

Annual Report

2020 - 2021

Kerala State Power and Infrastructure Finance Corporation Limited

(A Government of Kerala Undertaking)

KPFC Bhavanam, Vellayambalam, Sasthamangalam P.O.

Thiruvananthapuram – 695 010

PH: 0471-2735533, 2735522 (MD), Telefax: 0471-2735511

e-mail : kspifc@asianetindia.com

Website : www.kspifc.com

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Kerala State Power and Infrastructure Finance Corporation Limited
BOARD OF DIRECTORS

1. **Shri. Saurabh Jain IAS** : Chairman
Secretary to Government
Power Department
Government of Kerala
Thiruvananthapuram
2. **Smt. Sobha.V.R** : Director
Joint Secretary
Finance Department
Government of Kerala
Thiruvananthapuram
3. **Sri. Murali.S** : Director
Joint Secretary
Industries Department
Government of Kerala
Thiruvananthapuram
4. **Sri. Dinesha Aroor** : Director
Deputy General Manager (SME)
Local Head Office, SBI
Thiruvananthapuram
5. **Sri. K.C.Sahadevan** : Director
Chief General Manager
Kerala State Co-operative Bank Ltd.
Thiruvananthapuram
6. **Sri. N. Sivasankara Pillai IA&AS** : Managing Director
CMD, KSEB Ltd
Pattom, Thiruvananthapuram

STATUTORY AUDITOR

M/s.Kannan & Kassim
Chartered Accountants
TC No. 68/795(3), 2nd Floor, S-1
God's Light Apartments
Near BNRA 42 B, Balavan Nagar
Vallakkadavu P.O, Manacaud
Thiruvananthapuram- 695 008

INTERNAL AUDITOR

M/s Arya & Associates
Chartered Accountants
Saanthram, TC 66 / 116 (1)
Pachalloor P.O
Thiruvananthapuram-695 027

BANKERS

**State Bank of India Commerical Branch Kowdiar Branch
& Althara Branch, Thiruvananthapuram**



Kerala State Power and Infrastructure Finance Corporation Limited

TWENTY THIRD ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the **23rd Annual General Meeting** of the Members of the Company will be held **on Monday, 27th September, 2021 at 3 p.m. at the Registered Office of the Company at KPFC Bhavanam, Vellayambalam, Thiruvananthapuram** to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Audited Financial Statements for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors & the comments of the Comptroller and Auditor General of India thereon.
2. To appoint & fix the remuneration of the Statutory Auditors for the year 2021-2022.
3. To declare dividend, if any

For Kerala State Power & Infrastructure Finance Corporation Ltd

Date : 31.08.2021

Place : Thiruvananthapuram.

Sd/-

Dr. B. Ashok IAS
Chairman

Note: 1. A member entitled to attend the Annual General Meeting will be entitled to appoint a Proxy. A Proxy need not be a member. Proxies shall be deposited at the Registered Office 48 hours before the meeting. A proxy Form is enclosed.



Kerala State Power and Infrastructure Finance Corporation Limited
ADJOURNED TWENTIETH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the **Adjourned 23rd Annual General Meeting** of the Company will be held on **Monday, 15th November, 2021 at 3 p.m. through video conferencing ("VC") other audio visual means ("OAVM")**, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March 2021, and the Reports of the Board of Directors and Auditors & the comments of the Comptroller and Auditor General of India thereon.

For Kerala State Power & Infrastructure Finance Corporation Ltd

Date : 03.11.2021
Place : Thiruvananthapuram

Sd/-
S.S. Thanu
Company Secretary

Note: 1. A member entitled to attend the Annual General Meeting will be entitled to appoint a Proxy. A Proxy need not be a member. Proxies shall be deposited at the Registered Office 48 hours before the meeting. A proxy Form is enclosed.



Kerala State Power and Infrastructure Finance Corporation Limited

(A Government of Kerala Undertaking)

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e-mail : kspifc@asianetindia.com

Website : www.kspifc.com

FORM - MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014].

CIN:U65910KL1998SGC012160

Name of the Company : Kerala State Power and Infrastructure Finance Corporation Limited

Registered Office: KPFC Bhavanam, Vellayambalam, Thiruvananthapuram-695010

Name of the member (s)	:
Registered address	:
E-mail id	:
Folio No / Client Id	:
DPID	:

I. We being the member (s) of the Company, holding 10 shares of above named Company, hereby appoint

1. Name :
address :
E-mail -id:
Signature, or failing her
2. Name
Address
E-mail -id:
Signature, or failing him
3. Name
Address
E-mail -id
Signature, or failing him



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as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the Annual General Meeting of the Company to be held on..... at at and at any adjournment thereof in respect of such resolutions as are indicated below:

Signed this the..... day of 2021

Signature of the shareholder.

Signature of the proxy holder (s).



Note: The proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. A proxy need not be a member.

