11th ANNUAL REPORT 2021-2022

KERALA STATE ELECTRICITY BOARD LIMITED

THIRUVANANTHAPURAM

KERALA STATE ELECTRICITY BOARD LIMITED

THIRUVANANTHAPURAM

ELEVENTH ANNUAL REPORT
2021-2022

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

KERALA STATE ELECTRICITY BOARD LIMITED

THIRUVANANTHAPURAM

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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

Dr. RAJAN N. KHOBRAGADE, IAS
CHAIRMAN & MANAGING DIRECTOR

MESSAGE FROM CHAIRMAN

On behalf of the Board of Directors, I am very much pleased to present the 11th Annual Report of Kerala State Electricity Board Ltd. for the financial year ended 31st March, 2022.

Company is constantly working on improving its competitiveness to keep right its primary goal of improving efficiency and ensuring uninterrupted supply of power to consumers at affordable cost. Year 2021-22 was marked by delivering high performance levels in all facets of its business of providing quality service to customers, at all times, irrespective of the many challenges of the year- be it the continuing threat of pandemic or its implications such as travel restrictions, shortages in material supply, logistic bottlenecks etc or the changes in socio-legal environment. Together we have achieved considerable improvements in terms of financial as well as technical parameters during 2021-22 and strengthened our financial stability for the future. Management is proud to inform that the company has reported profit during the year 2021-22, for the first time in its history. This was made possible because of coordinated efforts of Generation-Transmission-Distribution Teams and especially SLDC's focused efforts in power purchase and sale.

Our company has achieved the LDC Excellence Award and the 'Roof Top Solar Enabler of the year" award during the year. Our company stands second position in the Index prepared by the NITI AYOG considering the efficiency and environmental friendly activities in distribution of electricity.

To aid in Government of India's endeavor to increase renewable penetration in the capacity mix, the utility has been encouraging solar generation with an ambitious target of 1000 MW by 2022. Solar plants with a total installed capacity of 157MW were commissioned during the period 2021-22 whereby the total solar capacity in Kerala as on 31.3.2022 has reached 451.29MW. An addition of 3983 ckm of LT lines, 2391 ckm of HT lines and 2355 Distribution Transformers was also made and 3,61712 new consumers were connected to the grid during this year. During the year 8 Transmission substations and 546.91 CKm of Transmission Lines were commissioned and a capacity addition / enhancement of 740.5 MVA was made. Consumer friendly IT initiatives are also a notable achievement of the company.

The Government of India has recently announced the Revamped Distribution Sector Scheme, a Reforms-based and Results-linked Scheme over a period of five years from FY 2021-22 to FY 2025-26 with the objective to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector. This scheme would significantly strengthen the electricity delivery system and also provide an opportunity for our company to participate in the strengthening of distribution infrastructure, smart metering etc. I am confident that the company with its vast experience is well placed to capitalize all the upcoming opportunities and challenges with renewed vigor and experience looking optimistically into the future. We are excited to continue our journey of successful, trustful and sustainable collaboration with all the stakeholders for the years to come.

The efforts of entire workforce for years have taken us thus far. In the year, Dr.B Ashok IAS then CMD had provided leadership and steered the company forward. The teams of Full Time Directors along with all field officers have taken various initiatives in the year. I appreciate their wholehearted contributions in improving the functioning and performance of the company.

I thank our Directors of the Board Sri.Rajesh Kumar Singh, IAS, then Additional Chief Secretary Finance, Sri. Rajesh Kumar Sinha, IAS, then Principal Secretary Power, Sri. M Safirulla, IAS OSD Finance and Independent Director Sri V. Murugadas for guiding us and ensuring efficient decision making in the best interest of the company.

On behalf of the Company, we sincerely thank our suppliers and bankers for their support. We appreciate the continued support and patronage of the Government of Kerala, Department of Power and various other departments.

With warm regards,

Rajan

Dr. RAJAN N. KHOBRAGADE, IAS
CHAIRMAN & MANAGING DIRECTOR

BOARD OF DIRECTORS
(AS ON THE DATE OF AGM)

Name	DIN	Designation
Dr. RAJAN N. KHOBRAGADE, IAS	06705427	Chairman & Managing Director
Sri. K. R. JYOYHILAL, IAS	01650017	Principal Secretary, Power, Government of Kerala
Sri. MOHAMMED Y. SAFIRULLA K., IAS	06963532	Secretary, Finance(Resources), Government of Kerala
Sri. V. R. HARI, IRS	09491040	Director (Finance)
Adv. V. MURUGADAS	09210544	Independent Director
Sri. R. SUKU	00927769	Director (REES including SOURA, NILAAVU Project, Sports & Welfare)
Sri. SIJI JOSE	09204346	Director (Generation Electrical)
Sri. RADHA KRISHNAN G.	09204457	Director (Generation – Civil)
Sri. C. SURESHKUMAR	09638956	Director (Distribution, SCM &IT)
Dr. S. R. ANAND	09640385	Director (Transmission, System Operation, Planning & Safety)

Key Managerial Personnel (KMP)	
Sri. BIJU R.	Chief Financial Officer & Financial Advisor
Smt. LEKHA G.	Company Secretary

STATUTORY AUDITORS		
Mohan & Mohan Associates Statutory Auditors Chartered Accountants, A-21 Reavathi, Jawahar Nagar, Thiruvananthapuram-695041	**JRS & Co.** Joint Statutory Auditors Chartered Accountants, TC 23/59, PNRA B – 15, Ambalamukku, Kowdiar, Trivandrum – 695003	**Krishnamoorthy & Krishnamoorthy** Joint Statutory Auditors Chartered Accountants Illom Block – I, Paliam Road, Kochi, Ernakulam – 682016, Kerala

COST AUDITORS	SECRETARIAL AUDITORS
MURTHY & CO. LLP Cost Accountants 8, I Floor, 4th Main, Behind Rameshwara Temple, Chamarajpet, Bangalore, Karnataka-KA, INDIA- 560018	**M/s PI & Associates,** Practising Company Secretaries D-38, South Extension Part-1, New Delhi-110049

KERALA STATE ELECTRICITY BOARD LIMITED

Registered office: VydyuthiBhavanam
Pattom, Thiruvananthapuram-695004
CIN U40100KL2011SGC027424

No. CS/11th AGM-Adj/2022-23 **Dated: 28.11.2022**
All Members, Auditors and Directors

Notice of 11th (Adjourned)Annual General Meeting
Ref: AGM dated 29.09.2022

Notice is hereby given that the 11th (Adjourned) Annual General Meeting of the members of the Company relating to the Financial Year 2021-22 will be held on 19thDecember 2022 (Monday) at 03:00 PMat the Registered Office of the company at VydyuthiBhavanam, Pattom, Thiruvananthapuram - 695 004 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 2022 along with the 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 following resolution as an Ordinary Resolution:

"RESOLVED that the Financial Statements (standalone and consolidated) of the Company for the year ended 31st March 2022, the Auditors' Report, the Comments of the Comptroller & Auditors General of India thereon, the comments of the Finance Department of Government of Kerala, and the replies of the Company to the report of the Statutory Auditors, to the comments of the Comptroller & Auditor General of India and to the comments of the Finance Department of Government of Kerala, and the Directors' Report and annexure thereto and forming part thereof be and are hereby approved and adopted."

By order of the Board
For Kerala State Electricity Board Limited

Sd/-
Dr. Rajan N. Khobragade, IAS
CHAIRMAN & MANAGING DIRECTOR
DIN:06705427

Thiruvananthapuram

NOTES:

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 less than 48 hours before the commencement of the meeting.
3. The 11th Annual General meeting which was held on 29.09.2022 for consideration and adoption of audited financial statements for 2021-22 was adjourned sine die pending receipt of the comments of the Comptroller and Auditor General of India.

KERALA STATE ELECTRICITY BOARD LIMITED
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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 11th Annual Report on the performance of the Company for the year ended 31st March, 2022 together with the Audited Financial Statements and the Auditors Report for the year ended 31st March, 2022.

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. The primary goal is to improve efficiency and to provide quality power to consumers at affordable cost. Management is proud to inform that the company has reported profit during the year 2021-22, the first time in its history.

Our company has achieved the LDC Excellence Award and the 'Roof Top Solar Enabler of the year" award during the year. Our company stands second position in the Index prepared by the NITI AYOG considering the efficiency and environmental friendly activities in distribution of electricity.

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 2021-22 was 10.19% whereas it was 10.32% during 2020-21. The AT &C loss for the year 2021-22 was 8.26 % and the billing efficiency was 92.38% while it was 7.76% and 92.24% respectively in 2020-21. 3,61,712 new service connections were effected during the year.

A. FINANCIAL REVIEW

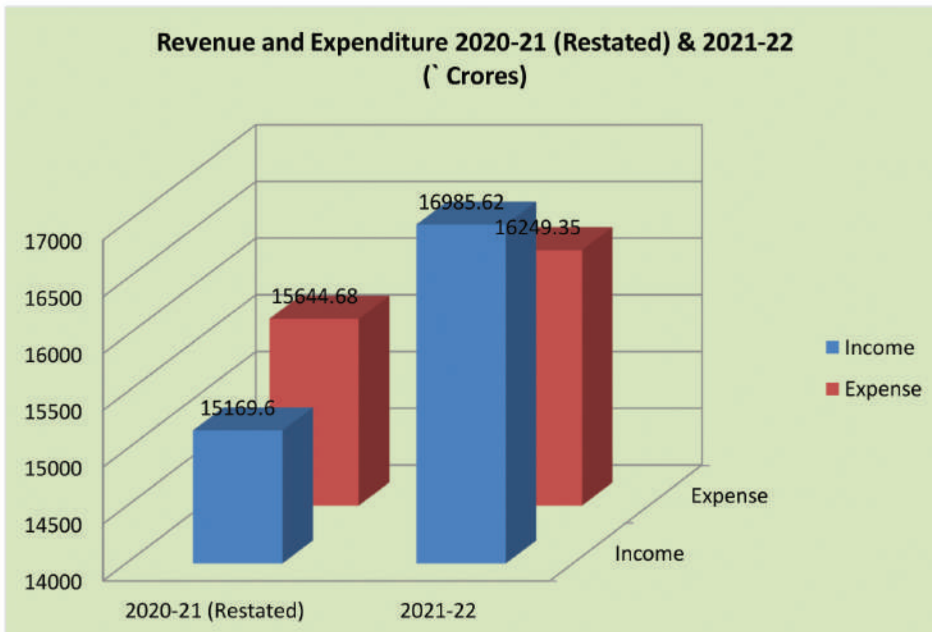
A comparative statement showing revenue from operations, Net Profit/Loss of the company for the year 2021-22 and 2020-21(Restated) is furnished below

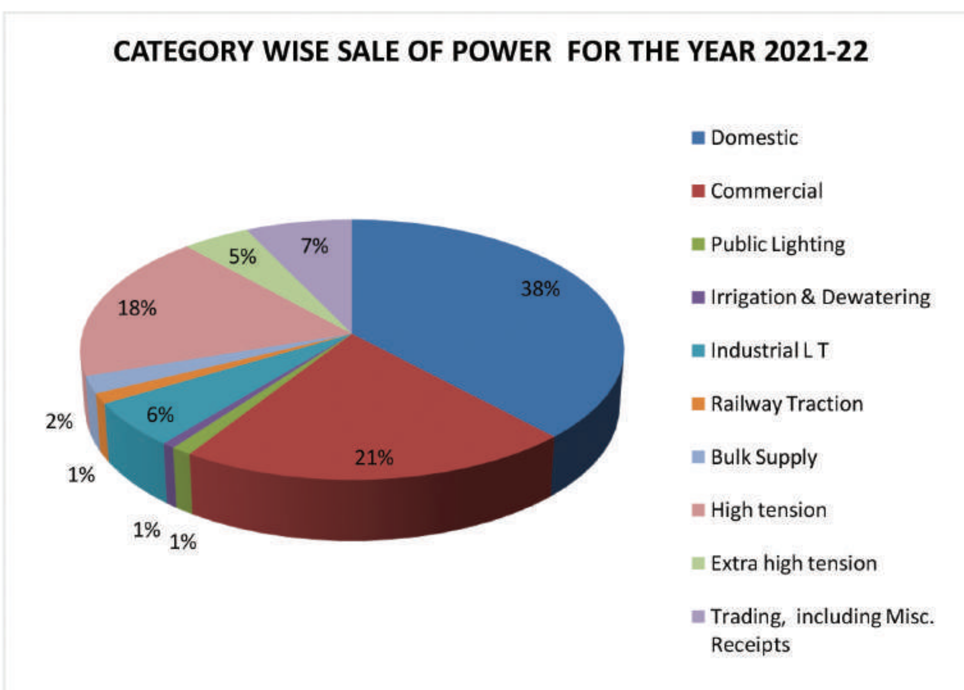
Sl. No	Particulars	2021-22 (in ₹ Crore)	2020-21 (Restated) (in ₹ Crore)
1	Revenue from operations	16366.93	14420.84
2	Other Income	618.69	748.76
3	Total Income	16985.62	15169.60
	Purchase of Power	8532.16	7977.20
	Generation of Power	1.17	4.80
	Repairs & Maintenance	295.57	259.78
	Employee benefits expense	3867.35	3910.78
	Finance costs	1618.25	1726.36
	Depreciation and amortization expense	1139.74	1007.68
	Administrative Expenses	613.01	592.89
	Others	164.19	146.58
4	Total expenses	16231.44	15626.07
5	Profit/(loss) before exceptional items and tax	754.18	(456.47)
6	Exceptional Items	17.91	(18.61)
7	Profit/(loss)	736.27	(475.08)

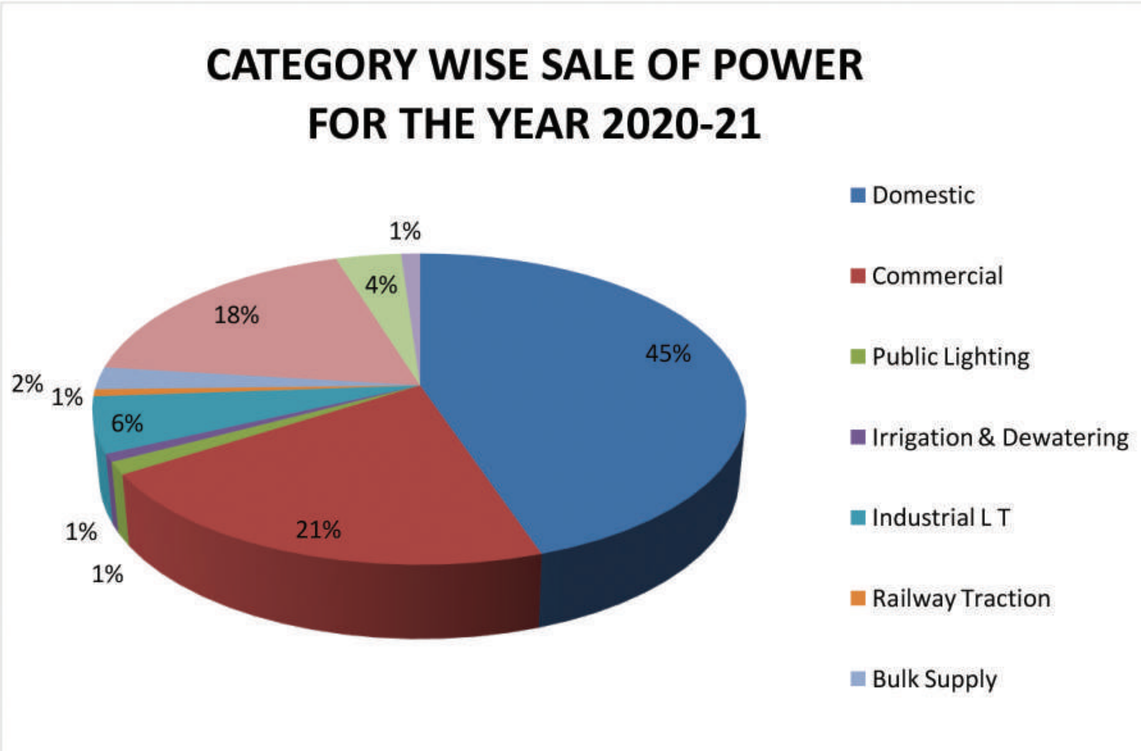
Particulars	On 31.03.2022 (₹ in crore)	On 31.03.2021 (Restated) (₹ in crore)	On 01.04.2020 (Restated) (₹ in crore)
ASSETS			
Non current assets			
Property, Plant and Equipment	26722.84	24090.83	22491.82
Capital work-in-progress	3478.71	4289.06	3801.20
Other Intangible asset	63.43	41.89	30.94
Intangible asset under development	51.10	31.06	14.97
Financial Assets			
Investments	20.49	20.49	20.49
Trade receivables	76.10	407.77	739.44

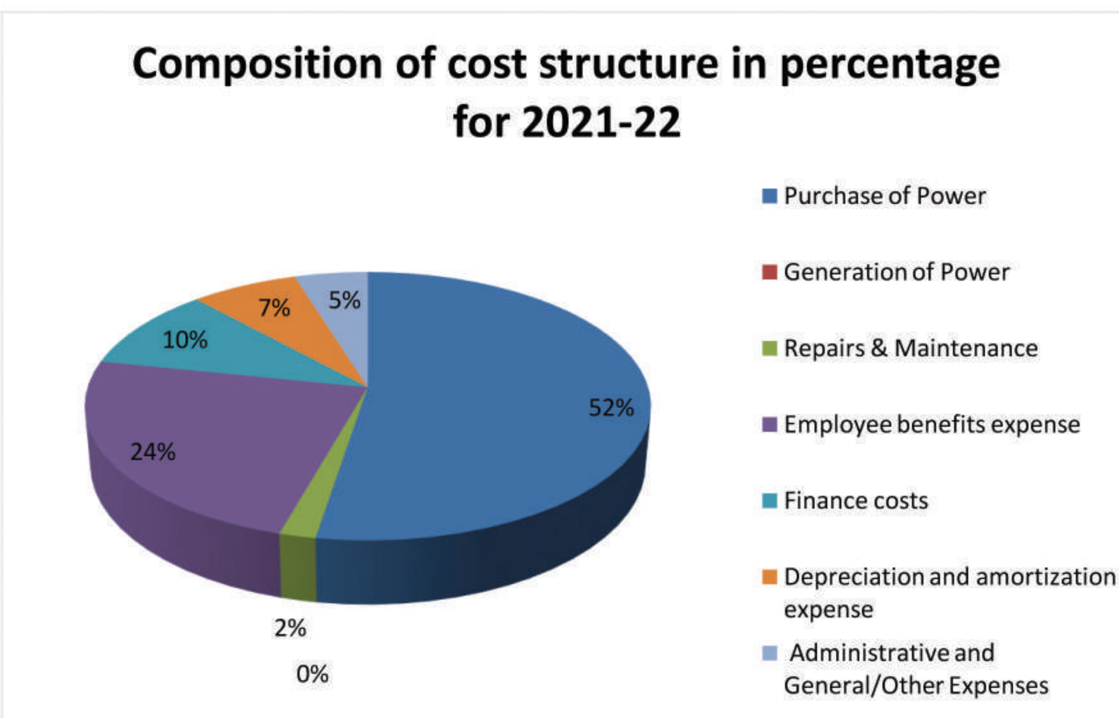
Other Financial assets	673.77	1244.46	2334.55
Non-Current Tax Assets (Net)	28.46	24.25	22.17
Other non-current assets	347.26	330.88	290.08
Total Non Current Assets	**31,462.16**	**30,480.69**	**29745.66**
Current assets			
Inventories	723.11	684.96	808.86
Trade receivables	2386.26	2,118.93	1822.04
Cash and cash equivalents	269.89	250.39	149.37
Bank balances Other than Cash Equivalents	176.77	180.98	143.67
Other Financial assets	744.58	925.23	752.22
Other current assets	1235.28	1,203.62	1004.65
Total current assets	**5535.89**	**5364.11**	**4680.81**
Total Assets	**36998.05**	**35844.80**	**34426.47**
Equities and Liabilities			
Equity			
Equity Share capital	3,499.05	3,499.05	3499.05
Other Equity	-19200.39	-18970.00	—14104.64
Total Equity	**-15701.34**	**-15470.95**	**-10605.59**
Liabilities			
Non-current liabilities			
Borrowings	14314.90	15,716.79	15836.58
Other Financial Liabilities	4849.15	4,433.19	3937.54
Provisions	18035.23	16829.84	12187.24
Other non-current liabilities	4361.22	3,577.13	3048.23
Total non-current liabilities	**41560.50**	**40556.95**	**35009.59**
Current liabilities			
Financial Liabilities			
Borrowings	4100.90	3,912.40	4246.00
Trade payables	2205.58	2112.74	2102.92
Other financial liabilities	1622.22	1911.83	1744.48
Provisions	3210.19	2821.83	1929.07
Total Current liabilities	11138.89	10758.80	10022.47
Total Liabilities	52699.39	51315.75	45032.06
Total Equity and Liabilities	**36998.05**	**35844.80**	**34426.47**

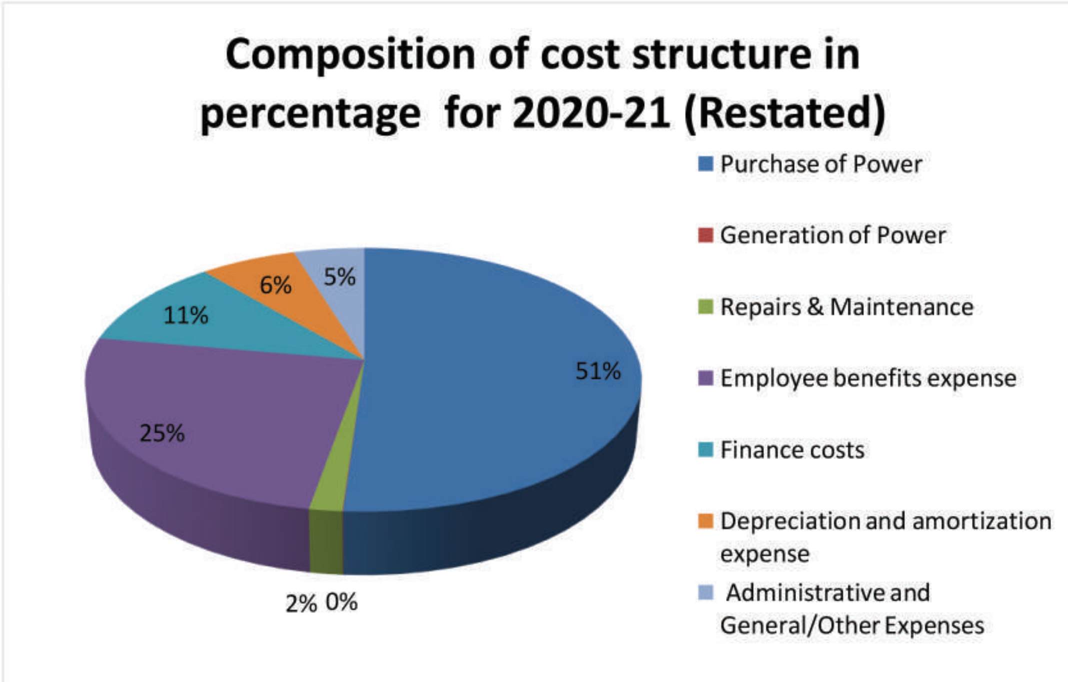
The company has been adopting prudent financial management practices to improve its financial position. These include availing loans at the barest minimum interest rate after fully utilizing internal accruals and obtaining funds from least cost sources.






CATEGORY WISE SALE OF POWER
FOR THE YEAR 2020-21
Domestic
Commercial
Public Lighting
Irrigation & Dewatering
Industrial L T
Railway Traction
Bulk Supply
45%
21%
18%
6%
4%
2%
1%
1%
1%
1%


Composition of cost structure in percentage
for 2021-22
Purchase of Power
Generation of Power
Repairs & Maintenance
Employee benefits expense
Finance costs
Depreciation and amortization expense
Administrative and General/Other Expenses
52%
24%
10%
7%
5%
2%
0%



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, 2022 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	29.01.2018 TO 31.07.2021
2	Dr. B. ASHOK, IAS	05230812	01.08.2021 TO 18.07.2022
3	Dr. RAJAN N. KHOBRAGADE, IAS	06705427	18.07.2022 TO TILL DATE

Sl.No.	DIRECTORS	DIN	TENURE
1	R.SUKU	00927769	04.06.2020 TO TILL DATE
2	MINI GEORGE	08766354	04.06.2020 TO 31.05.2022
3	RAJAN P	08765903	04.06.2020 TO 31.05.2021

4	SIJI JOSE	09204346	10.06.2021 TO TILL DATE
5	P. KUMARAN	03134779	20.06.2017 TO 31.08.2021
7	RAJKUMAR S.	09329895	02.09.2021 TO 31.05.2022
8	RAJAN JOSEPH	09330520	02.09.2021 TO 31.05.2022
8	RADHA KRISHNAN G.	09204457	10.06.2021 TO TILL DATE
9	C. SURESHKUMAR	09638956	01.06.2022 TO TILL DATE
10	Dr. S. R. ANAND	09640385	01.06.2022 TO TILL DATE
11	SAURABH JAIN, IAS	02486586	05.02.2021 TO 04.06.2021
12	Dr. B. ASHOK, IAS	05230812	04.06.2021 TO 06.09.2021
13	RAJESH KUMAR SINHA, IAS	05351383	06.09.2021 TO 26.09.2022
14	K. R. JYOYHILAL, IAS	01650017	26.09.2022 TO TILL DATE
15	RAJESH KUMAR SINGH, IAS	05193269	18.02.2020 TO 30.11.2021
16	MOHAMMED Y. SAFIRULLA K., IAS	06963532	30.11.2021 TO TILL DATE
17	V. R. HARI	09491040	01.02.2022 TO TILL DATE
18	V. SIVADASAN	07572823	02.07.2016 TO 17.04.2021
19	V. MURUGADAS	09210544	15.06.2021 TO TILL DATE

Sri. BIJU R, Financial Adviser has been appointed 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 2021-22, the Board of Directors met five times. Adjourned 9th Annual General Meeting for the financial year 2019-20, 10th Annual General Meeting for the financial year 2020-21and Adjourned 10th Annual General Meeting for financial year 2020-21 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	Percentage of total share holdings
1	Adjourned 9th Annual General Meeting (2019-20)	14.07.2021	7	7	
2	10th Annual General Meeting (2020-21)	28.09.2021	7	7	
3	Adjourned 10th Annual General Meeting (2020-21)	30.10.2021	7	7	
1	Board Meeting	21.06.2021	9	9	
2		28.09.2021	10	10	
3		30.10.2021	10	9	
4		15.12.2021	10	10	
5		14.03.2022	11	9	

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.

1. 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 wing. 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 other 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.

a) Generation-Electrical wing

The total installed capacity of hydel stations owned by KSEBL is 2066.36 MW and the designed annual generation capacity is 7217.692 MU for hydro stations. The total installed capacity of solar stations owned by KSEBL is 30.28 MW. The list of generating stations within State and its capacity is given below:

Installed Capacity in MW as on 31.03.2022			
Sl No	Name of Power station	Capacity, unit wise (MW)	Installed Capacity , MW
1	KSEBL		
1.a	Hydro		
1	Kuttiadi + KES+KAES	3x25+ 1x50+2x50	225.00
2	Sholayar	3x18	54.00
3	Poringalkuthu	4x9	36.00
4	PLBE	1x16	16.00
5	Pallivasal	3x5+3x7.5	37.50
6	Sengulam	4x12.7	50.80
7	Panniar	2x16.2	32.40
8	Neriamangalam+NES	3x17.55+25	77.65
9	Sabarigiri	55x4+60x2	340.00
10	Idukki	6x130	780.00
11	Idamalayar	2x37.5	75.00
12	Lower Periyar	3x60	180.00
13	Kakkad	2x25	50.00
14	Kallada	2x7.5	15.00
15	Peppara	3	3.00
16	Madupetty	2	2.00
17	Malampuzha	2.5	2.50
18	Chembukadavu stage I & II	0.9x3+1.25x3	6.45
19	Urumi stage I & II	3x1.25 + 3x0.8	6.15
20	Malankara	3 x 3.5	10.50
21	Lower Meenmutty	2x1.5+0.5	3.50
22	Kuttiady tail race	3x1.25	3.75
23	Poozhithode	3x1.6	4.80
24	Ranni-Perunadu	2x2	4.00
25	Peechi	1x1.25	1.25
26	Vilangad	7.5	7.50
27	Chimini	2.5 x 1	2.50

28	Addiyan para	2x1.5 +1x 0.5	3.50
29	Barapole	3x5	15.00
30	Vellathuval SHEP	2x1.8	3.60
31	Peruthenaruvi SHEP	2x3	6.00
32	Kakkayam SHEP	1.5x2	3.00
33	Chathankoottu nada	3x2	6.00
34	Upper Kallar		2.00
35	Poringalkuthu screw generation		0.01100
		Total Hydro	**2066.36**
1.b.	**Diesel/LSHS**		
1	BDPP	3x21.32	63.96
2	KDPP	6x16	96.00
		Total Diesel	**159.96**
1.c	**Wind**		
1	Kanjikode	9x0.225	2.025
		Total Wind	**2.025**
1.d	**Solar**		
1	KSEBL solar PV kanjikode	1.0MWp	1.00
2	KSEBL solar PV Edayar	1.25MWp	1.25
3	KSEBL solar PV kollengod	1.0MWp	1.00
4	Barapole solar canal top	3MWp	3.00
5	Barapole solar canal bank	1MWp	1.00
6	Muvattupuzha	1.25MWp	1.25
7	Pothencode	2MWp	2.00
8	Agali	1	1.00
9	Kanjikkode	3	3.00
10	Other small solar installations		7.01
11	Saura under KSEBL fund		8.77
		Total solar	**30.280**
		Total KSEBL Generation	**2258.63**
2	**CAPTIVE**		
2.a	**Hydro**		
1	Maniyar	3x4	12.00

2	Kuthungal	3x7	21.00
		Total Hydro CPP	**33.00**
2.b	**Solar**		
1	CIAL	38.44	38.44
2	Hindalco	3MWp	3.00
3	KMRL	5.395	5.395
4	Solar Prosumers under Saura scheme		7.544
5	Other solar prosumers		222.43
		Total Solar CPP	**276.81**
2.c	**Cogeneration Plant**		
1	PCBL	10	10.00
		Total Thermal CPP	**10.00**
2.d	**Wind**		
1	Malayala Manorama	10	10.00
		Total wind CPP	10.00
		CPP Total	**329.81**
3	**IPP**		
3.a	**Thermal ***		
1	RGCCPP	2x116.6 + 1x126.38	359.58
		Total IPP-Thermal	**359.58**
3.b	**Hydro**		
1	Ullunkal	2x3.5	7.00
2	Iruttukkanam	1.5x3	4.50
3	Karikkayam	3x5	15.00
4	Meenvallom	1x3	3.00
5	Pathankayam	2x3.5+1x1	8.00
6	Western Kallar	0.05	0.05
7	Mankulam Grama Panchayath	.055*2	0.11
8	Deviyar	0.05	0.05
		Total IPP- Hydro	37.71
3.c	**Wind**		
1	Ramakkelmedu	19x0.750	14.25
2	Agali	31x0.600	18.60
3	Ahalya	4x2.1	8.40

4	Inox	8x2	16.00
5	Kosamattom	4x.250	1.00
			58.25
3.d	**Solar**		
1	Anert,Kuzhalmandam	2MWp	2.00
2	RPCKL,Ambalathara	50MWp	50.00
3	Paivalike Solar plant	50MWp	50.00
			102.00
		Total IPP	**557.54**
		Total	**3145.980**

Major achievements and activities

- Upper Kallar SHEP (2 MW, 5.14 Mu) commissioned on 30.09.2021.

- Chathankottunada SHEP Stage II (6MW, 14.76Mu) commissioned on 20.02.2021 and Commercial operation of the three units started during the year. Preparation of Technical Completion report is progressing and handing over of the project to the Generation wing is also under process.


- The work for renovation of Sengulam Pump House completed and project taken over on 17.06.2021.

- R&M works of Idukki first stage Machines (3x130 MW) completed.
- Model test of RMU works of Kuttiyadi HEP was carried out.
- Work Order issued to M/s. NIWE as the consultant for the repowering of wind energy project at Kanjikode.

b) Generation – Civil Wing

i. Dam Rehabilitation & Improvement Project (DRIP)

Dam Rehabilitation and Improvement Project (DRIP) is a flagship project of Ministry of Water Resources, Government of India with technical assistance of Central Water Commission and financial assistance from World Bank to improve safety and operational performance of selected dams. KSEBL is an implementing Agency under Dam Rehabilitation and Improvement Project (DRIP). The Project components of DRIP mainly include Rehabilitation and Management Planning for Dams and Associated Appurtenances, Dam Safety Institutional Strengthening, Project Management etc.

Phase I of DRIP has completed on 31st March 2021. KSEBL has ventured into the second and third Phase of DRIP (DRIP Phase II & III). An amount of ₹150 Cr. is allocated in Phase II & III.

22 dams under 11 Hydro Electric Projects are included under DRIP Phase II & III. Inspection by Dam Safety Review Panel (DSRP) for all dams completed and inspection report submitted. Project Screening Template (PST) of 20 dams amounting to ₹123 Cr. completed and submitted to CWC for approval. No Objection Letter for PST of 15 dams amounting to ₹76 Cr. received from WB/CWC. Works amounting to ₹24 Cr has been awarded. Bid for works amounting to 5.9 Cr. is in different stages of processing. Major works awarded include Grouting of Sholayar main dam and pointing of Sholayar main & flanking dam, Special repairs to spillway piers by re-plastering with special repair mortar and sealing of lift joints at Sholayar Dam, Protective works to the access road to Idamalayar Dam, Construction of a building for establishing Quality Control Lab at Idamalayar, Strengthening of Poringalkuthu dam by providing concrete mass on the downstream face and protective works, Special repairs to intake gate, scour gates, gate groves, hoist and connected structures of Kakkayam Dam, Conducting Bathymetric survey to assess the sedimentation of 3 reservoirs etc.

ii.Investigation

- The investigation works related to development of new Hydro Power Projects to the tune of about 1500 MW was undertaken during the FY 2021-22 and works are progressing. New proposals under investigation includes Extension Schemes to the existing Idukki Hydro Electric Project and Sabarigiri Hydro Electric Project.

iii.Construction (Generation-Civil & Electrical)

- Construction of Peruvannamuzhi SHEP (6MW, 24.70Mu) is nearing completion with 81.35% physical progress in civil work and Model test of E&M works was carried out.
- Construction of Pazhassi Sagar SHEP (7.5MW, 25.16Mu) is progressing. Tender works for execution of Olikkal SHEP (5MW, 10.26Mu), Poovaramthodu SHEP (3MW, 5.88Mu) and Maripuzha SHEP (6MW, 14.84Mu) are progressing.
- Tender for the execution of Upper Sengulam Small Hydro Electric Project (24MW, 53.22 Mu) has been floated and land acquisition of private land nearing completion.
- Construction of Poringalkuthu SHEP (24 MW) is nearing completion and scheduled to be

commissioned by first half of the financial year 2022-23. Mechanical Spinning of unit achieved on 26.03.2022.

- Construction of Phase I of Chinnar SHEP (24 MW) is progressing as per schedule.
- Construction of Bhoothathankettu SHEP (24 MW, 83.5 Mu), Thottiyar HEP (40 MW, 99 Mu), Sengulam Augmentation Scheme (85 Mu) and work for rectification and replacement of penstock, butterfly valve and gate valve of Sengulam HEP are progressing.
- Tender for execution of Mankulam HEP (40MW) and Phase II of Chinnar SHEP had been floated and work awarded. Commencement of construction activities of both the schemes are scheduled during the first half of the financial year 2022-23.
- Civil and E&M works of Pallivasal Extension Scheme HEP (2X30 MW) is progressing.
- Fabrication of line materials and 'A' poles required for the Distribution Wing in Northern region is being carried out in the Mechanical Facility II, Kolathara. During 2021-22, 1064 MT of line materials & 1088 MT of 'A' poles were fabricated. Materials worth Rs 19.40 Crore were issued to Distribution wing.
- The preconstruction survey works, land acquisition, estimate preparation etc. of Ladrum SHEP, Marmala SHEP, Western Kallar SHEP, Peechad SHEP are in progress.

iv. Consultancy Works

The consultancy works including that of KIIFB are attended by the Spin & Consultancy wing. The Government of Kerala has entrusted KSEBL as an SPV to implement the Development of 10 major Taluk level & District Hospital projects at various locations, for the Health & Family Welfare Department with KIIFB funding. As per the norms of KIIFB, such projects are to be implemented by KSEBL by taking the role of a Special Purpose Vehicle (SPV) for H&FWD. The total outlay of the above projects comes to ₹863 Crores and Administrative Sanction for all the 10 Hospital Projects have already been issued and are at various stages of implementation.

Total centage charge of ₹5.74 Crores without GST have been received from KIIFB on account of this. Four of the hospital projects are in the construction stage viz, Mattannur, Kottarakkara, Kundara & Karunagappally. Four hospital projects are in the revised FS/tendering stage and two of the projects are posed for Financial Sanction (FS) from KIIFB. Apart from the above, Consultancy Wing is also executing various public works under other departments having an outlay of around ₹ 26 Crores.

v. Land Management Unit (LMU)

The Land Management Unit (LMU) was constituted on 03.03.2014 for effective inventory 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.

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. The above database is available online to the designated office.

The major achievements during the year 2021-2022 includes an extent of 20.0627 Ha. (49.5549 Acre) of land in prime locations got mutated in favour of KSEBL, copies of awards relating to various landed properties of KSEBL were traced out from different sources and uploaded in the database.

(2) 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) currently vested with Chief Engineer (Transmission System Operation) is also under Transmission SBU. The activities related to grid protection and related communication facilities, testing of meters and power equipments are carried out by three System Operation Circles in Thiruvananthapuram, Kalamassery and Kannur. Transmission SBU manages the construction, operation and maintenance of EHT substations and transmission lines including that to EHT consumers. It is responsible for the implementation of transmission loss reduction programs and coordinating the activities for system development. Transmission SBU exercise control over all load dispatch activities, with full responsibility for real time management and matters pertaining to protection system and communication system. Scheduling of generation, scheduling of annual maintenance, import of power from independent power producers and central generating stations and export of power are managed by this SBU. Other important activities include monitoring of daily system statistics, implementing policy matters related to merit-order dispatching, communication planning, networking of computers and co-ordination of activities under the system operation circles.

The voltage wise capacity of the Transmission network within the State as on 31.3.2022 is given below.

Transmission System as on 31.03.2022		
Voltage level (kV)	**Transmission Lines (Ckt-km)**	**Substations (Nos)**
400	177.03+1152.56*	5 *+1
320	127.4*+54.6(UG)*	1 *
220	3366.21	29
110	5300.71	178
66	2004.79	60
33	2214.1	161
Total	**14397.4**	**435**
Total Transformation Capacity (in MVA)		22634.06

*PGCIL owned

A summary of the new substations and lines completed during 2021-22 is shown in the Table below.

kV	Substations (Nos)			
	North	**South**	**TransGrid**	**Total**
220			2	2
110	5	0		5
33	0	1		1
Total				**8**

	Transmission Lines (Ckt-km)			
	North	**South**	**TransGrid**	**Total**
220		20.75	204.06	224.81
110	42.06	29.99	181.2	253.25
33	10.6	58.25		68.85
Total				**546.91**

kV	Capacity addition/ enhancement (MVA)			
	North	**South**	**TransGrid**	**Total**
220			326	326
110	106	279.5		385.5
33	6	23		29
Total				**740.5**

Major achievements during 2021-22

i. Substation & Lines Commissioned

Region	Voltage level		Substations commissioned		Lines Commissioned
Transmission South	33kV	1	Marayoor	1	Pallivasal – Munnar SC line (7ckm)
				2	Munnar-Marayoor DC line (88.5ckm)
	110kV			3	Pothencode- Kazhakootam – UG Cable (9.241ckm)
	220kV/110kV			4	Kattakkada- Balaramapuram MCMV line (20.75ckm)
Transmission North	33kV			5	Interlinking Vellangallur and An-jangadi (7.5 ckm)
		2	Pattambi		33 kV UG cable from Substation Maruthoor to 110kV Substation Pattambi (3.1ckm)
				6	Thirumittakode-Pattambi tap line (6.2 ckm)
	110 kV	3	Nilambur	7	Elamkur-Nilambur (Upg) (13.5 ckm)
		4	Edakkara	8	Nilambur-Edakkara (Upg) (27 ckm)
		5	Mannuthy	9	LILO from Madakathata to Koda-kara (0.06 ckm)

		6	GIS Vennakkara		

ii. Substations and Lines under construction

Voltage	Substations	Lines
400 kV	1. Kottayam	
220 kV	1. Vizhinjam (Upgn.)	1. Kattakkada-Balaramapuram-Vizhinjam line
	2. Ettumanoor	2. Kottayam-Ettumanoor-Thuravoor 220/110 kV MCMV
	3. Thalassery (Upgn.)	3. Mundayad-Thalassery 220/110 kV MCMV
	4. Kunnamkulam (Upgn.)	4. Wadakkanchery-Kunnamkulam line
	5. Pathanamthitta	5. Koodal-Pathanamthitta-Adoor-Edappon MCMV
	6. Kakkad	6. Valupara-Kakkad line
		7. Kanjirode-Mylatty 220/110 kV MCMV
		8. Kodungallur-Irinjalakuda 220/110 kV MCMV
		9. Kunnamkulam-Vengallur 220/110 kV MCMV
110 kV	1. Palode (Upgn)	1. Mithrumala-Palode 110 kV DC line (upgn)
	2. Karunagappally (Upgn)	2. Sasthamcotta-Karunagappally DC line (upgn.)
	3. Alappuzha (Upgn)	3. Pooppally-Alappuzha 110 kV DC line (upgn)
	4. Kuttanadu (Upgn)	4. Pooppally-Kuttanad 110 kV DC line (upgn)
	5. Kuravilngadu (Upgn)	5. Koothattukulam-Kuravilngadu 110 kV DC line (upgn)
	6. Murickassery	6. Murickassery-Konnathady 110 kV Line
	7.Sulthan Bathery (Upgn)	7. Kainatty-Sulthan Bathery 110 kV DC line (upgn)
	8. Adoor (Upgn)	8. Kaniyambetta-Mananthavady 110 kV DC line (upgn)
	9. Velliamparamba	9. Idamalayar-Bhoothathankettu 110kV DC line (upgn)
	10. Kannampully(Upgn)	10. Cherai-Njarakkal 110 kV DC line
	11. Kuthumunda (Upgn)	11. Pothencode-Kazhakkuttom-Technopark 110 kV UG
	12. Shornur 110 kV GIS	12. Vennakkara-Nemmara 110 kV line (upgn)
	13. Thamarassery (Upgn)	13. Kunnamangalam-Thamarasery 110kV DC line (upgn)

	14. Pariyaram (Upgn)	14. Nallam-Kuttikkattur 110 kV DC line (upgn)
		15. Kadachira-Chovva 110 kV DC line (upgn)
33 kV	1. Kidangara	1. LILO to Thumboor from 3IJPR feeder
	2. Thumboor	2. Kodungallur-Methala line
		3. Ramanattukara-Feroke interlinking using UG cable

TransGrid Project

KSEBL had taken up the ambitious TransGrid 2.0 project aimed at enhancing the transmission capacity for meeting future demand, improving reliability and quality of power transmitted and to reduce losses. The works are planned to be implemented in two phases.

