241.15	323.7
2	Claims against Company pending Court Orders/Government orders (Ref Note 40.2)	104.01	104.01
3	Claim by NLC India Limited (Ref Note 40.3)	26.52	26.52
4	Claim by M/s PTCIL-Balco (Ref Note No 40.4)	93.84	93.84
5	Bank Guarantees invoked by Ministry of Coal against on behalf of Baitrani West Coal Company Limited	12.5	12.5
	B. Capital Liabilities and Capital Commitments		
1	Capital liabilities becoming due for re-payment/redemption	6976.28	5178.59
2	Estimated value of contracts remaining to be executed	532.52	484.62

40.1 The company has not disclosed the effect of individual and / or cumulative effect of claims individually lower than Rs. 1 crore, arising to the company as “contingent liabilities” to the company

40.2 Commercial Tax Department had disallowed the concessional tax of 4% given to M/s KPCL and directed BPCL to collect differential amount with retrospective effect from 2001-02. M/s KPCL in turn had claimed an amount of ₹40.31 crores vide invoice dated 20-3-2016. The matter was referred to the high-power committee constituted by Government of Kerala for granting concessional rate to KPCL as the entire power is being drawn by KSEBL. The high-power committee had decided that KSEBL shall reimburse the differential tariff and to waive the interest and penal interest elements after taking approval of the council of Ministers. The differential tax was estimated as ₹30.70 crores. However as per section 26 of the KVAT Act, the department can claim only the differential tax for five years from 2006-07 to 2010-11 amounting to ₹13.34 crores. Accordingly, an amount of ₹13.34 crores is provided in the accounts though the claim is not admitted by the Company. KSEBL had approached the Government to waive the interest claim in this regard amounting to ₹78.65 crores. And to withdraw the claim of balance differential tax amounting to ₹25.36 crores. The Company is expecting favorable orders from the Government of Kerala. Accordingly, an amount of ₹104.01 crores is shown under contingent liabilities.

40.3 KSEBL has disputed the Guidelines for Fixation of Lignite Transfer Price during the regulation period 2019-24 and has filed a Misc. Petition No.532/MP/2020 with Central Electricity Regulatory Commission. Hence the payment against Energy Bills of Generating Stations of NLC India Limited from the month of 12/2019 has been disputed and released only 95% of the bill amount. M/s NLCIL has claimed in 01/2020 Rs 26.52Cr vide Debit note towards the arrear claims as per Lignite Transfer Price guidelines which was disputed and not provided. 40.4

40.4 i) M/s PTCIL-Balco has claimed ₹54.98 crores towards reimbursement as per Article 10 of PPA (change in law) of additional expenditure incurred until 02.2017. KSEBL calculated the provisional amount of ₹32.37 crores due to PTC in compliance with the order of APTEL dated 01.05.2019. The said amount of ₹.32.37 crore may change subject to the final order of APTEL. Upon placing it on record, APTEL insisted that KSEBL shall under take to pay the same. Later as per the daily orders of APTEL dated 15.05.2019 and 20.5.2019, ₹16.185 crore was released on 21.05.2019.

ii) M/s PTCIL-Balco claimed ₹57.49 crores towards ECR revision due to change in escalation rates for domestic coal as per CERC amendment dated 08/12/2017 for the period from 03/2015 to 02/2017 vide invoice dated 20/12/2017. Since the final decision has not been taken the same has not been provided in the accounts.

iii) Balco has filed a petition No.317/MP/2019 with CERC against KSEBL for nonpayment of Fixed charges on account of adjustment of Fixed charges on annual basis of ₹ 13.27 crore up to 2018-19 and the transmission losses attributable to Supply of power beyond the normative availability of ₹0.47 crores up to 2018-19. If the final order is against KSEBL, similar claims under other DBFOO agreements will become payable with applicable interest which has not been provided in the accounts.

40.5 Letter of credit facility is offered to the suppliers of power as per the agreement conditions. The LC charges in this regard, being directly attributable to purchase of power, is being accounted as power purchase costs.