Kerala State Power and Infrastructure Finance Corporation Limited Thiruvananthapuram.

DIRECTORS' REPORT

To

The Members of
Kerala State Power and Infrastructure Finance Corporation Ltd.
Thiruvananthapuram.

Gentlemen,

The Board of Directors of Kerala State Power and Infrastructure Finance Corporation Ltd with great pleasure hereby submits the report of the business and operations of your Company along with the audited Financial Statement for the Fiscal Year ended March 31, 2021.

1. **Financial summary/highlights:** The performance during the period ended 31st March, 2021 has been as under:

Particulars	As on 31.03.2021 (₹ in lakhs)	As on 31.03.2020 (₹ in lakhs)
Revenue from operations	1190.79	1294.90
Other Income (Including rental income)	8.90	9.56
Total Revenue	1199.69	1304.46
Employee benefit expense	38.98	32.72
Finance Costs	103.64	251.19
Depreciation and amortization expense	7.02	7.16
Other expenses	126.85	119.24
Provision for Doubtful Debts	-	-
Total Expenditure	276.49	410.31
Profit Before tax	923.20	894.15
Tax Expense	203.25	285.47
Profit After Tax	719.95	608.68

2. Performance Review

2.1 During the year the Company has disbursed short term loans amounting to **Rs. 19632.85lakh** to the organizations supplying electrical components to KSEBL under a loan scheme of providing loan against the supply bills raised in favour of KSEBL/TANGEDCO/JDVVNL/ with repayment guaranteed by way of an escrow account or a tripartite agreement executed among Purchaser company, KSPIFC and the respective firm. The income generated by way of interest on these short term loans during the year is **Rs. 1,190.79 lakh**.



2.2 Revenue from operations during the year ended 31.03.2021 was **Rs.1,199.69lakh** compared to **Rs.1304.46 lakh** in the previous year. The Company has achieved a net profit of **Rs.719.95lakh** after tax adjustments, compared to **Rs.608.68lakh** during the previous year. The Company is looking forward for good profit margins in near future.

2. Important developments during the financial year 2020-21.

3.1 Indian Accounting Standards:

Your Company is following the Indian Accounting Standard (Ind AS) notified by MCA and the relevant provision of the Companies Act, 2013 and the general circulars issued by the Ministry of Corporate Affairs from time to time.

3.2 Business Operations

Company has advanced **Rs.19632.85lakh** as loan to various PSU's and other firms on the strength of Purchase Orders received by them from Kerala State Electricity Board Ltd., to supply goods.

(a) M/s. Traco Cable Company Ltd:

The outstanding loan amount of TRACO is Rs.9925.55 lakh which is 92.54% of the total loan outstanding of the Company as on 31/03/2021. Statutory Auditors opined that concentration of loan in higher proportion to single borrower is in high risk for the company and also opined that if financial positions are a parameter for sanction of loan, TRACO may not be eligible for such high value loans as these loans are not secured by tangible collateral security and no charge is created by TRACO with ROC and/or CERSAI in favour of the company.

(b) M/s. Safeguard Lightings (India) Private Limited:

The loan given to M/s Safeguard Lightings (India) Private Limited was rescheduled in the year 2017-18 after accepting fresh and valid collaterals and the Company has moved with the Revenue Recovery Authorities for recovering the dues. The Company has also filed a criminal case under Sec.138 of Negotiable Instruments Act, 1881 for dishonor of cheque for Rs.35lakh received from M/s Safeguard Lightings (India) Pvt Ltd. Since the borrower failed to remit the long overdue amount and failed to comply with the Government directions repeatedly, the Tahsildar (R.R), Thiruvananthapuram vide letter No.3892/19/KSPIFC dated 22/09/2021 instructed the Thycud (R.R) Village Officer and Cheruvakkal Village Officer, to take urgent steps against the loanee and the surety for speedy revenue recovery and settle the loan amount including interest, penal interest, collection charges and other charges at the earliest.

4. Share Capital

The paid up share capital as on 31.03.2021 is **Rs.2665.01 lakh**. There is no change in share capital during the year. No additional equity contribution was received from Government of Kerala or Kerala State Electricity Board Ltd.

5. Reserves and Surplus

The Reserves and Surplus as on 31.03.2021 stood at **Rs.6756.68lakh** compared to **Rs. 6036.73lakh** for the previous year.

6. Dividend

For the current financial year, no declaration of Dividend was made by the Company.

7. Lending operations

The particulars of loans disbursed during the year and outstanding as on 31-03-2021 are given below.

