



Independent auditor's review report on review of interim standalone financial results

To the board of directors of Kerala State Electricity Board Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Kerala State Electricity Board Limited ("the Company") for the quarter ended 31 December 2022, being submitted by the Company pursuant to the requirements of Department of Public Enterprises Guidelines issued by the Ministry of Power for state DISCOMS dated 11 March 2021.
2. This Statement which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statements based upon our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the company's personnel responsible for financing and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance with standards of auditing specified under section 143(10) of the Companies Act, 2013 and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The
Accordingly, we do not express an audit opinion.
4. Basis for qualified conclusion

We draw reference to Notes 3-12 to the interim financial information, wherein the Company has presented the financial information in deviation from Indian Accounting Standards specified under Section 133 of the Companies Act 2013 as amended which has resulted in understatement / overstatement of loss and corresponding impact on the assets / liabilities of the company which the company is unable to quantify the impact and accordingly, we are unable to quantify the impact.

5. Qualified conclusion

Based on our review conducted as stated above, except to the effects / possible effects of matter described in paragraph (4) above, nothing has come to our attention that causes us to believe that the accompanying Statement for the quarter and year ended 31 December 2022, prepared in



accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Department of Public Enterprises Guidelines issued by the Ministry of Power for state DISCOMS dated 11 March 2021, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Mohan & Mohan Associates
Chartered Accountants
FRN:002092S



R Suresh Mohan
Partner
M.No.013398

UDIN: **23013398BGXYWD2695**



Thiruvananthapuram
28 February 2023

Notes forming part of financial information as on 31.12.2022

1. The above standalone unaudited financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of Companies Act, 2013 read with relevant rules issued thereunder.
2. The above standalone unaudited financial results for the quarter ended 31 December, 2022 were reviewed by the Audit Committee at the meeting held on 27 February, 2023 and approved by the Board of Directors in the meeting held on 27th February 2023.
3. The company has carried out actuarial valuation of the retirement benefits using the work of an Actuary and assessed the actuarial loss for the quarter ended 31 December 2022 as ₹ 1,055.92 Crores (year ended 31 March 2022 ₹ (966.66) Crores). Based on the report of the actuaries the loss is due to the experience adjustments and discount rates applied for the quarter which is as adopted in the quarterly results.
4. The financial statements are prepared by not providing depreciation on property, plant, and equipment of value ₹10,430 crores since 2013-14 being the revaluation of assets done at the time of formation of the company up to 31 March 2022. The company started providing depreciation on the above amount from the FY 2022-23. Also 'componentisation approach' for accounting of assets as mentioned in Ind AS 16 Property, Plant and Equipment is not followed by the company.
5. The provision for impairment of financial assets are computed without considering the security deposit collected and without detailed assessment of expected credit loss (ECL) of trade receivables.
6. The inventories includes materials / stores meant for construction of capital assets and repairs.
7. The unreconciled balances in the transactions between the ARUs amounting to ₹ 95.98 crores as on 31 December 2022, have been reported and recognised as "Inter Unit Balance" under "Other Current Assets".
8. The reconciliation of the amount classified under "Deposits for Electrification, Service Connection etc" amounting to ₹ 672.19 crores as on 31 December 2022 with the corresponding works pending for completion, for which such deposits have been collected from the consumers is yet to be carried out.
9. Pursuant to provisions of the Kerala Electricity Second Transfer Scheme (Re-Vesting) 2013, the company issued bonds to Kerala State Electricity Board Limited Employees' Pension and Gratuity Fund Trust on April 1, 2017 for meeting the terminal liabilities. As per the terms and conditions of the bond issue, the company is liable to repay the interest and principal value of bonds on 1st April of every year, failing which an additional interest @ 24% p.a. will be payable by the company. The liability of interest on the unpaid amount is not considered as a liability in the books of the company.