41.0 Related Party Disclosures

41.1 List of related parties and nature of relationships where control exists.

Sl. No	Name of the Related Party	Nature of Relationship
1	Renewable Power Corporation of Kerala Ltd.	Joint Venture
2	Kerala State Power and Infrastructure Finance Corporation	Associate
3	Baitarani West Coal Company Ltd.	Joint Venture

4	Kerala- Fibre Optic Network Limited	Associate
5	Kerala State Electricity Board Employees Master pension and Gratuity Trust	Post employeement benefit fund
6	Kerala Hydel Tourism Centre	Society promoted by the company

Transactions between company and related entities through co-holder of third-party entity during the year and the status of outstanding balances as on the given dates. The period of restriction for disposal of investment has also been given.

Particulars	Year	Period of Restriction for disposal of investment as per related agreements	Subsidiaries	JCE	Associate
Investment in equity shares and preference shares	31.03.2020				
	31.03.2019				
Impairment allowance on Investments	31.03.2020				
	31.03.2019				

41.2 List of Key Managerial Personnel as defined in 2(51) of Companies Act, 2013 and disclosure of transaction entered with key managerial personnel.

₹ in crores

No.	Name	Designation	Year ended 31st March 2020	Year ended 31st March 2019
1	N.S.Pillai IA&AS	CMD	0.31	0.29
2	Vijaya Kumari. P(Rt on 30.06.2019)	Director	0.05	0.21
3	Venugopalan.N	Director	0.22	0.23
4	Kumaran.P(Rtd on 31.08.2019)	Director	0.16	0.22
5	Bipin Joseph	Director	0.13	
6	Brijlal.V	Director	0.13	
7	Biju.R	CFO	0.16	0.14
8	Lekha.G	Company Secretary	0.15	0.13

9	Mani PK	Director		0.20
10	Rajeev S	Director		0.14

41.3 Kerala State Electricity Board Employees Master pension and Gratuity Trust Details of Amount payable to Master Trust as on 31.03.2020

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening Balance	907.68	518.74
Payable during the period		
Principal Repayment of bond	407.2	407.2
Interest payable by the Company	732.96	773.68
Government Contribution to Master Trust	586.1	586.1
Other receipt	209.6	0
Total Payable	2843.54	2285.72
Less: Paid during the year	1558.88	1378.04
Balance payable	1284.66	907.68

41.4 Enterprises promoted by the company

Kerala Hydel Tourism Centre There are no transactions during the year (previous year Nil)

42 Segment Reporting

Disclosure as per Ind AS 108 is given below.

The Company has three reportable segments, i.e Generation, Transmission and Distribution.

₹ in crores

Particulars	Year ended 31 March, 2020				
	Business segments				
	Generation	Transmission	Distribution	Inter Segment Elimination	Total
Segment Revenue	613.28	1037.63		1650.91	
Sale of energy & Meter rent			14384.45		14384.45
Total	613.28	1037.63	14384.45	1650.91	14384.45
Segment result	305.74	511.82	12137.25		12954.81
Allocable expenses	189.35	391.83	13113.33		13694.51

Operating income					
Other income (net)	16.3	70.87	382.98		470.15
Profit before taxes	132.69	190.86	(593.1)		(269.55)
Tax expenses					
Net profit for the year	**132.69**	**190.86**	**(593.1)**		**(269.55)**
Other comprehensive income	(26.90)	(58.86)	(510.59)		(596.35)
Total comprehensive income	**105.79**	**132**	**(1103.69)**		**(865.9)**

₹ in crores

Particulars	Year ended 31 March, 2019				
	Business segments				
	Genera-tion	**Trans-mission**	**Distribu-tion**	**Inter Seg-ment Elimina-tion**	**Total**
Segment Revenue	586.66	1068.69		1655.35	
Sale of energy & Meter rent			13521.51		13521.2
Total	**586.66**	**1068.69**	**13521.21**	**1655.35**	**13521.2**
Segment result	290.76	515.16	11149.6		11955.53
Allocable expenses	161.91	382.32	12027.71		12571.95
Operating income					
Other income (net)	24.49	56.45	400.08		481.02
Profit before taxes					
Tax expenses	153.33	189.3	(477.31)		(134.68)
Net profit for the year	**153.33**	**189.3**	**(477.31)**		**(134.68)**
Other comprehensive income	(60.34)	(110.25)	(924.40)		(1094.99)
Total comprehensive income	**92.99**	**77.25**	**(1401.71)**		**(1231.47)**

₹ in crores

	Year ended 31 March, 2020			
	Business segments			
Particulars	**Generation**	**Transmis-sion**	**Distribu-tion**	**Total**
Segment assets				
Allocable assets	11274.44	891.01	18439.63	30605.08