(₹ in Lakh)

Sl. No	Particulars of Loan	Disbursements during 2020-2021	Outstanding on 31-03-2021
1)	Traco Cable Company Ltd.	18308.00	9925.55
2)	KEL	400.00	293.70
3)	UEIL	500.73	301.63
4)	Shankar Conductors	399.97	0.00
5)	Unipower Systems	24.15	24.15
6)	M/s Safeguard Lightings Pvt. Ltd.	0.00	180.52
	GRAND TOTAL	19632.85	10725.55

8. Sources of Finance

Apart from our owned fund, the Company has availed Cash Credit facility with SBI which is the main source of finance and the details are given below.

(Rs. in lakhs)

Sl. No	Sources of Funds	Facility	Limit	Amount Outstanding as on 31.03.2021
1)	From Banks	State Bank of India, SME Branch (against the security of KSPIFC Building)	4000.00	1198.61

10. Material changes and commitment, if any, affecting the financial position of the Company occurred between & the end of the financial year to which this financial statements relate and the date of the Report

No material changes and commitments affecting the financial position of the Company occurred between & the end of the financial year to which this financial statements relate on the date of this Report.

11. Directors

As on the Balance Sheet date, Sri. Saurabh Jain, IAS, Secretary to Government, Power Department, Government of Kerala was the Chairman of the Board of Directors of the Company. Sri. Saurabh Jain, IAS, Secretary to Government, Power Department is the Chairman of the Company from 22/02/2021 onwards. Other members of the Board as on balance sheet date were Smt. Sobha V.R, Joint Secretary, Finance Department, Government of Kerala, Sri. Murali. S, Joint Secretary, Industries Department, Government of Kerala, Sri.K. C. Sahadevan, Chief General Manager, Kerala State Co-operative Bank Ltd. Sri. Dinesha Aroor, DGM, SBI and Sri. N. Sivasankara Pillai, IA & AS Chairman & Managing Director,



KSEB Ltd. who was holding the additional charge of Managing Director, KSPIFC. The Board wishes to place on record appreciation of the valuable services rendered by all the Directors during their tenure of office.

12. Auditors

M/s Kannan & Kassim, Chartered Accountants, Thiruvananthapuram have been appointed as Statutory Auditors for the year 2020-21 by the Comptroller and Auditor General of India.

13. Internal Auditors

M/s. Arya & Associates, Chartered Accountants, Thiruvananthapuram have been appointed as the Internal Auditors of the Company for the year 2020-21 by the Board.

14. Conservation of energy, technology absorption and foreign exchange earnings and out go

Provisions regarding information on conservation of energy and technology absorption specified under section 134 of the Companies Act, 2013 are not applicable to the Company. There are neither foreign exchange earnings nor outgo during the year.

15. Particulars of employees drawing remuneration exceeding the limits prescribed under section 134 of the Companies Act, 2013

There is no employee in the Company who has drawn remuneration in excess of the limit prescribed under the Companies Act 2013, either for the whole year or any part of the year.

16. Subsidiaries and Joint Ventures

The Company does not have any Subsidiary or Joint venture company.

17. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

18. Extract of Annual Returns

Pursuant to provision of Section 92(3) of the Companies Act 2013, an extract of the Annual Return in Form MGT-9 is attached as Annexure which forms part of this Report.

19. Audit committee and Vigil mechanism

The Audit Committee consisted of: -

1)	Smt. Sobha V.R	:	Chairperson
2)	Sri. N. S. Pillai IA & AS	:	Member
3)	Sri. K. C. Sahadevan	:	Member
4)	Sri. Dinesha Aroor	:	Member
5)	Sri. Murali. S	:	Member

The Company has established a vigil mechanism which oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

20. Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act 2013, the Board has constituted the CSR Committee under the Chairmanship of Sri. K. C. Sahadevan. The other members of the Committee were Sri. N. S.

Pillai IA & AS, Smt. Sobha V. R., Sri. Dinesha Aroor and Sri. Murali S. The Company has formulated a policy on CSR. The said Policy has been uploaded in Company's website www.kspifc.com. The Company's policy on CSR envisages expenditure in areas falling within the preview of Schedule VII of the Companies Act, 2013.

21. Details of policy developed and implemented by the Company on its Corporate Social Responsibility initiatives

The Company has adopted a Corporate Social Responsibility Policy and identified the following initiatives during the year under review.

- 1) Renewable Energy Projects (covered under Schedule VII (iv)-Environmental Sustainability, ecological balance and conservation of Natural Resources.)
- 2) Rural Development Projects (covered under Schedule VII (iii) –Measures to reduce inequalities faced by socially & economically backward groups)
- 3) Energy Audits for energy conservation(covered under Schedule VII (iv)-Environmental Sustainability, ecological balance and conservation of Natural Resources.)
- 4) Eradicating extreme hunger and poverty;
- 5) Promotion of education;
- 6) Promoting gender equality and empowering women
- 7) Reducing child mortality and improving maternal health;
- 8) Combating human immune deficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- 9) Ensuring environmental sustainability;
- 10) Employment enhancing vocational skills;
- 11) Social business projects;
- 12) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and;
- 13) Any other matters as may be prescribed by the CSR Committee.