First phase of the project is planned for execution during 2017-2022 and second 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 kilometer of EHT lines. Out of these 12 substations, 4 are Air Insulated Substations (AIS) and the remaining are Gas Insulated substations (GIS). 14 substations (AIS - 2 Nos. & GIS - 12 Nos.) and 1930 Circuit km EHT lines are included in Phase II of the project. Total cost for the two phases of the project is estimated as ₹6,500 crores. The projects are financed mainly using loans from KIIFB and other financial institutions and grants under PSDF and Green Energy Corridor (MNRE) schemes.

Implementation of the projects in the 1st phase is progressing as scheduled. Out of 12 substations targeted in the 1st phase, 7 Substations and 1120 ckm of EHT lines are completed. The remaining 5 substations including associated EHT lines included in Phase I, will be completed by December 2022. Out of 14 substations in the 2nd phase, construction of 2 nos GIS substations and two line packages are in progress. MNRE has sanctioned grant amounting to ₹138.71 Crores for two projects under Green Energy Corridor scheme. Two line packages included in Phase II are tendered. Tendering/ DPRs for the remaining packages are under process.

- Completed works under TransGrid 2.0 (2021-22)
- 220/110kV MCMV LILO Line to Kunnamangalam Substation (Malayamma – Kunnamangalam). 220kV line - 15.2 Ckm, 110kV - 15.2 Ckm.
- 220/110kV MCMV line Pallivasal – Aluva. 220kV line - 166 Ckm, 110kV - 164.8 Ckm.
- 220 kV AIS, Pallivasal (Chithirapuram)
- 220kV GIS, Kunnamangalam
- Ongoing works under TransGrid 2.0
- Construction of 400kV GIS at Kottayam
- Construction of 220kV GIS at Kunnamkulam, Thalassery, Ettumanoor, Vizhinjam
- 220kV GIS at Pathanamthitta and Kakkad
- 220/110kV MCMV lines from 400kV GIS Kottayam to 220kV substations Thuravur and Ettumanoor
- 220/110kV MCMV line from Kodungallur to Irinjalakkuda
- Upgrading Kanjirode - Mylatty 110kV line to 220/110kV MCMV line
- LILO to 220kV GIS, Kunnamkulam from Wadakkanchery using 220/110kV MCMV line
- Upgrading Mundayad - Thalassery line to 220/110kV MCMV line
- 220/110 kV MCMV lines to 220kV GIS Substations Pathanamthitta and Kakkad
- 220/110 kV MCMV line to proposed Vengallur substation

Expenditure of TransGrid works as on 31.03.2022		
Sl No.	Project Execution by	Cumulative expenditure till 31.03.2022 in ₹ Crore
1	Own fund	14.93
2	PSDF grant	66.14
3	KIIFB loan	401.19
	TOTAL	**482.25**

System Operation for the year 2021-22

The financial year started with widespread summer rains and imposition of more and more Covid-19 restrictions and hence lower demand than expected. But with intensified market operation of power purchase and sale at differential rates subject to the real time system conditions, SLDC was able to make a net sale of ₹998.06 Cr. Consumption recorded during the year 2021-2022 was 1463.75 MU higher than the previous year. This is attributable to relaxation in Covid-19 restrictions during the later part of the year. Total Consumption for the year was 26608.75 MU against 25144.99 MU in 2020-'21.

In the FY 21-22 Gross sale of 2090.41 MU @ of ₹4.73/unit and Purchase of 64.23 MU @ ₹2.95/unit was done for managing the LGB. Net sale of 2030 MU @₹4.79 and sale of 58.59 MU fetching around ₹ 24.98 Crores through flexing the hydro generation taking arbitrage in different time spells was carried out.

- DSM activities for this year result in an export of 95.68MU fetching ₹86.44 Crores. Surrender of 2518.53 MU was carried to address the low demand monsoon season and for maintaining the generation schedule due to the heavy inflow to the reservoirs
- Total benefit out of security constraint economic dispatch can be summarized as follows:

Summary 2021-22	Qty in MU	Amt in Cr
Revenue by Sale of Surplus energy-Gross sale	2094.41	992.02
Revenue by Special Market Operation	-	24.98
Revenue by Deviation Management	95.68	86.44
Savings in the expenditure towards power purchase by surrender of CGS/LTA	2518.53	714.4
Total benefits	**4708.62**	**1817.84**

PSDF Projects:

The status of the projects under the Power System Development Fund Scheme (PSDF) is given in the table below:

No	Scheme	Estimate (₹ Cr)	Estimate Accepted in Cr/ MoP sanction date	Grant Approved (₹ Cr)	Grant Released (₹ Cr)	Progress
1	Renovation of Protection system of 220 kV substations	97.90	91.46 (31.12.2014)	82.31 (90%)	82.3 (100%)	Project closed.
2	Implementation of Automatic Demand Management Scheme	6.03	5.30 (02.01.2017)	4.77 (90%)	4.762 (99.84%)	Project completed
3	400/220 KV Multicircuit/ Multivoltage Transmission line from Madakkathara to Areekode. (Transgrid North-I)	371.03	371.03 (16.05.2017)	333.93 (90%)	333.93 (100%)	Project closed.
4	Up-rating Kakkayam-Nallalam 110 KV line (45 km) & Upgrading Nallalam-Koyilandy 110 KV Single Circuit to Double Circuit (32Km) (Transgrid North-II)	89.13	89.13 (16.05.2017)	66.85 (75%)	47.521 (71%)	Project completed

5	Renovation of Switchyard Equipments, AGC in Gen stations, AMR and associated works	33.68	22.42 (15.11.2017)	20.18 (90%)	13.909 (69%)	Physical progress- 90%; Financial= 87.8 %.
6	Reliable Communication and data acquisition system up to 110 KV Sub stations in Kerala (OPGW)	185.34	147.52 (15.11.2017)	73.76 (50%)	16.778 (23%)	OPGW stringing- 70% completed. Work in progress.
7.	Implementation of Scheduling, Accounting, Metering & Settlement of Transactions (SAMAST)	53.87	17.56 (10.05.2021)	15.8 (90%)	1.58 (10%)	Prequali fication of tender documents for procure- ment of energy meters progressing
	Total	**836.98**	**744.42**	**597.6**	**500.772 (83.79%)**	

Power System Engineering

During FY 2021-22, PSE wing had conducted Load flow studies for 65 new proposals, 40 Capacity addition, 11 earth mat design works, for Substations/generating stations in addition to various reactive power studies, System Fault studies and Loss studies at v arious voltage levels.

3. Distribution SBU

3.1. 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 (134.225 lakh consumers as on March 2022).

Implementation of Central sector schemes like RAPDRP Part B, DDUGJY, IPDS etc., IT initiatives of KSEB and matters related to Customer Relations headed by Chief Engineer (IT, CR & CAPs), Urja Kerala Mission Project, Dyuthi 1, distribution sector projects funded externally, like MPLAD/MLA LAD/ Kerala Development Scheme, are undertaken by this SBU.

Major activities carried out & achievements during 2021-22.

Dyuthi 1

The Board had issued approval for the 4-year plan from 2018-19 to 2021-22 in Dyuthi 1 amounting to ₹4036 crore (3937 crore + 50 crore for continued electrification + 50 crore for special project like SCADA), with a vision to uplift the distribution system of the State to the best in the nation and also to achieve international standards in distribution services by the year 2022. The Dyuthi 1 initiated many remarkable changes in the distribution development approaches through introduction of network based planning, adoption of new technologies and refreshingly utilitarian in-house products like Communicating Fault Passage Detector (CFPD).

Service at doorsteps

Due to wide spread of the pandemic COVID - 19 during the first wave, the entry of public to KSEBL field offices were restricted. A procedure for giving different types of services to the public, at their doorsteps, named as **"Services at door steps"** to offer the requested services in a most effective and cordial manner, with minimum visit of the applicants to the office was implemented under Electrical Circle, Palakkad, as a pilot project, from 01.10.2020 onwards.

The project received great response from the public due to COVID restrictions and State wide implementation of this project was sanctioned vide the B.O. (FTD) No. 81/2021 (No.CP/Plg.3/Misc-Service at door steps/2021) dated 29.01.2021. State Level inauguration with selected Electrical Section offices was conducted on 06.02.2021 by Hon'ble Chief Minister of Kerala. Later, KSEBL IT team launched a mobile application for the employees to solve the initial difficulties and make the services more efficient. The 'Service at Door step' project is now being implemented in all section offices in Kerala using the said mobile application.

For a person requiring services like new electricity connection, change of ownership, change of connected load / contract load, change of tariff, line/meter changing, etc, it is sufficient to register the name and phone number by a phone call to the concerned section office/call center. The KSEBL staff will then contact the applicant to complete the process by assisting them in preparing the application to securing the service.

Electrification of Anganawadis

On request of the Director, Department of Women and Child Development as part of the Government's Hundred Days Program, 937 Anganwadis were electrified.Of these, ₹22.16 lakh has been spent from the own funds of Kerala State Electricity Board Limited for providing free electricity connections including one post, to 574 Anganwadis.

Tribal Colony Electrification

Based on the direction from Government of Kerala, KSEBL had identified Tribal colonies which are yet to be electrified and the funds required for electrifying colonies was intimated to Tribal Department on 23.11.2021 requesting the remittance of the estimated cost. The list of colonies, where grid extension is not possible, was handed over to the Director, ANERT on 29.11.2021 requesting ANERT to explore the possibility of installing solar/DDGs.

Tauktae cyclone

In spite of all preparedness activities carried out, heavy winds and downpour associated with the cyclonic storm "Tauktae" which lashed the entire State from early hours of 14th May 2021, severely affected the southern and central districts causing damages to electrical installations, disrupting power in most of the places especially the coastal areas of Thiruvananthapuram, Kollam Alappuzha and Ernakulam districts. In the distribution network, damages to 68 transformers and 5473 poles were reported, along with distribution line snapping at 18,574 locations (length of conductor damaged - 3714.8 km) in association with the cyclonic storm, causing damages to the extent of ₹46.65 Crore as per KSEBL estimation. Also 38,93,863 consumers were affected throughout the state due to supply interruptions.

Other Natural Calamities

The State of Kerala witnessed heavy and incessant rains as part of the monsoon during June & July 2021, bringing in damages to the electrical installations. This was followed by heavy cloud bursts and rains as part of depression in Arabian Sea and Bay of Bengal during October & November 2021. A large number of structures including electrical installations were damaged due to uprooted trees and some installations were washed away due to landslide and gushing water.

Preparation of Multiyear Plan 2022-23 to 2026-27

Dyuthi 2.0

Despite all the achievements in Dyuthi 1, KSEB Ltd as a distribution utility has got enough scope to achieve standards of global competence in certain areas of performance, which the organisation had envisaged to accomplish. The main shortfalls observed are long periods of outages in certain areas during natural disasters, mainly due to snapping of conductors, damages of poles, supply interruptions of short durations in one area for carrying out back feeding arrangements and switch offs for supply restoration and for de- energisation of spur / branch lines etc. to other areas and change in prioritisation and selection of areas / networks due to change in local network requirements, mitigation activities.

Particulars	2022-23 (in crore)	2023-24 (in crore)	2024-25 (in crore)	2025-26 (in crore)	2026-27 (in crore)	Total (in crore)
Dyuthi 2.0 works	574.199	527.111	599.066	1191.541	1124.179	4016.096
Provision for Total Electrification	20	20	20	20	20	100
Provision for replacing faulty meters	30	30	30	30	30	150
Provision for installation of spacers as part of safety	10	10	10	10	10	50
Total	**634.199**	**587.111**	**659.066**	**1251.541**	**1184.179**	**43 16.096**

Other Major achievements during 2021-22

Details are furnished below:

Particulars	Achievement during 2021-22				
	South	Central	North	North Malabar	Total
No of Service connections effected (Nos)	84170	93864	121576	62102	2391
HT line constructed (km)	580	819	414	579	2391
LT line constructed (km)	966	978	1001	1039	3983
No. of distribution transformers installed(Nos.)	427	744	760	424	2355
Meter replacement (Nos)	153024	139341	129856	65661	487882
HT re-conductoring (Conductor km)	189	273	412	154	1027
LT re-conductoring (Conductor km)	7049	7759	5607	4596	25010
1 Phase to 3Phase Conversion (km)	355	415	412	280	1462

System as on March 2022

Total Consumers at the end of the year (Nos)	1,34,22,549
Length of 11kV line (circuit km)	68173

Length of LT line (circuit km)	299538
Number of Distribution Transformers (Nos)	85594

3.2. Centrally Aided Projects (CAPs)

Projects announced by the Ministry of Power, Government of India from time to time, are coordinated, monitored and carried out by a separate office, led by a Deputy Chief Engineer. Corporate project management activities such as obtaining sanction for DPR, following up through the implementation stages, monitoring progress, co-ordination with the nodal agencies appointed by GoI, facilitating for the timely fund releasing requirements, and all coordinating efforts till the closure of scheme are being carried out from the Centrally Aided Projects (CAPs) Department. The central schemes like RAPDRP part-B, IPDS, DDUGJY and SAUBHAGYA were completed and eligible grants were received by KSEBL. The details of grants received for the completed central projects are as follows:

Sl. No.	Scheme	Financial Achievement	Amount received during 2021-22	Remarks
1	IPDS	₹648.735 Cr	₹35.17 Cr	Closed & Eligible grant received.
2	DDUGJY	`507.08 Cr	`53.5 Cr	Closed and eligible full grant received.
3	SAUBHAGYA	`95.75 Cr	`11.75 Cr	Closed & eligible full grant received.
4	RAPDRP-Part A	`178.22 Cr	-	Closed and Full amount converted into grant.
5	RAPDRP-Part B	`1115.4 Cr	`379.72 Cr	Closed and Eligible amount received towards loan to grant conversion.

REVAMPED DISTRIBUTION SECTOR SCHEME (RDSS)

The RDSS is a new scheme announced by the Central Government for the development and modernization of the power supply sector vides F.No. 20.07.2021 of the Central Energy Department. The scheme has been notified as per 20/09/2019-IPDS Office Memorandum. The project aims to Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution sector.

Reduce the AT&C losses to pan - India levels of 12-15% by 2024-25. Reduce ACS-ARR gap to zero by 2024-25.

Total outlay of the scheme to all Discoms - Rs 3 lakh Crore.

The duration of Scheme is 5 years from (FY 2021-22 to FY 2025-26). M/s Power Finance

Corporation Ltd, New Delhi is the nodal agency for Kerala.

The RDSS scheme as per MoP guidelines includes the following components:

Part A:

1.Prepaid Smart Metering -

(i) Consumer Metering - Smart metering with Pre-paid functionality

(ii) System metering (Feeder, DT & Border) - 100% communicable DT, Feeder, Border metering with AMI features to enable energy accounting.

2. Infrastructure works -

(i) Loss reduction - which includes Armoured / ABC cabling/ HVDS, in high loss areas and underground cabling in disaster prone areas, IT/OT enablement works, ERP, Billing software, Segregation of Agriculture feeders to enable solarization under PM-KUSUM implementation, replacement of conductors which are old and frayed, replacement of existing old feeders, segregation / bifurcation of feeders for loss reduction/ System strengthening, etc.

(ii) Modernisation works to improve Reliability – which includes SCADA with DMS / FPI etc. in urban areas, New Substations & Augmentation of Lines & substations, Additional lines/ feeders, and other Distribution works which improves reliability of the Power Sector.

(iii) Project Management – Project Management Agency (PMA) has to be appointed by Utility for project formulation and management which includes - Preparation of Action plan, DPR, tender documents etc., Monitoring works, Quality Assurance & Material inspection, Results evaluation etc.

Part B:

Training, Capacity Building and other Enabling & Supporting Activities.

Present Status

- Sanction was accorded for the action plan and DPR proposals submitted by KSEBL under RDSS by GoK and placed before the monitoring committee of MoP for approval.
- Approval for the proposal was obtained in the 7th monitoring committee meeting held on 15.03.2022.
- The approval from MoP was communicated by the nodal agency vide letter dated 24.03.2022.
- The sanctioned amount includes the Smart System metering & Infrastructure work proposals from Cochin Port Trust Authority (CoPA) amounting to Rs. 9.87Cr also. The approved DPR cost and 60% GoI Grant for the Loss Reduction Infrastructure works and Smart metering) under KSEBL is as follows:

Sl No.	Description	Amount (₹ Cr.)	Remarks
1	Loss Reduction works	2235.78	
2	GoI Grant for Loss Reduction works	1341.47	
3	PMA charges for Loss Reduction works	33.39	1.5% of Project Cost
4	PMA Grant	20.035	(60% of PMA charges)
5	SMART metering	8175.05	
6	GoI Grant for SMART metering	1226.26	
7	PMA charges	30.66	
8	PMA Grant	18.39	

- The modernization DPR will be considered for approval only after KSEBL meets certain pre-qualification criteria and achieving specific remarks in the Result Evaluation Matrix.
- KSEBL is in the process of implementing the scheme including appointment of PMA through tendering.

3.3. IT WING

Functions of the Office

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 Software Related Works.

Centralised LT Billing Application Software - OrumaNet - The major software modifications work done in Orumanet Application are introduction of Covid subsidy, Covid rebate on fixed charges for industrial and commercial consumers, cyber security compliance for mobile application for LT consumers, integration of E-kiran portal for solar projects, GST invoices generation for KSEBL automatically with NIC server etc.

HT/EHT Billing System, Energise

The HT/EHT billing system with web based consumer services is functioning successfully and regular updates are done as part of maintenance and further development.

Online Electricity Payment Facilities

IT wing takes care of the online payment facilities of KSEBL. This includes software integrations, technical monitoring, security scrutiny, reconciliation, payments towards online providers etc. Various online facilities are : Direct Integration, Bharat Bill Payment System(BBPS), NEFT/RTGS/IMPS transaction with auto Virtual Number with M/s SIB, National Automated Clearing House (NACH), Payment Gateways, CSC (Common Services Center),SSDG (State Service Delivery Gate) & 'Kseb' mobile app 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. The identification of Critical Information Infrastructure (CII) in Generation, Transmission and Distribution are in progress.

Other completed / on going Projects

Smart City, Kochi - Cochin Smart Mission Limited (CSML) installed 18900 smart meters under four Electrical Sections viz. Fort, Mattanchery, Central & College which are coming under Smart city, Kochi. Integration of CSML Head End System with OrumaNET for accessing smart meter data and billing is in its final stage.

Phase II IT under IPDS - Implemented for continued IT enablement of distribution sector in additional 21 towns. Project completed by 31.12.2021 and eligible grant has been received from MoP

ERP under IPDS - In-house development of Enterprise Resource Planning for distribution sector is progressing as per requirement of KSEBL. The implementation part under IPDS is declared as completed by 30.12.2021 and eligible grant has been received from MoP

RT-DAS under IPDS - Real Time Data Acquisition System for Non-SCADA Towns is being implemented to measure the reliability of power in terms of SAIFI and SAIDI covering 125 substations within 63 IPDS towns using Feeder Remote Terminal Unit at substations. Project completed by 31.01.2022 and eligible grant has been received from MoP

KSEBL SCADA - Integration of SCADA with IC4 is in progress. 79 FRTU fitted RMU installed by M/s CSML are communicating to the SCADA. ICCP integration is to be done to materialize SCADA integration with IC4. The modification of associated parameters required for ICCP integration between IC4 & SCADA Control Centre is being carried out by CSML.

Research and Development Projects

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

As part of the National Mission on Power Electronics Technology (NaMPET) phase III program, the Centre for Development of Advanced Computing (C-DAC), Thiruvananthapuram, has proposed a project titled 'Smart Power Quality Centre (SPQC) in Distribution Grid' for the implementation of smart grid technologies in electric distribution network. This scheme includes 6 sub projects which are in progress.

Maintenance and Support Activities

Online Portal For LT Consumers - 'ORUMA Web' - facilitates payment of Electricity bills of LT consumers through centralised collection of payments from Friends and Akshaya Centres.

Human Resource Management System - 'HRIS' - includes Payroll, PF, Pension and Employee / Office Information System. Additions/Modifications for Biometric Tracking system are being done along with Training Management System for RPTIs and PETARC.

ARU Accounting System - 'SARAS' - all ARUs are connected to the centralized corporate accounting software. In-house development of Accounting Module as part of ERP is completed and is under trial run.

E-Office - Pilot Implementation of e-Office was done in about 25 KSEBL offices including corporate offices.

Students internship online application portal - was developed to facilitate the process of industrial training/ project work/organizational study / research work/ industrial visit etc. for the students.

Centralized Customer Care Services (CCC) – was set up in Vydyuthi Bhavanam, Trivandrum and started functioning since 2014 to attend complaints/queries from the consumers under various Electrical Sections all over Kerala.

Social Media Help Desk - functioning under Centralized Call Centre of KSEBL and currently uses WhatsApp (9496001912), Facebook account (fb.com/ksebl), Instagram account (@ksebltd), Twitter account (@KSEBLtd) as its social media platform for interaction with the customers for addressing their grievances and issues.

Corporate Service Centre - A single window payment provision for corporate consumers. Monthly about 4900 corporate consumers remit current charges using this facility.

Helpdesk - to provide support and maintenance for the existing Systems, viz. LT Billing, HT/EHT

Billing, HRIS, SARAS, KSEB's official website, e-tendering, Attendance Management System etc. Provides procurement assistance for IT equipment required for all KSEBL offices. Also coordinates System Administrators and System Supervisors across the State for providing necessary hardware and software support for field offices.

Other IT Initiatives

Urja Sowhrida: to disseminates electricity bill information like bill amount, due date, disconnection date etc to the customers via SMS and e-mail.

Urja Doothu: to send power outage information up to distribution transformer level to all the consumers through automated SMS.

OMS- dash board:- provides real-time view of number of feeders, transformers, transformers under outage, feeders under outage, SAIFI, SAIDI and power availability of deferent level of offices.

SMART: Safety Monitoring and Reporting Software (SMART) for Accident Reporting, generation of statutory reports for Electrical Inspectorate, provision for reporting identified defective areas and initiating workflow for rectification work etc.,

Assessment of Distribution Offices based on Key Performance Indices (KPIs): The distribution offices are assessed and ranked by automated KPI generation process namely Customer Complaint Redressal, Release of New Service Connection, e-payments, Safety-Zero Fatality and Quality of Power-SAIFI & SAIDI.

ProMoS: for monitoring the progress of centrally funded projects such as DDUGJY, IPDS and Dyuthi works etc.

LD Permit work Management System : for managing the permit to work processes at EHT levels, which are permitted from System Operations.

E-Tendering- developed and maintained by IT mission of Kerala and all KSEBL offices can upload tender in this online facility.

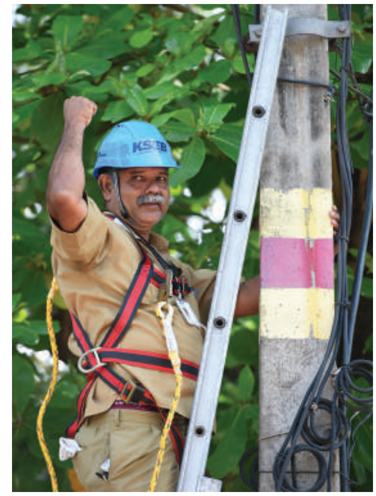
Asset Data Updation Software: Development of software application to collect Asset Data from all wings of KSEBL and integration of Asset Management application with Land Management, Transmission Asset Management and Distribution Asset Management Software is in progress.

3.4. Safety Department

- 23873 safety inspections were conducted by Safety Officers observing COVID protocols.
- Safety Committee meetings, Safety awareness programmes, safety training etc were conducted.
- Stage II of the "Operation Shudhi started with an aim to reduce the accidents to 'Zero' level by clearing creepers & nearby vegetation from all electric lines and installations and reconductoring the electric lines under dangerous condition is continuing.
- Direction for ensuring safety during pre monsoon maintenance works has been given to field officers for strict compliance.
- Safety Day was celebrated on 26.06.2021 for giving safety awareness among staff & Public. As part of this, a 'You Tube' Channel has been started exclusively for displaying safety related short videos for Public Awareness.

a. Based on the request from Chief Engineer (Distribution North Malabar), 114 Nos.of ACSR conductor detectors (differentiating AAC/ ACSR OH line conductors developed & made by Sri. Baiju K.C, Assistant Engineer, O/o the Chief Safety Commissioner) were supplied for the use of North Malabar region.

b. Board accorded sanction vide B.O. (FTD) No.662/2021 (CSC/FTD/ Innovation- AE2/2021-22) dated 17.09.2021 to start a Manufacturing unit for Innovative Devices, Equipments & Accessories (MIDEA) project on Pilot basis. The project is functioning from January 2022 onwards at the premise of 66 kV Sub Station, Cherthala.



- The details of fatal and non-fatal accidents occurred to Board Staff/Contract Worker/Public in Board's installations and Consumer premises during 2021-22 is listed below:

Board's Installation (Nos.)		**Consumer Premises (Nos.)**	
Fatal	Non Fatal	Fatal	Non Fatal
161	219	128	25

E. COMMERCIAL & TARIFF

Long Term Power Procurement

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, ₹/kWh**	**Remarks**
1.	M/s NTPC Floating Solar Kayamkulam	31.03.2022	92	2.94	PPA executed
2.	T P Sourya(TATA) Solar	8.12.2021	110	2.44	PPA executed

Medium Term Power Procurement

Period		**Bid Qtm MW**	**uration hrs D**	**Offered Qtm MW**	**Price discov-ered ₹/ kwh**	**Trader**
From	To					
01.01.2022	30.06.2025 (From January to June)	270	RTC	270	3.26	M/s PTC India

Banking of power during Summer 2022

Name of the Bidder	Supply Period	Quantum MW	Duration (Hrs)	Return %	Return period	Return duration	Trading margin (ps/kwh)
APPCPL	Mar-22 (01. 03. 2022 to 31. 03. 2022)	100	18.00 to 24.00	102.9	15.06.2022 to 30. 06. 2022	23.00 to 01.00	2.75
						01.00 to 04.00	
					01-07-2022 to 15-07-2022	23.00 to 01.00	2.75
						1.00 to .4.00	

Tariff and Regulatory Affairs

Tariff and Regulatory Affairs Cell (TRAC), headed by Deputy Chief Engineer, is responsible for preparing and submitting petitions for approval of income and expenses - called Annual Revenue Requirement (ARR), Expected Revenue from Charges (ERC) - and Tariff for various SBUs of the company before the State Regulator. The cell is also responsible for submitting Capital Expenditure Plan, Quarterly Fuel Surcharge Petitions, performance and compliance reports to the Commission. Petitions before various other authorities such as Central Regulatory Commission, Appellate Tribunal, Hon'ble Supreme Court and High Court related to power purchase and tariff are dealt by TRAC. This cell also deals with amendments of the Electricity Act, Rules, Regulations and policies of the Central and state Government and power supply agreements related to licensees within the state.

KSEBL has filed capital investment plan for the control period from FY 2022-23 to FY 2026-27 KSEBL also filed MYT petition and tariff petition for the control period from 2022-23 to 2026-27 on 31.01.2022. KSEBL has been filing petition for approving fuel price adjustment charges quarterly. KSEBL achieved Grade C for the performance in FY 2020-21 as part of ninth integrated ranking exercise of Distribution utilities performed by Ministry of Power. The reason for low score is attributable to the changes in methodology prescribed for the year 2020-21, which has been made more stringent owing to the drastic changes contained in it when compared to earlier years.

F. RENEWABLE ENERGY AND ENERGY SAVINGS WING

The major achievements during the year are listed below:

1) Filament Free Kerala

A sub project under "Oorja Kerala Mission" announced by the Government of Kerala, for replacing the entire filament lamps in the State by energy efficient LED lamps and safe disposal of ICL/CFL collected.

For the implementation of the Filament Free Kerala Programme, one crore numbers of 9W

LED bulbs had been procured. Out of these, 84.18 Lakh bulbs had been distributed to 10.5 Lakh registered consumers as on 31.3.2021. Additional quantity of 17.5 lakh bulbs were procured during this Financial Year 2021-22 and distributed 27,03,949 bulbs to 3.77lakh consumers.

2) Solar projects

Solar plants with a total installed capacity of 157MW were commissioned during the period 2021-22 whereby the total solar capacity in Kerala as on 31.3.2022 has reached 451.29MW. This includes,

Grid connected consumers	- 207.50MW
CPP & IPP /Private plants in the state such as,	
CIAL	- 49.44MW
ANERT, Kuzhalmannam	- 2MW
KMRL	- 5.395MW
HINDALCO	- 3MW
Ambalathara solar park	- 50MW
Paivelike, Kasargod	- 50MW NTPC
Floating solar	- 22MW
Ezhimala Naval Accademy	- 3MW

1. SOURA

The Government of Kerala has launched the project "Soura" to add 1000MWp Solar Power Plants to the network of KSEB Ltd, under Urja Kerala Mission, a vision to develop the energy sector in the state to global standards and in line with the true spirit of

National goal of achieving 100 GW of solar capacity by the year 2023. As part of the Soura project, 500 MWp of Solar Power Plants are to be established by utilizing the Roof Tops of domestic, public and private buildings including educational institutions, hospitals and commercial establishments.

c. Soura Phase I- Non Subsidy Scheme

Out of this 500 MWp rooftop project, 200 MWp is the first phase project. Three business models were put forth to consumers.

KSEBL investment Models

Model-1 (a fixed percentage of generation (10 %) will be given for consumer, free of cost for utilizing his / her/ their roof)

Model-2: The energy generated will be sold to the consumer at fixed price for 25 years through PPA.

Consumer Investment model

Model-3: KSEBL will setup the solar plant for the consumer after collecting cost of the plant from the owner.

EPC Contracts: Based on tender for the project, EPC contract for 46.5MWp was awarded to the contractors namely M/s Tata power solar system limited, M/s Waaree Energies Limited and M/s INKEL Limited. Agreement was executed with consumers whose roofs suitable for the project were identified and such roofs were assigned to the developers for project installation.

Achievement - 1378 grid connected solar plants with capacity 8.57 MW was commissioned under Phase I Non subsidy scheme during the above financial year.

SOURA PHASE II- Subsidy Scheme

The Ministry of New and Renewable Energy had announced the subsidy programme of setting up of 4000 MW of Grid connected Solar Roof Top Plants in residential sector with 40% central financial assistance (CFA).

KSEBL received an allocation of 50 MW for 2019-20 and 200 MW for 2020-21 from MNRE. The time for completion of this subsidy project has been extended up to March 2023.

Business Models

Model I/ Kerala model: The financial investment by the consumer for the plant apart from subsidy portion is shared by KSEBL.

Model II/ Consumer Model: The total plant cost shall be met through Consumer Investment and CFA. The consumer owns the plant and whole energy generated from the plant is to the consumer's credit.

MNRE has awarded 200MW capacity of Rooftop Solar plants to the KSEBL under Phase II programme. KSEBL has empanelled 37 developers for achieving the target. A fool proof tracking management portal E-KIRAN has been developed and submitted for the effective use of public for registration and monitoring of progress status. Meeting of Developers, Inverter manufactures, module manufactures, etc were organized across the state to facilitate the soura scheme among public. More over, frequent spot registration campaigns were held across the state at the electrical sections /subdivisions for easy access to the consumers.

Achievement - 1864 grid connected solar plants with capacity 7.308 MW was commissioned under Phase II Subsidy scheme during the above financial year.

2. Solar projects in KSEBL premises

a) Ground mounted

Proposed - 8MW (Agali-1MW, Brahmapuram 4MW, Kanjikode 3MW) Commissioned - Agali and Kanjikode (4 MW) during 2021-22. Brahmapuram - Expected to be commissioned in 2022-23.

b) Floating Solar

KSEB Ltd has invited Request for Qualification (RFQ) to implement Floating Solar projects (total capacity - 300MW) in its 4 existing reservoirs of hydroelectric projects, 4 reservoirs of Irrigation department and 2 reservoirs of Kerala Water Authority. The bidder should Design, Build, Own and Operate the projects for a period for 25 years. Tariff based bid is in progress.

c) 50 MW West Kallada Floating Solar in progress (implementation by NHPC) .Comfort letter being issued by KSEBL

d) Deposit Scheme

Solar Plants installed by KSEBL during this Financial Year on EPC basis for LSGD/Other institutions Commissioned - 1.5MW. In progress during the Financial Year - 0.9 MW

e) Renewable Energy Data center (REDC)

RE Data center was commissioned during the Financial Year 21-22 for monitoring and scheduling of Renewable Energy within the state.

f) PM KUSUM

KSEB Ltd is the implementing agency for the Decentralized solar power plants having capacity of 500kW to 2MW to be set up under Component A and feeder level solarisation under Component C of the Pradhan Mantri Kisan Urja Surakhsha Evam

Utthan Mahabhiyan (PM KUSUM) Scheme introduced by GoI benefited to the farmers. 40MW is targeted in Component A in which KSEBL procures the power and farmers invest in their own land/farmers can lease their land to the developers;

17MW is targeted in Component C under feeder level solarisation implemented in

KSEBL land using KSEBL fund and 30% GoI fund.

Tender Invited for tariff based bidding for Component-A Scheme and 5.5MW awarded to farmers. EPC tender procedures initiated for 11MW in Component-C in KSEBL Land and another tariff based bid invited for 6MW in KWA land at Moongilmada, Palakkad.

3) E- Mobility

a) Electric Vehicle Charging Stations

As per the EV policy of Govt. of Kerala, KSEBL is the state nodal agency for charging stations. Consequently, KSEBL is in the process of developing a charging station network comprising 62 fast charging stations and 10 Nos Pole mounted charging stations in pilot mode.

b) EV Promotion

As per Govt policy on EV promotion, KSEBL purchased 65Nos Electric Cars and added to KSEBL official fleet.

4) Wind Energy

Tariff Based competitive bid for 100 MW wind power development in Kerala under BOO model has been invited. Four bidders participated in the bid and Letter of Intend has been issued for installing 35.5MW wind power projects which is expected to be completed in 2023-24.

5) Setting up 10MW/20 MWh of Grid-Scale Battery Energy Storage System (BESS) at Mylatti by KSEBL

Battery energy storage system (BESS) is proposed to be set up at 220kV Substation, Mylatti with 10 MW / 20 MWh output and for Two Cycles per day thereby handling 40 MWh output per day. E-tender for EoI was invited during the FY2021-22 and E-tender for financial bids was invited in 22-23 year which is under detailed evaluation. The project shall proceed after obtaining approval of KSERC.

6) Awards and accolades

Awarded State Energy Conservation Award 2021 from Energy Management Centre, Rooftop Enabler of the year 2022 award organized by EQ International Magazine, RE Assets India Award 2022 for excellence in rooftop solar plant implementation

7) Energy conservation day

A mass campaign and rallies were conducted in connection with Energy conservation day in all circles for propagating the importance of Energy conservation among the public.

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

Annual Return of the company will be available in the website www.kseb.in/corporate matters.

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 over time.

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 No.3(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 ₹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), a Joint Venture Company has its head quarters at Vydyuthi Bhavanam, Pattom, Thiruvananthapuram and has an authorized and paid up capital of ₹1 crore of which KSEBL holds 50 % s hares (5,000 Equity shares of ₹1000/- each).

d) K-FON

K-FON (U64200KL2018SGC05454), a Joint Venture Company 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, Independent Director is appointed by the Government of Kerala. Hence the Declaration by Independent Directors has been furnished from the year 2016-17 onwards.

P. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a "Corporate Social Responsibility Committee" (CSR Committee) in accordance with Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 on 17.05.2016. 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 Chair man of the Audit Committee is the Independent Director.

R. ESTABLISHMENT OF VIGIL MECHANISM

As per requirement of Section 177 of the Companies Act 2013 and the 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 Workplace (Prevention, Prohibition and 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 disposed during the year 2021-22.

No: of complaints pending disposal at the beginning of the year	**3**
No: of complaints received in 2021-22	**14**
No: of complaints disposed off during the year 2021-22	**12**
No: of complaints pending disposal at the end of the year	**5**

V. AUDITORS

1. 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 2022 and submitted their report. No instance of fraud by the Company 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 are provided in **Annexure-A** attached.

2. 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 2022.

3. 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, and New Delhi-110049 for conducting Secretarial Audit for the financial year 2021-22. Secretarial Audit Report (Form MR-3) for the Financial Year 2021-22 issued by the Secretarial Auditor is attached as Annexure-B. The replies to the adverse comments, qualifications or reservation in the Secretarial Audit Report are furnished as Annexure-C.

W. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to clause (c) of Subsection (3) read with Subsection (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 2022, 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, 2022 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.
- Application made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- One time settlement of loan obtained from the Banks or Financial Institutions.
- 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 t he Companies Act, 2013 relating to particulars of employees.

ACKNOWLEDGEMENT

The Directors gratefully acknowledge the continuous patronage and support being provided by the State Government and its various departments. The Board also acknowledges with thanks all the guidance and help extended Central and State Government Department/Agencies, Central and State Electricity Regulatory Commissions, Appellate Tribunal, Financial Institutions and Banks, Consumers and various other stakeholders. 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 Company appreciates and value the dedicated efforts and consistent contribution made by our employees at all levels for making the Company what it is.

For and on behalf of the Board of Directors

(Sd/-)

Place: Thiruvananthapuram
Date: 29.09.2022

Dr. RAJAN N. KHOBRAGADE, IAS
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE-1
2021 – 22

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. The activities of the department 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

A sub project under “Oorja Kerala Mission” announced by the Government of Kerala, for replacing the entire filament lamps in the State by energy efficient LED lamps and safe disposal of ICL/CFL collected.

For the implementation of the Filament Free Kerala Programme, One Crore numbers of 9W LED bulbs had been procured. Out of these, 84.18 Lakh bulbs had been distributed to 10.5 Lakh registered consumers as on 31.3.2021. Additional quantity of 17.5 Lakh bulbs were procured during this Financial Year 2021-22 and distributed 27,03,949 bulbs to 3.77 Lakh consumers.

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

1) Solar projects

Solar plants with a total installed capacity of 157 MW were commissioned during the period 2021-22 whereby the total solar capacity in Kerala as on 31.3.2022 has reached 451.29 MW.

The following major projects were undertaken during the year:

1. Ground mounted

Proposed – 8MW (Agali-1MW, Brahmapuram 4MW, Kanjikode 3MW) Commissioned – Agali and Kanjikode (4 MW) during 2021-22. Brahmapuram – Expected to be commissioned in 2022-23.

2. Floating Solar

KSEB Ltd has invited Request for Qualification (RFQ) to implement Floating Solar projects (total capacity – 300MW) in its 4 existing reservoirs of hydroelectric projects,4 reservoirs of Irrigation department and 2 reservoirs of Kerala Water Authority. The bidder should Design, Build, Own and Operate the projects for a period for 25 years. Tariff based bid is in progress.

3. 50 MW West Kallada Floating Solar in progress (implementation by NHPC) Comfort letter being issued by KSEBL.

4. Deposit Scheme

Solar Plants installed by KSEBL during this FY on EPC basis for LSGD/Other institutions

Commissioned – 1.5MW

In progress during the FY – 0.9 MW

5. Renewable Energy Data center (REDC)

RE Data centre was commissioned during the FY 21-22 for monitoring and scheduling of Renewable Energy within the state.

6. PM KUSUM

KSEB Ltd is the implementing agency for the Decentralized solar power plants having capacity of 500kW to 2MW to be set up under Component A and feeder level solarisation under Component C of the Pradhan Mantri Kisan Urja Surakhsha Evam Utthan Mahabhiyan (PM KUSUM) Scheme introduced by GoI benefited to the farmers. 40MW is targeted in Component A in which KSEBL procures the power and farmers invest in their own land/ farmers can lease their land to the developers; 17MW is targeted in Component C under feeder level solarisati on implemented in KSEBL land using KSEBL fund and 30% GoI fund.