Total assets	11274.44	891.01	18439.63	30605.08
Segment liabilities				
Allocable liabilities	12858.94	2047.44	19448.73	34355.11
Total liabilities	**12858.94**	**2047.44**	**19448.73**	**34355.11**
Other information				
Capital expenditure				
Capital expenditure (Allocable)	1584.5	1156.43	1009.10	3750.03
Depreciation and amortisation (allocable)	186.04	235.46	480.42	901.92
Depreciation and amortisation (unallocable)				
Other significant non-cash expenses				

₹ in crores

Particulars	**Year ended 31 March, 2019**			
	Business segments			
	Generation	**Transmission**	**Distribution**	**Total**
Segment assets				
Allocable assets	14428.03	3312.19	11307.28	29047.5
Total assets	**14428.03**	**3312.19**	**11307.28**	**29047.5**
Segment liabilities				
Allocable liabilities	15822.52	3947.9	12344.03	32114.45
Total liabilities	**15822.52**	**3947.9**	**12344.03**	**32114.45**
Other information				
Capital expenditure				
Capital expenditure (Allocable)	1323	635.71	1108.24	3066.95
Depreciation and amortisation (allocable)	132.36	239.43	433.24	805.03
Depreciation and amortisation (unallocable)				
Other significant non-cash expenses				

43 Taxation

The company has reported loss during the period and provision for current tax or deferred tax not provided in the accounts.

44 Generation, Purchase and Sale of Power **in Million Units**

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)
Hydel	5741.83	37.16	5704.67	7602.41	31.81	7570.6
Thermal	12.3	1.65	10.65	4.09	1.44	2.65
Wind	1.42		1.42	1.33	0	1.33
Solar	25.95		25.95	18.54	0	18.54
Sub Total	5781.5	38.81	5742.42	7626.37	33.25	7593.12
Purchase	21128.51		21128.51	18761.47		18761.47
Auxiliary consumption (Sub-stations)		19.6	19.6		16.11	16.11
Total	**26909.74**	**58.41**	**26851.33**	**26387.84**	**49.36**	**26338.48**
Energy injected by Private IPPs at generator end for sale outside state through open access			37.50			39.17
Energy purchased by consumers through open access at Kerala periphery			405.86			216.6
Total Generation and power purchased			27294.69			26594.25
Energy sale outside the state by KSEBL at Kerala periphery			55.95			824.78
Swap return			231.93			168.02
Sale outside the state by Private IPPs through open access			35.96			37.4
External PGCIL loss			356.47			714.9

Net energy available in Kerala Grid for consumption with in the state			26226.08			24849.15
Energy sale within the state by KSEBL alone			22660.93			21536.77
Energy consumed by open access consumers at consumer end			386.52			205.44
Energy Given to RGCCPP for auxiliary consumption			11.47			8.04
Energy consumption within the state including open access consumers			23058.91			21750.25
Loss in KSEBL system			3167.17			3098.9
Loss % in KSEBL system			12.08%			0.12
Transmission Loss with in Kerala			971.24			
% transmission loss			3.70%			
Distribution loss			2195.93			
% Distribution loss			8.70%			

45 Generating Stations

a) Plants in operation since the beginning of the year

Sl. No.	LOCATION	Unit Capacity (in MW)	Installed Capacity (MW)
1	Pallivasal	3X5+3X7.5	37.5
2	Poringalkuthu	4X8	32
3	Sengulam	4X12	48
4	Neriamangalam	3X17.5	52.5
5	Panniyar	2X16	32
6	Sholayar	3X18	54
7	Sabarigiri	4X55+2X60	340
8	Kuttiyadi	3X25	75
9	Idukki	6X130	780
10	Idamalayar	2X37.5	75
11	Kallada	2X7.5	15
12	Kanjikode (Wind Farm)	9X0.225	2.03