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company, according to which, the Company is mandatorily required to spend at least 2% of the average net profit for the previous three years towards Corporate Social Responsibility (CSR)

Board of Directors in their 111th Board Meeting accorded sanction to spend Rs.30 lakhs towards Corporate Social Responsibility Policy in connection with promoting education with the concurrence of Government.

Government have accorded sanction to the Company to utilize Rs.30 lakhs (Rs. Thirty Lakhs only) towards Corporate Social Responsibility in connection with promoting education-enhancing connectivity for BPL/SC/ST Students on or before 31/03/2022 vide G.O. (Rt) No.82/2021/POWER dated 21/06/2021.

22. Buy- back of shares

The Company has not bought back any Shares during the year.

23. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

The provision is not applicable to the Company being an NBFC.

24. Particulars of contracts or arrangements made with related parties

The Company has made adequate disclosure relating to related party transactions.

25. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditors and the Practicing Company Secretary in their Reports.

Short Term Loans given to the Borrowers (Public Sector Undertakings) by the Company are secured by Tripartite Agreement executed among the Borrowers, KSEB Ltd and KSPIFC. Moreover, in the case of mobilization advance, a Memorandum of Agreement (MOA) is executed between KSPIFC and the Public Sector Undertaking (PSU) wherein it is stipulated that the mobilization advance shall be utilized only for the purpose of manufacturing and supply of items to KSEB Ltd as specified in the Purchase orders of KSEB Ltd. Since total outstanding loan amount of TRACO as on 31/03/2021 was Rs.9925.55 lakhs being 92.54% of the total loan outstanding of the Company, it was decided to incorporate a condition in the MOA that the borrower shall produce fund utilization certificate duly certified by Chartered Accountant/ Cost Accountant evidencing that the released fund is fully utilized for the purpose for which the loan is sanctioned. Moreover, TRACO shall ensure that at least 50% of the disbursed loan amount has been utilized for supply of items against the respective purchase order. Therefore the undisbursed loan amount, if any, shall only be released by KSPIFC after obtaining such certificate from the borrower.

RBI considered the request made by the Company with regard to exemption from concentration of credit norms and acceded to the extent of its exposure to the State-owned power project/ enterprises vide letter No.DNBR (PD).CO.No.1139/03.10.001/2018-19 dated 06/12/2018. Since M/s. Traco Cable Company Ltd is a Government Company, it is exempted from concentration of credit norms.

20 Cents of land assigned by Government of Kerala to the Company was not alienable for a period of 12 years from the date of assignment on 09.05.2003 and no title deed is executed for the same till 31/03/2021. However as per Thandaper Register No.15920 of the Revenue Department, the title is in the name of the Company.

26. Company's policy relating to Directors' appointment, payment of Managerial remuneration and discharge of their duties

Being a Government Company, Company's Directors are appointed by the Government of Kerala. The provisions of Section 178(2), (3) & (4) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

27. Appointment of Independent Directors

Being a Government Company, Independent Directors are appointed by the Government of Kerala.

28. Board meetings

The Board of Directors met four times during the year, i.e. on 27/05/2020, 18/09/2020, 18/12/2020 and 26/03/2021.

29. Directors' Responsibility statement

On the basis of the Report of the Internal Auditors, the Directors do hereby certify that in accordance with the provisions of Section 134 (5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement.

- a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- c) The Directors had taken proper and sufficient care for the maintenance to adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis; and
- e) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

30. Acknowledgements

The Board of Directors wish to place on record their appreciation and deep sense of gratitude for the support given by the Government of Kerala, Kerala State Electricity Board Ltd., Reserve Bank of India, State Bank of India and all other bankers. The Board also wishes to place on record its gratitude to all the Companies/Firms borrowing funds from the Company. The Board also appreciates the dedicated service rendered by the officers and employees at all levels.

For and on behalf of the Board of Directors

Dr.B. Ashok. IAS
CHAIRMAN
Din-05230812

Thiruvananthapuram
15.11.2021

Kerala State Power and Infrastructure Finance Corporation Limited
Annexure- 'C'

THE ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE OF CSR POLICY

KSPIFC as a responsible Corporate entity shall consistently strive to meet the expectations of the society by supporting initiatives for improving infrastructure/ quality of life of society/ community without compromising on ecological issues on sustainable basis. It shall not support activities which may create dissatisfaction within the society and which may affect social harmony in any manner. While implementing the CSR projects, KSPIFC shall strive to undertake at least one project for the development of a backward district in the country and at least one project of environmental sustainability. KSPIFC shall constantly endeavour for upliftment of women and support persons with disabilities particularly in the skill development initiatives.

Management's vision

The Board of Directors and the Management of KSPIFC believe and act on ethos of all round development of the individual by providing quality life and opportunity to the less privileged in our society.