Tender Invited for tariff based bidding for Component-A Scheme and 5.5MW awarded to farmers. EPC tender procedures initiated for 11MW in Component-C in KSEBL Land and another tariff based bid invited for 6MW in KWA land at Moongilmada, Palakkad.

2) Wind Energy

Tariff Based competitive bid for 100 MW wind power development in Kerala under BOO model has been invited. Four bidders participated in the bid and Letter of Intent has been issued for installing 35.5MW wind power projects which is expected to be completed in 2023-24.

3) Setting up 10MW/20 MWh of Grid-Scale Battery Energy Storage System (BESS) at Mylatti by KSEBL

Battery energy storage system

(BESS) is proposed to be set up at 220kV Substation,

Mylatti with 10 MW / 20 MWh output and for Two Cycles per day thereby handling 40 MWh output per day. E-tender for EoI was invited during the FY2021-22 and E-tender for financial bids was invited in 22-23 year which is under detailed evaluation. The project shall proceed after obtaining approval of KSERC.
iii) The capital investment on conservation equipments.
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(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 im- provement cost reduction, product de- velopment or import substitution.	• Safety of Working Staff. • Reduction in Power Interruptions. • Consumer satisfaction on correct billing.
iii) In case of imported technology (im- ported during the last three years reck- oned 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.	- NIL -
(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 -

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

(Sd/-)
Dr. RAJAN N. KHOBRAGADE, IAS
CHAIRMAN & MANAGING DIRECTOR

Place: Thiruvananthapuram
Date: 29.09.2022

ANNEXURE –2

FORM NO. AOC-2 (2021-22)

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	
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:	NO

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/-)

Place: Thiruvananthapuram **Dr. RAJAN N. KHOBRAGADE, IAS Date:**
29.09.2022 **CHAIRMAN & MANAGING DIRECTOR**

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 2022, 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 for qualified 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, 2022, 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 equipment by ₹4,758.72 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/ financial closure which is after the date on which the assets are ready for use as against guidelines 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 realised value on sale of such assets is 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 with 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/under-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.

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/understatement of decommissioning liability and the carrying amounts of property, plant & equipment which is not in accordance with the requirements of Ind AS 16 “Property, Plant & Equipment”.

i) The company has not recognised any provision for impairment of assets. As the basis for such conclusionhas 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. 2.3to 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.

l) We refer to note no. 2.5 to the standalone financial statement regarding capitalisation of land with restrictive covenants, received in settlement of receivables on sale of power of Rs. 174.61 crores and capitalised, which is in deviation with Ind AS 116 Property Plant & Equipment and Ind AS 113 Fair value measurement and the resulting impact if any on the value of land and income/ expenditure could not be ascertained.

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 end of the year,as a result there is an understatement of 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 progress without considering the date of completion/ readiness for use of the asset resulting in understatement / overstatement of the carrying value of the Capital work in progress due to which the consequential effect on finance cost could not be ascertained.Until financial year 2020-21, the methodology adopted by the company in computation of the borrowing cost on general borrowings on a year-to-year basis is only on the additions made to the capital work in progress in the respective year without considering the opening value of capital work in progress and capitalisation of asset made during that year. The impact of this inconsistency in the respective year's cost of assets, depreciation and finance cost could not be ascertained.

c) We refer to note no. 4.3 to the standalone financial statement regarding projects which are temporarily suspended included in the Capital Work in Progress amounting to ₹ 169.25 Crores. The company has not assessed and provided for the impairment if any on account of the above. ₹ 169.25 Crores includes the projects amounting to ₹25.6 Crores which are abandoned(Refer note no 4.1) which has resulted in overstatement of CWIP and understatement of loss by ₹ 25.6 Crores.

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/Property, Plant and Equipment, 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, 2022 and the resultant impact on depreciation if any.

4) As per Section 71(4) of the Companies Act 2013 read with rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014, the company is required to create a debenture redemption reserve (DRR) and a debenture redemption fund (DRF) with respect to bonds issued to the Kerala State Electricity Board Limited Employees' Pension and Gratuity Fund Trust on April 1, 2017 for meeting the terminal liabilities of employees.The company has not created DRR in accordance with the above provision. With respect to DRF, a sum not less than fifteen percent of the amount of its bonds maturing during the year ending on the 31st day of March of the next year has to be deposited/invested in a separate bank account or as prescribed in the said rules. However, company has not deposited/invested any amount towards DRF thereby resulting in non-compliance of Companies Act, 2013.

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 long outstanding security deposits amounting to₹29.94 Crores andlong outstanding advances given by the company amounting to ₹25.29 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 ₹382.89crores provided in the accounts is adequate or excess. Consequently, we are unable to comment on its impact 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 ₹ 9.52crores as "Security Deposits", which in our opinion, ought to have been 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 classifying all materials in stores as inventory without bifurcating the materials / stores meant for capital / revenue purposes. As per Ind AS 2 Inventories are either held for sale in the course of business or in the form of materials consumed in the process of rendering of service while all other materials meant for construction of fixed assets are to be grouped under capital work in progress / spares under Ind AS 116 Property Plant and Equipment. In the absence of details on the value of materials meant for capital purposes the understatement / overstatement of capital work in progress / spares and inventories could not be ascertained.

9) In respect of cash &cash equivalents, the company has not provided proper reconciliations of various bank account balances reported in the accounts. Such un-reconciled balances and long outstanding differences could result in overstatement or understatement of balances under "Cash and Cash Equivalents" and the balances under respective corresponding accounts.

10) The unreconciled balances in the transactions between the ARUs amounting to ₹76.74crores(Previous year ₹ 78.05 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.

11) In the absence of adequate information regarding the amount classified under "Deposits for Electrification, Service Connection etc" of ₹ 553.20 crores with the corresponding works pending for completion, for which such deposits have been collected from the consumers., its impact if any on the financial statements could not be quantified. Also, the company has classified the same under Other financial liabilities - Current instead of Other current liability.

12) 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 ₹ 201.90 crores for the period 1 April 2018 to 31 March 2022. Consequent to this, the loss for the year is understated to the extent of ₹54.84 crores and the consequent understatement of liability.

13) The company has neither determined nor recognised the deferred tax liabilities or deferred tax

assets, if any, as required by the Ind AS 12 "Income Taxes", thereby understating the Deferred Tax Liability/Assets as may be applicable, and the corresponding impact on tax expenses.

14) 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.

15) 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.

16) We refer to note no 40 on financial impact of the contingent liabilities, on account of various claims / cases pending against the company before various courts / legal forums, the financial impact of the liabilities on account of various claims against the company before various legal forums, which are made available to us, estimated value of resultant liability could not be ascertained.

17) Capital commitments on contracts remaining to be executed provided for our verification is incomplete due to the non-availability of information from various account rendering units and the resultant financial impact if any,on the future cash flow of the company could not be ascertained.

18) As per accounting policy adopted by the company, in case of government grant/contribution received from consumers related to an asset, grant/contribution is initially recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset. However, the company is recognising the income without considering the actual date of capitalisation of the related asset. This has resulted in overstatement of grant income and understatement of deferred income. Due to the non-availability of information, the impact could not be ascertained.

19) 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.

20) The impact of the matters listed in Paras 1(a), 2(c), and 12 above has resulted in the understatement of the Profit for the year of the company and overstatement of the "Retained Earnings" of the company by ₹646.03 crores. Accordingly, in the Statement of Profit and Loss, the Profit before tax", Profit for the period from continuing operations, Profit for the year ought to have been ₹90.24 crores as against the currently reported profit of ₹736.27 crores, and the "Total Comprehensive expense for the period" ought to have been ₹876.42 crores as against the currently reported expense of ₹230.39 crores. The basic and diluted EPS for the year ought to have been ₹0.26. 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.52.3 regarding adjustment of the amount payable to Government of Kerala towards electricity duty as on 31.03.2022 against the amount receivable from the Government in the books of accounts.

2) Attention is drawn to note no 2.1 and 2.2 regarding pending transfer of land by the company to the Govt of Kerala for which no compensation has been received.

3) 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.

4) Attention is drawn to note no. 7.1 regarding the settlement of dues from Kerala Water Authority from the Government of Kerala.

5) Attention is drawn to note no. 49.1 regarding the restatement in financial statement on account of revaluation of terminal liabilities (as specified in note no. 50.4) and other errors/omissions.As specified in the note no. 50.4, the effect of changes in the provision for terminal liabilities prior to financial year 2020-21 has been restated in the balance as on 01.04.2020. However, the year-wise impact in the provision for terminal liabilities prior to financial year 2019-20 were not made available to us.

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

Material Uncertainty relating to Going Concern

We draw attention to Note 51 in the financial statements, which indicates that the Company earned a net profit of ₹ 736.27Crores and accumulated loss ₹ 19,200.39 Crores during the year ended March 31, 2022 and, as of that date, the Company's current liabilities exceeded its current assets by ₹ 5,603 Crores.These conditions, along with other matters as set forth in Note 51, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

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 Annual Report, but does not include the standalone financial statements and our auditor's report thereon.
- 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 in the audit

or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 disclosures in note no 44, 45, 46, 47, 48 and 52.1 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 these matters.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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;

e) The matters described in the basis for qualified opinion paragraph above, in our opinion, mayhave 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) The details of pending litigations are disclosed in note no 40 of the financial statements.

   (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.

   (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   (v) The company has not declared or paid any dividend during the period and hence the compliance of Section 123 of the Act is not applicable.

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 3.

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
FRN:001488S

Sd/-
R Venugopal
Partner
M.No.202632
UDIN:22202632ANTFSG7155

For Mohan & Mohan Associates
Chartered Accountants
FRN:002092S

Sd/-
R Suresh Mohan
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M.No.013398
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For JRS & Co.
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Thiruvananthapuram
28/07/2022

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 March2022.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has not maintained proper records showing full particulars of intangible 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.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the period.

(e) No proceedings have been initiated during the period or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. Quarterly returns/statements filed by the company with such banks/financial institutions are in agreement with the books of the company.

iii. The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and hence reporting under clause 3(iii) of the Order is not applicable.

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. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of 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 2005-06	130.28
	Commissioner of Income Tax (Appeals)	2007-08	98.65
	The Income Tax Appellate Tribunal	2008-09	68.04

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) During the year, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the period and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the period and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) As informed by the company, no cases of fraud by the company are reported. With respect to fraud on the company by its officers or employees the nature and amount involved are listed below:

Sl. No.	Description of cases	Amount in ₹	Status
1	Allegation of theft of electricity under Chelari Electrical Section.	4,79,365	Case pending before Manjeri Court.
2	Allegation against an Overseer of Vythiri Electrical Section for unauthorised installation of 11Kv line through the property of a public.	1,73,942	Memo of charges issued.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) The company has not received any whistle blower complaints during the period and hence reporting under clause 3(xi)(c) of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) (a), (b) and (c) of the Order is not applicable.

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. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. In our opinion during the period the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a) and (b) of the Order is not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) In our opinion, there is no core investment company within the Group (as defined in the

Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the company during the period.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Provisions of section 135 of the Companies Act, 2013 are not applicable to the Company during the period and accordingly reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
FRN:001488S

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R Venugopal
Partner
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For Mohan & Mohan Associates
Chartered Accountants
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R Suresh Mohan
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For JRS & Co.
Chartered Accountants
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Rajesh Ramachandran
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Thiruvananthapuram
28/07/2022

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 of Kerala State Electricity Board Limited (the company) as of 31 March2022 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 over ride 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, 2022.

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/ capital work in progress 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) identifying and correlating capital and revenue expenditures incurred by it with the grants, work deposits or contributions received for meeting such expenditures which could potentially result in incorrect recognition of plant, property and equipment, expenditure, income and deferred income for the year.

f) ensuring compliance with the applicable accounting standards, with regard to classification of property plant and equipment, investment property and loans and advances.

g) 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;

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

i) The company's systemfor 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;

j) The company's system for reconciliation of transactions/balances between SARAS and other application systems such as Supply Chain Management (SCM), Open Resource Utility Management Application (ORUMA NET) and Energize (HT/EHT Billing software)are not operating effectively which could potentially impact the accuracy of the financial data reflected in the financial statements.

k) The company's system of assessing actuarial valuation of terminal benefits of employees are not operating effectively and has resulted in deviations in assessing the liabilities of the previous years.

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 weaknesses 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 and such internal financial controls over financial reporting were not operating effectively as of 31 March, 2022, 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, 2022, and these 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
Chartered Accountants
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28/07/2022

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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. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for the statutory auditor of lender company)	As per the information and explanation provided to us, no such cases were observed.
Whether funds (grants/subsidy etc.) 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 obtained from the management, the company does not have consolidated details of entire land possessed by it. However, 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.2021-22.
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?	We refer to note no. 4.3 to the standalone financial statement regarding projects which are temporarily suspended included in the Capital Work in Progress amounting to ₹ 169.25 Crores. The company has not assessed and provided for the impairment if any on account of the above. ₹ 169.25 Crores includes the projects amounting to ₹25.6 Crores which are abandoned (Refer note no 4.1) which has resulted in overstatement of CWIP and understatement of loss by ₹ 25.6 Crores. The company has incurred ₹ 132.48 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.	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. The company is in the process of decommissioning its Diesel Power Plant at Brahmapuram.. Hence the pollution monitoring system is not functioning at BDPP. 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 plant.

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 are 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 2021-22 is less than the value fixed by the KSERC. The Company has not provided the details regarding transmission loss. Hence, we are unable 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. Also, KSEBL has decided to implement Prepaid Smart Metering & System Metering (Installation of smart prepaid meters for all consumers, smart meters for distribution transformers & feeders along with unified billing & collection system) as part of "Revamped Distribution Sector Scheme- A Reform based and Results linked Scheme" announce by Government of India.
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. KSEBL has filed fuel surcharge petition for all 3 quarters of the financial year 2021-22. Public hearing on the petition for the first 2 quarters has been completed but orders are awaited. Proceedings on the petition seeking fuel surcharge approval for the last 2 quarters of the financial year are yet to be initiated by

	the KSERC. During the first three quarters an amount of ₹14.64 crore was sought as fuel surcharge.
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 2022 amounting to ₹76.74 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 2021-22, an amount of ₹387.28 Crores is booked as subsidy.

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
FRN:001488S

Sd/-
R Venugopal
Partner
M.No.202632
UDIN:22202632ANTFSG7155

For Mohan & Mohan Associates
Chartered Accountants
FRN:002092S

Sd/-
R Suresh Mohan
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For JRS & Co.
Chartered Accountants
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Sd/-
Rajesh Ramachandran
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M.No.206211
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Thiruvananthapuram
28/07/2022


SABARIGIRI POWER STATION

KRISHNAMOORTHY & KRISHNAMOORTHY CHARTERED ACCOUNTANTS

MOHAN & MOHAN ASSOCIATES CHARTERED ACCOUNTANTS

JRS & Co. Chartered Accountants

Independent Auditors' Report

To the Members ofKerala State Electricity Board Limited
Report on the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial 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 2022, 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 based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the associates and jointly controlled entities, the aforesaid consolidated financial statements give the information required by theCompanies 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 consolidated state of affairs of the Group as at March 31, 2022, its consolidated loss including othercomprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

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 ₹4,758.72 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 / financial closure which is after the date on which the assets are ready for use as against guidelines 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 is 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 with the requirements of Ind AS 16 "Property, Plant & Equipment".

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/under-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.

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/ understatement of decommissioning liability and the carrying amounts of property, plant & equipment which is not in accordance with the requirements of Ind AS 16 "Property, Plant & Equipment".

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.

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. 2.3 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.

l) We refer to note no. 2.5 to the consolidated financial statement regarding capitalisation of land with restrictive covenants, received in settlement of receivables on sale of power of Rs. 174.61 crores and capitalised, which is in deviation with Ind AS 116 Property Plant & Equipment and Ind AS 113 Fair value measurement and the resulting impact if any on the value of land and income/ expenditure could not be ascertained.

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 end of the year,as a result there is an understatement of capital work in progress and corresponding liability.

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 / overstatement of the carrying value of the Capital work in progress due to which the consequential effect on finance cost could not be ascertained. Until financial year 2020-21, the methodology adopted by the parent company in computation of the borrowing cost on general borrowings on a year-to-year basis is only on the additions made to the capital work in progress in the respective year without considering the opening value of capital work in progress and capitalisation of asset made during that year. The impact of this inconsistency in the respective year's cost of assets, depreciation and finance cost could not be ascertained.

c) We refer to note no. 4.3 to the consolidated financial statement regarding projects which are temporarily suspended included in the Capital Work in Progress amounting to ₹ 169.25 Crores. The parent company has not assessed and provided for the impairment if any on account of the above. ₹ 169.25 Crores includes the projects amounting to ₹25.6 Crores which are abandoned(Refer note no 4.1) which has resulted in overstatement of CWIP and understatement of loss by ₹ 25.6 Crores.

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/Property, Plant and Equipment, 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, 2022 and the resultant impact on depreciation if any.

4) As per Section 71(4) of the Companies Act 2013 read with rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014, the parent company is required to create a debenture redemption reserve (DRR) and a debenture redemption fund (DRF) with respect to bonds issued to the Kerala State Electricity Board Limited Employees' Pension and Gratuity Fund Trust on April 1, 2017 for meeting the terminal liabilities of employees. The parent company has not created DRR in accordance with the above provision. With respect to DRF, a sum not less than fifteen percent of the amount of its bonds maturing during the year ending on the 31st day of March of the next year has to be deposited/invested in a separate bank account or as prescribed in the said rules. However, parent company has not deposited/invested any

amount towards DRF thereby resulting in non-compliance of Companies Act, 2013.

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 long outstanding security deposits amounting to₹ 29.94 Crores and long outstanding advances given by the parent company amounting to ₹ 25.29 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 ₹ 382.89 crores provided in the accounts is adequate or excess. Consequently, we are unable to comment on its impacton 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 ₹ 9.52 crores as "Security Deposits", which in our opinion, ought to have been 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 company is classifying all materials in stores as inventory without bifurcating the materials / stores meant for capital / revenue purposes. As per Ind AS 2 Inventories are either held for sale in the course of business or in the form of materials consumed in the process of rendering of service while all other materials meant for construction of fixed assets are to be grouped under capital work in progress / spares under Ind AS 116 Property Plant and Equipment. In the absence of details on the value of materials meant for capital purposes the understatement / overstatement of capital work in progress / spares and inventories could not be ascertained.

9) In respect of cash & cash equivalents, the parent company has not provided proper reconciliations of various bank account balances reported in the accounts. Such un-reconciled balances and long outstanding differences could result in overstatement or understatement of balances under "Cash and Cash Equivalents" and the balances under respective corresponding accounts.

10) The unreconciled balances in the transactions between the ARUs amounting to ₹ 76.74 crores (Previous year ₹78.05 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.

11) In the absence of adequate information regarding the amount classified under "Deposits for Electrification, Service Connection etc" of ₹ 553.20 crores with the corresponding works pending for completion, for which such deposits have been collected from the consumers., its impact if any on the financial statements could not be quantified. Also, the parent company

has classified the same under Other financial liabilities - Current instead of Other current liability.

12) 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 ₹201.90 crores for the period 1 April 2018 to 31 March 2022. Consequent to this, the loss for the year is understated to the extent of ₹54.84 crores and the consequent understatement of liability.

13) The parent company has neither determined nor recognised the deferred tax liabilities or deferred tax assets, if any, as required by the Ind AS 12 "Income Taxes", thereby understating the Deferred Tax Liability/Assets as may be applicable, and the corresponding impact on tax expenses.

14) 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.

15) The parent 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.

16) We refer to note no 40 on financial impact of the contingent liabilities, on account of various claims / cases pending against the parent company before various courts / legal forums, the financial impact of the liabilities on account of various claims against the parent company before various legal forums, which are made available to us, estimated value of resultant liability could not be ascertained.

17) Capital commitments on contracts remaining to be executed provided for our verification is incomplete due to the non-availability of information from various account rendering units and the resultant financial impact if any, on the future cash flow of the parent company could not be ascertained.

18) As per accounting policy adopted by the parent company, in case of government grant/ contribution received from consumers related to an asset, grant/contribution is initially recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset. However, the parent company is recognising the income without considering the actual date of capitalisation of the related asset. This has resulted in overstatement of grant income and understatement of deferred income. Due to the non-availability of information, the impact could not be ascertained.

19) 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.

20) The impact of the matters listed in Paras 1(a), 2(c), and 12 above has resulted in the understatement of the Profit for the year of the Group and overstatement of the "Retained Earnings" of the Group by ₹ 646.03 crores. Accordingly, in the Consolidated Statement of Profit and Loss, the Profit before tax", Profit for the period from continuing operations, Profit for the year ought to have been ₹ 94.65 crores as against the currently reported profit of ₹740.68crores, and the "Total Comprehensive expense for the period" ought to have been ₹872.01crores as against the currently reported expense of ₹225.98 crores. The basic and diluted EPS for the year ought to have been ₹ 0.27. 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 Consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 consolidated financial statements.

Emphasis of matter

1) Attention is invited to note no.52.3 regarding adjustment of the amount payable to Government of Kerala towards electricity duty as on 31.03.2022 against the amount receivable from the Government in the books of accounts.

2) Attention is drawn to note no 2.1 and 2.2 regarding pending transfer of land by the parent company to the Govt of Kerala for which no compensation has been received.

3) 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.

4) Attention is drawn to note no. 7.1 regarding the settlement of dues from Kerala Water Authority from the Government of Kerala.

5) Attention is drawn to note no. 49.1 regarding the restatement in financial statement on account of revaluation of terminal liabilities (as specified in note no. 50.4) and other errors/omissions. As specified in the note no. 50.4, the effect of changes in the provision for terminal liabilities prior to financial year 2020-21 has been restated in the balance as on 01.04.2020. However, the year-wise impact in the provision for terminal liabilities prior to financial year 2019-20 were not made available to us.

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

Material Uncertainty relating to Going Concern

We draw attention to Note 51 in the consolidated financial statements, which indicates that the Parent Company earned a net profit of ₹ 736.27 Crores and accumulated loss ₹ 19,200.39 Crores during the year ended March 31, 2022 and, as of that date, the Parent Company's current liabilities exceeded its current assets by ₹ 5,603 Crores. These conditions, along with other matters as set forth in Note 51, indicate that a material uncertainty exists that may cast significant doubt on the Parent Company's ability to continue as a going concern.

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

Other information

- The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 consolidated financial 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 the consolidated 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 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 consolidated 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 group to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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

(a) We did not audit the financial statements two jointly controlled entities and two associates; whose financial statements reflect total assets of Rs.213.05 Crores as at 31st March, 2022, total revenues of Rs.20.51 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 4.42 Crores for the year ended 31st March, 2022, as considered in the consolidated financial statements, in respect of two associates and two jointly controlled entities, whose financial statements have not been audited by us. These financial statements are 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 these jointly controlled entities and associates, 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 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 disclosures in note no 44, 45, 46, 47, 48 and 52.1 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 these matters.

Our opinion on the consolidated financial statements, 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 reports of the other auditors and the financial statements certified by the Management.

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.

(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 Group 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) The details of pending litigations are disclosed in note no 40 of the financial statements.

(2) Since the parent company has not furnished the details of longterm 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 croresremained unclaimed for a period of more than seven years from the date it became due for payment to the Investor Education and Protection Fund.

(4) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(5) The parent company has not declared or paid any dividend during the period and hence the compliance of Section 123 of the Act is not applicable.

(6) As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the

Act based on the consideration of the Order reports issued till date by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act we state that :

The reports of the following companies are not issued by the respective auditors till the date of our audit report

Sl No	Name	CIN	Associate / Joint Venture
1	Kerala State Power and Infrastructure Finance Corporation Limited	U65910KL1998SGC012160	Associate company
2	Baitarni West Coal Company Ltd	U40102OR2008SGC009955	Joint venture company
3	Kerala Fibre Optic Network Ltd	U64200KL2018SGC054541	Associate company
4	Renewable Power Corporation of Kerala Ltd	U40106KL2016PLC039891	Joint venture company

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
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Sd/-
R Venugopal
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For Mohan & Mohan Associates
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For JRS & Co.
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Thiruvananthapuram
28/07/2022

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 of Kerala State Electricity Board Limited (the parent company), its associates and jointly controlled entities (together referred to as "theGroup")as of 31 March2022 in conjunction with our audit of the consolidated financial statements of thecompany for the year ended on that date.

Management's responsibility for Internal Financial Controls

The respective board of directors of the parent 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 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, 2022.

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/capital work in progress 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) identifying and correlating capital and revenue expenditures incurred by it with the grants, work deposits or contributions received for meeting such expenditures which could potentially result in incorrect recognition of plant, property and equipment, expenditure, income and deferred income for the year.

f) ensuring compliance with the applicable accounting standards, with regard to classification of property plant and equipment, investment property and loans and advances.

g) 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;

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

i) 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;

j) The parent company's system for reconciliation of transactions/balances between SARAS and other application systems such as Supply Chain Management (SCM), Open Resource Utility Management Application (ORUMA NET) and Energize (HT/EHT Billing software) are not operating effectively which could potentially impact the accuracy of the financial data reflected in the financial statements.

k) The parent company's system of assessing actuarial valuation of terminal benefits of employees are not operating effectively and has resulted in deviations in assessing the liabilities of the previous years.

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, 2022, 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 company for the year ended 31 March, 2022, and the material weakness has affected our opinion on the said consolidated financial statements of the company and we have issued a qualified opinion on the consolidated financial statements of the company.

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: 22202632ANTFVD7583	**Sd/-** R Suresh Mohan Partner M.No.013398 UDIN: 22013398ANTHND9772	**Sd/-** Rajesh Ramachandran Partner M.No.206211 UDIN: 22206211ANTERI5117

Thiruvananthapuram
28/07/2022

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 FINANCIAL STATEMENTS OF KERALA STATE ELECTRICITY BOARD LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2022

The preparation of Standalone Ind AS financial statements of **Kerala State Electricity Board Limited, Thiruvananthapuram (Company)** for the year ended **31 March 2022** 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 28July 2022.

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 financial statements of **Kerala State Electricity Board Limited**, **Thiruvananthapuram** for the year ended **31 March 2022**. 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.

Comments on Independent Auditors' Report

The Statutory Auditors in their Independent Auditors' Report dated 28 July 2022 has mentioned basis of qualified opinion. These matters have been accumulating for the last three years and the Company has taken no steps for addressing them. The details of the above qualifications along with their quantification were sought from the Company.

However, the necessary details could not be furnished. In such a scenario, I am not in a position to agree with the report of the Statutory Auditor wherein a 'true and fair opinion' has been given (subject to qualifications). In view of this, I express my inability to comment upon or supplement to the Independent Auditors' Report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

Sd/-
(Dr. BIJU JACOB IA&AS)
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II), KERALA

Dated: 06.10.2022
Thiruvananthapuram

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 FINANCIAL STATEMENTS OF KERALA STATE ELECTRICITY BOARD LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of **Kerala State Electricity Board Limited** for the year ended 31 March 2022 in accordance with the financial reporting frame work 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 28July 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Kerala State Electricity Board Limited** for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We did not conduct the supplementary audit of Baitarni West Coal Company Limited, Renewable Power Corporation of Kerala Limited, Kerala State Power and Infrastructure Finance Corporation Limited and Kerala Fibre Optic Network Limited for the year ended on that date.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:

Comments on Independent Auditors' Report

The Statutory Auditors in their Independent Auditors' Report dated 28 July 2022 has mentioned basis of qualified opinion. These matters have been accumulating for the last three years and the Company has taken no steps for addressing them. The details of the above qualifications along with their quantification were sought from the Company. However, the necessary details could not be furnished. In such a scenario, I am not in a position to agree with the report of the Statutory Auditor wherein a 'true and fair opinion' has been given (subject to qualifications). In view of this, I express my inability to comment upon or supplement to the Independent Auditors' Report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

Sd/-
(Dr. BIJU JACOB IA&AS)
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II), KERALA

Dated: 06.10.2022
Thiruvananthapuram

PI & Associates

Form No MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended on 31st March, 2022

[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, 2022 complied with the statutory provisions listed here under 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, 2022 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 investment, Overseas Direct Investment and external 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.

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

27.09.2022

For PI & Associates

Sd/-

CS Dr. Baju Ramachandran
Partner
FRN: P2014UP035400
UDIN: F007571D001055301

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
27.09.2022

For PI & Associates

Sd/-
CS Dr.Baiju Ramachandran
Partner
FRN: P2014UP035400
UDIN: F007571D001055301

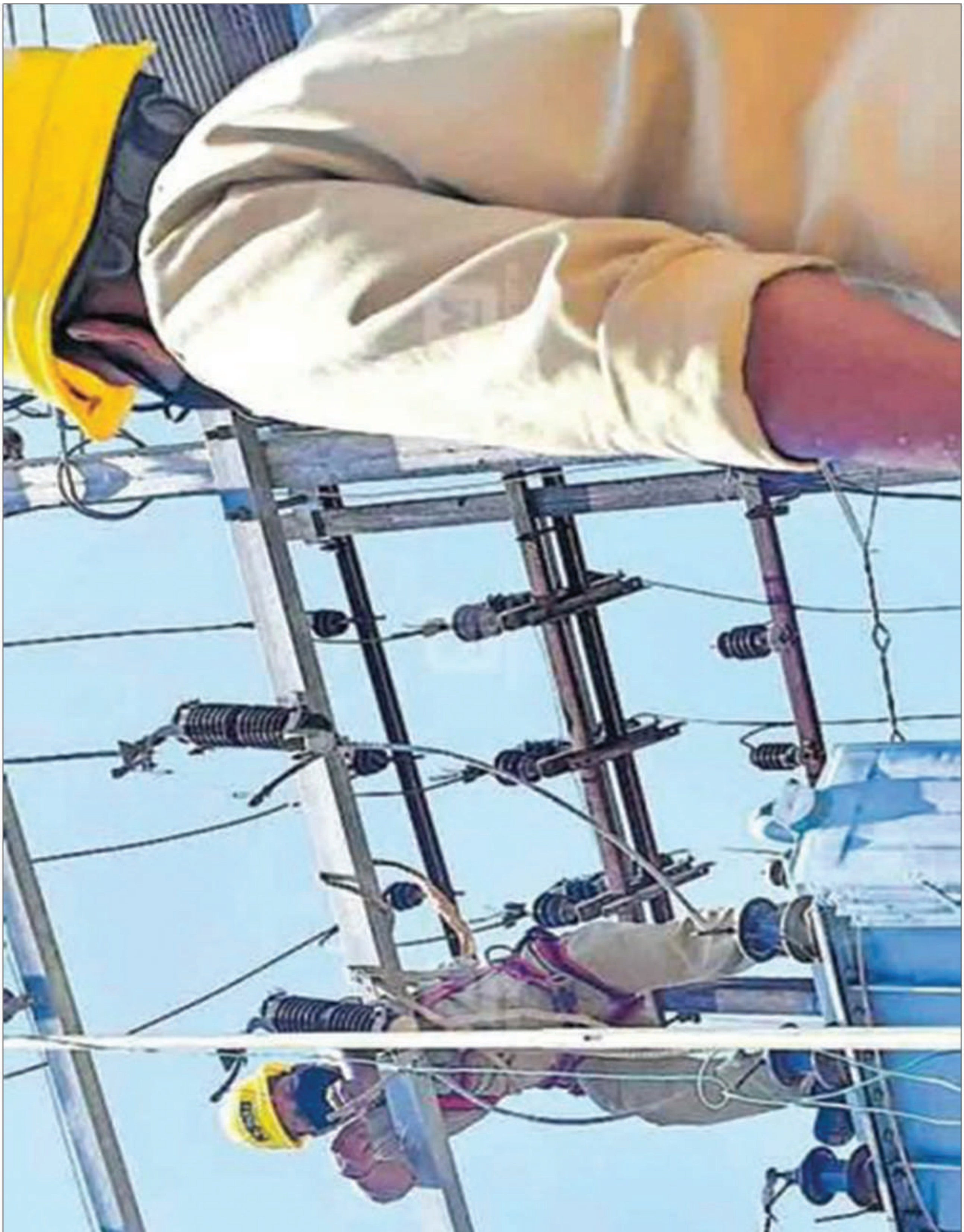
No.2250852/PU-A2/167/2022-FIN **Finance (PU-A) Department**

THE COMMENTS OF SECRETARY (FINANCE EXPENDITURE) ON THE AUDITED ANNUAL ACCOUNTS OF KERALA STATE EELECTRICITY BOARD LIMITED FOR THE YEAR ENDED 31.03.2022.

1 The company made a loss in the financial year 2020-21 and reached a profit of Rs 754.18 crore in the financial year 2021-22, which is admirable. The company should try to continue this trend.
2 The current ratio of the company in the F.Y 2021-22 is 0.88:1. It indicates that the company's debts in a year or loss is greater than its assets. The company doesn't have enough liquid assets to cover its short-term liabilities.The management should take necessary steps to overcome this.
3 Quick ratio/Acid test ratio of the company is 0.76:1 as against the standard ratio of 1:1. This indicates **an existence of a risk of loss of solvency**: the amount of liquid assets no longer covers the company's current liabilities. The management should take all earnest efforts to improve it.
4 The Net working capital which ought to be a positive figure is negative in this company.This shows that the current asset management of the company is inefficient and the liquidity position is not satisfactory.The company is not a position to meet its current obligations . Therefore, the authorities should take all necessary steps to improve its liquidity position at the earliest. The company can improve its net working capital by improving inventory management, keeping networking capital ratio in check , collecting payments faster and establish penalty for late payments ,avoid unnecessary outgoings and expenses.etc.
5 As a general rule a 10% net profit margin is considered as average.Here the ratio is 4.33% ,which is below average and has to be improved.
6 The Earnings per share (EPS) of the company in the F.Y 2021-22 is Rs.2.10 cr ,which was (1.36) in the F.Y 2020-21.It shows that the company has turned from loss to profit.This is a good indicator. But still need to improve.
7 An annual ROI of approximately **7% or greater** is considered as a good Return On Investment. Here the ROI is 2.92%,which is not up to the mark.
8 Companies generally prefer to keep their operating ratio between 60% to 80 %.Here the same is more than 80%,which is not considered as good. The company should take action to reduce it.
9 The actuarial valuation for gratuity and pension liabilities are not done leading to understatement of loss and liability.
10 Non-reckoning of depreciation leads to overstatement.This may be avoided in future.
11 Company must adhere to Indian Accounting Standards for property,plant and equipments.
12 Company needs to frame a policy for proper classification of long pending credits and advances.
13 It was reported that all records of land owned or held by KSEBL have not been produced to audit. Strenuous effort may be put in to trace out all available records.Anyway a comprehensive list of land holdings of the company may be prepared.
14 The details of electricity duty including interest should provide in the accounts.
15 The company should furnish the details of repeated qualifications of the Statutory Auditors along with their quantifications urgently to the Comptroller and Auditor General of India.
16 Administrative expenses should be curtailed to a bare minimum.
17 Registers with proper entries should be maintained as per the Companies Act 2013.Must keep Fixed Asset register.

(Sd/-)
Secretary (Finance Expenditure)

Thiruvananthapuram
Date : 24-11-2022



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 2022

AUDIT COMMENTS	REPLIES OF THE COMPANY
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 equipment by ₹4,758.72 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 of 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 ₹2046.86 crores as on 31.03.2022 which is 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, it is true that 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 / financial closure which is after the date on which the assets are ready for use as against guidelines 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	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 is completed.

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/under-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.
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/ understatement 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/Ind As 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 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 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, any variation noticed on the procedure will be rectified.
k. We refer to note no. 2.3 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 2.3
l. We refer to note no. 2.5 to the standalone financial statement regarding capitalisation of land with restrictive covenants, received in settlement of receivables on sale of power of ₹174.61 crores and capitalised, which is in deviation with Ind AS 116 Property Plant & Equipment and Ind AS 113. Fair value measurement and the resulting impact if any on the value of land and income/ expenditure could not be ascertained.	As per the B.O(DB)No. 658/2020 (SOR/AMU-4/HTB1/102/ARREAR SETTLEMENT/2021) dated 03.11.2020, the Board of Directors in the meeting held on 14.10.2020 resolved to adjust the current charge arrears of Travancore Cochin Chemicals Ltd. amounting to ₹174.61 crores against the value of 8.0937 hectors of land transferred by TCCL to KSEBL. It was also decided that the arrear of current charge shall be the land value of the above land. Accordingly, the land value is taken in the books of accounts as ₹174.61 crores.
2.Regarding Capital work in Progress –	The audit observation is noted. It may be noted that KSEB Ltd. is one of the State Public Sector
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, as a result of which there is understatement of capital work in progress and corresponding liability.	Undertakings, where the bills are being settled in time and 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 will be 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 Capital work in progress due to which the consequential effect on finance cost could not be ascertained. Until financial year 2020-21, the methodology	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, 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.

adopted by the company in computation of the borrowing cost on general borrowings on a year-to-year basis is only on the additions made to the capital work in progress in the respective year without considering the opening value of capital work in progress and capitalisation of asset made during that year. The impact of this inconsistency in the respective year's cost of assets, depreciation and finance cost could not be ascertained.	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 interestbearing 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 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. We refer to note no. 4.3 to the standalone financial statement regarding projects which are temporarily suspended included in the Capital Work in Progress amounting to ₹169.25 Crores. The company has not assessed and provided for the impairment if any on account of the above. ₹169.25 Crores includes the projects amounting to ₹25.6 Crores which are abandoned (Refer note no 4.1) which has resulted in overstatement of CWIP and understatement of loss by ₹ 25.6 Crores.	As per note 4.1, the status of Achencovil SHEP, Athirapally HEP, Mananthavady Multi-Purpose project and LNG based Thermal Power Plant at Brahmapuram were detailed. Some projects were suspended on account of various reasons. However, a detailed evaluation will be made and appropriate adjustments/ disclosures will be made.

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/ Property, Plant and Equipment, 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, 2022 and the resultant impact on depreciation if any.	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 the Chief Executive Officer, KIIFB, it was agreed to make necessary amendments in the TPA to bring clarity on the ownership of the asset.
4. As per Section 71(4) of the Companies Act 2013 read with rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014, the company is required to create a debenture redemption reserve (DRR) and a debenture redemption fund (DRF) with respect to bonds issued to the Kerala State Electricity Board Limited Employees' Pension and Gratuity Fund Trust on April 1, 2017 for meeting the terminal liabilities of employees.The company has not created DRR in accordance with the above provision. With respect to DRF, a sum not less than fifteen percent of the amount of its bonds maturing during the year ending on the 31st day of March of the next year has to be deposited/invested in a separate bank account or as prescribed in the said rules. However, company has not deposited/invested any amount towards DRF thereby resulting in non-compliance of Companies Act, 2013.	The bonds are issued to the Pension Master Trust as per the Government orders dated 31.10.2013 and 28.01.2015 in connection with the re-vesting of erstwhile KSE Board in to KSEB Ltd. Hence the issue of Bonds is similar to that of a private placement. The purpose of creating Master Trust and the issue of Bonds is to ensure the pension payments. The company is regularly providing funds to meet the pensionary claims of Master Trust and in effect is effectively meeting the purpose of the Bond issue. The company is in the process of making arrangements for the shortage of funds and the matter is under the consideration of Government of Kerala.

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 long outstanding security deposits amounting to ₹29.94 Crores and long outstanding advances given by the company amounting to ₹25.29 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 impairment loss and hence Expected Credit Loss not done for any outstanding advances.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.The major amount reported under the outstanding loan include the commitment advance given to the Ultra Mega Power Projects and Innovations. This has been disclosed in the Note no.8
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 ₹382.89 crores provided in the accounts is adequate or excess. Consequently, we are unable to comment on its impact 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 additional provision for bad and doubtful debts during the year. The excess provisions made during 2008-09is adjusted in the books of accounts and the provision is being made as per the policy adopted by the company disclosed in 1.9.2.1(f). 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 ₹9.52crores as “Security Deposits”, which in our opinion, ought to have been 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 projects concerned in which the deposit has been made.

8. The company is classifying all materials in stores as inventory without bifurcating the materials / stores meant for capital / revenue purposes. As per Ind AS 2 Inventories are either held for sale in the course of business or in the form of materials consumed in the process of rendering of service while all other materials meant for construction of fixed assets are to be grouped under capital work in progress / spares under Ind AS 116 Property Plant and Equipment. In the absence of details on the value of materials meant for capital purposes the understatement / overstatement of capital work in progress / spares and 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.
9. In respect of cash & cash equivalents, the company has not provided proper reconciliations of various bank account balances reported in the accounts. Such un-reconciled balances and long outstanding differences could result in overstatement or understatement of balances under "Cash and Cash Equivalents" and the balances under respective corresponding accounts.	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 certain old outstanding amounts are lying in the reconciliation furnished by few Account Rendering Units. This will be verified in detail by the internal audit wing.

10.The unreconciled balances in the transactions between the ARUs amounting to ₹76.74 crores (Previous year ₹78.05 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 the 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.
11. In the absence of adequate information regarding the amount classified under "Deposits for Electrification, Service Connection etc" of ₹553.20 crores with the corresponding works pending for completion, for which such deposits have been collected from the consumers, its impact if any on the financial statements 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 being collected and accounted in the field ARUs. Though centralised details of each transaction is not being maintained, the details of each and every 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. All the information regarding the 'Deposits for Electrification, Service Connection' collected, the work pending to be completed as on the closure of the Financial Year 2021-22 etc are available in the ARUs and the audit observation is not factual.
12.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	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

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 ₹201.90 crores for the period 1 April 2018 to 31 March 2022. Consequent to this, the loss for the year is understated to the extent of ₹54.84 crores and the consequent understatement of liability.	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. Attention is also invited to Note No.19.5 and 41.3, where it is clearly shown that there is no default in repayment of Principle or interest on Bonds as on 31.03.2022.As on that date the company has made an additional payment of ₹47.11 crore than the amount payable as per the repayment schedule mentioned in the Bond Certificate.
13.The company has neither determined nor recognised the deferred tax liabilities or deferred tax assets, if any, as required by the Ind AS 12 “Income Taxes”, thereby understating the Deferred Tax Liability/Assets as may be applicable, and the corresponding impact on tax expenses.	Noted.
14.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. The reconciliation is being completed before the filing of GST return and the GST audit is being conducted as per the statutory provisions. The current year reconciliation will be completed before the due date of filing the returns.