13	Peppara	1X3	3
14	Lower Periyar	3X60	180
15	Madupetty	1X2	2
16	Brahmapuram (Diesel)	5X21.32	106.6
17	Poringalkuthu Left Bank	1X16	16
18	Kozhikode (Diesel)	8X16	128
19	Kakkad	2X25	50
20	Malampuzha	1X2.5	2.5
21	Kuttiadi Extension	1X50	50
22	Chembukadavu I	3X0.90	2.7
23	Chembukadavu II	3X1.25	3.75
24	Urumi I&II	3X1.25+3X0.8	6.15
25	MSHEP Malankara	3X3.5	10.5
26	Lower Meenmutty	2X1.5+1X0.5	3.5
27	NeriamangalamExtn Scheme	1X25	25
28	Kuttiadi Tail Race	3X1.25	3.75
29	Kuttiadi Addl. Extn. Scheme	2X50	100
30	Poohithodu	3X1.6	4.8
31	Ranni- Perunadu	2X2	4
32	Peechi- HEP	1X1.25	1.25
33	Vilangad HEP	3X2.5	7.5
34	Chimmony SHEP	1X2.5	2.5
35	Adyanpara SHEP	2X1.5+.5	3.5
36	Barapole	3X5	15
37	PoringalKuthu Micro SHEP	0.011X1	0.011
38	Vellathooval	1.8x2	3.6
39	Perumthenaruvi	3X2	6
40	Kakkayam SHEP	2X1.5	3
	Total		2287.641

b) Project commissioned during the year

Sl. No.	LOCATION	Unit Capacity (in MW)	Installed Capacity (MW)
		Nil	Nil
	Total		

c) Other Private Captive & IPPs (in MW)			
Hydro			
1	**Maniyar**	**3X4**	**12**
2	**Kuthungal**	**3X7**	**21**
IPP			
1	NTPC Kayamkulam	2X116.6+1X126.38	359.58
2	KPCL Kasargode	3X7.31	21.93
3	BSES Kochi	3X40.5+1X35.5	157
4	Ramakkalmedu (Wind IPP)	19 X 0.750	14.25
5	Agali (Wind IPP)	31X0.60	18.6
6	Ullumkal (IPP Hydro)	2X3.50	7
7	MPS Steel (IPP-Co-Gen)	1X10	10
8	PCBL	1X10	10
9	Iruttukanam	3X1.50	4.5
	Total		**635.86**

46 Purchase of Power

In the case of power purchase related expenditure from Central Utilities, the utilities are raising invoices based on provisional tariff order/relevant notification of the concerned authorities, which are subject to final orders for the relevant tariff period. Out of the total power purchase related expenditure, the following claims has been provided in the accounts though the claims are not fully admitted by the Company.

Sl No.	Supplier	Year ended 31 March 2020	Year ended 31 March 2019
1	MAITHON	1.2	15.38
2	Jindal Power Limited	2.66	4.26
3	Jindal Thermal Power Limited	0.11	4.33
4	JHABUA POWER	77.33	101.63
5	BALCO		1.19
6	NLC	41.35	
7	PGCIL-POC	0.94	1.54
8	PTC		32.37
9	NTPC	10.61	26.4
10	KPTCL (RE charges)	0.01	0.02
11	NTPC Tamil Nadu Energy Co.Ltd	0.9	-

12	NPCIL- Kudankulam	0.2	6.72
	Total	**135.31**	**193.84**

47 Actuarial Valuation

Actuarial valuation of employee related liabilities was carried out as on 31.03.2020 and provided in the accounts as detailed below.

47.1 Actuarial valuation of the earned leave liability for the period from 01/04/2019 to 31/03/2020 as per IND AS-19

Change in benefit Obligations **₹ in crores**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Present Value of obligation at the beginning of the period	806.07	779.3
Acquisition Adjustment		
Interest Cost	59.89	60
Service Cost	58.36	54.82
Past Service Cost including curtailing gains/losses		
Benefits paid	-59.49	-44.96
Total Actuarial(Gain)/Loss on obligation	6.16	-43.09
Present Value of obligation as at the end of the period	870.99	806.07

Actuarial Assumptions

i) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Discounting Rate	6.45 %	7.43 %
Future salary Increase	9.00 %	10.00 %

ii) Demographic Assumption

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

Leave availment / encashment / lapse rates are entity's best estimate for future based on past historical experience & its HR policy.