Areas covering KSPIFC's CSR Initiatives

KSPIFC adopted a comprehensive CSR Policy in strict compliance with the contents and spirit of Schedule VII of the Companies Act, 2013.

The policy is available in the Website of the Company : www.kspifc.com

2. THE COMPOSITION OF THE CSR COMMITTEE.

The Chairperson and Members of the Committee are as follows:

Name	Designation	Chairman/Member
Sr. K.C Sahadevan	Chief General Manager, Kerala State Co-operative Bank Ltd.	Chairman
Sri. N.S.Pillai IA&AS	Managing Director, KSPIFC	Member
Smt. Sobha V.R	Joint Secretary, Finance Dept. Govt. of Kerala	Member
Sri. Murali S	Joint Secretary, Industries Dept. Govt. of Kerala	Member
Sri. Dinesha Aroor	Deputy General Manager, SME Business Unit, SBI	Member

3. AVERAGE NET PROFIT OF THE COMPANY FOR PREVIOUS THREE FINANCIAL YEARS

Rs. 765.57 lakh



4. **PRESCRIBED CSR EXPENDITURE** (At least 2 % of item 3)

Rs. 15.31 lakh

5. **DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR :**

(a) Total amount spent for the financial year 2020-21

Nil

(b) Amount unspent, if any –

As per provisions of Sec.135 of the Companies Act, 2013 the Company is required to spend at least Rs.15.31 lakh during 2021-22 (P.Y Rs.14.28 lakh during 2020-21) towards Corporate Social Responsibility (CSR). Government have, vide G.O. (Rt) No.82/2021/POWER dated 21/06/2021, accorded sanction to utilise Rs.30 lakhs (Rs.Thirty Lakhs only) towards CSR in connection with promoting education-enhancing connectivity for BPL/SC/ST Students on or before 31/03/2022.

(c) Manner in which the amount spent during the financial year is detailed below.

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company, according to which, the Company is mandatorily required to spend at least 2% of the average net profit for the previous three years towards corporate social responsibility (CSR) expenditure.

Board of Directors in their 111th Board Meeting accorded sanction to spend Rs.30 lakhs towards Corporate Social Responsibility Policy in connection with promoting education with the concurrence of Government.

Government have accorded sanction to the Company to utilize Rs.30 lakhs (Rs. Thirty Lakhs only) towards Corporate Social Responsibility in connection with promoting education-enhancing connectivity for BPL/SC/ST Students on or before 31/03/2022 vide G.O. (Rt) No.82/2021/POWER dated 21/06/2021.

6. **AMOUNT UNSPENT, IF ANY**

Rs.30 Lakh, which will be spent on or before 31/03/2022 as directed by the Government Vide G.O. (Rt) No.82/2021/POWER dated 21/06/2021.

7. **RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE**

Committee states that CSR activities are properly implemented and monitored and is in compliance with CSR policy and objectives of the Company.

For and behalf of the CSR Committee

Dr.B. Ashok. IAS

CHAIRMAN

Din-05230812

Thiruvananthapuram

15.11.2021

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1	CIN	U65910KL1998SGC012160
2	Registration Date	20/03/1998
3	Name of the Company	KERALA STATE POWER AND INFRASTRUCTURE FINANCE CORPORATION LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares Public Company
5	Address of the Registered office & contact details	KPFC Bhavanam, Vellayambalam, Thiruvananthapuram, Kerala- 695010
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Providing Working Capital Finance	K8	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	

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

i) Category - wise ShareHolding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2020]				No. of Shares held at the end of the year[As on 31-March-2021]				% Change during the year
	Demat	Physical	Total Shares	% of Total	Demat	Physical	Total Shares	% of Total	
A. Promoters									
(1) Indian									
a) Individual/ HUF		-	-	0.00%		-	-	0.00%	0.00%
b) Central Govt		-	-	0.00%		-	-	0.00%	0.00%
c) State Govt(s)		15830560	15830560	59.4%		15830560	15830560	59.4%	0.00%
d) Bodies Corp.		-	-	0.00%		-	-	0.00%	0.00%
e) Banks / FI		-	-	0.00%		-	-	0.00%	0.00%
f) Any other		-	-	0.00%		-	-	0.00%	0.00%
Sub Total (A) (1)	-	15830560	15830560	59.4%	-	15830560	15830560	59.4%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	15830560	15830560	59.4%	-	15830560	15830560	59.4%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%

b) Banks / FI	-	-	-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (Top 50 Share holders)		10819510	10819510	40.6%		10819510	10819510	40.6%	0.00%
Sub-total (B)(1):-	-	10819510	10819510	40.6%		10819510	10819510	40.6%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%

Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	10819510	10819510	40.6%		10819510	10819510	40.6%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	-	26650070	26650070	100.00%		26650070	26650070	100.00%	0.00%