10. The company has neither determined nor recognised the deferred tax liabilities or deferred tax assets, if any, as required by the Ind AS 12 "Income Taxes", thereby understating the Deferred Tax Liability/Assets as may be applicable, and the corresponding impact on tax expenses. As the company is expecting a loss at the end of the financial year no provision for current tax is provided for.
11. The financial Information are subject to audit and the results may vary upon completion of the audit.
12. Previous period figures have been regrouped/ reclassified wherever considered necessary to correspond with the current period's classification /disclosure



For MOHAN & MOHAN ASSOCIATES
Chartered Accountants

R. Suresh Mohan, Partner
(M. No.013398, Firm Regn. No:02092S)

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

Particulars	Note	As at 31 December 2022		As at 31 March 2022
		Unaudited		Audited
Assets				
Non current assets				
Property, Plant and Equipment	2	25,958.38		26,722.84
Capital work-in-progress	4	4,828.63		3,478.71
Other Intangible Assets	3	63.44		63.43
Intangible assets under development	5	69.85		51.10
Financial Assets				
Investments	6	20.49		20.49
Trade receivables	7	76.10		76.10
Other Financial assets	8	672.03		673.77
Non current tax assets (net)	9	31.22		28.46
Other non-current assets	10	323.40		347.26
Total non current assets		32,043.54		31,462.16
Current assets				
Inventories	11	674.50		723.11
Financial Assets				
Trade receivables	12	2,509.46		2,386.26
Cash and cash equivalents	13	137.47		269.89
Bank balances Other than Cash Equivalents	14	191.88		176.77
Other financial assets	15	60.07		744.58
Other current assets	16	1,288.57		1,235.28
Total current assets		4,861.95		5,535.89
Total Assets		36,905.49		36,998.05
Equities and Liabilities				
Equity				
Equity Share capital	17	3,499.05		3,499.05
Other Equity	18	(21,701.31)		(19,200.39)
Total Equity		(18,202.26)		(15,701.34)
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	19	15,032.62		14,314.90
Other Financial Liabilities	20	5,743.92		4,849.15
Provisions	21	21,251.62		18,035.23
Other non-current liabilities	22	4,475.44		4,361.22
Total Non-Current Liabilities		46,503.60		41,560.50



Unaudited Standalone Balance Sheet as at 31 December 2022 Contd..

Particulars	Note	As at 30 September 2022 Unaudited	As at 31 March 2022 Audited
Current liabilities			
Financial Liabilities			
Borrowings	23	1,328.62	4,100.90
Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		-	0.89
Total outstanding dues of trade payables other than micro enterprises and small enterprises		2,675.91	2,204.69
Other financial liabilities	25	995.96	1,069.02
Provisions	26	2,931.48	3,210.19
Other Current liabilities	27	672.19	553.20
Total current liabilities		8,604.15	11,138.89
Total liabilities		55,107.75	52,699.39
Total equity and liabilities		36,905.49	36,998.05

For and on behalf of the Board

Dr. S.R. Anand

Director (Transmission, System Operation, Planning & Safety)

DIN: 09640385

Thiruvananthapuram

27-02-2023



For MOHAN & MOHAN ASSOCIATES
Chartered Accountants

R. Suresh Mohan

R. Suresh Mohan, Partner
(M. No. 013398, Firm Regn. No: 02092S)

Biju R FCA

Chief Financial officer

Kerala State Electricity Board Limited
Unaudited Standalone Statement of Profit and Loss for the quarter ended 31 December 2022

₹ in Crores

Particulars	Note	Quarter ended 31 December 2022	Quarter ended 30 September 2022	Quarter ended 30 December 2021	Year ended 31 March 2022 Audited
Income					
I Revenue From Operations	27	4,390.69	4,726.27	4,450.81	16,366.93
II Other Income	28	114.12	111.25	127.00	618.69
III Total Income		4,504.81	4,837.52	4,577.81	16,985.62
IV Expenses					
Purchase of Power	29	2,657.72	2,587.82	2,075.72	8,532.16
Generation of Power	30	0.06	0.16	0.22	1.17
Repairs & Maintenance	31	67.16	68.17	66.14	295.57
Employee benefits expense	32	1,084.92	893.34	1,134.58	3,867.35
Finance costs	33	344.68	363.31	408.87	1,618.25
Depreciation and amortization expense	34	469.67	618.25	291.92	1,139.74
Other Expenses					
a) Administrative and General Expenses	35	177.32	186.40	162.49	613.01
b) Others	36	2.87	14.28	10.65	164.19
V Total Expenses		4,804.40	4,731.73	4,150.59	16,231.44
VI Profit/(Loss) before exceptional items and tax (III- V)		(299.59)	105.79	427.22	754.18
VII Exceptional Items	37	10.47		15.39	17.91
VIII Profit/(Loss) before tax (VI-VII)		(310.06)	105.79	411.83	736.27
IX Tax expense:					
(1) Current tax		-	-	-	-
(2) Deferred tax		-	-	-	-
X Profit/(Loss) for the period from continuing operations (VIII-IX)		(310.06)	105.79	411.83	736.27
XI Profit/(loss) from discontinued operations		-	-	-	-
XII Profit/(Loss) from Discontinued operations		(310.06)	105.79	411.83	736.27
XIII Profit/(Loss) for the period (X+XII)					
Other Comprehensive Expense					
A (i) Items that will not be reclassified to profit or loss					
Remeasurement of the Defined Benefit Plans	38	(1,055.91)	(2,267.83)	(125.00)	(966.66)
(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 Income/(Expense) for the period		(1,055.91)	(2,267.83)	(125.00)	(966.66)
XV Total Comprehensive Income/(Expense) for the period (XIII+XIV)		(1,365.97)	(2,162.04)	286.83	(230.39)
XVI Earnings per equity share (for continuing operation):					
Basic & Diluted	39	(0.89)	0.30	1.18	2.10