Particulars	As at 31 March 2020	As at 31 March 2019
i) Retirement Age (Years)	56	56
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012-14)	100% IALM(2006-08)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	6	6
From 31 to 44 years	3	3
Above 44 years	1	1
iv) Leave		
Leave Availment Rate	2.50%	2.50%
Leave Lapse rate while in service	Above 300 days	Above 300 days
Leave Lapse rate on exit		
Leave encashment Rate while in service	5%	5%

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

Mortality Rates inclusive of disability for specimen ages

Age	Rate	Age	Rate	Age	Rate
15	0.00070	45	0.00258	75	0.03822
20	0.00092	50	0.00444	80	0.06199
25	0.000931	55	0.00751	85	0.10098
30	0.00098	60	0.01116	90	0.16351
35	0.001202	65	0.01593	95	0.25971
40	0.00168	70	0.02406	100	0.39773

47.2 Actuarial valuation of the gratuity liability for the period from 01/04/2019 to 31/03/2020, as per IND AS-19

₹ in crores

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Present Value of obligation at the beginning of the period	1947.08	1827.91
Acquisition Adjustment		
Interest Cost	123.56	140.74

Service Cost	144.67	121.75
Past Service Cost including curtailing gains/losses		
Benefits paid	-128.12	-97.82
Total Actuarial(Gain)/Loss on obligation	7.29	-45.5
Present Value of obligation as at the end of the period	2094.49	1947.08

Actuarial Assumptions

i) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Discounting Rate	6.45%	7.43%
Future salary Increase	9%	10.00%
ii) Demographic Assumption		

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
i) Retirement Age (Years)	56	56
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012-14)	100% IALM(2006-08)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	6.00	6.00
From 31 to 44 years	3.00	3.00
Above 44 years	1.00	1.00

In case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

Mortality & Morbidity rates - 100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

Mortality rates for specimen ages

Age	Rate	Age	Rate	Age	Rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

47.3 Actuarial valuation of the Pension liability for the period from 01/04/2019 to 31/03/2020, as per IND AS-19.

Change in benefit Obligations **₹ in crores**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Present Value of obligation at the beginning of the period	16574.58	15125.37
Acquisition Adjustment		
Interest Cost	1231.49	1164.65
Service Cost	361.85	346.19
Past Service Cost including curtailing gains/losses		
Benefits paid	**-1356.58**	**-1247.02**
Total Actuarial(Gain)/Loss on obligation	**582.89**	**1185.39**
Present Value of obligation as at the end of the period	17394.24	16574.58
Actuarial Assumptions		
i) Economic Assumptions		

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Discounting Rate	6.45%	7.43%
Future salary Increase	9%	10%
ii) Demographic Assumption		

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.		
Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
i) Retirement Age (Years)	56	56
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012-14)	100% IALM(2006-08)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	6	6
From 31 to 44 years	3	3
Above 44 years	1	1

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately

Mortality & Morbidity rates

(a) While in service-100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

Mortality Rates inclusive of disability(while in service) for specimen ages

Age	Rate	Age	Rate	Age	Rate
15	0.000698	35	0.001202	55	0.007513
20	0.000924	40	0.00168	60	0.011162
25	0.000931	45	0.002579		
30	0.000977	50	0.004436		

(b) After Retirement- 100% of (1996-98) rates have been assumed

Mortality Rates for specimen ages(Retired Employees)

Age	Rate	Age	Rate	Age	Rate
50	0.004243	70	0.024301	85	0.106891
60	0.010907	75	0.043272	90	0.151539
65	0.01389	80	0.070802	100	0.266511

Reconciliation of Actuarial Valuation as on 31.03.2020				₹ in crores
Particulars	**Pension**	**Earned Leave**	**Gratuity**	**Total**
Opening balance(A)	16574.58	806.07	1947.08	19327.73
Current year				
1.Service Cost	361.85	58.36	123.56	543.78
2.Interest Cost	1231.49	59.89	144.67	1436.05
3.Remeasurement	582.89	6.16	7.29	596.35
Total B(1+2+3)	2176.23	124.41	275.52	2576.18
Benefit paid(C)	1356.58	59.49	128.12	1544.19
Balance to be provided D(B-C)	819.65	64.92	147.41	1031.99
Closing balance(A+D)	17394.24	870.99	2094.49	20359.73

48 In accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimation and Errors and Ind AS 1- Presentation of Financial Statements, the company has corrected the errors by retrospectively restating the comparatives . Relevant extracts of balance sheet and statement of profit and loss are reproduced below:

Balance sheet	**31 March 2019 (as previously reported)**	**Increase / (decrease) due to correction of error**	**31 March 2019 (restated)**	**1 April 2018 (as previously reported)**	**Increase / (decrease) due to correction of error**	**1 April 2018 (restated)**
Non current assets						
Capital work-in-progress	2991.34	75.61	3066.95	2448.90	106.61	2555.51
Non Current Financial Assets						
Trade receivables		1070.78	1070.78		982.17	982.17
Loans	83.43	(44.33)	39.10	82.95	(58.26)	24.69
Other financial asset	77.731	3573.60	3651.33	63.32	4103.60	4166.92
Other non-current assets	5274.70	(5060.85)	213.85	4310.60	(4186.01)	124.59
Current Financial Assets						
Trade receivables	1288.01	(468.24)	819.77	2299.26	(1637.15)	662.11
Other financial assets		16.42	16.42		33.01	33.01
Current Tax Assets (Net)		2.56	2.56		2.75	2.75
Other current assets	145.32	763.04	908.36	126.50	615.70	742.20
Total Assets	32185.94	(71.49)	32114.45	30560.45	(37.59)	30522.86
Other Equity	(11163.06)	(75.47)	(11238.53)	(9776.61)	(230.45)	(10007.06)

Balance sheet	31 March 2019 (as previously reported)	Increase / (decrease) due to correction of error	31 March 2019 (restated)	1 April 2018 (as previously reported)	Increase / (decrease) due to correction of error	1 April 2018 (restated)
Non Current Financial Liabilities					0	
Borrowings	14525.15	5.68	14530.83	15934.54	1365.82	17300.37
Other Financial Liabilities	3359.85	90.27	3450.12	3170.45	2	3172.45
Provisions	11224.17	(1598.80)	9625.37	9765.40	(1407.27)	8358.13
Other non-current liabilities	2645.15	(95.96)	2549.19	1922.76	(70.97)	1851.79
Current Financial Liabilities						
Borrowings	3829.02	(1118.71)	2710.31	2737.59	(1713.11)	1024.48
Trade Payables	1214.58	339.62	1554.20	968.37	259.67	1228.04
Other financial liabilities	3033.98	783.07	3817.05	2329.90	358.45	2688.34
Provisions	18.06	1598.80	1616.86	9	1398.27	1407.27
Total equity and liabilities	32185.941	(71.49)	32114.45	30560.45	(37.59)	30522.86

Statement of profit and loss	31 March 2019 (as previously reported)	Increase / (decrease) due to correction of error	31 March 2019 (restated)
Revenue From Operations	13521.2	315.81	13837.02
Other Income	481.74	(328.88)	152.86
Purchase of Power	7869.32	4.07	7873.39

Repairs & Maintenance	303.75	(0.57)	304.32
Employee benefits expense	2892.01	(20.87)	2912.88
Finance costs	1598.90	(0.35)	1598.55
Administrative and General Expenses	598.16	(6.65)	591.51
Other Expenses - Others	202.61	(182.96)	19.65

49 Going Concern

KSEB Ltd. is the only integrated Electricity Company in the State of Kerala providing electricity to around 1.28 Crore customers in the state. The company is fully owned by the Government of Kerala. The Company has positive cash flows and has not defaulted in honoring liabilities. Electricity business being regulated by Electricity Act, 2003, the state regulator has so far approved Rs.5693.25 crore. out of the accumulated loss of Rs12004.79 Cr. and the company is eligible to recover the same through Tariff Revision which will be reflected in the accounts on passing the same to the consumers. The company is regularly reducing its losses over the years and reported cash profit during the current financial year. Accordingly, the financial statement has been prepared on the basis of Going Concern assumption.

50 Other Matters

50.1 The company has procured 365.45 Million Units at traders delivery point through swap arrangement during 2019-20 and 231.93 Million Units returned as swap arrangement at Kerala Periphery.

50.2 The company has taken insurance on asset financed by long term loans as per terms and condition of loan agreement. Apart from above insurance on assets is taken for thermal projects

50.3 in the 57th board meeting it was resolved to give in principle approval to incorporate the adjustment entries regarding the amount payable to Government of Kerala towards electricity duty and other payable as on 31.03.2020 against the amount receivable from the Government in the books of accounts and to report the matter to the Government for concurrence. Accordingly, an amount of ₹1107.45 crores (previous year Rs. 930.31 crores) is netted off with the amount receivable from the Government.