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	% change in share holding during the year
1.	Governor of Kerala, Raj Bhavan, Trivandrum (On behalf of Govt. of Kerala)	15830560	59.4%	0%	15830560	59.4%	0%	0%
2.	Chairman Kerala State Electricity Board, Vidyuthi Bhavanam Pattom, Trivandrum (On behalf of KSEB)	10819440	40.6%	0%	10819440	40.6%	0%	0%
3.	N. Sivasankara Pillai IA & AS Director Finance, KSEB, Managing Director KSPIFC Chairman KSEB	30		0%	30		0%	0%

4.	Dr. B. Ashok IAS Secretary to Govt. Power Dept. Gok	10		0%	0		0%	0%
5.	Sri. Saurabh Jain IAS Secretary to Govt. Power Department	0		0%	10		0%	100%
6.	Sobha V.R Finance Department Govt. of Kerala	10		0%	10		0%	0%
7.	K. C. Sahadevan Chief General Manager Kerala State co-operative Bank	10		0%	10		0%	0%
8.	N. Venugopal (Transmission & System Operation & Safety) KSEB Ltd.	10		0%	10		0%	0%

(iii) Change in Promoters' Shareholding (please specify, if there is change)

No Change

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
					0.00%		0.00%
						0.00%	
	At the end of the year				0.00%		0.00%

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.							
	At the beginning of the year						
	Changes during the year						
	At the end of the year						

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Dr. B.Ashok IAS						
	At the beginning of the year	01/04/2020		10		10	
	Changes during the year	25/08/2020		(10)		(10)	
	At the end of the year	31/03/2021		0		0	
2	Dr. Dinesh Arora IAS						
	At the beginning of the year	01/04/2020		0		0	
	Changes during the year	25/08/2020 22/02/2021		10 (10)		10 (10)	
	At the end of the year	31/03/2021		0		0	
3	Sri. Saurabh Jain, IAS						
	At the beginning of the year	01/04/2020		0		0	
	Changes during the year	22/02/2021		10		10	
	At the end of the year	31/03/2021		10		10	

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	40,00,00,000			-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	40,00,00,000	-	-	-
Change in Indebtedness during the financial year				
* Addition				-
* Reduction	28,01,38,836			-
Net Change	0	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	11,98,61,164			-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	11,98,61,164	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -NIL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit		-
	- others, specify		-
5	Others, please specify		-
	Total (A)	-	-
	Ceiling as per the Act		

B. Remuneration to other directors: Nil

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs)
1	Independent Directors				
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (1)				
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-		-
	Total (B)=(1+2)		-		
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEYMANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Nil

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		CEO	CFO	CS	
	Name				
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of profit				
	- others, specify				
5	Others, please specify				-
	Total	-	-	-	-



VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: Nil

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

Dr.B. Ashok. IAS
CHAIRMAN
Din-05230812

Thiruvananthapuram

15.11.2021



Kerala State Power and Infrastructure Finance Corporation Limited

KPFC Bhavan, Vellayambalam, Sasthamangalam P.O., Thiruvananthapuram- 695 010

Balance Sheet as at 31st March 2021

(All Amounts are in Indian Rupees in lakhs, except where otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets :			
Cash and cash equivalents	1	41.50	28.50
Loans	2	10,725.55	10,839.83
Other financial assets	3	10.35	371.03
Sub Total		10,777.40	11,239.36
Non-Financial Assets			
Property, Plant and Equipment :			
i. Tangible assets	4.1	148.73	155.73
ii. Intangible assets	4.2	0.09	0.11
Other non-financial assets	5	12.80	11.51
Sub Total		161.62	167.35
Total Assets		10,939.02	11,406.71
LIABILITIES AND EQUITY			
LIABILITIES :			
Financial Liabilities			
Borrowings	6	1,198.61	2,294.26
Other financial liabilities	7	7.28	72.90
Sub Total		1,205.89	2,367.16
Non Financial Liabilities			
Provisions	8	234.45	255.16
Deferred Tax Liabilities (Net)	9	12.21	13.75
Other non financial liabilities	10	64.78	68.90
Sub Total		311.44	337.81
EQUITY:			
Equity Share Capital	11	2,665.01	2,665.01
Other Equity	12	6,756.68	6,036.73
Sub Total		9,421.69	8,701.74
Total Liabilities and Equity		10,939.02	11,406.71
Significant accounting policies	I		
Other Notes	II		

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for **KANNAN & KASSIM**
Chartered Accountants
Firm's registration number: 008896S

for and on behalf of the Board of Directors of
**Kerala State Power and Infrastructure Finance
Corporation Limited**
CIN:U65910KL1998SGC012160

Sd/-
P B Vijayabhaskar
Partner (M.No.206038)