15.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.
16.We refer to note no 40 on financial impact of the contingent liabilities, on account of various claims / cases pending against the company before various courts / legal forums, the financial impact of the liabilities on account of various claims against the company before various legal forums, which are made available to us, estimated value of resultant liability could not be ascertained.	The company is having a dedicated legal department headed by a District Judge to look after the legal matters. The details of cases pending before various courts/ legal forums, including the quantum of dispute raised is made available to audit by the company.
17. Capital commitments on contracts remaining to be executedprovided for our verification is incomplete due to the non-availability of information from various account rendering units and the resultant financial impact if any, on the future cash flow of the company could not be ascertained.	The commitments on contracts remaining to be executed is available with the respective agreement authorities/Account Rendering Units. The company is not having the practice of maintaining consolidated details of the above at head office.
18. As per accounting policy adopted by the company, in case of government grant/ contribution received from consumers related to an asset, grant/contribution is initially recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset. However, the company is recognising the income without considering the actual date of capitalisation of the related asset. This has resulted in overstatement of grant income and understatement of deferred income. Due to the non-availability of information, the impact could not be ascertained	With respect to the Grant received from Government, the company received grants for the Centrally Aided projects. the final grant release is normally based on the submission of completion certificate i.e after completion of the work. Hence the recognition of income is made after actual date of capitalisation. Regarding the contribution received from the consumers, the observation is noted for future guidance. However the complexities in the power sector and the provisions in this regard in the ESAAR 1986 to address such complexities are also to be considered.
19.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.

20. The impact of the matters listed in Paras 1(a), 2(c), and 12 above has resulted in the understatement of the profit for the year of the company and overstatement of the "Retained Earnings" of the company by ₹646.03 crores. Accordingly, in the Statement of Profit and Loss, the Loss before tax", profit for the period from continuing operations, profit for the year ought to have been ₹90.24 crores as against the currently reported profit of ₹736.27 crores, and the "Total Comprehensive expense for the period" ought to have been ₹876.42 crores as against the currently reported expense of ₹230.39 crores. The basic and diluted EPS for the year ought to have been ₹0.26. 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. Regarding other audit observations, the reply of the company is provided against the audit para.

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 2022

AUDIT COMMENTS	REPLIES OF THE COMPANY
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 ₹4,758.72 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 of 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 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 ₹ 2046.86 crores as on 31.03.2022 which is 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 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, it is true that 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 / financial closure which is after the date on which the assets are ready for use as against guidelines 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 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 is 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/under-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.
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/ understatement 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/Ind As 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, any variation noticed on the procedure will be rectified.
k. We refer to note no. 2.3 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 2.3
l. We refer to note no. 2.5 to the consolidated financial statement regarding capitalisation of land with restrictive covenants, received in settlement of receivables on sale of power of ₹174.61 crores and capitalised, which is in deviation with Ind AS 116 Property Plant & Equipment and Ind AS 113. Fair value measurement and the resulting impact if any on the value of land and income/ expenditure could not be ascertained.	As per the B.O(DB)No. 658/2020 (SOR/AMU-4/HTB1/102/ARREAR SETTLEMENT/2021) dated 03.11.2020, the Board of Directors in the meeting held on 14.10.2020 resolved to adjust the current charge arrears of Travancore Cochin Chemicals Ltd. amounting to ₹174.61 crores against the value of 8.0937 hectors of land transferred by TCCL to KSEBL. It was also decided that the arrear of current charge shall be the land value of the above land. Accordingly, the land value is taken in the books of accounts as ₹174.61 crores.

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, as a result of which there is understatement of capital work in progress and corresponding liability.	The audit observation is noted. It may be noted that KSEB Ltd. is one of the State Public Sector undertakings where the bills are being settled in time and 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 will be issued to the field units to avoid any delay in accounting as 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 / overstatement of the carrying value of the Capital work in progress due to which the consequential effect on finance cost could not be ascertained. Until financial year 2020-21, the methodology adopted by the parent company in computation of the borrowing cost on general borrowings on a year-to-year basis is only on the additions made to the capital work in progress in the respective year without considering the opening value of capital work in progress and capitalisation of asset made during that year. The impact of this inconsistency in the respective year's cost of assets, depreciation and finance cost 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, 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 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 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. We refer to note no. 4.3 to the consolidated financial statement regarding projects which are temporarily suspended included in the Capital Work in Progress amounting to ₹169.25 Crores. The parent company has not assessed and provided for the impairment if any on account of the above. ₹169.25 Crores includes the projects amounting to ₹25.6 Crores which are abandoned (Refer note no 4.1) which has resulted in overstatement of CWIP and understatement of loss by ₹ 25.6 Crores.	As per note 4.1, the status of Achencovil SHEP, Athirapally HEP, Mananthavady Multi-Purpose project and LNG based Thermal Power Plant at Brahmapuram were detailed. Some projects were suspended on account of various reasons. However a detailed evaluation will be made and appropriate adjustments/disclosure will be made.
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/ Property, Plant and Equipment, 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,	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 the Chief Executive Officer, KIIFB, it was agreed to make necessary amendments in the TPA to bring clarity on the ownership of the asset.

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, 2022 and the resultant impact on depreciation if any.	
4. As per Section 71(4) of the Companies Act 2013 read with rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014, the parent company is required to create a debenture redemption reserve (DRR) and a debenture redemption fund (DRF) with respect to bonds issued to the Kerala State Electricity Board Limited Employees' Pension and Gratuity Fund Trust on April 1, 2017 for meeting the terminal liabilities of employees.The parent company has not created DRR in accordance with the above provision. With respect to DRF, a sum not less than fifteen percent of the amount of its bonds maturing during the year ending on the 31st day of March of the next year has to be deposited/ invested in a separate bank account or as prescribed in the said rules. However, parent company has not deposited/invested any amount towards DRF thereby resulting in non-compliance of Companies Act, 2013.	The bonds are issued to the Pension Master Trust as per the Government orders dated 31.10.2013 and 28.01.2015 in connection with the re-vesting of erstwhile KSE Board in to KSEB Ltd. Hence the issue of Bonds is similar to that of a private placement. The purpose of creating Master Trust and the issue of Bonds is to ensure the pension payments. The company is regularly providing funds to meet the pensionary claims of Master Trust and in effect is effectively meeting the purpose of the Bond issue. The company is in the process of making arrangements for the shortage of funds and the matter is under the consideration of Government of Kerala.
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 long outstanding security deposits amounting to ₹29.94 Crores and long outstanding advances given by the company amounting to ₹25.29 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 impairment loss and hence Expected Credit Loss not done for any outstanding advances.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.The major amount reported under the outstanding loan include the commitment advance given to the Ultra Mega Power Projects and Innovations. This has been disclosed in the Note no.8

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 ₹382.89 crores provided in the accounts is adequate or excess. Consequently, we are unable to comment on its impact 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 additional provision for bad and doubtful debts during the year. The excess provisions made during 2008-09 is adjusted in the books of accounts and the provision is being made as per the policy adopted by the company disclosed in 1.9.2.1(f). 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 ₹9.52crores as "Security Deposits", which in our opinion, ought to have been 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 projects concerned in which the deposit has been made.
8. The parent company is classifying all materials in stores as inventory without bifurcating the materials / stores meant for capital / revenue purposes. As per Ind AS 2 Inventories are either held for sale in the course of business or in the form of materials consumed in the process of rendering of service while all other materials meant for construction of fixed assets are to be grouped under capital work in progress / spares under Ind AS 116 Property Plant and Equipment. In the absence of details on the value of materials meant for capital purposes the understatement / overstatement of capital work in progress / spares and 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.

9. In respect of cash & cash equivalents, the parent company has not provided proper reconciliations of various bank account balances reported in the accounts. Such un-reconciled balances and long outstanding differences could result in overstatement or understatement of balances under "Cash and Cash Equivalents" and the balances under respective corresponding accounts.	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 certain old outstanding amounts are lying in the reconciliation furnished by few Account Rendering Units. This will be verified in detail by the internal audit wing.
10. The unreconciled balances in the transactions between the ARUs amounting to ₹76.74 crores (Previous year ₹78.05 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 the 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.
11.In the absence of adequate information regarding the amount classified under "Deposits for Electrification, Service Connection etc" of ₹553.20 crores with the corresponding works pending for completion, for which such deposits have been collected from the consumers, its impact if any on the financial statements could not be quantified. Also, the parent company has classified the same under Other financial liabilities - Current instead of Other current liability.	The amount of work deposit under various schemes are being collected and accounted in the field ARUs. Though centralised details of each transaction is not being maintained, the details of each and every 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. All the information regarding the 'Deposits for Electrification, Service Connection' collected, the work pending to be completed as on the closure of the Financial Year 2021-22 etc are available in the ARUs and the audit observation is not factual.
12.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₹201.90 crores for the period 1 April 2018 to 31 March 2022. Consequent to this, the loss for the year is understated to the extent of ₹54.84 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. Attention is also invited to Note No.19.5 and 41.3,

	where it is clearly shown that there is no default in repayment of Principle or interest on Bonds as on 31.03.2022.As on that date the company has made an additional payment of ₹47.11 crore than the amount payable as per the repayment schedule mentioned in the Bond Certificate.
13.The parent company has neither determined nor recognised the deferred tax liabilities or deferred tax assets, if any, as required by the Ind AS 12 "Income Taxes", thereby understating the Deferred Tax Liability/Assets as may be applicable, and the corresponding impact on tax expenses.	Noted.
14.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. The reconciliation is being completed before the filing of GST return and the GST audit is being conducted as per the statutory provisions. The current year reconciliation will be completed before the due date of filing the returns.
15.The parent 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.
16.We refer to note no 40 on financial impact of the contingent liabilities, on account of various claims / cases pending against the parent company before various courts / legal forums, the financial impact of the liabilities on account of various claims against the parent company before various legal forums, which are made available to us, estimated value of resultant liability could not be ascertained.	The company is having a dedicated legal department headed by a District Judge to look after the legal matters. The details of cases pending before various courts/ legal forums, including the quantum of dispute raised is made available to audit by the company.

17. Capital commitments on contracts remaining to be executedprovided for our verification is incomplete due to the non-availability of information from various account rendering units and the resultant financial impact if any, on the future cash flow of the company could not be ascertained.	The commitments on contracts remaining to be executed is available with the respective agreement authorities/Account Rendering Units. The company is not having the practice of maintaining consolidated details of the above at head office.
18. As per accounting policy adopted by the parent company, in case of government grant/ contribution received from consumers related to an asset, grant/contribution is initially recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset. However, the parent company is recognising the income without considering the actual date of capitalisation of the related asset. This has resulted in overstatement of grant income and understatement of deferred income. Due to the non-availability of information, the impact could not be ascertained	With respect to the Grant received from Government, the company received grants for the Centrally Aided projects. the final grant release is normally based on the submission of completion certificate i.e after completion of the work. Hence the recognition of income is made after actual date of capitalisation. Regarding the contribution received from the consumers, the observation is noted for future guidance.However the complexities in the power sector and the provisions in this regard in the ESAAR 1986 to address such complexities are also to be considered.
19.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.
20. The impact of the matters listed in Paras 1(a), 2(c), and 12 above has resulted in the understatement of the profit for the year of the company and overstatement of the "Retained Earnings" of the Group by ₹646.03 crores. Accordingly, in the Consolidated Statement of Profit and Loss, the Loss before tax", profit for the period from continuing operations, profit for the year ought to have been ₹94.65 crores as against the currently reported profit of ₹740.68 crores, and the "Total Comprehensive expense for the period" ought to have been ₹872.01 crores as against the currently reported expense of ₹225.98 crores. The basic and diluted EPS for the year ought to have been ₹0.27. 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	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

year of the parent company and on the items disclosed in the Consolidated Balance Sheet of the parent Company could not be ascertained and hence not disclosed.	such and the above policy is being followed consistently by KSEB Ltd. Regarding other audit observations, the reply of the company is provided against the audit para.

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 FOR THE YEAR ENDED 31 MARCH 2022

Comments on Independent Auditors' Report	Reply of the Company
The Statutory Auditors in their Independent Auditors' Report dated 28 July 2022 has mentioned basis of qualified opinion. These matters have been accumulating for the last three years and the Company has taken no steps for addressing them. The details of the above qualifications along with their quantification were sought from the Company. However, the necessary details could not be furnished. In such a scenario, I am not in a position to agree with the report of the Statutory Auditor wherein a 'true and fair opinion' has been given (subject to qualifications). In view of this, I express my inability to comment upon or supplement to the Independent Auditors' Report under section 143(6)(b) of the Act.	The company had given replies to each and every qualification in the independent auditor's report. The same has been furnished to the Supplementary audit party and the Principal Accountant General. However the replies of the Company is not seen considered on issuing audit certificate by the C&AG. Some of the qualifications of the Statutory Auditors were of general in nature and hence could not be quantified by the company. However the company hereby assures that steps will be taken to address the qualifications of independent auditors during the year 2022-23 to the maximum extent possible.

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 CONSOLIDATED FINANCIAL STATEMENTS OF KERALA STATE ELECTRICITY BOARD LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Comments on Independent Auditors' Report	Reply of the Company
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Sd/-
DIRECTOR (FINANCE)


KSEB
KERALA STATE ELECTRICITY BOARD LTD.
33KV SUBSTATION, VYDYUTHI BHAVANAM
THIRUVANANTHAPURAM

KERALA STATE ELECTRICITY BOARD LIMITED
(Incorporated under the Companies Act, 1956)
CIN : U40100KL2011SGC027424
Reg. Office : Vydyuthi Bhavanam, Pattom,
Thiruvananthapuram – 695004, Kerala.

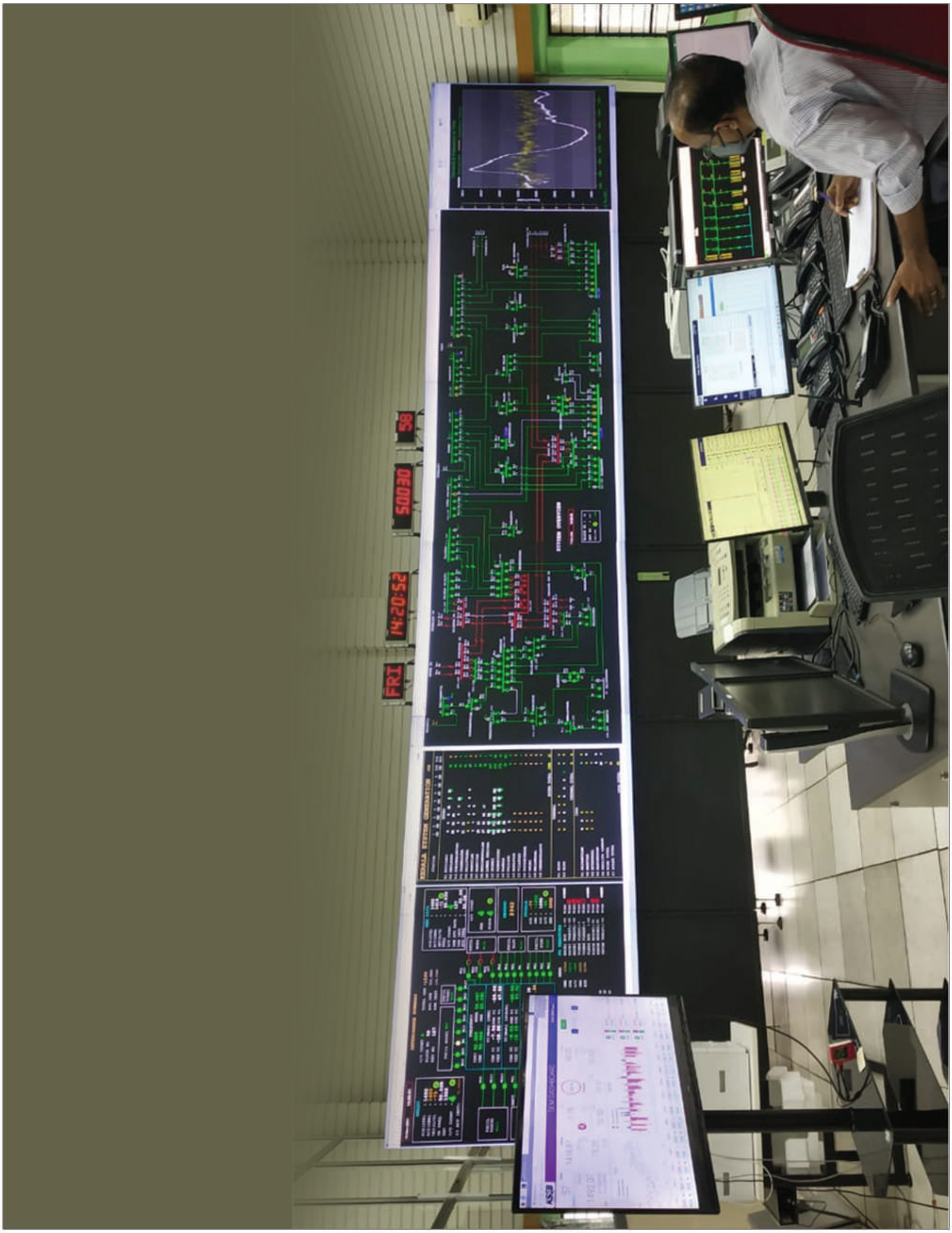
No: CS.24 / KSEBL-Secretarial Auditor/2021-22 Date : 28.09.2022

REPLIES OF THE MANANGEMENT
TO THE OBSERVATIONS IN THE AUDIT REPORT DATED 27.09.2022
OF M/s PI & ASSOCIATES, SECRETARIAL AUDITOR FOR THE YEAR – 2021-22.

Sl. No.	Observations	Reply
1	The Company has appointed only one Independent Director.	During 2021-22, 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 01/06/2021. 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 2021-22, 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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REPLIES TO THE COMMENTS OF SECRETARY (FINANCE EXPENDITURE) ON THE AUDITED ACCOUNTS OF KERALA STATE ELECTRCITY BOARD LIMITED FOR THE YEAR ENDED 31.03.2022

1.The company made a loss in the financial year 2020-21 and reached a profit of Rs 754.18 crore in the financial year 2021-22, which is admirable. The company should try to continue this trend.	Noted.
2.The current ratio of the company in the F.Y 2021-22 is 0.88:1.It indicates that the company's debts in a year or loss is greater than its assets. The company doesn't have enough liquid assets to cover its short-term liabilities. The management should take necessary steps to overcome this	Even though the current ratio and quick ratio is less than the benchmark, the company is efficiently meeting its financial obligations without any default. The ratio will be improved on realising the revenue gap approved by Hon'ble KSERC.
3. Quick ratio/Acid test ratio of the company is 0.76:1 as against the standard ratio of 1:1. This indicates an **existence of a risk of loss of solvency**: the amount of liquid assets no longer covers the company's current liabilities.The management should take all earnest efforts to improve it.	
4.The Net working capital which ought to be a positive figure is negative in this company. This shows that the current asset management of the company is inefficient and the liquidity position is not satisfactory.The company is not a position to meet its current obligations .Therefore ,the authorities should take all necessary steps to improve its liquidity position at the earliest. The company can improve its net working capital by improving inventory management, keeping networking capital ratio in check, collecting payments faster and establish penalty for late payments ,avoid unnecessary outgoings and expenses.etc.	Even though the networking capital shows a negative trend the company meet its financial obligations without default. The company will concentrates in realising the debtors on sale of power including those of arrears of Kerala Water Authority. The company has regulatory assets of more than ₹ 7000 cores. On realising a portion of the same will make the working capital portion stable.
5.As a general rule a 10% net profit margin is considered as average. Here the ratio is 4.33% ,which is below average and has to be improved.	Since its inception, the company shows a negative net profit margin. However when compared to previous years the performance of the company show improvement, which is expected to be continued.

6.The Earnings per share (EPS) of the company in the F.Y 2021-22 is Rs.2.10 cr ,which was (1.36) in the F.Y 2020-21.It shows that the company has turned from loss to profit.This is a good indicator. But still need to improve.	Noted.
7. An annual ROI of approximately **7% or greater** is considered as a good Return On Investment. Here the ROI is 2.92%,which is not up to the mark	Noted.
8.Companies generally prefer to keep their operating ratio between 60% to 80 %. Here the same is more than 80%,which is not considered as good. The company should take action to reduce it.	Noted.
9.The actuarial valuation for gratuity and pension liabilities are not done leading to understatement of loss and liability.	The observation is not correct. The company, since 2016-17 is regularly carry out actuarial valuation of Pension, Gratuity and terminal earned leave as per Ind AS-19 and liability towards employee expenses are provided in the accounts based on these actuarial valuation reports. The details are disclosed in the Note No.50 of the Annual Accounts.
10.Non-reckoning of depreciation leads to overstatement. This may be avoided in future.	Noted.
11.Company must adhere to Indian Accounting Standards for property, plant and equipments.	Noted.
12.Company needs to frame a policy for proper classification of long pending credits and advances.	Noted.

13.It was reported that all records of land owned or held by KSEBL have not been produced to audit. Strenuous effort may be put in to trace out all available records.Anyway a comprehensive list of land holdings of the company may be prepared.	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.
14.The details of electricity duty including interest should provide in the accounts.	Noted. However the electricity duty is being adjusted against the dues receivable from Government of Kerala on account of Sec.65 subsidy, contribution to pension fund etc. After netting off dues ₹153 core is receivable to KSEB Ltd as on 31.03.2022
15.The company should furnish the details of repeated qualifications of the Statutory Auditors along with their quantifications urgently to the Comptroller and Auditor General of India	Noted.
16. Administrative expenses should be curtailed to a bare minimum.	All expenditures classified under the Administrative and General expenses are not for the exclusive purpose of administrative nature. Expenses such as Electricity duty under section3(1) and other operative expenses amounting to ₹ 394.46 crores cover the major portion of Administrative and General Expenses of ₹613.01 crores.Compared to previous year, administrative expenses increased by only 4% which is a normal increase, when compared with increase in Wholesale Price Index etc.
17.Registers with proper entries should be maintained as per the Companies Act 2013. Must keep Fixed Asset register.	The company is maintaining all the relevant registers as per Companies Act 2013. In view of the complexities of assets in the power sector, the fixed assets register of the company is not properly updated. However the company is in the final stage of roll out of the centralised software to capture all the details of assets when it is created and to update the Fixed Asset register

Sd/-
DIRECTOR (FINANCE)

Kerala State Electricity Board Limited
Standalone Balance Sheet as at 31 March 2022

₹ in crores

Particulars	Note	As at 31 March 2022	As at 31 March 2021 Restated	As at 1 April 2020 Restated
Assets				
Non current assets				
Property, Plant and Equipment	2	26,722.84	24,090.83	22,491.82
Capital work-in-progress	4	3,478.71	4,289.06	3,801.20
Other Intangible Assets	3	63.43	41.89	30.94
Intangible assets under development	5	51.10	31.06	14.97
Financial Assets				
Investments	6	20.49	20.49	20.49
Trade receivables	7	76.10	407.77	739.44
Other Financial assets	8	673.77	1,244.46	2,334.55
Non current tax assets (net)	9	28.46	24.25	22.17
Other non-current assets	10	347.26	330.88	290.08
Total non current assets		**31,462.16**	**30,480.69**	**29,745.66**
Current assets				
Inventories	11	723.11	684.96	808.86
Financial Assets				
Trade receivables	12	2,386.26	2,118.93	1,822.04
Cash and cash equivalents	13	269.89	250.39	149.37
Bank balances Other than Cash Equivalents	14	176.77	180.98	143.67
Other financial assets	15	744.58	925.23	752.22
Other current assets	16	1,235.28	1,203.62	1,004.65
Total current assets		**5,535.89**	**5,364.11**	**4,680.81**
Total Assets		**36,998.05**	**35,844.80**	**34,426.47**
Equities and Liabilities				
Equity				
Equity Share capital	17	3,499.05	3,499.05	3,499.05
Other Equity	18	(19,200.39)	(18,970.00)	(14,104.64)
Total Equity		**(15,701.34)**	**(15,470.95)**	**(10,605.59)**
Liabilities				

Non-current liabilities				
Financial Liabilities				
Borrowings	19	**14,314.90**	**15,716.79**	**15,836.58**
Other Financial Liabilities	20	4,849.15	4,433.19	3,937.54
Provisions	21	18,035.23	16,829.84	12,187.24
Other non-current liabilities	22	4,361.22	3,577.13	3,048.23
Total Non-Current Liabilities		**41,560.50**	**40,556.95**	**35,009.59**
Current liabilities				
Financial Liabilities				
Borrowings	23	4,100.90	3,912.40	4,246.00
Trade payables	24			
Total outstanding dues of micro enterprises and small enterprises		0.89	1.76	6.43
Total outstanding dues of trade payables other than micro enterprises and small enterprises		2,204.69	2,110.98	2,096.49
Other financial liabilities	**25**	1,622.22	1,911.83	1,744.48
Provisions	**26**	3,210.19	2,821.83	1,929.07
Total current liabilities		**11,138.89**	**10,758.80**	**10,022.47**
Total liabilities		**52,699.39**	**51,315.75**	**45,032.06**
Total equity and liabilities		**36,998.05**	**35,844.80**	**34,426.47**

The accompanying notes are an integral part of the Standalone Financial Statements.

For and on behalf of the Board

Sd/-
Dr. Rajan N Khobragade IAS
Chairman & Managing Director
DIN: 06705427

Sd/-
V.R.Hari IRS
Director(Finance)
DIN: 09491040

Sd/-
Biju R FCA
Chief Financial officer

Sd/-
Lekha G FCA, ACS, LLB
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/-
Rajesh Ramachandran
Partner
M.No.206211

Thiruvananthapuram
7/28/2022

Kerala State Electricity Board Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2022

₹ in crores

	Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021 Restated
	Income			
I	Revenue From Operations	27	16,366.93	14,420.84
II	Other Income	28	618.69	748.76
III	**Total Income**		**16,985.62**	**15,169.60**
IV	**Expenses**			
	Purchase of Power	29	8,532.16	7,977.20
	Generation of Power	30	1.17	4.80
	Repairs & Maintenance	31	295.57	259.78
	Employee benefits expense	32	3,867.35	3,910.78
	Finance costs	33	1,618.25	1,726.36
	Depreciation and amortization expense	34	1,139.74	1,007.68
	Other Expenses			
	a) Administrative and General Expenses	35	613.01	592.89
	b) Others	36	164.19	146.58
V	**Total Expenses**		**16,231.44**	**15,626.07**
VI	**Profit/(Loss) before exceptional items and tax (III- V)**		**754.18**	**(456.47)**
VII	Exceptional Items	37	17.91	18.61
VIII	**Profit/(Loss) before tax (VI-VII)**		**736.27**	**(475.08)**
IX	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
X	**Profit/(Loss) for the period from continuing operations (VIII-IX)**		**736.27**	**(475.08)**
XI	**Profit/(loss) from discontinued operations**		**-**	**-**
XII	**Profit/(Loss) from Discontinued operations**		**-**	**-**
XIII	**Profit/(Loss) for the period (X+XII)**		**736.27**	**(475.08)**
	Other Comprehensive Expense			**-**

	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement of the Defined Benefit Plans	38	(966.66)	(4,390.28)
	(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**		(966.66)	(4,390.28)
XV	**Total Comprehensive Expense for the year (XIII+XIV)**		(230.39)	(4,865.36)
XVI	Earnings per equity share (for continuing operation): Basic & Diluted ₹	39	2.10	(1.36)

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

Sd/-
Dr. Rajan N Khobragade IAS
Chairman & Managing Director
DIN: 06705427

Sd/-
V.R.Hari IRS
Director(Finance)
DIN: 09491040

Sd/-
Biju R FCA
Chief Financial officer

Sd/-
Lekha G FCA, ACS, LLB
Company Secretary

As per our report of even date

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Chartered Accountants
FRN:001488S

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FRN:008085S

Sd/-
Rajesh Ramachandran
Partner
M.No.206211

Thiruvananthapuram
7/28/2022

Kerala State Electricity Board Limited
Standalone Statement of Cash Flows for the year ended 31 March 2022

₹ in crores

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Operating Activities		
Profit/(Loss) for the year	736.27	(475.08)
Adjustments for:		
Interest income	**(235.81)**	**(156.09)**
Finance cost	1,303.99	1,416.60
Depreciation of property, plant and equipment	829.80	761.93
Amortisation of intangible assets	0.06	0.06
Operating profit before working capital changes	**2,634.31**	**1,547.42**
Working capital adjustments:		
(Increase) / Decrease in Inventories	(38.15)	123.89
(Increase) / Decrease in trade receivables and other receivables	784.35	700.44
Increase / (Decrease) in trade and other payables	1,967.77	2,635.20
Cash generated by Operations	**5,348.28**	**5,006.95**
Income Taxes paid	**-**	**-**
Net cash flows generated from operating activities (A)	**5,348.28**	**5,006.95**
Investing activities		
Interest received (finance income)	235.48	169.16
Purchases of property, plant and equipment	(3,024.03)	(3,187.93)
(Acquisition) / disposal of investments	-	-
Net cash flows used in investing activities (B)	**(2,788.55)**	**(3,018.77)**
Financing activities		
Net proceeds from borrowings and repayments	(921.21)	269.97
Interest paid	(1,530.58)	(1,669.07)
Net cash flow used in financing activities (C)	**(2,451.79)**	**(1,399.10)**
Net change in cash & cash equivalents (A+B+C)	**107.94**	**589.08**
Cash & cash equivalents at the beginning of the year	**114.72**	**(474.36)**

Cash & cash equivalents at year end	**222.66**	**114.72**

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

Sd/-
Dr. Rajan N Khobragade IAS
Chairman & Managing Director
DIN: 06705427

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Sd/-
Rajesh Ramachandran
Partner
M.No.206211

Thiruvananthapuram
7/28/2022

Kerala State Electricity Board Limited
Standalone Statement of changes in equity for the year ended 31 March 2022

A Equity Share Capital ₹ in crores

1 2021-22

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
Authorised Share Capital(No. of Shares 500 Cr, face value Rs.10)	**5,000.00**	-	-	-	**5,000.00**
Issued Share Capital(No. of Shares 349.905 Cr, face value Rs.10)	**3,499.05**	-	-	-	**3,499.05**

2 2020-21

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
Authorised Share Capital(No. of Shares 500 Cr, face value Rs.10)	**5,000.00**	-	-	-	**5,000.00**
Issued Share Capital(No. of Shares 349.905 Cr, face value Rs.10)	**3,499.05**	-	-	-	**3,499.05**

B Other Equity
2021-22

Particulars	Reserve and Surplus		Other items of Other Comprhensive Income (Remeasurments of defined benefit plan)	Total
	Retained Earnings	Other Reserves		
Balance at 1st April 2021	**(6,040.64)**	**-**	**(12,929.36)**	**(18,970.00)**
Profit/(Loss) for the year	736.27			736.27
Comprehensive Income for the current year	-	-	(966.66)	(966.66)
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Any other chnages	-	-	-	-
Balance at 31st March 2022	**(5,304.37)**	**-**	**(13,896.02)**	**(19,200.39)**

2020-21

Particulars	Reserve and Surplus		Other items of Other Comprhensive Income (Remeasurments of defined benefit plan)	Total
	Retained Earnings	Other Reserves		
Balance at 1st April 2020	(5,605.81)	-	(6,498.62)	(12,104.43)
Changes in accounting polcy or prior period errors	40.25	-	(2,040.46)	(2,000.21)
Restated balance at the beginning of the current reporting period	(5,565.56)	-	(8,539.08)	(14,104.64)
Restated loss for the year	(475.08)		-	(475.08)
Restated Comprehensive income for the year	-	-	(4,390.28)	(4,390.28)
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-

Any other chnages	-	-	-	-
Balance at 31st March 2021	**(6,040.64)**	**-**	**(12,929.36)**	**(18,970.00)**

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

Sd/-
Dr. Rajan N Khobragade IAS
Chairman & Managing Director
DIN: 06705427

Sd/-
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Sd/-
Rajesh Ramachandran
Partner
M.No.206211

Thiruvananthapuram
7/28/2022

Corporate information and Significant Accounting Policies

1.1 Corporate information

"Kerala State Electricity Board Limited (KSEBL) ""the company"" is incorporated under the Companies Act, 1956 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 July 27th, 2022."

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

New Accounting standards, amendments and interpretations adopted by the Company effective from April 1, 2021:

Amendment to Ind AS 116 – COVID-19-Related Rent Concessions

The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated, and therefore the practical expedient relating to rent concessions arising as a consequence of COVID-19 has been modified. Accordingly, lessees are now exempted from assessing whether a COVID-19-related rent concession is a lease modification, if the reduction in lease payments affects only payments originally due on or before June 30, 2022. Earlier the practical expedient was allowed only for lease payments originally due on or before June 30, 2021. The adoption of these amendments did not have any material impact on the standalone financial statements.

Amendment to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116 - Interest Rate Benchmark Reform – Phase 2

This amendment relates to 'Interest Rate Benchmark Reform – Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are: Ind AS 109: New guidance has been included on changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform. Ind AS 107: Additional disclosures related to nature and extent of risks to which the entity is exposed from financial instruments subject to interest rate benchmark reform and how the entity manages these risks. The adoption of these amendments did not have any material impact on the standalone financial statements.

Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts;

Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS. The adoption of these amendments did not have any material impact on the standalone financial statements.

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 employees. In Tier I, the 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 propety, 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 and Intangible asset under development

"The company accounts the intangible assets as under -

Type of Asset	Amortisation rate
Software	15.00%

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.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

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 tariff 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 due to the uncertainty of collection of demand from defaulted consumers.

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 2021, except for (a) the adoption of new standard effective as of 1st April, 2021. 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.

1.25 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.

1.26 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.

1.27 Recent accounting pronouncements - Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Amendments to Ind AS 103 – Business Combinations – Reference to Conceptual Framework

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The adoption of amendments to Ind AS 103 is not expected to have any material impact on the standalone financial statements.

Amendments to Ind AS 16 – Property, Plant and Equipment – Proceeds before intended use

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The adoption of amendments to Ind AS 16 is not expected to have any material impact on the standalone financial statements.

Amendments to Ind AS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Amendments to Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

2 Property, Plant and Equipment

Particulars	Land & Land Rights	Buildings	Hydraulic Works	Other Civil Works	Plant & Machinery	Lines, Cable & Network	Vehicles	Furniture & Fixtures	Office Equipments	Total ₹ Crores
Cost/Deemed Cost										
As at 1 April 2020	1,805.15	847.25	1,412.33	702.86	17,066.05	11,820.41	26.33	50.19	193.41	33,923.98
Additions	228.64	26.09	3.13	28.77	344.65	1,748.31	0.47	10.95	215.65	**2,606.66**
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	2,033.79	873.34	1,415.47	731.64	17,410.69	13,568.72	26.80	61.14	409.05	36,530.64
Additions	13.07	79.20	188.16	53.86	612.79	2,757.24	11.90	12.64	42.81	**3,771.67**
Deletions	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	2,046.86	952.54	1,603.63	785.50	18,023.48	16,325.96	38.70	73.78	451.86	40,302.31
Accumulated Depreciation										
As at 1 April 2020	-	394.12	805.75	243.11	4,064.03	5,764.54	21.25	26.59	112.77	11,432.16
Charge for the year	-	26.57	67.14	24.33	257.43	606.58	1.27	2.93	21.40	**1,007.65**
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	-	420.69	872.89	267.44	4,321.46	6,371.12	22.52	29.52	134.17	12,439.81
Charge for the year	-	28.45	64.12	25.36	268.42	703.60	0.70	3.65	45.36	1,139.66
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	-	449.14	937.01	292.80	4,589.88	7,074.72	23.22	33.17	179.53	13,579.47
Carrying amount										
As at 31 March 2022	2,046.86	503.40	666.62	492.70	13,433.60	9,251.24	15.48	40.61	272.33	26,722.84
As at 31 March 2021	2,033.79	452.65	542.58	464.20	13,089.23	7,197.60	4.28	31.62	274.88	24,090.83

2.1 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.

2.2 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.

2.3 The company suffered a heavy damage due to natural calamities and floods in the state. Power restoration works 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 of the respective periods. 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.

2.4 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.

2.5 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 Rs. 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 in the year 2019-2020 in settlement of the dues and is capitalised as land with a value at the exchange value of 174.61 crores.

3 Other Intangible Assets **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Cost		
Balance as at beginning of the year	42.01	31.00
Additions during the year	21.60	11.01
Deletions / Adjustments during the year	-	-
Balance as at end of the year	63.61	42.01

Accumulated Amortization		
Balance as at beginning of the year	0.12	0.06
Amortisation expense for the year	0.06	0.06
Deletions / Adjustments during the year	-	-
Balance as at end of the year	**0.18**	**0.12**
Carrying amount of Intangible Assets		
As at beginning of the year	41.89	30.94
As at end of the year	63.43	41.89

3.1 The additions to intangible assets comprise of Rs. 20.32 Cr (previous year 11.00 Cr) towards rights secured for laying transmission cables for Edamon Kochi project and Rs.1.28 Cr(Previous year Nil) for 320 KV Pugalur- Thrissur Transmission Line

4 Capital Work In Progress **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
As at 1 April 2021	**4,289.06**	**3,801.20**
Additions	2,961.32	3,094.52
Less : Capitalised / adjusted	3,771.67	2,606.66
As at 31 March, 2022	**3,478.71**	**4,289.06**

4.1 The expenditure incurred for the following projects are included in the Capital Work in Progress. The future of these projects are uncertain and the status of the project are detailed below.

a. Achankovil Small Hydro Electric Project: Rs.4.57 crore incurred for the project. Environmental clearance was accorded by MOEF&CC subsequently Forest clearance was denied by the State Forest Department due to adverse impacts on flora and fauna.

b. Athirapilly Hydro Electric Project: Rs.15.57 crore incurred for the project. The project was accorded Environment & Forest clearance by MoEF&CC. Government was in the process of obtaining a political consensus with respect to the implementation of the project in consultation with various stake holders.

c. Manthavady Multipurpose Project: Rs.2.68 crore incurred for the project. The project is entangled in Inter State Water Dispute. Cauvery Tribunal Award prohibits trans basin diversion of water.

d. LNG Base Thermal Power Plant, Brahmapuram:Rs.2.78 crore incurred for the project.

4.2 During the financial year an amount of ₹ 780.76 crores (Previous Year ₹ 740.80 crores) 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 2022-23.

₹ in crores

Particulars	As at 31 March 2022	As at 31 March 2021
Employee Cost	551.48	577.94
Interest and Finance charges	229.28	162.86
Total	**780.76**	**740.80**

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 8.64%(Previous year 7.90%) on the cost of assets.

4.3 Capitalisation on provision for pay revsion for the previous years 2018-19,2019-20,2020-21 has not provided in respective years. The same has been provided during the years by restating the opening balance of Capital Work in Progress on 01.04.2020 by ₹ 66.14 Crores and ₹91.25 Crores is added to Capital Work in Progress in FY 2020-21.

4.4 Capital Working Progress: ageing schedule **₹ in Crores**

Ageing	As at 31 March 2022		As at 31 March 2021	
	Projects in Progress	Projects Temporarily suspended	Projects in Progress	Projects Temporarily suspended
Less than 1 year	1,240.92	10.55	1,761.79	7.04
1-2 years	547.47	8.99	745.46	21.07
2-3 years	293.34	9.21	668.95	34.68
More than 3 years	1,227.74	140.49	955.33	94.74
Total	**3,309.46**	**169.25**	**4,131.52**	**157.54**

4.5 For Capital Work-in- progress, whose completion is overdue or has exceeded its cost compared to its original plan-Completion Schedule **₹ in Crores**

Capital Work in Progress	As at 31st March 2022 To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Renovation & Modernisation of Idukki Statge I	3.04	-	-	-
PSDF Generation	2.04	-	-	-
Chathankottunada SHEP	11.40	3.80	3.80	6.33
Upper Kallar SHEP	5.04	6.54	3.70	4.77
Sengulam Augmentation Scheme	7.16	8.75	7.82	3.08

Thottiyar HEP	22.56	22.28	90.13	-
Pallivasal Extention Scheme	41.37	38.70	61.56	11.48
Ernadu Line Package	3.01	-	-	-

Capital Work in Progress	As at 31st March 2021 To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Renovation & Modernisation of Idukki Statge I	6.04	-	-	-
PSDF Generation	2.75	-	-	-
Chathankottunada SHEP	3.8	3.8	6.33	-
Upper Kallar SHEP	5.04	3.7	5.6	0.72
Sengulam Augmentation Scheme	8.75	7.82	3.72	2.9
Thottiyar HEP	22.28	7.14	82.09	-
Pallivasal Extention Scheme	38.7	61.56	11.48	-
Ernadu Line Package	-	-	-	-

5 Intangible assets under development **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	31.06	14.97
Additions during the year	20.04	16.09
Deletions / Adjustments during the year	-	-
Balance as at end of the year	**51.10**	**31.06**

Intangible assets under development ageing schedule	As at 31 March 2022	As at 31 March 2021
	Projects in Progress	Projects in Progress
Less than 1 year	20.04	16.09
1-2 years	16.09	14.97
2-3 years	14.97	-
More than 3 years	-	-
Total	**51.10**	31.06

*There are no projects which are temporarily suspended **during the current year (previous year Nil)**

6 **Investments - Non current** ₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
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)	10.00	10.00
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**

6.1 Aggregate amount of unquoted investments	**20.49**	**20.49**
Aggregate amount of impairment in value of investments		

6.2 The Board of Directors of the company in the 39th meeting held on 24.04.2018 resolved that KSEB Ltd, opt out of the joint venture company namely Baitarani West Coal Company Ltd after complying the required formalities and obtaining the concurrence of the Government of Kerala. Government of Kerala vide G.O.(Ms)No.5/2015/PD dated 06.04.2019 approved the resolution of the Board of Directors of KSEB Ltd in the 39th meeting held on 24.04.2018 subject to the condition that interest/s of KSEBL/Government shall not be endangered under any circumstances while withdrawing from Baitarani West Coal Company Ltd.