50.4 A separate wing named SPIN has been formulated previously by the company to cater to the in house needs/works of the company, by applying latest technologies like the Pre-Fab technology. Since these works have been predominantly done for company itself, no separate accounts have been maintained. Now the spin has been reformulated as Consultancy Wing, steps have been taken to switch over to a separate Account.

50.5 The company has permitted Kerala Hydel Tourism Center (KHTC), a society registered under the Travancore Cochin Charitable Societies Act to use the dam sites of the company at various locations for tourism promotion activities. The details of asset used and agreement are appended herewith.

i) KSEB Ltd vide B.O.(CMD) No.686/2015(KHTC/HQ-GEN/2015) dated 18.03.2015 has accorded sanction for conducting Boating and other tourism related activities in various location of Hydroelectric projects.

ii) KSEB Ltd vide B.O.(CMD) No.898/2015(KHTC/HQ-GEN/2015) dated 10.04.2015 has accorded sanction for operating petrol pumps in Banasura Sagar,Munnar,Madupetty in connections with the hydel tourism. Further proceedings were stalled due to non receipt of explosive license from concerned authorities.

iii) KSEB Ltd vide B.O.(CMD) No.1615/KHTC/HQ-GEN/2015) dated 02.07.2015 has accorded sanction for utilisation of unused quarters/buildings of KSEB Limited in connection with the tourism activities. Accordingly, renovation works of building located at Mattupetty, Kundala, Kulamavu and Wayanad were started. All the works completed and handed over for tourism activities except buildings at kulamavu.

iv) Kerala Hydel Tourism Director has agreed to remit the share of 15% revenue entitled to KSEB Limited.

v) The relationship between KSEB Ltd and Hydel Tourism Corporation is only in the nature of mutual agreement to form a society to promote hydel tourism activities in the state. Permission to use the property of KSEB Ltd is only given to Hydel Tourism Corporation and no assets of KSEB Ltd is transferred to Hydel Tourism corporation.

50.6 Figures for the previous year have been re arranged and regrouped wherever necessary.

51 a) Expenditure in foreign currency (on accrual basis)

Particular	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Travelling	0	0
Professional & Consultation fee	0	0
Interest	0	0
Others	0	0
Total	0	0
b) CIF Value of Imports		
Particular	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Raw materials	NIL	NIL
Capital goods	NIL	NIL
Components & Spares	NIL	NIL
Total	NIL	NIL

51 Due to outbreak of COVID-19 globally and in India, the Group has made initial assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Group is in the business of generation of electricity which is an essential service

as emphasized by the Ministry of Power, Government of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the company has ensured not only the availability of its power plants to generate power but has also continued to supply power during the period of lockdown, considering essential service as declared by the Government of India.

However, for the short term period the demand of power on HT and EHT is lower than the average demand but the domestic demand has increased during the lock down period. Basis above, the management has estimated its future cash flows for the company which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, there is no material impact on the company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The company is closely monitoring the financial impact on the revenue and expenditure due to the pandemic on a regular basis.

For and on behalf of the Board

Sd/- N S Pillai IA & AS Chairman & Managing Director DIN:07282785	Sd/- Mini George Director DIN: 08766354
Sd/- Biju R Chief Financial officer	Sd/- Lekha G Company Secretary

As per our report of even date

For Krishnamoorthy & Krishnamoorthy Chartered Accountants FRN:001488S	For Mohan & Mohan Associates Chartered Accountants FRN:002092S	For JRS & Co. Chartered Accountants FRN:008085S
Sd/- R Venugopal Partner M.No.202632	Sd- R Suresh Mohan Partner M.No.013398	Sd/- A Jayakumar Partner M.No.025035 Thiruvananthapuram 16-2-21

Statement containing salient features of the financial statements of Associate Companies/ Joint Ventures of KSEB Ltd
PART "B" : Associate and Joint Ventures
Statement pursuant to section 129 (3) of the Companies Act, 2013