Sd/-
Deepthi N Nadar
Chief Financial Officer

Sd/-
Dr.B. Ashok IAS
Chairman
DIN-05230812

Sd/-
Sobha V R
Director
Finance Department

Sd/-
S.S.Thanu
Company Secretary
Membership No.: F 7351



Kerala State Power and Infrastructure Finance Corporation Limited

KPFC Bhavan, Vellayambalam, Sasthamangalam P.O., Thiruvananthapuram- 695 010

Statement of Profit & Loss for the year ended 31st March 2021

(All Amounts are in Indian Rupees in lakhs, except where otherwise stated)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from Operations			
Interest Income	13	1,190.79	1,294.90
Rental Income	14	5.18	4.99
Other income	15	3.72	4.57
Total income		1,199.69	1,304.46
Expenses			
Finance costs	16	103.64	251.19
Employee benefit expenses	17	38.98	32.72
Depreciation and amortisation expense	18	7.02	7.16
Other expenses	19	126.85	119.24
Total expenses		276.49	410.31
Profit before exceptional items and tax		923.20	894.15
Exceptional items			-
Profit before Tax from continuing operations		923.20	894.15
Income Tax expense			
Current Tax		204.79	251.53
Deferred Tax expense / (Income)		(1.54)	33.94
Profit from continuing operations		719.95	608.68
Other comprehensive income		-	-
Total comprehensive income for the year		719.95	608.68
Earnings per Equity Share			
Basic and Diluted (in INR per share)		2.70	2.28
CSR expenditure	20		
Significant accounting policies	I		
Other Notes	II		

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for **KANNAN & KASSIM**
Chartered Accountants
Firm's registration number: 008896S

for and on behalf of the Board of Directors of
Kerala State Power and Infrastructure Finance Corporation Limited
CIN:U65910KL1998SGC012160

Sd/-
P B Vijayabhaskar
Partner(M.No.206038)

Sd/-
Deepthi N Nadar
Chief Financial Officer

Sd/-
Dr.B. Ashok IAS
Chairman
DIN- 05230812

Sd/-
Sobha V R
Director
Finance Department

Sd/-
S.S.Thanu
Company Secretary
Membership No.: F 7351

Thiruvananthapuram
Date : 23.09.2021

Thiruvananthapuram
Date: 20.09.2021



Kerala State Power and Infrastructure Finance Corporation Limited

KPFC Bhavan, Vellayambalam, Sasthamangalam P.O., Thiruvananthapuram- 695 010

Cash Flow Statement for the year ended 31st March 2021

(All Amounts are in Indian Rupees in lakhs, except where otherwise stated)

Notes	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities		
Profit before taxes	923.20	894.15
Adjustments for :		
Depreciation and amortisation	7.02	7.16
Provision for standard and non-performing assets	(1.90)	(0.77)
Obsolete assets written off	-	-
Loss on deletion of fixed asset	-	-
Lease Rent recognised	(5.18)	(4.99)
Operating cash flows before working capital changes	923.14	895.55
Adjustments for changes in working capital		
(Increase)/Decrease in Short term loans and advances excluding provisions	114.28	359.83
(Increase)/Decrease in other financial assets	360.68	(169.27)
(Increase)/Decrease in other non financial assets	(1.29)	47.01
Increase/(Decrease) in other financial liabilities	(65.62)	58.77
Increase/(Decrease) in other non financial liabilities	1.06	(4.28)
Increase/(Decrease) in Short term provisions excluding doubtful debts		
Increase/(Decrease) in provision for employee benefits	0.96	1.83
Direct Taxes paid	(224.56)	(227.00)
Net cash generated from operating activities (A)	1,108.65	962.44
Cash flows from investing activities		
Expenditure incurred on acquisition of property, plant and equipment	-	(2.44)
Net cash used in investing activities (B)	-	(2.44)
Cash flows from financing activities		
Increase/(Decrease) in Short term borrowings	(1,095.65)	(965.07)
Net cash used in financing activities (C)	(1,095.65)	(965.07)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	13.00	(5.07)
Cash and Cash Equivalents at the beginning of the year	28.50	33.57
Cash and Cash Equivalents at the end of the year	41.50	28.50
(refer to note 4 - Cash and bank balances)		

Significant accounting policies

I

Other Notes

II

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **KANNAN & KASSIM**

Chartered Accountants

Firm's registration number: 008896S

for and on behalf of the Board of Directors of
Kerala State Power and Infrastructure Finance Corporation Limited

CIN:U65910KL1998SGC012160

Sd/-
P B Vijayabhaskar
Partner(M.No.206038)

Sd/-
Deepthi N Nadar
Chief Financial Officer

Sd/-
Dr.B. Ashok IAS
Chairman
DIN-05230812

Sd/-
Sobha V R
Director
Finance Department

Sd/-
S.S.Thanu
Company Secretary
Membership No.: F 7351



Kerala State Power and Infrastructure Finance Corporation Limited

Notes to the financial statements for the year ended March 31, 2021

I. Company overview and significant accounting policies

I.1 Overview

Kerala State Power and Infrastructure Finance Corporation Limited (KSPIFC) ('the Company'), is a Government Company promoted jointly by the Government of Kerala and Kerala State Electricity Board Ltd. (KSEBL) to provide financial assistance for the development of the Power Sector and other infrastructure projects in the State of Kerala.