7 Trade receivables - Non current ₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Secured considered good	-	-
Unsecured considered good	76.10	407.77
Less: Allowance for bad and doubtful debts	-	-
Total	**76.10**	**407.77**

7.1 This amount inludes ₹ 76.10 Crores relating to the dues of Kerala Water Authority to be settled with the Government of Kerala. This has been taken up with the Government of Kerala vide Letter No.B&P/KWA Arrears/2022-23 dated 06.07.2022. The company expect a favourable decision from the Government hence no provision has been provided for this amount.

7.2 Outstanding for following periods from due date of payment:

Un disputed Trade receivables- Considered good:	As at 31 March 2022	As at 31 March 2021
Less than 6 months	-	-
6 months-1 year	-	-
1-2 years	-	-
2-3 years	**-**	**407.77**
More than 3 years	76.10	-
Total	**76.10**	**407.77**

8 Other financial assets - Non current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit		
Unsecured and considered good	29.94	26.76
Less: Allowance for Doubtful Deposits	-	-
Unsecured, considered good		
Receivable from Government of Kerala	607.70	1,189.20
Advance - others*	25.29	26.21
Balances with Banks:		
In deposit accounts with remaining maturity more than 12 months	10.84	2.29
Total	**673.77**	**1,244.46**

*Advance others includes the commitment advance given to the Cheyyur,Ghogarpalli and Tatiya Ultra Mega Power Projects amounting Rs. 16.78 crores. Subsequent to the direction by Ministry of Power for the closure of various UMPPs, KSEBL has requested M/s. PFC Ltd to close the SPVs formed for the UMPPs. The company had requested Government to take up the early closure of the projects and refund of commitment advance along with the accumulated interest. The company has decided to opt out from the UMPPs at Cheyyur, Tatiya and Ghogarpalli as the projects were held up due to various reasons beyond our control and considering the risk involved.

Advance includes Rs. 6 Crores (PY ₹ 7 Crores) being amount given to Kerala Hydel Tourism Centre.

9 Non Current Tax assets (Net) **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current tax assets (net)	28.46	24.25
Less Provision for tax	-	-
Total	**28.46**	**24.25**

10 Other Non Current Assets **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances		
Unsecured considered good	347.04	330.66
Doubtful	-	-
Others		
Advance Agricultural Income Tax	0.22	0.22
Total	347.26	330.88

11 Inventories **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Oils & Lubricants	1.44	1.38
Stores & spares	657.66	681.88
Others	64.41	2.17
(Less) Provision for Shortages and Obsolescence	(0.40)	(0.47)
Total	**723.11**	**684.96**

12 Trade receivables - Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables		
Secured, considered good	-	-
Unsecured considered good		
Sundry Debtors for Sale of Power	2,155.58	1,844.17
Sundry Debtors for Inter State Sale of Power	3.46	3.47
Sundry Debtors for Electricity Duty	141.19	132.10

Sundry Debtors (Miscellaneous)	86.03	139.19
Considered Doubtful		
Sundry Debtors for Sale of Power	382.89	439.19
Less: Allowance for Bad and Doubtful Debts	(382.89)	(439.19)
Total	**2,386.26**	**2,118.93**

12.1

Outstanding for following periods from due date of payment:	As at 31 March 2022	
	Undisputed Trade receivables- Considered good	Undisputed Trade receivables - credit impaired
Less than 6 months	1,273.31	-
6 months-1 year	300.49	16.28
1-2 years	386.16	65.99
2-3 years	288.77	49.35
More than 3 years	137.53	250.91
Total	**2,386.26**	**382.53**
Less: Allowance for expected credit loss		**382.53**
Net trade receivable		**2,386.26**

Outstanding for following periods from due date of payment:	As at 31 March 2021	
	Undisputed Trade receivables- Considered good	Undisputed Trade receivables - credit impaired
Less than 6 months	1,325.34	-
6 months-1 year	276.09	13.97
1-2 years	406.42	67.51
2-3 years	25.58	4.25
More than 3 years	85.50	353.46
Total	**2,118.93**	**439.19**
Less: Allowance for expected credit loss		**439.19**
Net trade receivable		**2,118.93**

12.2 Movement in the expected credit loss allowance

₹ in Crores

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	439.19	789.31
Less: balance written off recovered during the year	-	-
Less:provision written off during the year	(56.30)	(350.12)
Balance at the end of the year	382.89	439.19

13 Cash & Cash Equivalents

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with bank		
in current accounts	264.29	55.10
in treasury accounts	0.68	189.02
Deposits with original maturity less than 3 months	-	0.33
Cash on hand	4.92	5.94
Total	269.89	250.39

13.1 Cash & Cash Equivalents considered for Cash Flow Statement

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with bank as above	264.97	244.45
Cash on hand as above	4.92	5.94
Bank over draft	(47.23)	(135.67)
Total	**222.66**	**114.72**

14 Bank balances other than cash and cash equivalents

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks includes		
Term deposits with banks (due to mature with in 12 months of the reporting date	176.77	180.98
Total	**176.77**	**180.98**

15 Other financial assets - Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Receivable from Government of Kerala	740.43	921.41
Rent Receivable	0.08	0.08
Interest Accrued But Not Due	4.07	3.74
Total	**744.58**	**925.23**

16 Other Current Assets **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Recoverables from Employees	5.86	6.40
Advance to Contractors & Suppliers	5.41	7.98
Unbilled revenue receivable	1,147.27	1,111.19
Others		
Inter Unit Balances	76.74	78.05
Total	**1,235.28**	**1,203.62**

17 Equity Share capital **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
Equity Shares of Rs 100/- each Nos		
Nos	5000000000	5000000000
₹ in Crores	5,000.00	5,000.00
Issued		
Nos	3499050000	3499050000
₹ in Crores	3,499.05	3,499.05
Subscribed and Paid-up		
Nos	3499050000	3499050000
₹ in Crores	3,499.05	3,499.05
Equity Shares		
At the beginning of the year		
Nos	3499050000	3499050000
₹ in Crores	3,499.05	3,499.05

Issued during the year		
Nos	-	-
₹ in Crores	-	-
Outstanding at the end of the year		
Nos	3499050000	3499050000
₹ in Crores	3,499.05	3,499.05

17.1 Vide G.O.(MS) No.17/2015/PD dated 13.05.2015 the equity capital of Government in Kerala State Electricity 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**

17.4 Details of shares held by promoters

Promoter Name	As at 31.03.2022	
	No. of shares	**% of total shares**
Honourable Governor of Kerala	3499050000	100%

** There is no change in the percentage of shareholding held by the promoter*

Promoter Name	As at 31.03.2021	
	No. of shares	**% of total shares**
Honourable Governor of Kerala	3499050000	100%

*There is no change in the percentage of shareholding held by the promoter

18 Other equity **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Retained Earnings	(5,304.37)	(6,040.64)
Other Comprehensive income		-
Remeasurements of Defined Benefit Plans Gains	(13,896.02)	(12,929.36)
Total Other Equity	**(19,200.39)**	**(18,970.00)**
Retained Earnings		
Opening Balance	(6,040.64)	(5,565.56)
Add: Profit/(Loss) for the year	736.27	(475.08)

Add/(Less) Adjustments due to restatement	-	-
Closing Balance	**(5,304.37)**	**(6,040.64)**
Other Comprehensive income		
Opening Balance	(12,929.36)	(8,539.08)
Less: Loss for the year	(966.66)	(4,390.28)
Add/(Less) Adjustments due to restatement		
Closing Balance	**(13,896.02)**	**(12,929.36)**

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 2022	As at 31 March 2021
Bonds		
Unsecured Bonds	8,371.74	9,129.73
Term Loans		
From Banks		
Secured Loans	1,086.04	1,223.31
From Others		
Secured Loans	4,857.12	5,363.75
Total	**14,314.90**	**15,716.79**

No guarantee issued by the Government of Kerala or any of its PSUs in support of borrowing by the KSEB Ltd

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 ₹321.83 crores in respect of 9% bond has been redeemed. The amount of ₹557.14 required for the redemption of 9% bond (including interest of ₹235.31 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."

Bonds are unsecured but are guaranteed under the scheme by the company and Government of Kerala

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 instalments up to 31 October 2029. The applicable interest rate presently is 8.05%.

(ii) Term loan from South Indian Bank for commissioning of Barapole Small Hydro Electric Power Project (SHEP) which is to be paid in monthly instalments up to 29 February 2028. The applicable interest rate presently is 8%.

(iii) a. Term loan from NABARD for commissioning Banasura Sagar SHEP and Upper Kallar SHEP. The applicable interest rate presently is2.75- 6.25%. Repayment not yet started.

b. Term loan from NABARD for Solar plant at Pothencode and Thalakulathur. Repayment not yet started

c. Term loan from NABARD for Peruvannamuzhi SHEP. Applicable interest rate presently is 2.75% and the repayment not yet started

(iv). Term loan availed from Indian bank for purchasing the Electric Vehicle, which is to be paid in monthly instalments upto 31.03.2029. The applicable interest rate presently is 6.75%

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 instalments 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 instalments up to 15 July.2033. The applicable interest rate presently is 10.25%.

(b) For commissioning Kakkayam SHEP which is to be paid in monthly instalments up to 15 January.2034. The applicable interest rate presently is 10-10.35%.

(iii) Term loan from REC Limited :

(a) For commissioning Poringalkuthu SHEP for which the repayment is not finalised. The applicable interest rate presently is 9.75- 10.25%.

(b) For commissioning Bhoothankettu SHEP for which the repayment is not finalised. The applicable interest rate presently is 9.5- 10.25%.

(c) For laying Kattakada-Pothencode Transmission Line which is to be paid in monthly instalments up to 31 March 2026. The applicable interest rate presently is 11.39- 11.5%.

(d) As laying Transmission lines across Kerala which is to be paid in monthly instalments up to 01 January 2032. The applicable interest rate presently is 9.01- 10.66%.

(e) As part of various schemes across 23 Distribution Circles which is to be paid in monthly instalments up to 01 January 2032. The applicable interest rate presently is 9.26-10.16%.

(f) As part of RAPDRP Part B Scheme which is to be paid in monthly instalments up to 30 December 2027. The applicable interest rate presently is 9.26-10.16%.

(g) As part of RGGVY Scheme which is to be paid in monthly instalments up to 28 February 2028. The applicable interest rate presently is 10.25-11%.

(h) As part of DDG Scheme for which the repayment is not finalised. The applicable interest rate presently is 11%.

(i) As part of Special Assistance which is to be paid in monthly instalments up to 31 March 2032. The applicable interest rate presently is 10-10.9%.

(iv) Term loan from Kerala Financial Corporation

a. Long term loan has been availed for various purpose which is to be paid in monthly instalments upto30 September 2030. The applicable interest rate presently is 9%

b. Medium loan has been availed from various purpose which is to be paid in monthly instalments Upto 31st May 2025. The applicable interest rate presently is 8%

c. Long term loan-II has been avialed for various purpose which is to be paid in monthly instalments upto 31.03.2032. The applicable rate presently is 8%

v. Term loan from M/s. Indian Renewable Energy Development Agency has been availed for various purpose which is to be paid in monthly intalments upto 30.11.2022. The applicable interest rate presently is 7.75%

19.4 The Assets of the compnay is mortgaged as security against the long terms loans availed from banks and Financial Institutions. In the case of Project Specific loans future assets created out of the projects itself is the security.

19.5 Default in repayment of borrowings **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Bonds		
Principal & interest	-	713.72
Term Loans		
Principal & interest	-	-

20 Other financial liabilities - Non current at amortised cost **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit from consumers	3,235.94	3,207.98
Interest payable on consumers deposit	314.11	321.53
Amount received from KIIFB & DRIP*	1,299.10	903.68
Total	**4,849.15**	**4,433.19**

* As the terms and conditions of the amount received from Kerala Infrastructure Investment Fund Board (KIIFB) and Dam Rehabilitation and Improvement Project (DRIP) is not finalised, the same is classified as an other financial liability and neither finance cost nor maturities of dues are considered in the financial statements.

21 Provisions - Non current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employee Benefits		
Contributory Provident Fund	0.04	0.04
General provident Fund	2,783.61	2,430.72
Terminal benefits as per actuarial valuation	14,788.55	13,248.78
Others		
Provision for Interest on bonds adjustable against Electricity duty	463.03	666.77
Provision for Pay revision	-	483.53
Total	**18,035.23**	**16,829.84**

22 Other liabilities - Non Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Decommissioning Liability	29.01	26.26
Deferred revenue on government grants	2,231.08	1,683.77
Deferred revenue on deposit works	2,101.13	1,867.10
Total	**4,361.22**	**3,577.13**

23 Borrowings - Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Secured borrowings at amortised cost		

From banks		
Bank Overdraft	47.23	135.67
Demand Loan	1,038.40	636.00
Short term Loan	500.00	400.00
Current maturities of long term borrowings from others	1,236.17	645.14
Current maturities of long term borrowings from bank	153.22	152.28
Un secured borrowings at amortised cost		
Demand Loan	415.00	500.56
Current maturities of bonds	710.88	729.03
From others		
Bond principal and interest due		713.72
Total	**4,100.90**	**3,912.40**

No guarantee issued by the Government of Kerala or any of its PSUs in support of borrowing by the KSEB Ltd

Overdraft from State Bank of India and Union Bank of India secured with Trade Receivables Demand Loan from State Bank of India, Union Bank of India and Canara Bank secured with Trade Receivables Short term Loan from REC Ltd secured with Trade Receivable Refer note no. 20.1 for details on terms and conditions of borrowings.

24 Trade payables - Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Payables for supply of power	1,821.29	1,726.15
Payables for supply of materials and services	191.53	169.26
Payables for Expenses	192.76	217.33
Total	**2,205.58**	**2,112.74**

24.1 The vendor balances on purchase of power are unreconciled to the extent of Rs.97.21 crores (Previous Year 64.15 crores) (Dr), from suppliers of power due to disagreement in the claim ability of costs. Further, an amount of Rs.8.64 (Previous year Rs.57.20 crores)(Cr) is booked in excess of the confirmations received from vendors. The management 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 2022 as required by Micro, Small and Medium Enterprises Development Act, 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 2021-22 is as follows:

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
a) Amount remaining unpaid to any supplier:		
Principal amount	0.89	1.76
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, 2022. 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.

24.3 Trade payables ageing schedule ₹ in Crores

Outstanding for following periods from due date of payment:	As at 31 March 2022	
	Outstanding dues of Micro enterprises and Small enterprises	Others
Less than 1 year	0.89	1,283.63
1-2 years	-	253.02
2-3 years	-	157.90
More than 3 years	-	510.14
Total	**0.89**	**2,204.69**

Outstanding for following periods from due date of payment:	As at 31 March 2022	
	Outstanding dues of Micro enterprises and Small enterprises	Others
Less than 1 year	1.76	1,400.66
1-2 years	-	173.61
2-3 years	-	182.29
More than 3 years	-	354.42
Total	**1.76**	**2,110.98**

25 Other financial liabilities - Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Liability for capital supply/works	90.05	94.72
Staff related liabilities and provisions	222.83	408.22
Deposit and Retentions from Suppliers/Contractors	488.51	514.43
Accrued/Unclaimed amount relating to borrowings	267.63	244.78
Deposit for Electrification, Service connection etc	553.20	649.68
Total	**1,622.22**	**1,911.83**

25.1 Staff related liabilities and provision of previous year includes Rs. 20 crore being the advance contribution to the Chief Ministers Distress Relief fund(CMDRF). Vide B.O.(DB)No.522/2021/FA/Deferred salary/2020-21 dated 06.07.2021 resolved to adjust the further contribution from the employees of KSEB Ltd. to CMDRF against the advance contribution of Rs.20 crore already remitted by the company to the CMDRF and further resolved to treat the remaining balance after the above adjustments as KSEB Ltd.'s contribution to the CMDRF. During the year after adjusting the advance against contribution from the employess towards CMDRF an amount of Rs.7.94 Cr treated as expenditure of the compnay.

26 Provisions - Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Dearness Allowance arrears	19.40	19.10
Provision for pay revision	483.53	527.47
Terminal benefits	2,503.52	2,039.95
Provision for Interest on bonds adjustable against Electricity duty	203.74	235.31
Total	**3,210.19**	**2,821.83**

27 Revenue from operations

₹ in Crores

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interstate	0.38	2.13
Domestic	5,999.00	6,206.67
Commercial	3,316.84	2,929.97
Public Lighting	175.27	179.53
Irrigation & Dewatering	109.52	114.54
Industrial L T	878.89	801.40
Railway Traction	200.52	101.70
Bulk Supply	336.76	322.68
High tension	2,910.88	2,527.31
Extra high tension	712.93	517.76
Trading	1,023.93	102.50
Misc. Receipts/Charges from Inter State Trading of Energy	101.42	45.98
Electricity Duty	1,006.31	944.97
Other State Levies	21.90	16.68
Meter Rent/Service Line Rental	102.31	99.47
Recovery of theft/Mal practices	1.52	10.12
Wheeling Charge recoveries	2.17	2.89
Misc. Charges from Consumers	89.70	88.88
Total revenue from sale of power	16,990.25	15,015.18
Less: Electricity Duty Payable	1,006.31	944.97
Less: Other State Levies Payable	21.90	16.68
Total (A)	**15,962.04**	**14,053.53**
Other Operating Income		
Rebate Received	123.71	150.52
Interest Advances to Suppliers/Contractors	20.03	0.04
Income from sale of bulbs, Scrap, Tender form etc	142.00	119.66
Miscellaneous Receipts	119.15	97.09
Total (B)	**404.89**	**367.31**
Total (A+B)	**16,366.93**	**14,420.84**

27.1 Unbilled revenue is estimated on monthly and bi-monthly billed consumers belonging to various tariff categories, an amount of ₹ 1,147.27 crores is recognized as unbilled revenue as at 31.03.2022(Previous year ₹ 1,111.19 crores) and classified as other current assets. The unbilled revenue is estimated based on the billing pattern of customers vis-a-vis one month billing of month subsequent to the close of the year for domestic customers, bill raised in the subsequent month for HT&EHT consumers and for all other consumers 15 days billing of month subsequent to the close of the year.

28 Other Income **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest Income		
Interest on belated payment of charges	227.57	147.51
Staff Loans and Advances	0.05	0.06
Income From Loans &others	0.69	0.01
Banks	7.50	8.51
Clawback of Grant	309.88	245.69
Reversal of provision on doubtful debts	56.30	328.88
Other receipts	16.70	18.10
Total	**618.69**	**748.76**

29 Purchase of Power **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Power purchased from Central Generating Stations	2,605.78	2,502.26
Power purchased from Others	4,764.89	4,806.82
Power purchase from Solar plants	33.32	3.11
Power purchased from Wind Generating Stations	99.29	43.84
Wheeling Charges	1,023.61	618.78
Other charges on sale through power exchange	5.27	2.39
Total	**8,532.16**	**7,977.20**

30 Generation of Power **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Oil	0.13	4.06
High Speed Diesel Oil	-	0.12
Lubrication Oil	0.21	0.11

Consumable stores	0.83	0.51
Total	**1.17**	**4.80**

31 Repairs & Maintenance **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Plant and Machinery	39.35	34.11
Buildings	6.82	6.90
Civil Works	12.42	9.67
Hydraulic Works	4.04	2.69
Lines, Cable Network etc.	227.23	201.16
Vehicles	2.08	2.05
Furniture and Fixtures	0.42	0.30
Office Equipments	3.21	2.91
Total	**295.57**	**259.78**

32 Employee Benefits **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries & allowances	3,615.86	3,478.60
Over Time/Holiday Wages	0.38	0.37
Dearness Allowance	413.42	711.29
Other Allowances	170.12	77.17
Bonus	9.06	9.75
Leave Travel Assistance	0.05	0.02
Earned Leave Encashment	144.36	169.64
Payment under Workmen's Compensation Act	0.37	0.31
Leave Salary & Pension Contribution	45.71	25.02
Funeral Allowance	0.10	0.07
Medical Expenses Reimbursement	13.90	11.72
Staff Welfare Expenses	5.02	4.48
Terminal Benefits	0.48	0.28
(Less) employee cost capitalised	(551.48)	(577.94)
Total	**3,867.35**	**3,910.78**

Salaries & allowances includes provision for gratuity compensated absences and pension to the extent of ₹ 10.91 crores , ₹ 30.96 crores and ₹ 994.81 crores respectively. (Previous year ₹63.11 crores, ₹64.21 and ₹ 822.66 crores respectively). Provision for pay revision arrears charged in the year is Nil (previous year ₹ 585 crores).

33 Finance Cost **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Finance Charges on Financial Liabilities Measured at Amortised Cost		
Interest expense		
Interest on other loans/deferred credits	747.52	730.69
Interest to Consumers	136.20	149.07
Interest on bond issued to master Trust	651.52	692.24
Interest on Borrowings for Working Capital	122.99	154.36
Other interest and finance charges		
Interest on General Provident Fund	178.06	160.69
Other Charges	11.24	2.17
Less: Interest and Finance Charges Capitalised	(229.28)	(162.86)
Total	**1,618.25**	**1,726.36**

34 Depreciation, Amortisation and Impairment Expenses **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation		
Depreciation - Buildings	28.46	26.56
Depreciation - Hydraulic Works	64.12	67.13
Depreciation - Other Civil Works	25.36	24.32
Depreciation - Plant & Machinery	268.42	257.43
Depreciation - Line Cable & Network	703.61	606.58
Depreciation - Vehicles	0.70	1.28
Depreciation - Furniture & Fixtures	3.65	2.93
Depreciation - Office Equipments	45.36	21.39
Total	**1,139.68**	**1,007.62**
Amortisation		
Amortisation of intangible assets	0.06	0.06
Total	**1,139.74**	**1,007.68**

35 Administrative and General Expenses **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rent	10.93	11.10
Rates and Taxes	2.14	2.61
Insurance	3.57	3.77
Telephone Charges, Postage, Telegram & Telex charges	9.05	12.04
Internet charges	2.09	12.09
Legal Charges	3.34	2.29
Audit Fees	0.70	0.79
Consultancy & Technical Fees	0.87	0.94
Other Professional Charges	3.62	1.89
Notary fee and other expenses relating to CGRF and ERC	14.13	2.46
Conveyance and Travel	68.76	66.58
Fees and Subscriptions	0.60	0.67
Online payment Transaction charges	5.83	3.57
Books and Periodicals	0.09	0.08
Data Processing and Printing and Stationary	6.33	6.43
Advertisements, Exhibition and Publicity	0.95	0.40
Contribution to EWF	3.78	2.36
Contribution to CMDRF	7.94	-
Water Charges	0.62	0.82
Sports, Entertainment	1.02	0.80
Study Tour & Training	2.23	0.92
Electricity Duty 3(1)	136.04	129.08
Other Operative Expenses	258.42	224.94
Power factor incentive to consumers	38.61	32.29
Expenditure on Filament free Kerala Project	10.81	33.19
Expenditure NILLAVU Scheme	3.07	
Expenditure in Connection with COVID19	7.45	16.19
Expenditure in Connection with defend COVID19	1.14	3.66
Freight	17.34	13.44
Other Expenses	9.31	8.98

Less: administrative and general expenses capitalised	(17.77)	(1.49)
Total	**613.01**	**592.89**

35.1 Payment to Auditors **₹ in Crores**

Particulars	"For the year ended March 31, 2022"	"For the year ended March 31, 2021"
For Statutory Audit	0.45	0.45
For Taxation Matters	0.04	0.04
For Other Services	0.07	0.07
For Reimbursement of Expenses	0.04	0.04
Towards short provision of previous year	-	0.08
Goods and Service Tax on above	0.10	0.11
Total	**0.70**	**0.79**

36 Others **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rebate allowed for online payment consumers	-	8.69
Rebate on fixed charges	25.79	72.00
Discount to Consumers for timely payment of bills	2.90	3.69
Material Cost Variance	13.70	(1.96)
Research and Development Expenses	0.01	0.06
Miscellaneous	(7.83)	(0.07)
Miscellaneous Losses and Write Offs	125.56	59.12
Loss/(compensation) on account of flood cyclone etc	4.06	5.05
Total	**164.19**	**146.58**

37 Exceptional Items **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Plant and Machinery	0.37	0.66
Buildings	0.00	0.00
Civil Works	0.14	0.57
Hydraulic Works	0.01	0.20
Lines, Cable Network etc.	17.39	17.17
Total	**17.91**	**18.61**

38 Other comprehensive income

₹ in Crores

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Portion of actuarial valuation not pertains to Current year	966.66	4,390.28
Total	**966.66**	**4,390.28**

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 2022	Year ended 31 March 2021
Earnings Available to Equity Share Holders (₹ in crores)	736.27	(475.08)
weighted average no of equity shares	3,499,050,000	3,499,050,000
Face value per share (₹)	10	10
Earnings per Share (Basic & Diluted)	2.10	(1.36)

Additional information

(1) Undisclosed income: The Compnay has not left any transaction that has to be recorded as income during the year.

(2) Corporate Social Responsibility: The amount required to be spent by the company during the year: Nil

(3) Details of Crypto Currency or Virtual Currency: The company has not traded or invested in Crypto Currency or Virtual currency during the financial year.

40 Contingent liabilities, Capital liabilities and Capital commitments

₹ in crores

Particulars		2021-22	2020-21
A. Contingent Liabilities			
1	Disputed Income-tax Matters	296.97	241.15
2	Claims against Company pending Court Orders/ Government orders (Refer Note 40.2)	104.01	104.01
3	Claim by NLC India Limited (Refer Note 40.3)	26.52	26.52
4	Claim by M/s PTCIL-Balco (Refer Note No 40.4)	71.23	71.23
5	Claim by DbFOO-Balco(Refer Note 40.4(ii)	21.21	
6	Jhabua Power Ltd (Refer Note.No.40.6)	91.95	91.95
7	Bank Guarantees invoked by Ministry of Coal against on behalf of Baitrani West Coal Company Limited	12.50	12.50

8	Pending Litigation of value more than ₹ 1 crores (Refer Note 40.1)	1,584.82	743.33
9	Difference in Vendor balance confirmations of purchase of power (Refer Note 24.1)	88.57	64.15
B. Capital Liabilities and Capital Commitments			
1	Capital liabilities becoming due for re-payment/redemption	7,332.55	7,384.48
2	Estimated value of contracts remaining to be executed	1,112.85	334.15

40.1 The Contingent liability disclosed under litigation is dispute of above Rs.1 crore. The company is confident that verdict of the litigation in various courts will be favourable.

40.2 The Commercial Tax Department has disallowed the concessional rate of tax given to M/s Kasargode Power Corporation Limited (KPCL) for purchase of LSHS Oil and directed BPCL being the supplier of LSHS Oil to collect differential amount with retrospective effect from 2001-02. M/s KPCL in turn had claimed an amount of ₹40.31 crores and interest on the increased tax rate vide invoice dated 20-3-2016. KSEBL has referred the matter to the Government of Kerala and a high-power committee was constituted for a closure on the allowability of concessional rate of tax to KPCL as the entire power is being supplied to KSEBL. The high-power committee had concluded that KSEBL should reimburse the differential tax amount of ₹38.70 crores after waiver of interest and penal interest with the approval of the council of Ministers.

Subsequently it was noticed that 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 only and the tax due was recalculated to ₹13.34 crores. Accordingly, KSEBL made a provision in the accounts for ₹13.34 crores though the claim is not fully admitted by the Company. Based on the decision of the high-power committee and the provisions of the KVAT the company approached the Government of Kerala for approval of the recalculated liability and waive off the interest claim by the commercial taxes department being raised by KPCL. As the approval of the Government is still pending an amount of ₹104.01 crores is being shown as under contingent liabilities.

The High Power Committee in the meeting held on 17-10-2017 pointed out that the Commercial Taxes Department had agreed to the grant of concessional rate of Tax on the sale of Naphtha by M/s IOC to M/s BSES Kerala Power Ltd and asserted that the similar stand to be taken in in this case as well, consequently no differential tax shall be payable by BPCL, KPCL or by KSEBL. Power Dept. vide Govt Letter No.26/B1/18/PD dated 17-06-2019 had recommended early action in this regard to the Principal Secretary (Taxes Department) and Commissioner (GST) to revise the erroneous assessment. order which is yet to be received. The company has decided to maintain status quo for provisioning for liability until the receipt of the revised order.

40.3 KSEBL has disputed the Guidelines issued by NLC for Fixation of Lignite Transfer Price during the regulation period 2019-24 in violation of Regulation 36(3) of the 2019 Tariff Regulation 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 December 2019 has been disputed and released only 95% of the bill amount. Moreover, M/s NLCIL has claimed on January 2020 Rs 26.52Cr vide Debit note towards the arrear claims as per Lignite Transfer Price guidelines which was also disputed. CERC in its Record of Proceedings dated 27-08-2020 has directed NLCIL to keep the said Guidelines in abeyance. In the interim period, till the Regulations for computation of input price of lignite is notified by the Commission, NLCIL is directed to continue with the lignite transfer price based on the MoC Guidelines issued vide order No. 28012/1/2014-CA-II dated 02.01.2015. NLCIL has submitted detailed reply to CERC on the Record of proceedings dated 27-08-2020 vide letter No: NLC/Comml/KSEB Petition/LTP guidelines/532/2020 dated 20-02-2021. Hence, the KSEBL's petition No.532/2020 seeking intervention of CERC on NLCIL's Lignite Transfer Price Guidelines of 2019-24 is not finalised..

40.4 i). KSEB had executed PPA with M/s PTC India Ltd on 13.06.2013 for the supply of 100MW RTC power from M/s BALCO, Chhattisgarh through Case 1 Bidding for the period from 01.03.2014 to 28.02.2017. M/s PTC has claimed vide invoices dated 20-12-2017 RS.57.49Crore towards ECR revision with retrospective effect based on CERC amendment order dated 08-12-2017. The claim was not admitted by KSEBL as it is not in accordance with the existing provisions of the expired PPA. M/s Adani Power Ltd has filed a Writ Petition No.887 of 2018 in the Hon'ble High Court of Delhi impugning the said notifications issued by CERC on 08/12/2017. Hon'ble High Court of Delhi had stayed the impugned notification vide interim order dated 07-02-2018. Since the matter involved in the Writ Petition is for the same cause, KSEBL filed an Application for Impleadment vide W.P(C). No.887 of 2018 in the Hon'ble High Court of Delhi on 04-07-2018. The petition was allowed and KSEBL was admitted as respondent No.7 vide order dated 11.08. 2018.The W.P(C). No.887 of 2018 is still pending before the Court.

ii) Balco has filed a petition No.317/MP/2019 dated 19 August 2019 with CERC for non-payment of Fixed charges of ₹ 13.27 crore up to 2018-19 and attributable transmission losses of ₹0.47 crores up to 2018-19. KSEBL filed counter petition before CERC on 29th July 2020 as the claim is not in accordance with the provisions of the DBFOO PSA.CERC passed order on 31/12/2021 and Balco raised a claim of ₹21.21 Cr vide supplimentary bill dtd 05/01/2022 as per CERC order , against which KSEBL has filed Appeal with Appellate Tribual for Electricity vide No. DFR/255/2022 dtd 29/06/22.

40.5 KSERC in its order dated 14.02.2020 in fuel surcharge petition No. OA 29/2019, filed by KSEBL for the period from 01.04.2019 to 30.06.2019 had disallowed excess variable charges incurred on procurement of 350 MW power based on PSAs executed with M/s Jindal India Thermal Power Ltd, M/s Jhabua Power Ltd (100MW PSA-2) and M/s Jindal Power Ltd (150 MW PSA-2) as the tariff paid for procuring power are higher than the L1 rate of Rs 4.15 per unit paid to BALCO during the respective quarter. A review petition was filed by the company before KSERC to allow additional fuel cost incurred and was rejected by the regulatory body on 14-08-2020 upholding the earlier decisions.

JITPL appealed before the tribunal against the orders passed by KSERC along with KSEBL as Respondent No.2 and obtained a stay on the order of the KSERC vide order dated 21-11-2020. Challenging this, KSERC has appealed before the Supreme Court by C.A No.41 of 2021 which is pending. The Petition no.1983/2020 dated 12-11-2020 filed by KSEBL before Hon'ble KSERC seeking Orders with respect to drawal of the 350MW of contracted power under DBFOO-Bid-2. is still pending for Final Order.

40.6 Jhabua Power Limited filed petition no.169/MP/2019 before the Central Electricity Regulatory Commission (CERC), inter-alia, seeking declaration on net Station Heat Rate (SHR) of 2347.9 kCal/kWh for calculation of fixed charge for supply of power under PSA-I and a net SHR of 2465.2 kCal/kWh for supply of power under both the PSA I & II and obtained a favourable order on 25.05.2020 thereby resulting in an additional liability of ₹91.95 Crores on KSEBL.

KSEB challenged the decision of the Central Commission the Tribunal vide appeal No.230 of 2020 and obtained an order setting aside the order of the central commission on 13-05-2021 and the issue was remitted back to the Central Commission with the direction to consider the matter afresh keeping in view that since there is only one generating unit of 600 MW capacity in the power station, and there cannot be 2 SHR for PSA 1 and PSA 2 instead adopt the highest SHR of 2465.2 kCal/kWh for both PSA's. Based on the order of the Appellate Tribunal, Jhabua Power Limited has to pay KSEBL an amount of ₹32 Crores. Challenging the judgment of Appellate Tribunal, Jhabua Power Ltd has filed Appeal before the Hon'ble Supreme Court (C.A.No 1815/2021) and is pending for disposal. As the matter is pending disposal before the Apex Court liability not acknowledged as debt for an amount of ₹91.95 crores.

40.7 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
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 employment 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	31.03.2022	-	-	-	-
	31.03.2021	-	-	-	-

Impairment allowance on Investments	31.03.2022	-	-	-	-
	31.03.2021	-	-	-	-

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 2022	Year ended 31st March 2021
1	N.S.Pillai IA&AS(upto 31.07.2021)	CMD	0.17	0.33
2	Dr.B.Ashok IAS(w.e.f. 04.06.2021)	CMD/Director	0.20	
3	Hari.V.R IRS(w.e.f.01.02.2022)	Director	0.01	
4	Venugopalan.N	Director		0.04
5	Kumaran.P(Up to 31.08.2021)	Director	0.08	0.12
6	Mini George	Director	0.35	0.20
7	Rajan.P(Up to 31.05.2021)	Director	0.15	0.20
8	Suku.R	Director	0.38	0.21
9	Radhakrishnan.G (w.e.f.10.06.2021)	Director	0.24	0.20
10	Siji Jose (w.e.f.10.06.2021)	Director	0.25	0.04
11	Rajan Joseph (w.e.f. 02.09.2021)	Director	0.18	-
12	Rajkumar.S(w.e.f. 02.09.2021)	Director	0.19	-
13	Dr. V. Sivadasan(Up to 17.04.2021)	Independent Director		0.01
14	Adv. Murugadas(w.e.f.15.06.2021)	Independent Director		-
15	Biju.R	CFO	0.25	0.18
16	Lekha.G	Company Secretary	0.25	0.17

41.3 Kerala State Electricity Board Employees Master pension and Gratuity Trust Details of Amount payable to Master Trust as on 31.03.2022

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Opening Balance	713.72	582.21
Payable during the period		
Principal repayment of 20 year bond with a coupon rate of 10% p.a.	407.20	407.20
Interest payable by the Company on 20 year bond with a coupon rate of 10% p.a	651.52	692.24

Principal repayment of of10 year bond with a coupon rate of 9% p.a.	321.83	295.25
Interest payable on 10 year bond with a coupon rate of 9% p.a	235.31	264.27
Other receipt	-	209.60
Total Payable	2,329.58	2,450.77
Less: Paid during the year	2,376.69	1,737.05
Balance payable/(Excess paid)	(47.11)	713.72

41.4 Enterprises promoted by the company
Kerala Hydel Tourism Centre
The amount of advance given as on 31.03.2022 is ₹6 Cr (previous year ₹7 Cr)

42 Segment Reporting
Disclosure as per Ind AS 108 is given below.
The Company has three reportable segments, i.e Generation, Transmission and Distribution.