No	Name of Associate/ Joint Venture	Kerala State Power and Infrastructure Finance Corporation Limited	Baitarni West Coal Company Ltd	Kerala Fibre Optic Network Ltd	Renewable Power Corporation of Kerala Ltd
1	Latest Audited Balance Sheet	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-20
2	Date on which the Associate or Joint Venture was associated or acquired	20-Mar-98	14-Aug-08	14-Sep-18	31-Mar-16
3	Shares of Associates/ Joint Venture held by the Company as at 31.03.2020				
	Number of shares	10819440	100000	490000	5000
	Amount of Invesment in Associates/ Joint Venture	₹ 9.50 crores	₹ 10 crores	₹ 0.49 crores	₹ 0.50 crores
	Extent of Holding (%)	40.60%	33.33%	49.00%	50.00%
4	Description of how there is significant influence	Associate company	Joint venture company	Associate company	Joint venture company
5	Reason why the Joint Venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Networth attributable to shareholding as per latest audited Balance Sheet	₹ 35.33 crores	₹ 10.7 crores	₹ 0.49 crores	₹ 1.7 crores
7	Profit/ Loss for the year (Total Comprehensive Income)	5.52	1.32	-	1.20
i	Considered for consolidation	2.24	0.44	-	0.6
ii	Not considered in consolidation	NA	NA	NA	NA

Summarised financial information of the associate/ joint venture

1	**Summarised statement of balance sheet**				
	Non current assets	1.67	0.03	-	26.96
	Current assets	112.4	32.59	1.01	33.18
	Total assets [A]	114.07	32.62	1.01	60.14
	Non current liabilities	3.31	-	-	54.41

	Current liabilities	23.74	0.52	-	2.34
	Total liabilities [B]	27.05	0.52	-	56.75
	Equity [A-B]	87.02	32.1	1.01	3.39
2	**Summarised statement of profit and loss**				
	Revenue from operations	12.99	-	-	1.98
	Other income	0.05	2.53	-	2.04
	Total income	**13.04**	**2.53**	**-**	**4.02**
	Employee benefit expenses	0.33	0.46	-	0.19
	Other expenses	1.19	0.44	-	0.83
	Finance costs	2.51	-	-	0.63
	Depreciation	0.07	0.01	-	0.89
	Exceptional item	-	-0.23	-	-
	Tax expense	2.85	0.52	-	0.34
	Deferred tax expenses	-	-	-	-
	Provision for standard and non performing assets	-	-	-	-
	CSR expenses	-	-	-	-
	Total expenses	**6.95**	**1.2**	**-**	**2.88**
	Profit for the year	6.09	1.33		1.14
	Add/(Less) impact of restatement in prior years adjusted	-0.56			0.06
	Adjusted profit for the year for consolidation	5.53			1.2
	Group's share of profit/ (loss) for the year for consolidation	2.24	0.44	-	0.6

Additional information as required by para 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the Entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated	Amount	As % of consolidated	Amount	As % of consolidated	Amount	As % of consolidated	Amount
Parent Company								
KSEB Limited								
31-Mar-20	100.31%	(8,605.38)	101.23%	(269.55)	100.00%	(596.35)	100.38%	(865.90)
31-Mar-19	100.30%	(7,739.48)	102.15%	(134.68)	100.00%	(1,096.79)	100.23%	(1,231.47)
Associate company								
Kerala State Power and Infrastructure Finance Corporation Limited								
31-Mar-20	-0.41%	35.33	-0.84%	2.24	0.00%	-	-0.26%	2.24
31-Mar-19	-0.43%	33.09	-1.45%	1.91	0.00%	-	-0.16%	1.91
Kerala Fibre Optic Network Ltd								
31-Mar-20	-0.01%	0.49	0.00%	-	0.00%	-	0.00%	-
31-Mar-19	0.00%	0.00	0.00%	0.00	0.00%	-	0.00%	0.00
Joint venture company								
Baitarni West Coal Company Ltd								
31-Mar-20	-0.12%	10.70	-0.17%	0.44	0.00%	-	-0.05%	0.44
31-Mar-19	-0.13%	9.71	-0.41%	0.54	0.00%	-	-0.04%	0.54

Renewable Power Corporation of Kerala Ltd								
31-Mar-20	-0.02%	1.70	-0.23%	0.60	0.00%	-	-0.07%	0.60
31-Mar-19	-0.01%	1.09	-0.30%	0.39	0.00%	-	-0.03%	0.39

KERALA STATE ELECTRICITY BOARD LIMITED

Regd. Office: Vydyuthi Bhavanam, Pattom, Thiruvananthapuram - 695 004

CIN: U40100KL2011SGC027424