For and on behalf of the Board

Dr.S.R.Anand
Director(Transmission, System Operation, Planning & Safety)
DIN: 09640385

Thiruvananthapuram
27-02-2023



For MOHAN & MOHAN ASSOCIATES
Chartered Accountants

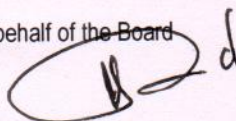
R. Suresh Mohan, Partner
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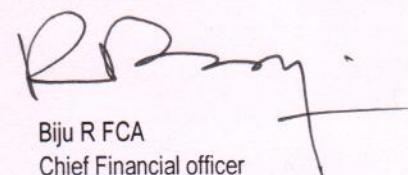
Kerala State Electricity Board Limited
Unaudited Standalone Statement of Cash Flows for the period ended 31 December 2022

Particulars	As at 31 December 2022	Year ended 31 March 2022 Audited
Operating Activities		
Profit/(Loss) for the period	(79.36)	736.27
Adjustments for:		
Interest income	(87.31)	(235.81)
Finance cost	454.92	1,303.99
Depreciation of property, plant and equipment	1,169.22	829.80
Amortisation of intangible assets	0.05	0.06
Operating profit before working capital changes	1,457.52	2,634.31
Working capital adjustments:		
(Increase) / Decrease in Inventories	48.61	(38.15)
(Increase) / Decrease in trade receivables and other receivables	490.54	784.35
Increase / (Decrease) in trade and other payables	2,301.71	1,967.77
Cash generated by Operations	4,298.38	5,348.28
Income Taxes paid	-	-
Net cash flows generated from operating activities (A)	4,298.38	5,348.28
Investing activities		
Interest received (finance income)	88.66	235.48
Purchases of property, plant and equipment	(2,032.91)	(3,024.03)
(Acquisition) / disposal of investments	-	-
Net cash flows used in investing activities (B)	(1,944.25)	(2,788.55)
Financing activities		
Net proceeds from borrowings and repayments	(2,097.23)	(921.21)
Interest paid	(432.01)	(1,530.58)
Net cash flow used in financing activities (C)	(2,529.23)	(2,451.79)
Net change in cash & cash equivalents (A+B+C)	(175.09)	107.94
Cash & cash equivalents at the beginning of the year	222.66	114.72
Cash & cash equivalents at year end	47.57	222.66

For and on behalf of the Board



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27-02-2023



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Kerala State Electricity Board Limited

Unaudited Standalone Statement of Changes in Equity for the period ended 31 December 2022

₹ in Crores

A Equity Share Capital

1 2022-23

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 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

B Other Equity

2022-23

₹ in Crores

Particulars	Reserve and Surplus		Other items of Other Comprehensive Income(Remeasurements of defined benefit)	Total
	Retained Earnings	Other Reserves		
Balance at 1st April 2022	(5,304.37)	-	(13,896.02)	(19,200.39)
Profit/(Loss) for the nine month ended 31.12.2022	(79.36)	-	-	(79.36)
Comprehensive Income for the nine month ended 31.12.2022	-	-	(2,421.56)	(2,421.56)
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Any other changes	-	-	-	-
Balance at 31 December 2022	(5,383.73)	-	(16,317.58)	(21,701.31)

2021-22

₹ in Crores

Particulars	Reserve and Surplus		Other items of Other Comprehensive Income(Remeasurements of defined benefit)	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
Restated Comprehensive income for the year	-	-	(966.66)	(966.66)
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Any other changes	-	-	-	-
Balance at 31st March 2022	(5,304.37)	-	(13,896.02)	(19,200.39)

For and on behalf of the Board

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