42.1 Segment Results for the year ended 31 March 2022 **₹ in crores**

Particulars	Business segments			Inter Segment Elimination	Total
	Generation	Transmis-sion	Distribution		
Segment Revenue	620.13	1,166.85	-	1,786.98	-
Sale of energy & Meter rent			15,962.04	-	15,962.04
Total	620.13	1,166.85	15,962.04	1,786.98	15,962.04
Segment result	363.13	570.43	13,280.25		14,213.82
Allocable expenses	246.76	450.44	13,803.92		14,501.12
Operating income	27.07	43.30	334.51		404.89
Other income	11.00	41.94	565.75	-	618.69
Profit before taxes	154.45	205.23	376.59	-	736.27
Tax expenses	-	-	-	-	-
Net profit / (loss) for the year	154.45	205.23	376.59	-	736.27
Other comprehensive income	(45.65)	(94.07)	(826.94)	-	(966.66)
Total comprehensive income	108.80	111.16	(450.35)	-	(230.39)

42.2 Segment Results for the year ended 31 March 2021 **₹ in crores**

Particulars	Business segments			Inter Segment Elimination	Total
	Generation	Transmis-sion	Distribution		
Segment Revenue	707.47	1,164.07	-	1,871.54	-
Sale of energy & Meter rent	-	-	14,053.54	-	14,053.54
Total	707.47	1,164.07	14,053.54	1,871.54	14,053.54
Segment result	350.28	573.29	11,527.99	-	12,451.56
Allocable expenses	233.90	453.30	13,355.50	-	14,042.70
Operating income	-	-	-	-	-
Other income(net)	14.79	81.81	1,019.47	-	1,116.07
Profit before taxes	131.17	201.80	(808.04)	-	(475.08)
Tax expenses	-	-	-	-	-
Net profit / (loss) for the year	131.17	201.80	(808.04)	-	(475.08)
Other comprehensive income	(207.34)	(427.23)	(3,755.72)	-	(4,390.28)
Total comprehensive income	(76.17)	(225.43)	(4,563.76)	-	(4,865.36)

42.3 Segment assets and liabilities as at 31 March 2022 **₹ in crores**

Particulars	Business segments			Total
	Generation	Transmis-sion	Distribution	
Segment assets				
Allocable assets	11,954.20	3,859.41	17,705.73	33,519.34
Total assets	11,954.20	3,859.41	17,705.73	33,519.34
Segment liabilities				
Allocable liabilities	13,793.05	4,812.07	18,392.93	36,998.05
Total liabilities	13,793.05	4,812.07	18,392.93	36,998.05
Other information				
Capital expenditure				
Capital expenditure (Allocable)	1,838.85	952.67	687.19	3,478.71

Depreciation and amortisation (allocable)	180.23	276.66	682.85	1,139.74
Depreciation and amortisation (unallocable)	-	-	-	-
Other significant non-cash expenses	-	-	-	-

42.4 Segment assets and liabilities as at 31 March 2021 **₹ in crores**

Particulars	Business segments			Total
	Generation	Transmission	Distribution	
Segment assets				
Allocable assets	11,584.65	1,954.31	18,016.78	31,555.74
Total assets	11,584.65	1,954.31	18,016.78	31,555.74
Segment liabilities				
Allocable liabilities	13,300.22	3,671.79	18,872.79	35,844.80
Total liabilities	13,300.22	3,671.79	18,872.79	35,844.80
Other information				
Capital expenditure				
Capital expenditure (Allocable)	1,726.36	1,708.07	854.63	4,289.06
Depreciation and amortisation (allocable)	179.25	247.04	581.39	1,007.68
Depreciation and amortisation (un-allocable)	-	-	-	-
Other significant non-cash expenses	-	-	-	-

43 Taxation

Even though the company reported profit during the period,provision for current tax is not provided in the accounts since the company has significant carry forward loss eligible for set off as per the Income Tax Act

44 Generation, Purchase and Sale of Power

in Million Units

Particulars	Year ended 31 March 2022			Year ended 31 March 2021		
	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)
Hydel	9,836.91	94.06	9,742.85	7,071.37	31.08	7,040.29
Thermal	-	1.16	(1.16)	7.85	1.08	6.77
Wind	1.16		1.16	1.14		1.14

Solar	20.20		20.20	28.73		28.73
Sub Total(A)	9,858.27	95.22	9,763.05	7,109.09	32.16	7,076.93
Total Power Purchased at delivery point (B)	19,532.72		19,532.72	18,912.23		18,912.23
Total Power Purchased at Kerala Periphery(C)	18,887.67		18,887.67	18,262.34		18,262.34
External loss D(B-C)	645.05		645.05	649.89		649.89
Total Generation and power purchased by KSEB alone (E)(A+B-D)	28,745.94	95.22	28,650.72	25,371.43	32.16	25,339.27
Energy injected by Private IPPs at generator end for sale outside state through open access (F)			49.28			38.66
Energy purchased by consumers through open access at Kerala periphery (G)			268.69			407.41
Total Generation and power purchased including the impact of sale/purchase of energy through open access at Kerala periphery (H)(E+F+G)			28,968.69			25,785.32
Energy sale outside the state by KSEBL at Kerala periphery (I)			2,094.41			261.43
Swap return (J)			106.28			334.82
Energy purchased by consumers through open access at consumer end (K)			253.37			388.72
Energy injected by Private IPPs at KSEB periphery end for sale outside state through open access(L)			44.04			37.14

Net Energy available in Kerala Grid for energy sale inside the State by KSEBL(M) (E-I-J)			26,450.03			24,743.02
Net energy available in Kerala Grid for con-sumption with in the state(N)(H-I-J-L)			26,723.96			25,132.93
Auxiliary consumption (Substations)(O)			20.77			19.03
Net Energy available in Kerala Grid for energy sale inside the State (P)(N-O)			26,703.19			25,113.90
Energy sale by KSEBL (Q)			23,499.59			22,151.60
Energy adjusted against captive injec-tion(R)			222.23			-
Energy given to RGC-CPP for meeting auxil-iary consumption(S)			8.22			-
Energy consump-tion within the state including open ac-cess consumers (T) (K+Q+R+S)			23,983.41			22,540.32
Loss in KSEBL system U (N-T)			2,719.78			2,592.61
Loss % in KSEBL sys-tem			10.19%			10.32%
Transmission Loss with in Kerala (V)			740.76			707.93
% transmission loss			2.77%			2.82%
Distribution lossW (R-S)			1,979.02			1,884.68
% Distribution loss			7.62%			7.72%

45 Disclosures as per the Guidelines of Additional borrowing space of 0.50 percent of GSDP linked to performance in Power sector

45.1 Energy Accounts **₹ in crores**

Particulars	2021-22	2020-21
A. Input Energy(MU)	26,429.26	24,723.99
B. Transmission Losses(MU)	740.76	707.93
C. Net Input Energy(MU)(A-B)	25,688.50	24,016.06
D. Energy Sold(MU)	23,730.04	22,151.60
E. Revenue from Sale of Energy (₹ Cr.)	15,925.96	13,755.69
F. Adjusted Revenue from Sale of Energy on Subsidy Received basis (₹ Cr)	15,925.96	13,755.69

45.1 Energy Accounts **₹ in crores**

Particulars	2021-22	2020-21
G. Opening debtors for Sale of Energy (₹ Cr.)	2,630.39	3,041.61
H. Closing Debtors for Sale of Energy (₹ Cr.)	2,614.57	2,630.39
I. Adjusted Closing Debtors for sale of Energy (₹ Cr.)	2,740.13	2,630.39
J. Collection Efficiency(%)(F+G-I)/E*100	99.31%	100.00%
K. Units Realized(MU)=Energy Sold*Collection efficiency(D*J/100)	23,566.53	22,151.60
L. Units Unrealised (MU)=(Net Input Energy-Units Realized)(C-K)	2,121.97	1,864.46
M. AT&C Losses (%)=Units Unrealised/Net Input Energy *100(L/C*100)	8.26%	7.76%

45.2 Details of Subsidy Booked and received **₹ in crores**

Particulars	2021-22	2020-21
1.Subsidy Booked	387.28	530.33
2.Subsidy received	387.28	530.33
i.Subsidy received against subsidy booked for current year	387.28	530.33
ii.Subsidy received against subsidy booked for previous year	Nil	Nil

45.3 Dues recoverable from Government Departments/State PSUs/ Subordinate officials and local bodies **₹ in crores**

Age	2021-22	2020-21
<=90 days	129.77	163.22
90-180 days	155.84	104.12
180days- one year	197.10	191.84

>1 year	795.71	419.18
Total	**1,278.42**	**878.36**

45.4 Payment of Electricity bills by Government Departments/State PSUs/Subordinate officials and local bodies **crores**

Particulars	2021-22	2020-21
Billed during the year	655.34	644.13
Payment against billed during the year	545.73	530.31

46 Generating Stations

a) Plants in operation since the beginning of the year **crores**

Sl. No.	LOCATION	Unit Capacity (in MW)	Installed Capacity (MW)
Hydel			37.50
1	Pallivasal	3X5+3X7.5	36.00
2	Poringalkuthu	4X9	50.80
3	Sengulam	4X12.7	77.65
4	Neriamangalam	3x17.5+25	32.40
5	Panniyar	2X16.2	54.00
6	Sholayar	3X18	340.00
7	Sabarigiri	4X55+2X60	225.00
8	Kuttiyadi+KES+KAES	3X25+1x50+2x50	780.00
9	Idukki	6X130	75.00
10	Idamalayar	2X37.5	15.00
11	Kallada	2X7.5	3.00
13	Peppara	1X3	180.00
14	Lower Periyar	3X60	2.00
15	Madupetty	1X2	16.00
17	Poringalkuthu Left Bank	1X16	50.00
19	Kakkad	2X25	2.50
20	Malampuzha	1X2.5	2.70
22	Chembukadavu I	3X0.90	3.75
23	Chembukadavu II	3X1.25	6.15
24	Urumi I&II	3X1.25+3X0.8	10.50

25	MSHEP Malankara	3X3.5	3.50
26	Lower Meenmutty	2X1.5+1X0.5	3.75
28	Kuttiadi Tail Race	3X1.25	4.80
30	Poozhithodu	3X1.6	4.00
31	Ranni- Perunadu	2X2	1.25
32	Peechi- HEP	1X1.25	7.50
33	Vilangad HEP	3X2.5	2.50
35	Chimmony SHEP	1X2.5	3.50
36	Adyanpara SHEP	2X1.5+.5	15.00
37	Barapole	3X5	0.01
38	PoringalKuthu Micro SHEP	0.011X1	
39	Vellathooval	1.8x2	3.60
40	Perumthenaruvi	3X2	6.00
41	Kakkayam SHEP	2X1.5	3.00
			2,058.36

Thermal			
1	KDPP	6x16	96.00
2	BDPP	3x21.32	63.96
			159.96

Wind Farm			
1	Kanjikode	9x0.225	2.03
Solar			21.51
1	Solar		8.77
2	Soura(Under Board fund)		30.28
	Total		2,250.63

b) Projects commissioned during the Year

Sl. No.	LOCATION	Unit Capacity (in MW)	Installed Capacity (MW)
1	Chathankottunada	2X3	6.00
2	Upper Kallar	1x2	2.00
	Total		8.00

c) Captive Power Plants & IPPs (in MW)

Hydro

Sl. No.	LOCATION	Unit Capacity (in MW)	Installed Capacity (MW)
1	Maniyar	3X4	12
2	Kuthungal	3X7	21
	Total		33

Private Solar

1	CIAL		38.44
2	HINDALCO		3
3	KMRL		5.4
4	Solar Procumers		229.98
	Total		276.82

Wind Farm

	Malayala Manorama		10

Thermal

	PCBL		10

IPP

1	Hydro		37.71
2	Thermal(NTPC Kayamkulam)		359.58
3	Wind		58.25
4	Solar		102
	Total		557.54
	Total		3,137.99

48 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 2022	Year ended 31 March 2021
1	NTPC	14.14	

2	NLC	0.26	
3	Power Trading Corporation of India	5.89	
4	NTPC Tamil Nadu Energy Co.Ltd	0.21	
5	NPCIL-Kaiga	1.52	
6	MAITHON	4.25	14.75
7	Jindal Power Limited	46.19	-
8	Jindal Thermal Power Limited	27.81	0.79
9	JHABUA POWER	90.91	51.58
10	Bharath Aluminium Company Ltd	6.67	-
11	Wind Generating Stations	0.14	-
12	DVC	-	0.82
	Total	**197.99**	**67.94**

49 Notes on restatement of balances as per Ind As 8

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 2021 (as previously reported)"	Increase / (decrease) due to correction of error	"31 March 2021 (restated)"	"1 April 2020 (as previously reported)"	Increase / (decrease) due to correction of error	1 April 2020 (restated)
Non current assets						
Capital work-in-progress	4,131.67	157.39	4,289.06	3,750.03	51.17	3,801.20
Other Intangible Asset	32.37	9.52	41.89	25.72	5.22	30.94
Intngible Assets under development	-	-	-	-	14.97	14.97
Total Assets	35,677.89	166.91	35,844.80	34,355.11	71.36	34,426.47
Other Equity	(14,588.58)	(4,381.42)	(18,970.00)	(12,104.43)	(2,000.21)	(14,104.64)
Non Current Financial Liabilities						
Borrowings	-	-	-	15,134.13	702.45	15,836.58
Provisions	12,294.98	4,534.86	16,829.84	10,285.92	1,901.32	12,187.24

Other non-current liabilities		-			-	
Current Financial Liabilities						
Borrowings	2,385.95	1,526.45	3,912.40	2,330.23	1,915.77	4,246.00
Trade Payables	2,102.08	10.66	2,112.74	1,991.68	111.24	2,102.92
Other financial liabilities	3,432.75	(1,520.92)	1,911.83	4,355.95	(2,611.47)	1,744.48
Provisions	2,824.55	(2.72)	2,821.83	1,876.81	52.26	1,929.07
Total equity and liabilities	**35,677.89**	**166.91**	**35,844.80**	**34,355.11**	**71.36**	**34,426.47**

Statement of profit and loss	31 March 2021 (as previously reported)	Increase / (decrease) due to correction of error	31 March 2021 (restated)
Revenue From Operations	14,420.63	0.21	14,420.84
Purchase of Power	8,057.93	(80.73)	7,977.20
Repairs & Maintenance	260.58	(0.80)	259.78
Employee benefits expense	5,153.17	(1,242.39)	3,910.78
Depreciation	1,011.98	(4.30)	1,007.68
Administrative and General Expenses	593.86	(0.97)	592.89
Other Expenses - Others	164.45	(17.87)	146.58

49.1 The details of the restated amounts with reasons are as stated below:

Sl No	Balance Sheet	Restated balance as on 31 March 2021	Amount	Restated balance as on 1 April 2021	Amount
1	Capital Work in Progress	1a. Capitalisation of employee cost provided as provision for pay revision during the year 2018-19, 2019-20 & 2020-21 has not been done in the year in which it provided. Hence an amount of Rs.66.14 adjusted in the opening balance sheet of 1 April 2021 and Rs.91.25 Cr. provided during 2020-21.	**157.39**	1b. Employee cost provided for pay revision during the year 2018-19, 2019-20 & 2020-21 was not capitalised in the year in which it was provided and the company has capitalised an amount of Rs.66.14 Crores in the opening balance sheet of 1 April 2021 .	**66.14**

				1c. An amount of Rs.14.97 Crores previously classified under Capital work in progress are reclassified as Intangible assets under development.	**-14.97**
2	Other Intangible Assets	2a. Increase of Rs.9.52 Crores due to reversal of amortisation of Intangible assets created on the Edamon-Kochi line as the life of the asset is not finite.	9.52	2b. Increase of Rs.5.22 Crores due to reversal of amortisation of Intangible assets created on the Edamon-Kochi line as the life of the asset is not finite.	5.22
3	Intangible Assets under development			Refer point 1c above	14.97
4	Other Equity	4a. Increase in pension liability of financial year 2019-20 by an amount of Rs.4532.14 Crores.	-4,532.14	4e. Increase in pension liability of financial year 2019-20 by an amount of Rs.1953.58 Crores	-1,953.58
		Refer point 1a above	157.39	Refer point 1b above	66.14
		4b. Increase in cost of power due to power banking of financial year 2019-20 Rs.27.82 Crores.	-27.82	4f. Increase in cost of power due to power banking of financial year 2019-20 Rs.111.37 Crores	-111.37
		Refer point 2a above	9.52	Refer point 2b above	5.22
		4c. Increase in other expenses Rs.6.24 Crores due errors and omissions during the financial year 2020-21	-6.24	4g. Increase in other expenses Rs.6.62 Crores due errors and omissions during the financial year 2019-20	-6.62
		4d. Remission of prior period liability in connection with write off of loan given to Energy Management Centre amounting to Rs.17.87 Crores.	17.87		

5	Borrowing -Non Current			5a. Principal re-payment of bonds amounting to Rs.702.45 Crores wrongly classified now rectified	702.45
6	Provi-sions-Non Current	6a. Increase in pro-vision for pension liability of Rs.5297.64 Crores in the financial year 2019-20	5,297.64	6d. Increase in pro-vision for pension li-ability of Rs.2165.59 Crores in the finan-cial year 2019-20	2,165.59
		6b. Decrease of Rs.235.31 Crores due to reclassification of provision for interest on bonds adjusted against Electricity duty	-235.31	6e. Decrease of Rs.264.27 Crores due to reclassification of provision for interest on bonds adjusted against Electricity duty	-264.27
		6c. Decrease of Rs.527.47 Crores due to reclassification of provision for pay re-vision arrear payable in the current year reclassified to provi-sions-current	-527.47		
7	Borrowings -Current	7a. Reclassification of Current maturi-ty of loans and bond Rs.1526.45 Crores as per the revised sched-ule 3 ammendmemt.	1,526.45	7b. Reclassification of Current maturi-ty of loans and bond Rs.1333.56 Crores as per the revised schedule 3 ammend-memt.	1,333.56
				7c.Reclassification of amount payble to Master trust Rs.582.21 Cr to borriowings from other financial liability.	582.21
8	Trade Pay-able-Current	8a.Increase in cost of power due to power banking of financial year 2019-20 Rs.30.64 Crores.	30.64	Refer point 4f.	111.37

		Refer point 4d.	-17.87	Refer point 4g.	-0.13
		Refer point 4c.	-2.11		
9	Other financial Liability-Current	Refer point 7a.	1,526.45	9a. Decrease of Rs.2618.22 Cr.to reclassification amount payble to Pension Master trust, current repayment maturity of loans and bonds	2,618.22
		Refer point 4c.	-5.53	Refer point 4g.	-6.75
10	Provisions-Current	10a. Decrease of pension liability in current and non current classification of Rs. 765.50 Crores.	-765.50	10b. Decrease of pension liability in current and non current classification of Rs. 212.01 Crores	-212.01
		refer point 6b	235.31	Refer point 6e.	264.27
		Refer point 6c	527.47		
11	Revene from Operation	Refer point 4c.	0.21		
13	Purchase of Power	Refer point 4b.	-80.73		
14	Repairs and Maintanance	Refer point 4c.	-0.80		
15	Employee Benefits expenses	Refer point 6a.	-1,149.92		
		Refer point 1a.	-91.25		
		Refer point 4c.	-1.62		
16	Depreciation	Refer point 2a	-4.30		
17	Administrative and General expenses	Refer point 4c.	-0.97		
18	Other expenses	Refer point 4d.	-17.87		

50 Actuarial Valuation

Actuarial valuation of retirement benefits was carried out as on 31.03.2022 by an independent actuary and provided in the accounts as detailed below.

50.1 Actuarial valuation of the earned leave liability for the period from 01/04/2021 to 31/03/2022 as per IND AS-19 Change in benefit Obligations **₹ in crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present value of obligation at the begining of the period (A)	1034.52	871.00
Service Cost (B)	95.12	89.32
Intrest cost (C)	59.97	56.05
Remeasurments (D)	8.97	99.32
Benefits Paid (E)	124.14	81.17
Closing Value of Obligations (A+B+C+D-E)	1074.44	1034.52

Valuation Assumptions

i) Financial Assumptions

The Financial and demographic assumptions on annual basis used for valuation as at the valuation date are shown below . The assumptions as at the valuation date are used to determine the present value of Demand Obligation at that date.

₹ in crores

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discounting Rate	6.90%	6.50%
Salary growth rate	9.00%	9.00%

ii) Demographic Assumption

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Withdrawal Rates	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages
ii) Mortality rate(as a % of IALM(2012-14) Ult. Mortality table) Age in years		
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%
Normal retirement age	56&60 years	56&60 years

Leave encashment rate during employment	10%	10%
Leave Availment Rate	2.00%	2.00%

50.2 Actuarial valuation of the gratuity liability for the period from 01/04/2021 to 31/03/2022, as per IND AS-19

Change in benefit Obligations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present Value of obligation at the beginning of the period (A)	**2,446.39**	**2,094.49**
Service Cost (B)	150.77	135.55
Interest Cost (C)	106.65	100.14
Remeasurements (D)	-90.15	288.79
Benefits paid (E)	246.50	172.58
Closing value of Obligation(A+B+C+D-E)	**2,367.16**	**2,446.39**

Valuation Assumptions
i) Financial Assumptions

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discounting Rate	6.90%	6.50%
Salary growth rate	9.00%	9.00%

ii) Demographic Assumption

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Withdrawal Rates	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages
ii) Mortality rate(as a % of IALM(2012-14) Ult. Mortality table) Age in years		
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%
Normal retirement age	56&60 years	56&60 years
Average future service	10.37	10.61

50.3 Actuarial valuation of the Pension liability for the period from 01/04/2021 to 31/03/2022, as per IND AS-19. Change in benefit Obligations. **₹ in crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present Value of obligation at the beginning of the period (A)	**31,031.38**	**26,184.79**
Service Cost (B)	349.52	351.53
Interest Cost (C)	1,905.70	1,736.75
Remeasurements (D)	1,117.59	4,045.95
Benefits paid (E)	2,021.66	1,287.64
Closing value of Obligation(A+B+C+D-E)	**32,382.53**	**31,031.38**

Change in Plan assets

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening value of Plan assets (A)	**19,277.74**	**19,255.97**
Interest Income (B)	1,260.42	1,265.63
Return on plan assets exluding amounts included in interest income(C)	69.75	43.78
Benefits paid (D)	2,021.66	1,287.64
Closing value of Plan assets (A+B+C-D)	**18,586.25**	**19,277.74**

Valuation Assumptions

i) Financial Assumptions

The principal financial assumption used in the valuation are shown in the table below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discounting Rate	7.15%	6.90%
Salary Growth rate	3.00%	3.00%
Pension Growth rate	5.00%	5.00%

ii) Demographic Assumption

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
i)Withdrawal Rates	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages
ii) Mortality rates for employees	100% of IALM (2012-14)	100% of IALM (2012-14)

iii) Mortality rates for pensioners	75% of LIC(1996-98) Mortality table	75% of LIC(1996-98) Mortality table
iv) Retirement Age (Years)	56	56

Summary of Actuarial Valuation as on 31.03.2022

Particulars	Pension	Earned Leave	Gratuity	Total
Opening balance(A)	31,031.38	1,034.52	2,446.39	34,512.29
Current year				
1.Service Cost	349.52	95.12	106.65	551.29
2.Interest Cost	1,905.70	59.97	150.77	2,116.44
3.Remeasurement	1,117.59	8.97	-90.15	1,036.41
Total B(1+2+3)	3,372.81	164.06	167.27	3,704.14
Benefit paid(C)	2,021.66	124.14	246.50	2,392.30
Closing definded obligationD(A+B-C)	32,382.53	1,074.44	2,367.16	35,824.13
Closing value of plan assets(E)	18,586.23			18,586.23
Net Liability(Asset)(D-E)	13,796.30	1,074.44	2,367.16	17,237.90

50.4 The actuarial valuation of Pension liability for the year ended 31 March 2022, shows a significant increase in the pension liability as compared to earlier years. Based on expert opinion obtained, it was identified that variance was on account of undervaluation of the liability for Pension fund and plan assets in the earlier years which constures as an error. As per Indian Accounting Standard 8, Accounting Policies, Changes in Accounting Estimates and Errors, in case of any error/ omission in estimation of prior year's estimates, the liability or asset has to be restated in the year in which the error/omission has occured. Expert opinion from an actuary was obtained for the revised valuation of the liability/asset from the financial year 2019-20 onwards and the effect of error is incorporated in the respective years. The errors were on account of expert opinions on actuarial valuation of liability/asset obtained in the prior years. The reconciliation of valuation of liability/asset between audited financial statements of the previous years and the revised actuarial report is stated below.

Particulars	As per audited Financial Statement	As per revised Acturial valuation Report	Difference	Gratuity
2019-20				
Defined Benefit Obligation Fair Value of Plan Asset	17,394.24 12,419.00 **4,975.24**	26,184.78 19,255.96 **6,928.82**	8,790.54 6,836.96 **1,953.58**	₹ 1,953.58 Cr. Restated in the opening balance of Terminal Liability as on 01.04.2020.

2020-21				
Defined Benefit Obligation Fair Value of Plan Asset	19,640.51 12,419.00	31,031.37 19,277.72	11,390.86 6,858.72	₹ 2,578.56 Cr. accounted as additional terminal liability for the year and the corresponding effect was incorporated in the -
 Employee Cost OCI	**7,221.51** 1,972.58 273.69	**11,753.65** 822.66 4,002.17	**4,532.14** -1,149.92 3,728.48	₹-employee cost and OCI of the previous year 2020-21 and the balance ₹ 1,953.58 was restated in the opening balance as on 01.04.2020.

51 Going Concern

KSEB Ltd. is the only integrated Electricity Company in the State of Kerala providing electricity to around 1.34 Crore customers in the state. The company is fully owned by the Government of Kerala. The Company has not defaulted in honouring liabilities. Electricity business being regulated by Electricity Act, 2003, the state regulator has so far approved ₹ 7,123.65 crore till 31.03.2021 out of the accumulated loss of ₹19,200.39 crore. 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. Accordingly, the financial statement has been prepared on the basis of the Going Concern assumption.

52 Other Matters

52.1 The company has procured 54.6(previous year 125.95) Million Units at traders delivery point through swap arrangement during 2021-22 and returned 106.28 Million Units (Previous Year: 344.82 Million Units) as swap arrangement at Kerala Periphery.

52.2 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

52.3 In the 66 th board meeting held on 27.07.2022 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 31.03.2022 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 ₹1154.77 crores (previous year ₹1081.97 crores) is netted off with the amount receivable from the Government.

52.4 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.

52.5 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.

52.6 Figures for the previous year have been re arranged and regrouped wherever necessary.

53 a) Expenditure in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Travelling	-	-
Professional & Consultation fee	-	-
Interest	-	-
Others	-	-
Total	-	-

b) CIF Value of Imports

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Raw materials	-	-
Capital goods	-	-
Components & Spares	-	-
Total	-	-

54 Ratios analysis

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change
(a) Current Ratio	Current assets	Current liabilities	0.50	0.50	-0.32%
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	(1.17)	(1.27)	-7.56%
(c) Debt- Service Coverage Ratio	Earnings available for debt service	Debt Service	0.60	0.38	57.24%
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	(0.05)	0.04	229.64%
(E) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA
(f) Trade Receivablles Turnover Ratio	Net Sales	Avg. Accounts Receivable	6.56	5.67	15.75%
(g) Trade Payables turnover ratio	Net Purchases	Average Trade Payables	3.95	3.78	4.41%
(h) Net capital turnover ratio	Net Sales	Working Capital	(2.92)	(2.67)	9.28%
(i) Net Profit ratio	Net Profit	Net Sales	0.04	(0.03)	236.55%
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed	0.87	0.30	188.25%
(k) Return on Investment	"Income generated from invested funds"	"Average invested funds (excluding investment in subsidiaries)"	NA	NA	NA

Explanation for change in the ratios by more than 25%: Net profit ratio has increased by 236.55% mainly on account of increase in sale of power generated by the company through power exchanges. Return on Capital employed, Debt Service Coverage Ratio and Return on Equity has increased by 188.25%, 57.24% and 229.64% respectively on account of increase in earnings before interest, tax, depreciation, tax and amortization.

55 Other statutory information:

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. The Company has not traded or invested in Cryptocurrency or Virtual Currency during the year ended March 31, 2022.

c. The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

d. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

e. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f. The Company do not have any transactions with companies struck off.

g. The Company has not been declared as a Wilful Defaulter by any bank or financial institution or Government or any Government authority.

h. The following loans from banks/financial institutions are secured by current receivables

₹ in crores

Bank	Loan amount	Security Coverage(%)	Debtors statement furnished for the quarter
State Bank of India	500.00	133.33	716.73
Union Bank of India	200.00	100.00	200.87
Total			**917.60**

Out of the total debtors of ₹ 2845.25 crore as on 31.03.2022 receivable from 1.34 crore consumers

of KSEB Ltd, receivable to the tune of ₹ 917.60 from 242 consumers alone is hypothicated. The quarterly statement of receivables filed by the company with the above banks are in agreement with the books of accounts.

i. The Company has not registered any charges with ROC beyond the statutory period for the following borrowings:

₹ in crores

Particulars	Balance as at March 31, 2022
NABARD-Upper kallar	13.42
NABARD-Banasura Sagar	2.25
NABARD-Pothencode	8.47

NABARD-Thalakulathur	3.27
NABARD-peruvannamoozhi	23.98
TNMB Wc 064700470101061	75.00

56 Due to ongoing impact of COVID-19 globally and in India, the Company has assessed likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company is in the business of generation, transmission and distribution of electricity which is an essential service as emphasised by the Ministry of Power, Government of India. The demand for power is continuously increasing with increase in economic activities in the Country, although demand may get impacted in short term due to lock downs in various parts of the country. On long term basis, the company does not anticipate any major challenge in the operations of the company and meeting its financial obligations. Basis above, the management has estimated its future cash flows for the company which indicates no major impact in the operational and financial performance of the company. The management will continuously monitor the performance of the company and take appropriate remedial measures as needed to respond to the Covid related risks, if any.

57 The Code on Social Security, 2020 and Code on Wages, 2019 relating to employee benefits during employment and post-employment benefits has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will need to assess the impact of the above. The impact will be recorded in the first period after the Codes become effective.

For and on behalf of the Board

Sd/-
Dr. Rajan N Khobragade IAS
Chairman & Managing Director
DIN: 06705427

Sd/-
V.R.Hari IRS
Director(Finance)
DIN: 09491040

Sd/-
Biju R FCA
Chief Financial officer

Sd/-
Lekha G FCA, ACS, LLB
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/-
Rajesh Ramachandran
Partner
M.No.206211

Thiruvananthapuram
7/28/2022

Trifurcated Standalone Balance sheet and Profit and Loss Account
Balance Sheet as at 31 March 2022

	Particulars	Company as a whole	Generation	Transmission	Distribution
A	**Assets**				
	Non Current Assets				
	Property Plant and Equipment	26,722.84	14,135.60	4,642.27	7,944.97
	Capital Work in Progress	3,478.71	1,838.85	952.67	687.19
	Other Intangible Asset	63.43	2.31	42.63	18.49
	Intangible assets under development	51.10	5.11	5.11	40.88
	Financial Assets				
	Investments	20.49	12.30	6.08	2.11
	Trade receivables	76.10			76.10
	Other Financial assets	673.77	203.29	155.93	314.55
	Non current Tax Assets(Net)	28.46	12.48	9.68	6.30
	Other Non Current Assets	347.26	80.46	255.22	11.58
	Total Non Current Asset	**31,462.16**	**16,290.40**	**6,069.59**	**9,102.17**
	Current Assets				
	Inventories	723.11	37.56	169.58	515.97
	Financial Asset				
	Trade receivables	2,386.26	-	-	2,386.26
	Cash and cash equivalnts	269.89	37.72	1.85	230.32
	Bank balances other than Cash Equivalents	176.77	-	-	176.77
	Other financial assets	744.58	39.86	68.56	636.16
	Other Current Assets	**1,235.28**	**(2,612.49)**	**(1,497.51)**	**5,345.28**
	Total Current Assets	**5,535.89**	**(2,497.35)**	**(1,257.52)**	**9,290.76**
Total Assets		**36,998.05**	**13,793.05**	**4,812.07**	**18,392.93**
B	**Equity and liabilities**				
	Equity				
	Equity Share Capital	3,499.05	831.27	857.05	1,810.73
	Other Equity	(19,200.39)	736.92	181.25	(20,118.56)
	Total Equity	**(15,701.34)**	**1,568.19**	**1,038.30**	**(18,307.83)**

	Liabilities				
	Non Current liabilities				
	Financial Liabilities				
	Borrowings	14,314.90	9,453.24	1,374.90	3,486.76
	Other financial libailities	4,849.15	99.01	1,200.09	3,550.05
	Provisions	18,035.23	743.21	(1,283.01)	18,575.03
	Other non current liabilities	4,361.22	82.07	592.44	3,686.71
	Total Non Current Liabilities	**41,560.50**	**10,377.53**	**1,884.42**	**29,298.55**
	Current Liabilities				
	Financial Liabilities				
	Borrowings	4,100.90	1,300.97	1,014.62	1,785.31
	Trade payables				
	Total outstanding dues of micro enterprises and small enterprises	0.89	-	-	0.89
	Total outstanding dues of trade payables other than micro enterprises and small enterprises	2,204.69	13.95	13.33	2,177.41
	Other financial libailities	1,622.22	370.62	568.95	682.65
	Provisions	3,210.19	161.79	292.44	2,755.96
Total Current Liabilities		**11,138.89**	**1,847.33**	**1,889.34**	**7,402.22**
Total Equity and Liabilities		**36,998.05**	**13,793.05**	**4,812.07**	**18,392.93**

Trifurcated statement of profit and loss for the year ended 31 March 2022

	Particulars	Company as a whole	Generation	Transmission	Distribution
	Income				
I	Revenue from operations	16,366.93	647.20	1,210.15	16,296.55
II	Other Income	618.69	11.00	41.94	565.75
III	**Total Income(I+II)**	**16,985.62**	**658.20**	**1,252.09**	**16,862.30**
IV	**Expenses**				
	Purchase of power	8,532.16	-	-	10,319.13
	Generation of power	1.17	1.17	-	
	Repairs and Maintenance	295.57	30.48	34.38	230.71
	Employee benefit expenses	3,867.35	214.78	416.07	3,236.50

	Finance Cost	1,618.25	32.96	201.55	1,383.74
	Depreciation and Amortisation	1,139.74	180.23	276.66	682.85
	Other expenses				
	Administrative Expnses	613.01	43.79	123.90	445.32
	Others	164.19	0.01	(5.70)	169.88
	Total Expenses(IV)	**16,231.44**	**503.42**	**1,046.85**	**16,468.13**
V	**Profit/(Loss) before exceptional items and tax (III- IV-V)**	**754.18**	**154.78**	**205.24**	**394.16**
VII	Exceptional Items	17.91	0.33	-	17.58
VIII	**Profit/(Loss) before tax (VI-VII)**	**736.27**	**154.45**	**205.24**	**376.58**
IX	Tax Expenses				
	(i)Current Tax	-	-	-	-
	(ii) Deferred Tax	-	-	-	-
X	**Profit/(Loss) for the period from continuing operations (VIII-IX)**	**736.27**	**154.45**	**205.24**	**376.58**
XI	Profit/(loss) from discontinued operations				
XII	**Profit/(Loss) from Discontinued operations (X-XI)**	**736.27**	**154.45**	**205.24**	**376.58**
XIII	**Profit/(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	**(966.66)**	**(45.65)**	**(94.07)**	**(826.94)**
	(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**	**(966.66)**	**(45.65)**	**(94.07)**	**(826.94)**
XV	**Total Comprehensive Expense for the year (XIII+XIV)**	**(230.39)**	**108.80**	**111.17**	**(450.36)**

Kerala State Electricity Board Limited
Consolidated Balance Sheet as at 31 March 2022

₹ in Crores

Particulars	Note	As at 31 March 2022	As at 31 March 2021 Restated	As at 1 April 2020 Restated
Assets				
Non current assets				
Property, Plant and Equipment	**2**	26,722.84	24,090.83	22,491.82
Capital work-in-progress	**4**	3,478.71	4,289.06	3,801.20
Other Intangible Assets	**3**	63.43	41.89	30.94
Intangible assets under development	**5**	51.10	31.06	14.97
Financial Assets				
Investments	**6**	56.81	52.40	46.89
Trade receivables	**7**	76.10	407.77	739.44
Other Financial assets	**8**	673.77	1,244.46	2,334.55
Non current tax assets (net)	**9**	28.46	24.25	22.17
Other non-current assets	**10**	**347.26**	**330.88**	**290.08**
Total non current assets		**31,498.48**	**30,512.60**	**29,772.06**
Current assets				
Inventories	**11**	723.11	684.96	808.86
Financial Assets				
Trade receivables	**12**	2,386.26	2,118.93	1,822.04
Cash and cash equivalents	**13**	269.89	250.39	149.37
Bank balances Other than Cash Equivalents	**14**	176.77	180.98	143.67
Other financial assets	**15**	**744.58**	**925.23**	**752.22**
Other current assets	**16**	**1,235.28**	**1,203.62**	**1,004.65**
Total current assets		**5,535.89**	**5,364.11**	**4,680.81**
Total Assets		**37,034.37**	**35,876.71**	**34,452.87**
Equities and Liabilities				
Equity				
Equity Share capital	**17**	3,499.05	3,499.05	3,499.05
Other Equity	**18**	(19,164.07)	(18,938.09)	(14,078.24)
Total Equity		**(15,665.02)**	**(15,439.04)**	**(10,579.19)**

Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	**19**	14,314.90	15,716.79	15,836.58
Other Financial Liabilities	**20**	4,849.15	4,433.19	3,937.54
Provisions	**21**	18,035.23	16,829.84	12,187.24
Other non-current liabilities	**22**	4,361.22	3,577.13	3,048.23
Total Non-Current Liabilities		**41,560.50**	**40,556.95**	**35,009.59**
Current liabilities				
Financial Liabilities				
Borrowings	**23**	4,100.90	3,912.40	4,246.00
Trade payables	**24**			
Total outstanding dues of micro enterprises and small enterprises		0.89	1.76	6.43
Total outstanding dues of trade payables other than micro enterprises and small enterprises		2,204.69	2,110.98	2,096.49
Other financial liabilities	**25**	1,622.22	1,911.83	1,744.48
Provisions	**26**	3,210.19	2,821.83	1,929.07
Total current liabilities		**11,138.89**	**10,758.80**	**10,022.47**
Total liabilities		**52,699.39**	**51,315.75**	**45,032.06**
Total equity and liabilities		**37,034.37**	**35,876.71**	**34,452.87**

The accompanying notes are an integral part of the Consolidated Financial Statements.

For and on behalf of the Board

Sd/-
Dr. Rajan N Khobragade IAS
Chairman & Managing Director
DIN: 06705427

Sd/-
V.R.Hari IRS
Director(Finance)
DIN: 09491040

Sd/-
Biju R FCA
Chief Financial officer

Sd/-
Lekha G FCA, ACS, LLB
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/-
Rajesh Ramachandran
Partner
M.No.206211

Thiruvananthapuram
7/28/2022

Kerala State Electricity Board Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2022

₹ in Crores

	Particulars	Note	As at 31 March 2022	As at 31 March 2021 Restated
	Income			
I	Revenue From Operations	27	16,366.93	14,420.84
II	Other Income	28	618.69	748.76
III	Total Income		**16,985.62**	**15,169.60**
IV	**Expenses**			
	Purchase of Power	29	8,532.16	7,977.20
	Generation of Power	30	1.17	4.80
	Repairs & Maintenance	31	295.57	259.78
	Employee benefits expense	32	3,867.35	3,910.78
	Finance costs	33	1,618.25	1,726.36
	Depreciation and amortization expense	34	1,139.74	1,007.68
	Other Expenses			
	a) Administrative and General Expenses	35	613.01	592.89
	b) Others	36	164.19	146.58
V	Total Expenses		**16,231.44**	**15,626.07**
VI	Loss before share of net profits of investments accounted for using equity method and tax			
	Share of net profit of associates accounted for using the equity method		4.41	5.51
VII	Profit/(Loss) before exceptional items and tax (III- V+VI)		**758.59**	**(450.96)**
VIII	Exceptional Items	37	17.91	18.61
IX	Profit/(Loss) before tax (VII-VIII)		**740.68**	**(469.57)**
X	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI	Profit/(Loss) for the period from continuing operations (VIII-IX)		**740.68**	**(469.57)**
XII	Profit/(loss) from discontinued operations		-	-

XIII	Profit/(Loss) from Discontinued operations		-	-
XIV	Profit/(Loss) for the period (X+XII)		**740.68**	**(469.57)**
	Other Comprehensive Expense			-
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement of the Defined Benefit Plans	38	(966.66)	(4,390.28)
	(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 re-classified to profit or loss		-	-
XV	Total Other Comprehensive Expense for the year		**(966.66)**	**(4,390.28)**
XVI	**Total Comprehensive Expense for the year (XIII+XIV)**		**(225.98)**	**(4,859.85)**
XVII	**Earnings per equity share (for continuing operation):**			
	Basic & Diluted ₹	39	2.12	(1.34)

The accompanying notes are an integral part of the Consolidated Financial Statements.

For and on behalf of the Board

Sd/-
Dr. Rajan N Khobragade IAS
Chairman & Managing Director
DIN: 06705427

Sd/-
V.R.Hari IRS
Director(Finance)
DIN: 09491040

Sd/-
Biju R FCA
Chief Financial officer

Sd/-
Lekha G FCA, ACS, LLB
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/-
Rajesh Ramachandran
Partner
M.No.206211

Thiruvananthapuram
7/28/2022

Kerala State Electricity Board Limited
Consolidated Statement of Cash flows for the year ended 31 March 2022

₹ in Crores

	Year ended 31 March 2022	Year ended 31 March 2021
Operating Activities		
Profit/(Loss) for the year	740.68	(469.57)
Adjustments for:		
Share of profit of associates & joint ventures	(4.41)	(5.51)
Interest income	(235.81)	(156.09)
Finance cost	1,303.99	1,416.60
Depreciation of property, plant and equipment	829.80	761.93
Amortisation of intangible assets	0.06	0.06
Operating profit before working capital changes	**2,634.31**	**1,547.42**
Working capital adjustments:		
(Increase) / Decrease in Inventories	(38.15)	123.89
(Increase) / Decrease in trade receivables and other receivables	784.35	700.44
Increase / (Decrease) in trade and other payables	1,967.77	2,635.20
Cash generated by Operations	**5,348.28**	**5,006.95**
Income Taxes paid	-	-
Net cash flows generated from operating activities (A)	5,348.28	5,006.95
Investing activities		
Interest received (finance income)	235.48	169.16
Purchases of property, plant and equipment	(3,024.03)	(3,187.93)
(Acquisition) / disposal of investments	-	-
Net cash flows used in investing activities (B)	**(2,788.55)**	**(3,018.77)**
Financing activities		
Net proceeds from borrowings and repayments	(921.21)	269.97
Interest paid	(1,530.58)	(1,669.07)
Net cash flow used in financing activities (C)	**(2,451.79)**	**(1,399.10)**
Net change in cash & cash equivalents (A+B+C)	**107.94**	**589.08**

Cash & cash equivalents at the beginning of the year	114.72	(474.36)
Cash & cash equivalents at year end	222.66	114.72

The accompanying notes are an integral part of the Consolidated Financial Statements.

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Thiruvananthapuram
7/28/2022

Kerala State Electricity Board Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

₹ in Crores

A Equity Share Capital

1 2021-22

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
Authorised Share Capital(No. of Shares 500 Cr, face value Rs.10)	5,000.00	-	-	-	5,000.00
Issued Share Capital(No. of Shares 349.905 Cr, face value Rs.10)	3,499.05	-	-	-	3,499.05

2 2020-21

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
Authorised Share Capital(No. of Shares 500 Cr, face value Rs.10)	5,000.00	-	-	-	5,000.00
Issued Share Capital(No. of Shares 349.905 Cr, face value Rs.10)	3,499.05	-	-	-	3,499.05

B Other Equity
2021-22

Particulars	Reserve and Surplus		Other items of Other Comprhensive Income (Remeasurments of defined benefit plan)	Total
	Retained Earnings	Other Reserves		
Balance at 1st April 2021	**(6,008.73)**	**-**	**(12,929.36)**	**(18,938.09)**
Profit/(Loss) for the year	740.68			740.68
Comprehensive Income for the current year	-	-	(966.66)	(966.66)
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Any other changes	-	-	-	-
Balance at 31st March 2022	**(5,268.05)**	**-**	**(13,896.02)**	**(19,164.07)**

2020-21

Particulars	Reserve and Surplus		Other items of Other Comprhensive Income (Remeasurments of defined benefit plan)	Total
	Retained Earnings	Other Reserves		
Balance at 1st April 2020	(5,579.41)	-	(6,498.62)	(12,078.03)
Changes in accounting polcy or prior period errors	40.25	-	(2,040.46)	(2,000.21)
Restated balance at the beginning of the current reporting period	(5,539.16)	-	(8,539.08)	(14,078.24)
Restated loss for the year	(469.57)		-	(469.57)
Restated Comprehensive income for the year	-	-	(4,390.28)	(4,390.28)

Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Any other changes	-	-	-	-
Balance at 31st March 2021	**(6,008.73)**	**-**	**(12,929.36)**	**(18,938.09)**

The accompanying notes are an integral part of the Consolidated Financial Statements.

For and on behalf of the Board

Sd/-
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Sd/-
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Partner
M.No.206211

Thiruvananthapuram
7/28/2022

Corporate information and Significant Accounting Policies

1.1 Corporate information

Kerala State Electricity Board Limited ""KSEBL"" or ""the parent"" or ""the company"" is incorporated under the Companies Act, 1956 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 company together with its joint venture companies and associates are referred to as the "group".

Significant Accounting Policies

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 Group 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 consolidated financial statements.

1.2.2 Basis of Consolidation

The consolidated financial statements include accounts of Kerala State Electricity Board Limited (“the Company”/"the Parent")) and two joint venture companies and two associates as stated below;

Company	**Nature of relationship**
Kerala Power and Infrastructure Finance Corporation Ltd	Associate company
Baitarani West Coal Company Ltd.	Joint venture company
Renewable Power Corporation of Kerala	Joint venture company
Kerala Fibreoptic Network Limited	Associate company

Investment in joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in joint venture and associate are accounted for using the equity method. Under the equity method, the investment in a joint venture or associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of joint venture or associate since the acquisition date.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of joint venture and associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of joint venture or associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions if any between the Group and joint venture or associate are eliminated to the extent of the interest in joint venture or associate.

The aggregate of the Group's share of profit or loss of a joint venture and associate is shown on the face of the consolidated statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of joint venture or associate and its carrying value and then recognises the loss as 'Share of profit of a joint venture and associate' in the statement of profit or loss.

1.2.3 Application of New Accounting Pronouncements

New Accounting standards, amendments and interpretations adopted by the Group effective from April 1, 2021:

Amendment to Ind AS 116 – COVID-19-Related Rent Concessions

The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated, and therefore the practical expedient relating to rent concessions arising as a consequence of COVID-19 has been modified. Accordingly, lessees are now exempted from assessing whether a COVID-19-related rent concession is a lease modification, if the reduction in lease payments affects only payments originally due on or before June 30, 2022. Earlier the practical expedient was allowed only for lease payments originally due on or before June 30, 2021. The adoption of these amendments did not have any material impact on the Consolidated financial statements.

Amendment to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116 - Interest Rate Benchmark Reform – Phase 2

This amendment relates to 'Interest Rate Benchmark Reform – Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are: Ind AS 109: New guidance has been included on changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform. Ind AS 107: Additional disclosures related to nature and extent of risks to which the entity is exposed from financial instruments subject to interest rate benchmark reform and how the entity manages these risks. The adoption of these amendments did not have any material impact on the Consolidated financial statements.

Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS. The adoption of these amendments did not have any material impact on the Consolidated financial statements.

1.2.4 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.

1.2.5 Functional and presentation currency

These consolidated 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.

1.2.6 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 consolidated 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 employees. In Tier I, the 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 consolidated 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 consolidated 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 and Intangible asset under development

The company accounts the intangible assets as under -

Type of Asset	Amortisation rate
Software	15.00%

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.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

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 tariff 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 consolidated 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 due to the uncertainty of collection of demand from defaulted consumers.

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 consolidated 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 consolidated 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 consolidated financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31st March 2021, except for (a) the adoption of new standard effective as of 1st April, 2021. 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 consolidated financial statements of the Company.

1.25 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.

1.26 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.

1.27 Recent accounting pronouncements - Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Amendments to Ind AS 103 – Business Combinations – Reference to Conceptual Framework

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The adoption of amendments to Ind AS 103 is not expected to have any material impact on the Consolidated financial statements.

Amendments to Ind AS 16 – Property, Plant and Equipment – Proceeds before intended use

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The adoption of amendments to Ind AS 16 is not expected to have any material impact on the Consolidated financial statements.

Amendments to Ind AS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Amendments to Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

2 Property, Plant and Equipment

Particulars	Land & Land Rights	Build-ings	Hy-draulic Works	Other Civil Works	Plant & Machin-ery	Lines, Cable & Network	Vehicles	Furni-ture & Fixtures	Office Equip-ments	Total
Cost/Deemed Cost										
As at 1 April 2020	**1,805.15**	**847.25**	**1,412.33**	**702.86**	**17,066.05**	**11,820.41**	**26.33**	**50.19**	**193.41**	**33,923.98**
Additions	228.64	26.09	3.13	28.77	344.65	1,748.31	0.47	10.95	215.65	2,606.66
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	**2,033.79**	**873.34**	**1,415.47**	**731.64**	**17,410.69**	**13,568.72**	**26.80**	**61.14**	**409.05**	**36,530.64**
Additions	13.07	79.20	188.16	53.86	612.79	2,757.24	11.90	12.64	42.81	3,771.67
Deletions	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**2,046.86**	**952.54**	**1,603.63**	**785.50**	**18,023.48**	**6,325.96**	**38.70**	**73.78**	**451.86**	**40,302.31**
Accumulated Depreci-ation										
As at 1 April 2020	-	**394.12**	**805.75**	**243.11**	**4,064.03**	**5,764.54**	**21.25**	**26.59**	**112.77**	**11,432.16**
Charge for the year	-	26.57	67.14	24.33	257.43	606.58	1.27	2.93	21.40	1,007.65
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	-	**420.69**	**872.89**	**267.44**	**4,321.46**	**6,371.12**	**22.52**	**29.52**	**134.17**	**12,439.81**
Charge for the year	-	28.45	64.12	25.36	268.42	703.60	0.70	3.65	45.36	1,139.66
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	-	**449.14**	**937.01**	**292.80**	**4,589.88**	**7,074.72**	**23.22**	**33.17**	**179.53**	**13,579.47**
Carrying amount										
As at 31 March 2022	**2,046.86**	**503.40**	**666.62**	**492.70**	**3,433.60**	**9,251.24**	**15.48**	**40.61**	**272.33**	**6,722.84**
As at 31 March 2021	**2,033.79**	**452.65**	**542.58**	**464.20**	**3,089.23**	**7,197.60**	**4.28**	**31.62**	**274.88**	**4,090.83**

2.1 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.

2.2 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.

2.3 The company suffered a heavy damage due to natural calamities and floods in the state. Power restoration works 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 of the respective periods. 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.

2.4 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.

2.5 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 Rs. 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 in the year 2019-2020 in settlement of the dues and is capitalised as land with a value at the exchange value of 174.61 crores.

3 Other Intangible Assets **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Cost		
Balance as at beginning of the year	42.01	31.00
Additions during the year	21.60	11.01
Deletions / Adjustments during the year	-	-
Balance as at end of the year	63.61	42.01
Accumulated Amortization		
Balance as at beginning of the year	0.12	0.06
Amortisation expense for the year	0.06	0.06
Deletions / Adjustments during the year	-	-
Balance as at end of the year	0.18	0.12
Carrying amount of Intangible Assets		
As at beginning of the year	41.89	30.94
As at end of the year	63.43	41.89

3.1 The additions to intangible assets comprise of Rs. 20.32 Cr (previous year 11.00 Cr) towards rights secured for laying transmission cables for Edamon Kochi project and Rs.1.28 Cr(Previous year Nil) for 320 KV Pugalur- Thrissur Transmission Line

4 Capital Work In Progress **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
As at 1 April 2021	4,289.06	3,801.20
Additions	2,961.32	3,094.52
Less : Capitalised / adjusted	3,771.67	2,606.66
As at 31 March, 2022	3,478.71	4,289.06

4.1 The expenditure incurred for the following projects are included in the Capital Work in Progress. The future of these projects are uncertain and the status of the project are detailed below.

a. Achankovil Small Hydro Electric Project: Rs.4.57 crore incurred for the project. Environmental clearance was accorded by MOEF&CC subsequently Forest clearance was denied by the State Forest Department due to adverse impacts on flora and fauna.

b. Athirapilly Hydro Electric Project: Rs.15.57 crore incurred for the project. The project was accorded Environment & Forest clearance by MoEF&CC. Government was in the process of obtaining a political consensus with respect to the implementation of the project in consultation with various stake holders.

c. Manthavady Multipurpose Project: Rs.2.68 crore incurred for the project. The project is entangled in Inter State Water Dispute. Cauvery Tribunal Award prohibits trans basin diversion of water.

d. LNG Base Thermal Power Plant, Brahmapuram:Rs.2.78 crore incurred for the project.

4.2 During the financial year an amount of ₹ 780.76 crores (Previous Year ₹ 740.80 crores) 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 2022-23.

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Employee Cost	551.48	577.94
Interest and Finance charges	229.28	168.86
Total	**780.76**	**740.80**

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 8.64%(Previous year 7.90%) on the cost of assets.

4.3 Capitalisation on provision for pay revsion for the previous years 2018-19,2019-20,2020-21 has not provided in respective years. The same has been provided during the years by restating the opening balance of Capital Work in Progress on 01.04.2020 by ₹ 66.14 Crores and ₹91.25 Crores is added to Capital Work in Progress in FY 2020-21.

4.4 Capital Working Progress: ageing schedule **₹ in Crores**

Ageing	As at 31 March 2022		As at 31 March 2021	
	Projects in Progress	Projects Temporarily suspended	Projects in Progress	Projects Temporarily suspended
Less than 1 year	1,240.92	10.55	1,761.79	7.04
1-2 years	547.47	8.99	745.46	21.07
2-3 years	293.34	9.21	668.95	34.68
More than 3 years	1,227.74	140.49	955.33	94.74
Total	**3,309.46**	**169.25**	**4,131.52**	**157.54**

4.5 For Capital Work-in- progress, whose completion is overdue or has exceeded its cost compared to its original plan-Completion Schedule **₹ in Crores**

Capital Work in Progress	As at 31st March 2022 To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Renovation & Modernisation of Idukki Statge I	3.04	-	-	-

PSDF Generation	2.04	-	-	-
Chathankottunada SHEP	11.40	3.80	3.80	6.33
Upper Kallar SHEP	5.04	6.54	3.70	4.77
Sengulam Augmentation Scheme	7.16	8.75	7.82	3.08
Thottiyar HEP	22.56	22.28	90.13	-
Pallivasal Extention Scheme	41.37	38.70	61.56	11.48
Ernadu Line Package	3.01	-	-	-

Capital Work in Progress	As at 31st March 2021 To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Renovation & Modernisation of Idukki Statge I	6.04	-	-	-
PSDF Generation	2.75	-	-	-
Chathankottunada SHEP	3.8	3.8	6.33	-
Upper Kallar SHEP	5.04	3.7	5.6	0.72
Sengulam Augmentation Scheme	8.75	7.82	3.72	2.9
Thottiyar HEP	22.28	7.14	82.09	-
Pallivasal Extention Scheme	38.7	61.56	11.48	-
Ernadu Line Package	-	-	-	-

5. Intangible assets under development **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	31.06	14.97
Additions during the year	20.04	16.09
Deletions / Adjustments during the year	**-**	**-**
Balance as at end of the year	**51.10**	**31.06**

Intangible assets under development ageing schedule	As at 31 March 2022	As at 31 March 2021
	Projects in Progress	Projects in Progress
Less than 1 year	20.04	16.09
1-2 years	16.09	14.97
2-3 years	14.97	-

More than 3 years	-	-
Total	**51.10**	**31.06**

*There are no projects which are temporarily suspended during the current year (previous year Nil)

6 Investments - Consolidated using equity method **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
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	38.25	34.01
Investment in associate during the year		-
Add:Financial Reporting of Interests in associate		
Profit / (Loss) for the period	3.13	2.92
Other comprehensive income		-
Dividend received		-
Other restatements of prior years	-	1.32
Closing net assets (i)	**41.38**	**38.25**
Baitarni West Coal Company Ltd		
Investment in Equity of joint venture company	10.00	10.00
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	10.99	10.70
Investment in Joint venture during the year		-
Add:Financial Reporting of Interests in Joint Ventures		
Profit / (Loss) for the period	0.27	0.29
Other comprehensive income		-
Dividend received		-
Closing net assets (ii)	**11.26**	**10.99**

Kerala Fibre Optic Network Ltd		
Investment in Equity of associate company	0.49	0.49
490000 equity shares of face value Rs 10 each (Previous year - 490000 equity shares of face value Rs 10 each)		
Percentage of interest	49%	49%
Reconciliation to carrying amounts		
Opening carrying amount	0.51	0.49
Investment in associate during the year		-
Add:Financial Reporting of Interests in associate		
Profit / (Loss) for the period	0.02	0.02
Other comprehensive income		-
Dividend received		-
Closing net assets (iii)	**0.53**	**0.51**
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	2.66	1.70
Investment in Joint venture during the year		
Add:Financial Reporting of Interests in Joint Ventures		-
Profit / (Loss) for the period	0.99	0.96
Other comprehensive income		-
Dividend received		-
Closing net assets (iv)	3.65	2.66
Share of net profit of associates accounted for using the equity method	**4.41**	**5.51**
Total Closing net assets (i+ii+iii+iv)	**56.81**	**52.40**

6.1 The Board of Directors of the company in the 39th meeting held on 24.04.2018 resolved that KSEB Ltd, opt out of the joint venture company namely Baitarani West Coal Company Ltd after complying the required formalities and obtaining the concurrence of the Government of Kerala. Government of Kerala vide G.O.(Ms)No.5/2015/PD dated 06.04.2019 approved the resolution of the Board of Directors of KSEB Ltd in the 39th meeting held on 24.04.2018 subject to the condition that interest/s of KSEBL/Government shall not be endangered under any circumstances while withdrawing from Baitarani West Coal Company Ltd.

7 Trade receivables - Non current ₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Secured considered good	-	-
Unsecured considered good	76.10	407.77
Less: Allowance for bad and doubtful debts	-	-
Total	**76.10**	**407.77**

7.1 This amount inludes ₹ 76.10 Crores relating to the dues of Kerala Water Authority to be settled with the Government of Kerala. This has been taken up with the Government of Kerala vide Letter No.B&P/KWA Arrears/2022-23 dated 06.07.2022. The company expect a favourable decision from the Government hence no provision has been provided for this amount.

7.2 Outstanding for following periods from due date of payment:

Un disputed Trade receivables- Considered good:	As at 31 March 2022	As at 31 March 2021
Less than 6 months	-	-
6 months-1 year	-	-
1-2 years	-	-
2-3 years	**-**	**407.77**
More than 3 years	76.10	-
Total	**76.10**	**407.77**

8 Other financial assets - Non current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit		
Unsecured and considered good	29.94	26.76
Less: Allowance for Doubtful Deposits	-	-
Unsecured, considered good		
Receivable from Government of Kerala	607.70	1,189.20
Advance - others*	25.29	26.21
Balances with Banks:		
In deposit accounts with remaining maturity more than 12 months	10.84	2.29
Total	**673.77**	**1,244.46**

*Advance others includes the commitment advance given to the Cheyyur,Ghogarpalli and Tatiya Ultra Mega Power Projects amounting Rs. 16.78 crores. Subsequent to the direction by Ministry of Power for the closure of various UMPPs, KSEBL has requested M/s. PFC Ltd to close the SPVs formed for the UMPPs. The company had requested Government to take up the early closure of the projects and refund of commitment advance along with the accumulated interest. The company has decided to opt out from the UMPPs at Cheyyur, Tatiya and Ghogarpalli as the projects were held up due to various reasons beyond our control and considering the risk involved.

Advance includes Rs. 6 Crores (PY ₹ 7 Crores) being amount given to Kerala Hydel Tourism Centre.

9 Non Current Tax assets (Net) **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current tax assets (net)	28.46	24.25
Less Provision for tax	-	-
Total	**28.46**	**24.25**

10 Other Non Current Assets **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances		
Unsecured considered good	347.04	330.66
Doubtful	-	-
Others		
Advance Agricultural Income Tax	0.22	0.22
Total	347.26	330.88

11 Inventories **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Oils & Lubricants	1.44	1.38
Stores & spares	657.66	681.88
Others	64.41	2.17
(Less) Provision for Shortages and Obsolescence	(0.40)	(0.47)
Total	**723.11**	**684.96**

12 Trade receivables - Current

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables		
Secured, considered good	-	-
Unsecured considered good		
Sundry Debtors for Sale of Power	2,155.58	1,844.17
Sundry Debtors for Inter State Sale of Power	3.46	3.47
Sundry Debtors for Electricity Duty	141.19	132.10
Sundry Debtors (Miscellaneous)	86.03	139.19
Considered Doubtful		
Sundry Debtors for Sale of Power	382.89	439.19
Less: Allowance for Bad and Doubtful Debts	(382.89)	(439.19)
Total	**2,386.26**	**2,118.93**

12.1

Outstanding for following periods from due date of payment:	As at 31 March 2022	
	Undisputed Trade receivables- Considered good	Undisputed Trade receivables - credit impaired
Less than 6 months	1,273.31	-
6 months-1 year	300.49	16.28
1-2 years	386.16	65.99
2-3 years	288.77	49.35
More than 3 years	137.53	250.91
Total	**2,386.26**	**382.53**
Less: Allowance for expected credit loss		**382.53**
Net trade receivable		**2,386.26**

Outstanding for following periods from due date of payment:	As at 31 March 2021	
	Undisputed Trade receivables- Considered good	Undisputed Trade receivables - credit impaired
Less than 6 months	1,325.34	-

6 months-1 year	276.09	13.97
1-2 years	406.42	67.51
2-3 years	25.58	4.25
More than 3 years	85.50	353.46
Total	**2,118.93**	**439.19**
Less: Allowance for expected credit loss		**439.19**
Net trade receivable		**2,118.93**

12.2 Movement in the expected credit loss allowance **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	439.19	789.31
Less: balance written off recovered during the year	-	-
Less:provision written off during the year	(56.30)	(350.12)
Balance at the end of the year	382.89	439.19

13 Cash & Cash Equivalents **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with bank		
in current accounts	264.29	55.10
in treasury accounts	0.68	189.02
Deposits with original maturity less than 3 months	-	0.33
Cash on hand	4.92	5.94
Total	269.89	250.39

13.1 Cash & Cash Equivalents considered for Cash Flow Statement **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with bank as above	264.97	244.45
Cash on hand as above	4.92	5.94
Bank over draft	(47.23)	(135.67)
Total	**222.66**	**114.72**

14 Bank balances other than cash and cash equivalents

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks includes		
Term deposits with banks (due to mature with in 12 months of the reporting date	176.77	180.98
Total	**176.77**	**180.98**

15 Other financial assets - Current

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Receivable from Government of Kerala	740.43	921.41
Rent Receivable	0.08	0.08
Interest Accrued But Not Due	4.07	3.74
Total	**744.58**	**925.23**

16 Other Current Assets

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Recoverables from Employees	5.86	6.40
Advance to Contractors & Suppliers	5.41	7.98
Unbilled revenue receivable	1,147.27	1,111.19
Others		
Inter Unit Balances	76.74	78.05
Total	**1,235.28**	**1,203.62**

17 Equity Share capital

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
Equity Shares of Rs 100/- each Nos		
Nos	5000000000	5000000000
₹ in Crores	5,000.00	5,000.00
Issued		
Nos	3499050000	3499050000
₹ in Crores	3,499.05	3,499.05

Subscribed and Paid-up		
Nos	3499050000	3499050000
₹ in Crores	3,499.05	3,499.05
Equity Shares		
At the beginning of the year		
Nos	3499050000	3499050000
₹ in Crores	3,499.05	3,499.05
Issued during the year		
Nos	-	-
₹ in Crores	-	-
Outstanding at the end of the year		
Nos	3499050000	3499050000
₹ in Crores	3,499.05	3,499.05

17.1 Vide G.O.(MS) No.17/2015/PD dated 13.05.2015 the equity capital of Government in Kerala State Electricity 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**

17.4 Details of shares held by promoters

Promoter Name	As at 31.03.2022	
	No. of shares	% of total shares
Honourable Governor of Kerala	3499050000	100%

** There is no change in the percentage of shareholding held by the promoter*

Promoter Name	As at 31.03.2021	
	No. of shares	% of total shares
Honourable Governor of Kerala	3499050000	100%

*There is no change in the percentage of shareholding held by the promoter

18 **Other equity** **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Retained Earnings	(5,268.05)	(6,008.73)
Other Comprehensive income		-
Remeasurements of Defined Benefit Plans Gains	(13,896.02)	(12,929.36)
Total Other Equity	**(19,164.07)**	**(18,938.09)**
Retained Earnings		
Opening Balance	(6,008.73)	(5,539.16)
Less: Loss for the year	740.68	(469.57)
Add/(Less) Adjustments due to restatement	-	-
Closing Balance	(5,268.05)	(6,008.73)
Other Comprehensive income		
Opening Balance	(12,929.36)	(8,539.08)
Less: Loss for the year	**(966.66)**	**(4,390.28)**
Add/(Less) Adjustments due to restatement		
Closing Balance	**(13,896.02)**	**(12,929.36)**

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 2022	As at 31 March 2021
Bonds		
Unsecured Bonds	8,371.74	9,129.73
Term Loans		
From Banks		
Secured Loans	1,086.04	1,223.31
From Others		
Secured Loans	4,857.12	5,363.75
Total	**14,314.90**	**15,716.79**

No guarantee issued by the Government of Kerala or any of its PSUs in support of borrowing by the KSEB Ltd

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 ₹321.83 crores in respect of 9% bond has been redeemed. The amount of ₹557.14 required for the redemption of 9% bond (including interest of ₹235.31 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."

Bonds are unsecured but are guaranteed under the scheme by the company and Government of Kerala

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 instalments up to 31 October 2029. The applicable interest rate presently is 8.05%.

(ii) Term loan from South Indian Bank for commissioning of Barapole Small Hydro Electric Power Project (SHEP) which is to be paid in monthly instalments up to 29 February 2028. The applicable interest rate presently is 8%.

(iii) a. Term loan from NABARD for commissioning Banasura Sagar SHEP and Upper Kallar SHEP. The applicable interest rate presently is2.75- 6.25%. Repayment not yet started.

b. Term loan from NABARD for Solar plant at Pothencode and Thalakulathur. Repayment not yet started

c. Term loan from NABARD for Peruvannamuzhi SHEP. Applicable interest rate presently is 2.75% and the repayment not yet started

(iv). Term loan availed from Indian bank for purchasing the Electric Vehicle, which is to be paid in monthly instalments upto 31.03.2029. The applicable interest rate presently is 6.75%

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 instalments 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 instalments up to 15 July.2033. The applicable interest rate presently is 10.25%.

(b) For commissioning Kakkayam SHEP which is to be paid in monthly instalments up to 15 January.2034. The applicable interest rate presently is 10-10.35%.

(iii) Term loan from REC Limited :

(a) For commissioning Poringalkuthu SHEP for which the repayment is not finalised. The applicable interest rate presently is 9.75- 10.25%.

(b) For commissioning Bhoothankettu SHEP for which the repayment is not finalised. The applicable interest rate presently is 9.5- 10.25%.

(c) For laying Kattakada-Pothencode Transmission Line which is to be paid in monthly instalments up to 31 March 2026. The applicable interest rate presently is 11.39- 11.5%.

(d) As laying Transmission lines across Kerala which is to be paid in monthly instalments up to 01 January 2032. The applicable interest rate presently is 9.01- 10.66%.

(e) As part of various schemes across 23 Distribution Circles which is to be paid in monthly instalments up to 01 January 2032. The applicable interest rate presently is 9.26-10.16%.

(f) As part of RAPDRP Part B Scheme which is to be paid in monthly instalments up to 30 December 2027. The applicable interest rate presently is 9.26-10.16%.

(g) As part of RGGVY Scheme which is to be paid in monthly instalments up to 28 February 2028. The applicable interest rate presently is 10.25-11%.

(h) As part of DDG Scheme for which the repayment is not finalised. The applicable interest rate presently is 11%.

(i) As part of Special Assistance which is to be paid in monthly instalments up to 31 March 2032. The applicable interest rate presently is 10-10.9%.

(iv) Term loan from Kerala Financial Corporation

a. Long term loan has been availed for various purpose which is to be paid in monthly instalments upto30 September 2030. The applicable interest rate presently is 9%

b. Medium loan has been availed from various purpose which is to be paid in monthly instalments Upto 31st May 2025. The applicable interest rate presently is 8%

c. Long term loan-II has been avialed for various purpose which is to be paid in monthly instalments upto 31.03.2032. The applicable rate presently is 8%

v. Term loan from M/s. Indian Renewable Energy Development Agency has been availed for various purpose which is to be paid in monthly intalments upto 30.11.2022. The applicable interest rate presently is 7.75%

19.4 The Assets of the compnay is mortgaged as security against the long terms loans availed from banks and Financial Institutions. In the case of Project Specific loans future assets created out of the projects itself is the security.

19.5 Default in repayment of borrowings **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Bonds		
Principal & interest	-	713.72
Term Loans		
Principal & interest	-	-

20 Other financial liabilities - Non current at amortised cost **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit from consumers	3,235.94	3,207.98
Interest payable on consumers deposit	314.11	321.53
Amount received from KIIFB & DRIP*	1,299.10	903.68
Total	**4,849.15**	**4,433.19**

* As the terms and conditions of the amount received from Kerala Infrastructure Investment Fund Board (KIIFB) and Dam Rehabilitation and Improvement Project (DRIP) is not finalised, the same is classified as an other financial liability and neither finance cost nor maturities of dues are considered in the financial statements.

21 Provisions - Non current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employee Benefits		
Contributory Provident Fund	0.04	0.04
General provident Fund	2,783.61	2,430.72
Terminal benefits as per actuarial valuation	14,788.55	13,248.78
Others		
Provision for Interest on bonds adjustable against Electricity duty	463.03	666.77
Provision for Pay revision	-	483.53
Total	**18,035.23**	**16,829.84**

22 Other liabilities - Non Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Decommissioning Liability	29.01	26.26

Deferred revenue on government grants	2,231.08	1,683.77
Deferred revenue on deposit works	2,101.13	1,867.10
Total	**4,361.22**	**3,577.13**

23 Borrowings - Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Secured borrowings at amortised cost		
From banks		
Bank Overdraft	47.23	135.67
Demand Loan	1,038.40	636.00
Short term Loan	500.00	400.00
Current maturities of long term borrowings from others	1,236.17	645.14
Current maturities of long term borrowings from bank	153.22	152.28
Un secured borrowings at amortised cost		
Demand Loan	415.00	500.56
Current maturities of bonds	710.88	729.03
From others		
Bond principal and interest due		713.72
Total	**4,100.90**	**3,912.40**

No guarantee issued by the Government of Kerala or any of its PSUs in support of borrowing by the KSEB Ltd

Overdraft from State Bank of India and Union Bank of India secured with Trade Receivables Demand Loan from State Bank of India, Union Bank of India and Canara Bank secured with Trade Receivables Short term Loan from REC Ltd secured with Trade Receivable Refer note no. 20.1 for details on terms and conditions of borrowings.

24 Trade payables - Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Payables for supply of power	1,821.29	1,726.15
Payables for supply of materials and services	191.53	169.26
Payables for Expenses	192.76	217.33
Total	**2,205.58**	**2,112.74**

24.1 The vendor balances on purchase of power are unreconciled to the extent of Rs.97.21 crores (Previous Year 64.15 crores) (Dr), from suppliers of power due to disagreement in the claim ability of costs. Further, an amount of Rs.8.64 (Previous year Rs.57.20 crores)(Cr) is booked in excess of the confirmations received from vendors. The management 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 2022 as required by Micro, Small and Medium Enterprises Development Act, 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 2021-22 is as follows:

₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
a) Amount remaining unpaid to any supplier:		
Principal amount	0.89	1.76
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, 2022. 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.

24.3 Trade payables ageing schedule ₹ in Crores

Outstanding for following periods from due date of payment:	As at 31 March 2022	
	Outstanding dues of Micro enterprises and Small enterprises	Others
Less than 1 year	0.89	1,283.63
1-2 years	-	253.02
2-3 years	-	157.90
More than 3 years	-	510.14
Total	**0.89**	**2,204.69**

Outstanding for following periods from due date of payment:	As at 31 March 2022	
	Outstanding dues of Micro enterprises and Small enterprises	Others
Less than 1 year	1.76	1,400.66
1-2 years	-	173.61
2-3 years	-	182.29
More than 3 years	-	354.42
Total	**1.76**	**2,110.98**

25 Other financial liabilities - Current ₹ in Crores

Particulars	As at 31 March 2022	As at 31 March 2021
Liability for capital supply/works	90.05	94.72
Staff related liabilities and provisions	222.83	408.22
Deposit and Retentions from Suppliers/Contractors	488.51	514.43
Accrued/Unclaimed amount relating to borrowings	267.63	244.78
Deposit for Electrification, Service connection etc	553.20	649.68
Total	**1,622.22**	**1,911.83**

25.1 Staff related liabilities and provision of previous year includes Rs. 20 crore being the advance contribution to the Chief Ministers Distress Relief fund(CMDRF). Vide B.O.(DB)No.522/2021/FA/Deferred salary/2020-21 dated 06.07.2021 resolved to adjust the further contribution from the employees of KSEB Ltd. to CMDRF against the advance contribution of Rs.20 crore already remitted by the company to the CMDRF and further resolved to treat the remaining balance after the above adjustments as KSEB Ltd.'s contribution to the CMDRF. During the year after adjusting the advance against contribution from the employess towards CMDRF an amount of Rs.7.94 Cr treated as expenditure of the compnay.

26 Provisions - Current **₹ in Crores**

Particulars	As at 31 March 2022	As at 31 March 2021
Dearness Allowance arrears	19.40	19.10
Provision for pay revision	483.53	527.47
Terminal benefits	2,503.52	2,039.95
Provision for Interest on bonds adjustable against Electricity duty	203.74	235.31
Total	**3,210.19**	**2,821.83**

27 Revenue from operations **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interstate	0.38	2.13
Domestic	5,999.00	6,206.67
Commercial	3,316.84	2,929.97
Public Lighting	175.27	179.53
Irrigation & Dewatering	109.52	114.54
Industrial L T	878.89	801.40
Railway Traction	200.52	101.70
Bulk Supply	336.76	322.68
High tension	2,910.88	2,527.31
Extra high tension	712.93	517.76
Trading	1,023.93	102.50
Misc. Receipts/Charges from Inter State Trading of Energy	101.42	45.98
Electricity Duty	1,006.31	944.97
Other State Levies	21.90	16.68
Meter Rent/Service Line Rental	102.31	99.47
Recovery of theft/Mal practices	1.52	10.12
Wheeling Charge recoveries	2.17	2.89

Misc. Charges from Consumers	89.70	88.88
Total revenue from sale of power	16,990.25	15,015.18
Less: Electricity Duty Payable	1,006.31	944.97
Less: Other State Levies Payable	21.90	16.68
Total (A)	**15,962.04**	**14,053.53**
Other Operating Income		
Rebate Received	123.71	150.52
Interest Advances to Suppliers/Contractors	20.03	0.04
Income from sale of bulbs, Scrap, Tender form etc	142.00	119.66
Miscellaneous Receipts	119.15	97.09
Total (B)	**404.89**	**367.31**
Total (A+B)	**16,366.93**	**14,420.84**

27.1 Unbilled revenue is estimated on monthly and bi-monthly billed consumers belonging to various tariff categories, an amount of ₹ 1,147.27 crores is recognized as unbilled revenue as at 31.03.2022(Previous year ₹ 1,111.19 crores) and classified as other current assets. The unbilled revenue is estimated based on the billing pattern of customers vis-a-vis one month billing of month subsequent to the close of the year for domestic customers, bill raised in the subsequent month for HT&EHT consumers and for all other consumers 15 days billing of month subsequent to the close of the year.

28 Other Income **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest Income		
Interest on belated payment of charges	227.57	147.51
Staff Loans and Advances	0.05	0.06
Income From Loans &others	0.69	0.01
Banks	7.50	8.51
Clawback of Grant	309.88	245.69
Reversal of provision on doubtful debts	56.30	328.88
Other receipts	16.70	18.10
Total	**618.69**	**748.76**

29 Purchase of Power **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Power purchased from Central Generating Stations	2,605.78	2,502.26

Power purchased from Others	4,764.89	4,806.82
Power purchase from Solar plants	33.32	3.11
Power purchased from Wind Generating Stations	99.29	43.84
Wheeling Charges	1,023.61	618.78
Other charges on sale through power exchange	5.27	2.39
Total	**8,532.16**	**7,977.20**

30 Generation of Power **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Oil	0.13	4.06
High Speed Diesel Oil	-	0.12
Lubrication Oil	0.21	0.11
Consumable stores	0.83	0.51
Total	**1.17**	**4.80**

31 Repairs & Maintenance **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Plant and Machinery	39.35	34.11
Buildings	6.82	6.90
Civil Works	12.42	9.67
Hydraulic Works	4.04	2.69
Lines, Cable Network etc.	227.23	201.16
Vehicles	2.08	2.05
Furniture and Fixtures	0.42	0.30
Office Equipments	3.21	2.91
Total	**295.57**	**259.78**

32 Employee Benefits **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries & allowances	3,615.86	3,478.60
Over Time/Holiday Wages	0.38	0.37
Dearness Allowance	413.42	711.29
Other Allowances	170.12	77.17

Bonus	9.06	9.75
Leave Travel Assistance	0.05	0.02
Earned Leave Encashment	144.36	169.64
Payment under Workmen's Compensation Act	0.37	0.31
Leave Salary & Pension Contribution	45.71	25.02
Funeral Allowance	0.10	0.07
Medical Expenses Reimbursement	13.90	11.72
Staff Welfare Expenses	5.02	4.48
Terminal Benefits	0.48	0.28
(Less) employee cost capitalised	(551.48)	(577.94)
Total	**3,867.35**	**3,910.78**

Salaries & allowances includes provision for gratuity compensated absences and pension to the extent of ₹ 10.91 crores , ₹ 30.96 crores and ₹ 994.81 crores respectively. (Previous year ₹63.11 crores, ₹64.21 and ₹ 822.66 crores respectively). Provision for pay revision arrears charged in the year is Nil (previous year ₹ 585 crores).

33 Finance Cost **₹ in Crores**

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Finance Charges on Financial Liabilities Measured at Amortised Cost		
Interest expense		
Interest on other loans/deferred credits	747.52	730.69
Interest to Consumers	136.20	149.07
Interest on bond issued to master Trust	651.52	692.24
Interest on Borrowings for Working Capital	122.99	154.36
Other interest and finance charges		
Interest on General Provident Fund	178.06	160.69
Other Charges	11.24	2.17
Less: Interest and Finance Charges Capitalised	(229.28)	(162.86)
Total	**1,618.25**	**1,726.36**

34 Depreciation, Amortisation and Impairment Expenses **₹ in Crores**

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Depreciation		

Depreciation - Buildings	28.46	26.56
Depreciation - Hydraulic Works	64.12	67.13
Depreciation - Other Civil Works	25.36	24.32
Depreciation - Plant & Machinery	268.42	257.43
Depreciation - Line Cable & Network	703.61	606.58
Depreciation - Vehicles	0.70	1.28
Depreciation - Furniture & Fixtures	3.65	2.93
Depreciation - Office Equipments	45.36	21.39
Total	**1,139.68**	**1,007.62**
Amortisation		
Amortisation of intangible assets	0.06	0.06
Total	**1,139.74**	**1,007.68**

35 Administrative and General Expenses **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rent	10.93	11.10
Rates and Taxes	2.14	2.61
Insurance	3.57	3.77
Telephone Charges, Postage, Telegram & Telex charges	9.05	12.04
Internet charges	2.09	12.09
Legal Charges	3.34	2.29
Audit Fees	0.70	0.79
Consultancy & Technical Fees	0.87	0.94
Other Professional Charges	3.62	1.89
Notary fee and other expenses relating to CGRF and ERC	14.13	2.46
Conveyance and Travel	68.76	66.58
Fees and Subscriptions	0.60	0.67
Online payment Transaction charges	5.83	3.57
Books and Periodicals	0.09	0.08
Data Processing and Printing and Stationary	6.33	6.43
Advertisements, Exhibition and Publicity	0.95	0.40
Contribution to EWF	3.78	2.36
Contribution to CMDRF	7.94	-

Water Charges	0.62	0.82
Sports, Entertainment	1.02	0.80
Study Tour & Training	2.23	0.92
Electricity Duty 3(1)	136.04	129.08
Other Operative Expenses	258.42	224.94
Power factor incentive to consumers	38.61	32.29
Expenditure on Filament free Kerala Project	10.81	33.19
Expenditure NILLAVU Scheme	3.07	
Expenditure in Connection with COVID19	7.45	16.19
Expenditure in Connection with defend COVID19	1.14	3.66
Freight	17.34	13.44
Other Expenses	9.31	8.98
Less: administrative and general expenses capitalised	(17.77)	(1.49)
Total	**613.01**	**592.89**

35.1 Payment to Auditors **₹ in Crores**

Particulars	"For the year ended March 31, 2022"	"For the year ended March 31, 2021"
For Statutory Audit	0.45	0.45
For Taxation Matters	0.04	0.04
For Other Services	0.07	0.07
For Reimbursement of Expenses	0.04	0.04
Towards short provision of previous year	-	0.08
Goods and Service Tax on above	0.10	0.11
Total	**0.70**	**0.79**

36 Others **₹ in Crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rebate allowed for online payment consumers	-	8.69
Rebate on fixed charges	25.79	72.00
Discount to Consumers for timely payment of bills	2.90	3.69
Material Cost Variance	13.70	(1.96)
Research and Development Expenses	0.01	0.06

Miscellaneous	(7.83)	(0.07)
Miscellaneous Losses and Write Offs	125.56	59.12
Loss/(compensation) on account of flood cyclone etc	4.06	5.05
Total	**164.19**	**146.58**

37 Exceptional Items

₹ in Crores

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Plant and Machinery	0.37	0.66
Buildings	0.00	0.00
Civil Works	0.14	0.57
Hydraulic Works	0.01	0.20
Lines, Cable Network etc.	17.39	17.17
Total	**17.91**	**18.61**

38 Other comprehensive income

₹ in Crores

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Portion of actuarial valuation not pertains to Current year	966.66	4,390.28
Total	**966.66**	**4,390.28**

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 2022	Year ended 31 March 2021
Earnings Available to Equity Share Holders (₹ in crores)	736.27	(475.08)
weighted average no of equity shares	3,499,050,000	3,499,050,000
Face value per share (₹)	10	10
Earnings per Share (Basic & Diluted)	2.10	(1.36)

Additional information

(1) Undisclosed income: The Compnay has not left any transaction that has to be recorded as income during the year.

(2) Corporate Social Responsibility: The amount required to be spent by the company during the year: Nil

(3) Details of Crypto Currency or Virtual Currency: The company has not traded or invested in Crypto Currency or Virtual currency during the financial year.

40 Contingent liabilities, Capital liabilities and Capital commitments

₹ in crores

	Particulars	2021-22	2020-21
A. Contingent Liabilities			
1	Disputed Income-tax Matters	296.97	241.15
2	Claims against Company pending Court Orders/ Government orders (Refer Note 40.2)	104.01	104.01
3	Claim by NLC India Limited (Refer Note 40.3)	26.52	26.52
4	Claim by M/s PTCIL-Balco (Refer Note No 40.4)	71.23	71.23
5	Claim by DbFOO-Balco(Refer Note 40.4(ii)	21.21	
6	Jhabua Power Ltd (Refer Note.No.40.6)	91.95	91.95
7	Bank Guarantees invoked by Ministry of Coal against on behalf of Baitrani West Coal Company Limited	12.50	12.50
8	Pending Litigation of value more than ₹ 1 crores (Refer Note 40.1)	1,584.82	743.33
9	Difference in Vendor balance confirmations of purchase of power (Refer Note 24.1)	88.57	64.15
B. Capital Liabilities and Capital Commitments			
1	Capital liabilities becoming due for re-payment/redemption	7,332.55	7,384.48
2	Estimated value of contracts remaining to be executed	1,112.85	334.15

40.1 The Contingent liability disclosed under litigation is dispute of above Rs.1 crore. The company is confident that verdict of the litigation in various courts will be favourable.

40.2 The Commercial Tax Department has disallowed the concessional rate of tax given to M/s Kasargode Power Corporation Limited (KPCL) for purchase of LSHS Oil and directed BPCL being the supplier of LSHS Oil to collect differential amount with retrospective effect from 2001-02. M/s KPCL in turn had claimed an amount of ₹40.31 crores and interest on the increased tax rate vide invoice dated 20-3-2016. KSEBL has referred the matter to the Government of Kerala and a high-power committee was constituted for a closure on the allowability of concessional rate of tax to KPCL as the entire power is being supplied to KSEBL. The high-power committee had concluded that KSEBL should reimburse the differential tax amount of ₹38.70 crores after waiver of interest and penal interest with the approval of the council of Ministers.

Subsequently it was noticed that 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 only and the tax due was recalculated to ₹13.34 crores. Accordingly, KSEBL made a provision in the accounts for ₹13.34 crores though the claim is not fully admitted by the Company. Based on the decision of the high-power committee and the provisions of the KVAT the company approached the Government of Kerala for approval of the recalculated liability and waive off the interest claim by the commercial taxes department being raised by KPCL. As the approval of the Government is still pending an amount of ₹104.01 crores is being shown as under contingent liabilities.

The High Power Committee in the meeting held on 17-10-2017 pointed out that the Commercial Taxes Department had agreed to the grant of concessional rate of Tax on the sale of Naphtha by M/s IOC to M/s BSES Kerala Power Ltd and asserted that the similar stand to be taken in in this case as well, consequently no differential tax shall be payable by BPCL, KPCL or by KSEBL. Power Dept. vide Govt Letter No.26/B1/18/PD dated 17-06-2019 had recommended early action in this regard to the Principal Secretary (Taxes Department) and Commissioner (GST) to revise the erroneous assessment. order which is yet to be received. The company has decided to maintain status quo for provisioning for liability until the receipt of the revised order.

40.3 KSEBL has disputed the Guidelines issued by NLC for Fixation of Lignite Transfer Price during the regulation period 2019-24 in violation of Regulation 36(3) of the 2019 Tariff Regulation 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 December 2019 has been disputed and released only 95% of the bill amount. Moreover, M/s NLCIL has claimed on January 2020 Rs 26.52Cr vide Debit note towards the arrear claims as per Lignite Transfer Price guidelines which was also disputed. CERC in its Record of Proceedings dated 27-08-2020 has directed NLCIL to keep the said Guidelines in abeyance. In the interim period, till the Regulations for computation of input price of lignite is notified by the Commission, NLCIL is directed to continue with the lignite transfer price based on the MoC Guidelines issued vide order No. 28012/1/2014-CA-II dated 02.01.2015. NLCIL has submitted detailed reply to CERC on the Record of proceedings dated 27-08-2020 vide letter No: NLC/Comml/KSEB Petition/LTP guidelines/532/2020 dated 20-02-2021. Hence, the KSEBL's petition No.532/2020 seeking intervention of CERC on NLCIL's Lignite Transfer Price Guidelines of 2019-24 is not finalised..

40.4 i). KSEB had executed PPA with M/s PTC India Ltd on 13.06.2013 for the supply of 100MW RTC power from M/s BALCO, Chhattisgarh through Case 1 Bidding for the period from 01.03.2014 to 28.02.2017. M/s PTC has claimed vide invoices dated 20-12-2017 RS.57.49Crore towards ECR revision with retrospective effect based on CERC amendment order dated 08-12-2017. The claim was not admitted by KSEBL as it is not in accordance with the existing provisions of the expired PPA. M/s Adani Power Ltd has filed a Writ Petition No.887 of 2018 in the Hon'ble High Court of Delhi impugning the said notifications issued by CERC on 08/12/2017. Hon'ble High Court of Delhi had stayed the impugned notification vide interim order dated 07-02-2018. Since the matter involved in the Writ Petition is for the same cause, KSEBL filed an Application for Impleadment vide W.P(C). No.887 of 2018 in the Hon'ble High Court of Delhi on 04-07-2018. The petition was allowed and KSEBL was admitted as respondent No.7 vide order dated 11.08. 2018.The W.P(C). No.887 of 2018 is still pending before the Court.

ii) Balco has filed a petition No.317/MP/2019 dated 19 August 2019 with CERC for non-payment of Fixed charges of ₹ 13.27 crore up to 2018-19 and attributable transmission losses of ₹0.47 crores up to 2018-19. KSEBL filed counter petition before CERC on 29th July 2020 as the claim is not in accordance with the provisions of the DBFOO PSA.CERC passed order on

31/12/2021 and Balco raised a claim of ₹21.21 Cr vide supplimentary bill dtd 05/01/2022 as per CERC order , against which KSEBL has filed Appeal with Appellate Tribual for Electricity vide No. DFR/255/2022 dtd 29/06/22.

40.5 KSERC in its order dated 14.02.2020 in fuel surcharge petition No. OA 29/2019, filed by KSEBL for the period from 01.04.2019 to 30.06.2019 had disallowed excess variable charges incurred on procurement of 350 MW power based on PSAs executed with M/s Jindal India Thermal Power Ltd, M/s Jhabua Power Ltd (100MW PSA-2) and M/s Jindal Power Ltd (150 MW PSA-2) as the tariff paid for procuring power are higher than the L1 rate of Rs 4.15 per unit paid to BALCO during the respective quarter. A review petition was filed by the company before KSERC to allow additional fuel cost incurred and was rejected by the regulatory body on 14-08-2020 upholding the earlier decisions.

JITPL appealed before the tribunal against the orders passed by KSERC along with KSEBL as Respondent No.2 and obtained a stay on the order of the KSERC vide order dated 21-11-2020. Challenging this, KSERC has appealed before the Supreme Court by C.A No.41 of 2021 which is pending. The Petition no.1983/2020 dated 12-11-2020 filed by KSEBL before Hon'ble KSERC seeking Orders with respect to drawal of the 350MW of contracted power under DBFOO-Bid-2. is still pending for Final Order.

40.6 Jhabua Power Limited filed petition no.169/MP/2019 before the Central Electricity Regulatory Commission (CERC), inter-alia, seeking declaration on net Station Heat Rate (SHR) of 2347.9 kCal/kWh for calculation of fixed charge for supply of power under PSA-I and a net SHR of 2465.2 kCal/kWh for supply of power under both the PSA I & II and obtained a favourable order on 25.05.2020 thereby resulting in an additional liability of ₹91.95 Crores on KSEBL.

KSEB challenged the decision of the Central Commission the Tribunal vide appeal No.230 of 2020 and obtained an order setting aside the order of the central commission on 13-05-2021 and the issue was remitted back to the Central Commission with the direction to consider the matter afresh keeping in view that since there is only one generating unit of 600 MW capacity in the power station, and there cannot be 2 SHR for PSA 1 and PSA 2 instead adopt the highest SHR of 2465.2 kCal/kWh for both PSA's. Based on the order of the Appellate Tribunal, Jhabua Power Limited has to pay KSEBL an amount of ₹32 Crores. Challenging the judgment of Appellate Tribunal, Jhabua Power Ltd has filed Appeal before the Hon'ble Supreme Court (C.A.No 1815/2021) and is pending for disposal. As the matter is pending disposal before the Apex Court liability not acknowledged as debt for an amount of ₹91.95 crores.

40.7 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
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 employment 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	31.03.2022	-	-	-	-
	31.03.2021	-	-	-	-
Impairment allowance on Investments	31.03.2022	-	-	-	-
	31.03.2021	-	-	-	-

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 2022	Year ended 31st March 2021
1	N.S.Pillai IA&AS(upto 31.07.2021)	CMD	0.17	0.33
2	Dr.B.Ashok IAS(w.e.f. 04.06.2021)	CMD/Director	0.20	
3	Hari.V.R IRS(w.e.f.01.02.2022)	Director	0.01	
4	Venugopalan.N	Director		0.04
5	Kumaran.P(Up to 31.08.2021)	Director	0.08	0.12
6	Mini George	Director	0.35	0.20
7	Rajan.P(Up to 31.05.2021)	Director	0.15	0.20
8	Suku.R	Director	0.38	0.21
9	Radhakrishnan.G (w.e.f.10.06.2021)	Director	0.24	0.20
10	Siji Jose (w.e.f.10.06.2021)	Director	0.25	0.04
11	Rajan Joseph (w.e.f. 02.09.2021)	Director	0.18	-
12	Rajkumar.S(w.e.f. 02.09.2021)	Director	0.19	-

13	Dr. V. Sivadasan(Up to 17.04.2021)	Independent Director		0.01
14	Adv. Murugadas(w.e.f.15.06.2021)	Independent Director		-
15	Biju.R	CFO	0.25	0.18
16	Lekha.G	Company Secretary	0.25	0.17

41.3 Kerala State Electricity Board Employees Master pension and Gratuity Trust Details of Amount payable to Master Trust as on 31.03.2022

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Opening Balance	713.72	582.21
Payable during the period		
Principal repayment of 20 year bond with a coupon rate of 10% p.a.	407.20	407.20
Interest payable by the Company on 20 year bond with a coupon rate of 10% p.a	651.52	692.24
Principal repayment of of10 year bond with a coupon rate of 9% p.a.	321.83	295.25
Interest payable on 10 year bond with a coupon rate of 9% p.a	235.31	264.27
Other receipt	-	209.60
Total Payable	2,329.58	2,450.77
Less: Paid during the year	2,376.69	1,737.05
Balance payable/(Excess paid)	(47.11)	713.72

41.4 Enterprises promoted by the company
Kerala Hydel Tourism Centre
The amount of advance given as on 31.03.2022 is ₹6 Cr (previous year ₹7 Cr)

42 Segment Reporting
Disclosure as per Ind AS 108 is given below.
The Company has three reportable segments, i.e Generation, Transmission and Distribution.

42.1 Segment Results for the year ended 31 March 2022 **₹ in crores**

Particulars	Business segments			Inter Segment Elimination	Total
	Generation	Transmission	Distribution		
Segment Revenue	620.13	1,166.85	-	1,786.98	-
Sale of energy & Meter rent			15,962.04	-	15,962.04

Total	620.13	1,166.85	15,962.04	1,786.98	15,962.04
Segment result	363.13	570.43	13,280.25		14,213.82
Allocable expenses	246.76	450.44	13,803.92		14,501.12
Operating income	27.07	43.30	334.51		404.89
Other income	11.00	41.94	565.75	-	618.69
Profit before taxes	154.45	205.23	376.59	-	736.27
Tax expenses	-	-	-	-	-
Net profit / (loss) for the year	154.45	205.23	376.59	-	736.27
Other comprehensive income	(45.65)	(94.07)	(826.94)	-	(966.66)
Total comprehensive income	108.80	111.16	(450.35)	-	(230.39)

42.2 Segment Results for the year ended 31 March 2021 **₹ in crores**

Particulars	Business segments			Inter Segment Elimination	Total
	Generation	Transmis-sion	Distribution		
Segment Revenue	707.47	1,164.07	-	1,871.54	-
Sale of energy & Meter rent	-	-	14,053.54	-	14,053.54
Total	707.47	1,164.07	14,053.54	1,871.54	14,053.54
Segment result	350.28	573.29	11,527.99	-	12,451.56
Allocable expenses	233.90	453.30	13,355.50	-	14,042.70
Operating income	-	-	-	-	-
Other income(net)	14.79	81.81	1,019.47	-	1,116.07
Profit before taxes	131.17	201.80	(808.04)	-	(475.08)
Tax expenses	-	-	-	-	-
Net profit / (loss) for the year	131.17	201.80	(808.04)	-	(475.08)
Other comprehensive income	(207.34)	(427.23)	(3,755.72)	-	(4,390.28)
Total comprehensive income	(76.17)	(225.43)	(4,563.76)	-	(4,865.36)

42.3 Segment assets and liabilities as at 31 March 2022 ₹ in crores

Particulars	Business segments			Total
	Generation	Transmission	Distribution	
Segment assets				
Allocable assets	11,954.20	3,859.41	17,705.73	33,519.34
Total assets	11,954.20	3,859.41	17,705.73	33,519.34
Segment liabilities				
Allocable liabilities	13,793.05	4,812.07	18,392.93	36,998.05
Total liabilities	13,793.05	4,812.07	18,392.93	36,998.05
Other information				
Capital expenditure				
Capital expenditure (Allocable)	1,838.85	952.67	687.19	3,478.71
Depreciation and amortisation (allocable)	180.23	276.66	682.85	1,139.74
Depreciation and amortisation (unallocable)	-	-	-	-
Other significant non-cash expenses	-	-	-	-

42.4 Segment assets and liabilities as at 31 March 2021 ₹ in crores

Particulars	Business segments			Total
	Generation	Transmission	Distribution	
Segment assets				
Allocable assets	11,584.65	1,954.31	18,016.78	31,555.74
Total assets	11,584.65	1,954.31	18,016.78	31,555.74
Segment liabilities				
Allocable liabilities	13,300.22	3,671.79	18,872.79	35,844.80
Total liabilities	13,300.22	3,671.79	18,872.79	35,844.80
Other information				
Capital expenditure				
Capital expenditure (Allocable)	1,726.36	1,708.07	854.63	4,289.06
Depreciation and amortisation (allocable)	179.25	247.04	581.39	1,007.68
Depreciation and amortisation (un-allocable)	-	-	-	-

Other significant non-cash expenses	-	-	-	-

43 Taxation

Even though the company reported profit during the period,provision for current tax is not provided in the accounts since the company has significant carry forward loss eligible for set off as per the Income Tax Act

44 Generation, Purchase and Sale of Power

in Million Units

Particulars	Year ended 31 March 2022			Year ended 31 March 2021		
	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)	Unit Generated (A)	Auxiliary consumption (B)	Net(A-B)
Hydel	9,836.91	94.06	9,742.85	7,071.37	31.08	7,040.29
Thermal	-	1.16	(1.16)	7.85	1.08	6.77
Wind	1.16		1.16	1.14		1.14
Solar	20.20		20.20	28.73		28.73
Sub Total(A)	9,858.27	95.22	9,763.05	7,109.09	32.16	7,076.93
Total Power Purchased at delivery point (B)	19,532.72		19,532.72	18,912.23		18,912.23
Total Power Purchased at Kerala Periphery(C)	18,887.67		18,887.67	18,262.34		18,262.34
External loss D(B-C)	645.05		645.05	649.89		649.89
Total Generation and power purchased by KSEB alone (E)(A+B-D)	28,745.94	95.22	28,650.72	25,371.43	32.16	25,339.27
Energy injected by Private IPPs at generator end for sale outside state through open access (F)			49.28			38.66
Energy purchased by consumers through open access at Kerala periphery (G)			268.69			407.41

Total Generation and power purchased including the impact of sale/purchase of energy through open access at Kerala periphery (H)(E+F+G)			28,968.69				25,785.32
Energy sale outside the state by KSEBL at Kerala periphery (I)			2,094.41				261.43
Swap return (J)			106.28				334.82
Energy purchased by consumers through open access at consumer end (K)			253.37				388.72
Energy injected by Private IPPs at KSEB periphery end for sale outside state through open access(L)			44.04				37.14
Net Energy available in Kerala Grid for energy sale inside the State by KSEBL(M)(E-I-J)			26,450.03				24,743.02
Net energy available in Kerala Grid for consumption with in the state(N)(H-I-J-L)			26,723.96				25,132.93
Auxiliary consumption (Substations)(O)			20.77				19.03
Net Energy available in Kerala Grid for energy sale inside the State (P)(N-O)			26,703.19				25,113.90
Energy sale by KSEBL (Q)			23,499.59				22,151.60
Energy adjusted against captive injection(R)			222.23				-

Energy given to RGC-CPP for meeting auxiliary consumption(S)			8.22			-
Energy consumption within the state including open access consumers (T) (K+Q+R+S)			23,983.41			22,540.32
Loss in KSEBL system U (N-T)			2,719.78			2,592.61
Loss % in KSEBL system			10.19%			10.32%
Transmission Loss with in Kerala (V)			740.76			707.93
% transmission loss			2.77%			2.82%
Distribution lossW (R-S)			1,979.02			1,884.68
% Distribution loss			7.62%			7.72%

45 Disclosures as per the Guidelines of Additional borrowing space of 0.50 percent of GSDP linked to performance in Power sector

45.1 Energy Accounts **₹ in crores**

Particulars	2021-22	2020-21
A. Input Energy(MU)	26,429.26	24,723.99
B. Transmission Losses(MU)	740.76	707.93
C. Net Input Energy(MU)(A-B)	25,688.50	24,016.06
D. Energy Sold(MU)	23,730.04	22,151.60
E. Revenue from Sale of Energy (₹ Cr.)	15,925.96	13,755.69
F. Adjusted Revenue from Sale of Energy on Subsidy Received basis (₹ Cr)	15,925.96	13,755.69

45.1 Energy Accounts **₹ in crores**

Particulars	2021-22	2020-21
G. Opening debtors for Sale of Energy (₹ Cr.)	2,630.39	3,041.61
H. Closing Debtors for Sale of Energy (₹ Cr.)	2,614.57	2,630.39
I. Adjusted Closing Debtors for sale of Energy (₹ Cr.)	2,740.13	2,630.39
J. Collection Efficiency(%)(F+G-I)/E*100	99.31%	100.00%

K. Units Realized(MU)=Energy Sold*Collection efficiency(D*J/100)	23,566.53	22,151.60
L. Units Unrealised (MU)=(Net Input Energy-Units Realized)(C-K)	2,121.97	1,864.46
M. AT&C Losses (%)=Units Unrealised/Net Input Energy *100(L/C*100)	8.26%	7.76%

45.2 Details of Subsidy Booked and received **₹ in crores**

Particulars	2021-22	2020-21
1.Subsidy Booked	387.28	530.33
2.Subsidy received	387.28	530.33
i.Subsidy received against subsidy booked for current year	387.28	530.33
ii.Subsidy received against subsidy booked for previous year	Nil	Nil

45.3 Dues recoverable from Government Departments/State PSUs/ Subordinate officials and local bodies **₹ in crores**

Age	2021-22	2020-21
<=90 days	129.77	163.22
90-180 days	155.84	104.12
180days- one year	197.10	191.84
>1 year	795.71	419.18
Total	**1,278.42**	**878.36**

45.4 Payment of Electricity bills by Government Departments/State PSUs/Subordinate officials and local bodies **crores**

Particulars	2021-22	2020-21
Billed during the year	655.34	644.13
Payment against billed during the year	545.73	530.31

46 Generating Stations

a) Plants in operation since the beginning of the year **crores**

Sl. No.	LOCATION	Unit Capacity (in MW)	Installed Capacity (MW)
Hydel			37.50
1	Pallivasal	3X5+3X7.5	36.00
2	Poringalkuthu	4X9	50.80
3	Sengulam	4X12.7	77.65
4	Neriamangalam	3x17.5+25	32.40

5	Panniyar	2X16.2	54.00
6	Sholayar	3X18	340.00
7	Sabarigiri	4X55+2X60	225.00
8	Kuttiyadi+KES+KAES	3X25+1x50+2x50	780.00
9	Idukki	6X130	75.00
10	Idamalayar	2X37.5	15.00
11	Kallada	2X7.5	3.00
13	Peppara	1X3	180.00
14	Lower Periyar	3X60	2.00
15	Madupetty	1X2	16.00
17	Poringalkuthu Left Bank	1X16	50.00
19	Kakkad	2X25	2.50
20	Malampuzha	1X2.5	2.70
22	Chembukadavu I	3X0.90	3.75
23	Chembukadavu II	3X1.25	6.15
24	Urumi I&II	3X1.25+3X0.8	10.50
25	MSHEP Malankara	3X3.5	3.50
26	Lower Meenmutty	2X1.5+1X0.5	3.75
28	Kuttiadi Tail Race	3X1.25	4.80
30	Poozhithodu	3X1.6	4.00
31	Ranni- Perunadu	2X2	1.25
32	Peechi- HEP	1X1.25	7.50
33	Vilangad HEP	3X2.5	2.50
35	Chimmony SHEP	1X2.5	3.50
36	Adyanpara SHEP	2X1.5+.5	15.00
37	Barapole	3X5	0.01
38	PoringalKuthu Micro SHEP	0.011X1	
39	Vellathooval	1.8x2	3.60
40	Perumthenaruvi	3X2	6.00
41	Kakkayam SHEP	2X1.5	3.00
			2,058.36

Thermal			

1	KDPP	6x16	96.00
2	BDPP	3x21.32	63.96
			159.96

Wind Farm			
1	Kanjikode	9x0.225	2.03
Solar			21.51
1	Solar		8.77
2	Soura(Under Board fund)		30.28
	Total		2,250.63

b) Projects commissioned during the Year

Sl. No.	LOCATION	Unit Capacity (in MW)	Installed Capacity (MW)
1	Chathankottunada	2X3	6.00
2	Upper Kallar	1x2	2.00
	Total		8.00

c) Captive Power Plants & IPPs (in MW)

Hydro

Sl. No.	LOCATION	Unit Capacity (in MW)	Installed Capacity (MW)
1	Maniyar	3X4	12
2	Kuthungal	3X7	21
	Total		33

Private Solar

1	CIAL		38.44
2	HINDALCO		3
3	KMRL		5.4
4	Solar Procumers		229.98
	Total		276.82

Wind Farm

	Malayala Manorama		10

Thermal

	PCBL		10

IPP

1	Hydro		37.71
2	Thermal(NTPC Kayamkulam)		359.58
3	Wind		58.25
4	Solar		102
	Total		557.54
	Total		3,137.99

48 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 2022	Year ended 31 March 2021
1	NTPC	14.14	
2	NLC	0.26	
3	Power Trading Corporation of India	5.89	
4	NTPC Tamil Nadu Energy Co.Ltd	0.21	
5	NPCIL-Kaiga	1.52	
6	MAITHON	4.25	14.75
7	Jindal Power Limited	46.19	-
8	Jindal Thermal Power Limited	27.81	0.79
9	JHABUA POWER	90.91	51.58
10	Bharath Aluminium Company Ltd	6.67	-
11	Wind Generating Stations	0.14	-
12	DVC	-	0.82
	Total	**197.99**	**67.94**

49 Notes on restatement of balances as per Ind As 8

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 2021 (as previously reported)"	Increase / (decrease) due to correction of error	"31 March 2021 (restated)"	"1 April 2020 (as previously reported)"	Increase / (decrease) due to correction of error	1 April 2020 (restated)
Non current assets						
Capital work-in-progress	4,131.67	157.39	4,289.06	3,750.03	51.17	3,801.20
Other Intangible Asset	32.37	9.52	41.89	25.72	5.22	30.94
Intngible Assets under development	-	-	-	-	14.97	14.97
Total Assets	35,677.89	166.91	35,844.80	34,355.11	71.36	34,426.47
Other Equity	(14,588.58)	(4,381.42)	(18,970.00)	(12,104.43)	(2,000.21)	(14,104.64)
Non Current Financial Liabilities						
Borrowings	-	-	-	15,134.13	702.45	15,836.58
Provisions	12,294.98	4,534.86	16,829.84	10,285.92	1,901.32	12,187.24
Other non-current liabilities		-			-	
Current Financial Liabilities						
Borrowings	2,385.95	1,526.45	3,912.40	2,330.23	1,915.77	4,246.00
Trade Payables	2,102.08	10.66	2,112.74	1,991.68	111.24	2,102.92
Other financial liabilities	3,432.75	(1,520.92)	1,911.83	4,355.95	(2,611.47)	1,744.48
Provisions	2,824.55	(2.72)	2,821.83	1,876.81	52.26	1,929.07
Total equity and liabilities	**35,677.89**	**166.91**	**35,844.80**	**34,355.11**	**71.36**	**34,426.47**

Statement of profit and loss	31 March 2021 (as previously reported)	Increase / (decrease) due to correction of error	31 March 2021 (restated)
Revenue From Operations	14,420.63	0.21	14,420.84
Purchase of Power	8,057.93	(80.73)	7,977.20
Repairs & Maintenance	260.58	(0.80)	259.78
Employee benefits expense	5,153.17	(1,242.39)	3,910.78
Depreciation	1,011.98	(4.30)	1,007.68

Administrative and General Expenses	593.86	(0.97)	592.89
Other Expenses - Others	164.45	(17.87)	146.58

49.1 The details of the restated amounts with reasons are as stated below:

Sl No	Balance Sheet	Restated balance as on 31 March 2021	Amount	Restated balance as on 1 April 2021	Amount
1	Capital Work in Progress	1a. Capitalisation of employee cost provided as provision for pay revision during the year 2018-19, 2019-20 & 2020-21 has not been done in the year in which it provided. Hence an amount of Rs.66.14 adjusted in the opening balance sheet of 1 April 2021 and Rs.91.25 Cr. provided during 2020-21.	**157.39**	1b. Employee cost provided for pay revision during the year 2018-19, 2019-20 & 2020-21 was not capitalised in the year in which it was provided and the company has capitalised an amount of Rs.66.14 Crores in the opening balance sheet of 1 April 2021 .	**66.14**
				1c. An amount of Rs.14.97 Crores previously classified under Capital work in progress are reclassified as Intangible assets under development.	**-14.97**
2	Other Intangible Assets	2a. Increase of Rs.9.52 Crores due to reversal of amortisation of Intangible assets created on the Edamon-Kochi line as the life of the asset is not finite.	9.52	2b. Increase of Rs.5.22 Crores due to reversal of amortisation of Intangible assets created on the Edamon-Kochi line as the life of the asset is not finite.	5.22
3	Intangible Assets under development			Refer point 1c above	14.97
4	Other Equity	4a. Increase in pension liability of financial year 2019-20 by an amount of Rs.4532.14 Crores.	-4,532.14	4e. Increase in pension liability of financial year 2019-20 by an amount of Rs.1953.58 Crores	-1,953.58
		Refer point 1a above	157.39	Refer point 1b above	66.14

		4b. Increase in cost of power due to power banking of financial year 2019-20 Rs.27.82 Crores.	-27.82	4f. Increase in cost of power due to power banking of financial year 2019-20 Rs.111.37 Crores	-111.37
		Refer point 2a above	9.52	Refer point 2b above	5.22
		4c. Increase in other expenses Rs.6.24 Crores due errors and omissions during the financial year 2020-21	-6.24	4g. Increase in other expenses Rs.6.62 Crores due errors and omissions during the financial year 2019-20	-6.62
		4d. Remission of prior period liability in connection with write off of loan given to Energy Management Centre amounting to Rs.17.87 Crores.	17.87		
5	Borrowing -Non Current			5a. Principal repayment of bonds amounting to Rs.702.45 Crores wrongly classified now rectified	702.45
6	Provisions-Non Current	6a. Increase in provision for pension liability of Rs.5297.64 Crores in the financial year 2019-20	5,297.64	6d. Increase in provision for pension liability of Rs.2165.59 Crores in the financial year 2019-20	2,165.59
		6b. Decrease of Rs.235.31 Crores due to reclassification of provision for interest on bonds adjusted against Electricity duty	-235.31	6e. Decrease of Rs.264.27 Crores due to reclassification of provision for interest on bonds adjusted against Electricity duty	-264.27
		6c. Decrease of Rs.527.47 Crores due to reclassification of provision for pay revision arrear payable in the current year reclassified to provisions-current	-527.47		

7	Borrowings -Current	7a. Reclassification of Current maturity of loans and bond Rs.1526.45 Crores as per the revised schedule 3 ammendmemt.	1,526.45	7b. Reclassification of Current maturity of loans and bond Rs.1333.56 Crores as per the revised schedule 3 ammendmemt.	1,333.56
				7c.Reclassification of amount payble to Master trust Rs.582.21 Cr to borriowings from other financial liability.	582.21
8	Trade Payable-Current	8a.Increase in cost of power due to power banking of financial year 2019-20 Rs.30.64 Crores.	30.64	Refer point 4f.	111.37
		Refer point 4d.	-17.87	Refer point 4g.	-0.13
		Refer point 4c.	-2.11		
9	Other financial Liability-Current	Refer point 7a.	1,526.45	9a. Decrease of Rs.2618.22 Cr.to reclassification amount payble to Pension Master trust, current repayment maturity of loans and bonds	2,618.22
		Refer point 4c.	-5.53	Refer point 4g.	-6.75
10	Provisions-Current	10a. Decrease of pension liability in current and non current classification of Rs. 765.50 Crores.	-765.50	10b. Decrease of pension liability in current and non current classification of Rs. 212.01 Crores	-212.01
		refer point 6b	235.31	Refer point 6e.	264.27
		Refer point 6c	527.47		
11	Revene from Operation	Refer point 4c.	0.21		
13	Purchase of Power	Refer point 4b.	-80.73		
14	Repairs and Maintanance	Refer point 4c.	-0.80		

15	Employee Benefits expenses	Refer point 6a.	-1,149.92		
		Refer point 1a.	-91.25		
		Refer point 4c.	-1.62		
16	Depreciation	Refer point 2a	-4.30		
17	Administrative and General expenses	Refer point 4c.	-0.97		
18	Other expenses	Refer point 4d.	-17.87		

50 Actuarial Valuation

Actuarial valuation of retirement benefits was carried out as on 31.03.2022 by an independent actuary and provided in the accounts as detailed below.

50.1 Actuarial valuation of the earned leave liability for the period from 01/04/2021 to 31/03/2022 as per IND AS-19 Change in benefit Obligations **₹ in crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present value of obligation at the begining of the period (A)	1034.52	871.00
Service Cost (B)	95.12	89.32
Intrest cost (C)	59.97	56.05
Remeasurments (D)	8.97	99.32
Benefits Paid (E)	124.14	81.17
Closing Value of Obligations (A+B+C+D-E)	1074.44	1034.52

Valuation Assumptions

i) Financial Assumptions

The Financial and demographic assumptions on annual basis used for valuation as at the valuation date are shown below . The assumptions as at the valuation date are used to determine the present value of Demand Obligation at that date.

₹ in crores

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discounting Rate	6.90%	6.50%
Salary growth rate	9.00%	9.00%

ii) Demographic Assumption

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Withdrawal Rates	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages
ii) Mortality rate(as a % of IALM(2012-14) Ult. Mortality table) Age in years		
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%
Normal retirement age	56&60 years	56&60 years
Leave encashment rate during employment	10%	10%
Leave Availment Rate	2.00%	2.00%

50.2 Actuarial valuation of the gratuity liability for the period from 01/04/2021 to 31/03/2022, as per IND AS-19

Change in benefit Obligations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present Value of obligation at the beginning of the period (A)	**2,446.39**	**2,094.49**
Service Cost (B)	150.77	135.55
Interest Cost (C)	106.65	100.14
Remeasurements (D)	-90.15	288.79
Benefits paid (E)	246.50	172.58
Closing value of Obligation(A+B+C+D-E)	**2,367.16**	**2,446.39**

Valuation Assumptions
i) Financial Assumptions

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discounting Rate	6.90%	6.50%
Salary growth rate	9.00%	9.00%

ii) Demographic Assumption

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Withdrawal Rates	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages
ii) Mortality rate(as a % of IALM(2012-14) Ult. Mortality table) Age in years		
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%
Normal retirement age	56&60 years	56&60 years
Average future service	10.37	10.61

50.3 Actuarial valuation of the Pension liability for the period from 01/04/2021 to 31/03/2022, as per IND AS-19. Change in benefit Obligations. **₹ in crores**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present Value of obligation at the beginning of the period (A)	**31,031.38**	**26,184.79**
Service Cost (B)	349.52	351.53
Interest Cost (C)	1,905.70	1,736.75
Remeasurements (D)	1,117.59	4,045.95
Benefits paid (E)	2,021.66	1,287.64
Closing value of Obligation(A+B+C+D-E)	**32,382.53**	**31,031.38**

Change in Plan assets

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening value of Plan assets (A)	**19,277.74**	**19,255.97**
Interest Income (B)	1,260.42	1,265.63
Return on plan assets exluding amounts included in interest income(C)	69.75	43.78
Benefits paid (D)	2,021.66	1,287.64
Closing value of Plan assets (A+B+C-D)	**18,586.25**	**19,277.74**

Valuation Assumptions

i) Financial Assumptions

The principal financial assumption used in the valuation are shown in the table below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discounting Rate	7.15%	6.90%
Salary Growth rate	3.00%	3.00%
Pension Growth rate	5.00%	5.00%

ii) Demographic Assumption

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
i)Withdrawal Rates	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages	6.00% p.a. at younger ages reducing to 1.00% p.a at older ages
ii) Mortality rates for employees	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Mortality rates for pensioners	75% of LIC(1996-98) Mortality table	75% of LIC(1996-98) Mortality table
iv) Retirement Age (Years)	56	56

Summary of Actuarial Valuation as on 31.03.2022

Particulars	Pension	Earned Leave	Gratuity	Total
Opening balance(A)	31,031.38	1,034.52	2,446.39	34,512.29
Current year				
1.Service Cost	349.52	95.12	106.65	551.29
2.Interest Cost	1,905.70	59.97	150.77	2,116.44
3.Remeasurement	1,117.59	8.97	-90.15	1,036.41
Total B(1+2+3)	3,372.81	164.06	167.27	3,704.14
Benefit paid(C)	2,021.66	124.14	246.50	2,392.30
Closing definded obligationD(A+B-C)	32,382.53	1,074.44	2,367.16	35,824.13
Closing value of plan assets(E)	18,586.23			18,586.23
Net Liability(Asset)(D-E)	13,796.30	1,074.44	2,367.16	17,237.90

50.4 The actuarial valuation of Pension liability for the year ended 31 March 2022, shows a significant increase in the pension liability as compared to earlier years. Based on expert opinion obtained, it was identified that variance was on account of undervaluation of the liability for Pension fund and plan assets in the earlier years which constures as an error.

As per Indian Accounting Standard 8, Accounting Policies, Changes in Accounting Estimates and Errors, in case of any error/ omission in estimation of prior year's estimates, the liability or asset has to be restated in the year in which the error/omission has occured. Expert opinion from an actuary was obtained for the revised valuation of the liability/asset from the financial year 2019-20 onwards and the effect of error is incorporated in the respective years. The errors were on account of expert opinions on actuarial valuation of liability/asset obtained in the prior years. The reconciliation of valuation of liability/asset between audited financial statements of the previous years and the revised actuarial report is stated below.

Particulars	As per audited Financial Statement	As per revised Acturial valuation Report	Difference	Gratuity
2019-20				
Defined Benefit Obligation Fair Value of Plan Asset	17,394.24 12,419.00 **4,975.24**	26,184.78 19,255.96 **6,928.82**	8,790.54 6,836.96 **1,953.58**	₹ 1,953.58 Cr. Restated in the opening balance of Terminal Liability as on 01.04.2020.
2020-21				
Defined Benefit Obligation Fair Value of Plan Asset	19,640.51 12,419.00	31,031.37 19,277.72	11,390.86 6,858.72	₹ 2,578.56 Cr. accounted as additional terminal liability for the year and the corresponding effect was incorporated in the -
 Employee Cost OCI	**7,221.51** 1,972.58 273.69	**11,753.65** 822.66 4,002.17	**4,532.14** -1,149.92 3,728.48	₹-employee cost and OCI of the previous year 2020-21 and the balance ₹ 1,953.58 was restated in the opening balance as on 01.04.2020.

51 Going Concern

KSEB Ltd. is the only integrated Electricity Company in the State of Kerala providing electricity to around 1.34 Crore customers in the state. The company is fully owned by the Government of Kerala. The Company has not defaulted in honouring liabilities. Electricity business being regulated by Electricity Act, 2003, the state regulator has so far approved ₹ 7,123.65 crore till 31.03.2021 out of the accumulated loss of ₹19,200.39 crore. 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. Accordingly, the financial statement has been prepared on the basis of the Going Concern assumption.

52 Other Matters

52.1 The company has procured 54.6(previous year 125.95) Million Units at traders delivery point through swap arrangement during 2021-22 and returned 106.28 Million Units (Previous Year: 344.82 Million Units) as swap arrangement at Kerala Periphery.

52.2 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

52.3 In the 66 th board meeting held on 27.07.2022 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 31.03.2022 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 ₹1154.77 crores (previous year ₹1081.97 crores) is netted off with the amount receivable from the Government.

52.4 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.

52.5 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.

52.6 Figures for the previous year have been re arranged and regrouped wherever necessary.

53 a) Expenditure in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Travelling	-	-
Professional & Consultation fee	-	-
Interest	-	-

Others	-	-
Total	-	-

b) CIF Value of Imports

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Raw materials	-	-
Capital goods	-	-
Components & Spares	-	-
Total	-	-

54 Ratios analysis

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change
(a) Current Ratio	Current assets	Current liabilities	0.50	0.50	-0.32%
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	(1.17)	(1.27)	-7.56%
(c) Debt- Service Coverage Ratio	Earnings available for debt service	Debt Service	0.60	0.38	57.24%
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	(0.05)	0.04	229.64%
(E) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA
(f) Trade Receivablles Turnover Ratio	Net Sales	Avg. Accounts Receivable	6.56	5.67	15.75%
(g) Trade Payables turnover ratio	Net Purchases	Average Trade Payables	3.95	3.78	4.41%
(h) Net capital turnover ratio	Net Sales	Working Capital	(2.92)	(2.67)	9.28%
(i) Net Profit ratio	Net Profit	Net Sales	0.04	(0.03)	236.55%
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed	0.87	0.30	188.25%
(k) Return on Investment	"Income generated from invested funds"	"Average invested funds (excluding investment in subsidiaries)"	NA	NA	NA

Explanation for change in the ratios by more than 25%: Net profit ratio has increased by 236.55% mainly on account of increase in sale of power generated by the company through power exchanges. Return on Capital employed, Debt Service Coverage Ratio and Return on Equity has increased by 188.25%, 57.24% and 229.64% respectively on account of increase in earnings before interest, tax, depreciation, tax and amortization.

55 Other statutory information:

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. The Company has not traded or invested in Cryptocurrency or Virtual Currency during the year ended March 31, 2022.

c. The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

d. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

e. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f. The Company do not have any transactions with companies struck off.

g. The Company has not been declared as a Wilful Defaulter by any bank or financial institution or Government or any Government authority.

h. The following loans from banks/financial institutions are secured by current receivables

₹ in crores

Bank	Loan amount	Security Coverage(%)	Debtors statement furnished for the quarter
State Bank of India	500.00	133.33	716.73
Union Bank of India	200.00	100.00	200.87
Total			**917.60**

Out of the total debtors of ₹ 2845.25 crore as on 31.03.2022 receivable from 1.34 crore consumers

of KSEB Ltd, receivable to the tune of ₹ 917.60 from 242 consumers alone is hypothicated. The quarterly statement of receivables filed by the company with the above banks are in agreement with the books of accounts.

i. The Company has not registered any charges with ROC beyond the statutory period for the following borrowings:

₹ in crores

Particulars	Balance as at March 31, 2022
NABARD-Upper kallar	13.42
NABARD-Banasura Sagar	2.25
NABARD-Pothencode	8.47
NABARD-Thalakulathur	3.27
NABARD-peruvannamoozhi	23.98
TNMB Wc 064700470101061	75.00

56 Due to ongoing impact of COVID-19 globally and in India, the Company has assessed likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company is in the business of generation, transmission and distribution of electricity which is an essential service as emphasised by the Ministry of Power, Government of India. The demand for power is continuously increasing with increase in economic activities in the Country, although demand may get impacted in short term due to lock downs in various parts of the country. On long term basis, the company does not anticipate any major challenge in the operations of the company and meeting its financial obligations. Basis above, the management has estimated its future cash flows for the company which indicates no major impact in the operational and financial performance of the company. The management will continuously monitor the performance of the company and take appropriate remedial measures as needed to respond to the Covid related risks, if any.

57 The Code on Social Security, 2020 and Code on Wages, 2019 relating to employee benefits during employment and post-employment benefits has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will need to assess the impact of the above. The impact will be recorded in the first period after the Codes become effective.

For and on behalf of the Board

Sd/-
Dr. Rajan N Khobragade IAS
Chairman & Managing Director
DIN: 06705427

Sd/-
V.R.Hari IRS
Director(Finance)
DIN: 09491040

Sd/-
Biju R FCA
Chief Financial officer

Sd/-
Lekha G FCA, ACS, LLB
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/-
Rajesh Ramachandran
Partner
M.No.206211

Thiruvananthapuram
7/28/2022

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-21	31-Mar-21	31-Mar-20	31-Mar-21
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	38.25	10.99	0.53	2.66
7	Profit/ Loss for the year (Total Comprehensive Income)	7.71	0.81	0.04	1.99
i	Considered for consolidation	3.13	0.27	0.02	1.00
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	1.59	0.03	0.00	39.41
	Current assets	103.59	34.14	1.11	33.18
	Total assets [A]	105.18	34.17	1.11	72.59
	Non current liabilities	0.21	0.01	-	54.50
	Current liabilities	3.04	0.38	0.03	10.78
	Total liabilities [B]	3.25	0.40	0.03	65.29
	Equity [A-B]	101.93	33.77	1.08	7.30
2	Summarised statement of profit and loss				
	Revenue from operations	12.06	-	-	4.42
	Other income	0.18	1.72	0.05	2.08
	Total income	**12.24**	**1.72**	**0.05**	**6.50**
	Employee benefit expenses	0.54	0.37	-	0.28
	Other expenses	0.42	0.21	0.01	1.71
	Finance costs	0.45	-	-	0.69
	Depreciation	0.06	-	-	1.37
	Exceptional item	-	-	-	-
	Tax expense	3.03	0.31	-	0.05
	Deferred tax expenses	0.01	0.00	0.00	0.41
	Provision for standard and non performing assets	-	-	-	-
	CSR expenses	-	-	-	-
	Total expenses	**4.53**	**0.90**	**0.02**	**4.51**
	Profit for the year	7.71	0.82	0.04	1.99
2	Add/(Less) impact of restatement in prior years adjusted	-	-	-	-
	Adjusted profit for the year for consolidation	7.71	0.82	0.04	1.99
	Group's share of profit/ (loss) for the year for consolidation	3.13	0.27	0.02	0.99

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	
		"As % of consolidated"	Amount	"As % of consolidated"	Amount
Parent Company					
	KSEB Limited				
	31-Mar-22	-100.36%	(15,721.83)	99.40%	736.27
	31-Mar-21	-100.34%	(15,491.44)	-101.17%	(475.08)
Associate company					
	Kerala State Power and Infrastructure Finance Corporation Limited				
	31-Mar-22	0.26%	41.38	0.42%	3.13
	31-Mar-21	0.25%	38.25	0.90%	4.24
	Kerala Fibre Optic Network Ltd				
	31-Mar-22	0.00%	0.53	0.00%	0.02
	31-Mar-21	0.00%	0.51	0.01%	0.02
	Baitarni West Coal Company Ltd				
	31-Mar-22	0.07%	11.26	0.04%	0.27
	31-Mar-21	0.07%	10.99	0.06%	0.29
	Renewable Power Corporation of Kerala Ltd				
	31-Mar-22	0.02%	3.65	0.13%	0.99
	31-Mar-21	0.02%	2.66	0.20%	0.96

Name of the Entity		"As % of consolidated"	Amount	"As % of consolidated"	Amount
Parent Company					
	KSEB Limited				
	31-Mar-22	100.00%	(966.66)	-101.95%	-230.39
	31-Mar-21	100.00%	(4,390.28)	-100.11%	(4,865.36)
Associate company					

	Kerala State Power and Infrastructure Finance Corporation Limited				
	31-Mar-22	0.00%	-	1.39%	3.13
	31-Mar-21	0.00%	-	0.09%	4.24
	Kerala Fibre Optic Network Ltd				
	31-Mar-22	0.00%	-	0.01%	0.02
	31-Mar-21	0.00%	-	0.00%	0.02
Joint venture company					
	Baitarni West Coal Company Ltd				
	31-Mar-22	0.00%	-	0.12%	0.27
	31-Mar-21	0.00%	-	0.01%	0.29
	Renewable Power Corporation of Kerala Ltd				
	31-Mar-22	0.00%	-	0.44%	0.99
	31-Mar-21	0.00%	-	0.02%	0.96

KERALA STATE ELECTRICITY BOARD LIMITED
Regd. Office: Vydyuthi Bhavanam, Pattom, Thiruvananthapuram - 695 004
CIN: U40100KL2011SGC027424