The Company was formerly known as Kerala Power Finance Corporation Ltd. (KPFC) with the objective of providing financial assistance only for power projects. KPFC was incorporated on 20th March 1998 as a Public Limited Company under the Companies Act, 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') to carry on the business of Non-Banking Financial Institution ('NBFC') accepting public deposits.

The Company has requested to Govt of Kerala to change its NBFC category to Non- Deposit Taking NBFC which is pending for approval by Govt. of Kerala .

I.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, and as per the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2017.

Accounting Policies have been consistently applied except where a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

The figures in the financial statements are rounded off to the nearest lakh with two decimal points.

Previous year figures in financial statements have been rearranged or regrouped where ever found necessary in accordance with presentation of current year figures in financial statements and to comply with provisions of Ind AS.

I.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

I.4 Critical accounting estimates

a. Revenue recognition

Interest income from loans are recognised over the period of the loans on accrual basis, except in respect of income relating to loans classified as non-performing assets which are classified in

accordance with RBI Guidelines, in such cases the income is recognised only on realisation. All other incomes are recognized as and when it is accrued.

b. Income Taxes

Deferred Income Tax Asset/Liability is computed in accordance with Indian Accounting Standard (Ind AS) 12 on Income Taxes. Tax expenses are accounted in the same period to which the revenue and expenses relate.

Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances; deductions and exemptions determined in accordance with the prevailing tax laws. The difference between the taxable income as per the provisions of Income Tax Act, 1961 and the net profit before tax for the year as per the financial statements are identified and the tax effect of taxable temporary differences is recognized as deferred tax liability / assets. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on effective tax rates substantively enacted by the Balance Sheet date.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company normally depreciates property, plant and equipment over their estimated useful lives using the WDV method as per Schedule II of the Companies Act, 2013.

Based on technical evaluation, if the Management believes that the useful lives considered will best represent the period over which the Management expects to use any assets, the useful lives for those assets may be different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

I.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized as per Ind AS - 38 on Intangible Assets

I.6 Impairment

Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

I.7 Provisions,Contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provision for Standard Assets and Doubtful Debts are provided as per Prudential Norms for Non-Banking Financial Companies prescribed by Reserve Bank of India.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

Contingent liabilities are not recognised but disclosed in the financial statements when an outflow may occur depend on future events.

I.8 Functional currency

Functional currency

The functional currency of the Company is Indian rupee.

I.9 Earnings per equity share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

I.10 Employee benefits

Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The Company makes annual contributions to the gratuity fund managed by trustees of the gratuity fund and administered by Life Insurance Corporation of India. Liabilities for gratuity are determined and provided for on the basis of actuarial valuation statements received from Life Insurance Corporation of India.



Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

Surrender of earned leave

Provision for surrender of earned leave is made on the basis of actual due amount.

I.11 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Kerala State Power and Infrastructure Finance Corporation Limited

Notes to the financial statements (continued)

(All Amounts are in Indian Rupees in lakhs, except where otherwise stated)

1 Cash and cash equivalents	As at 31 March 2021	As at 31 March 2020
a. Cash in hand	0.31	0.09
b. Balance with Banks and Treasury		
i. In current accounts with banks	1.47	0.73
ii. In Government Treasury	25.44	27.68
iii. In Fixed Deposit with banks - Unspend CSR Fund	14.28	-
Total	41.50	28.50

2 Loans	As at 31 March 2021	As at 31 March 2020
Secured Loans:		
Short term loan to Suppliers of KSEBL/other EBs		
i. M/s Unipower Systems	24.15	27.17
ii. M/s Kerala Electrical & Engineering Company Ltd.	293.70	1,638.44
iii. M/s Traco Cable Company Ltd	9,925.55	8,522.70
iv. M/s United Electrical Industries Ltd	301.63	400.00
v. M/s Shankar Conductors Pvt Ltd	-	71.00
vi. M/s Safeguard Lightings India Pvt. Ltd.	180.52	180.52
	10,725.55	10,839.83

- i. Short term loan to suppliers of KSEBL (borrowers) are secured by Tripartite Agreement executed among the borrowers, KSEBL and KSPIFC, Power of Attorney authorising KSPIFC to receive all the payments from KSEBL against the supplies made by borrowers to KSEBL, Demand Promissory Note from the borrower, company guaranty of the borrowers and Memorandum of Agreement executed between borrowers and KSPIFC.
- ii. Out of total short term loan of Rs.10,725.55 lakh, Rs.180.52 lakh is classified as doubtful asset over 3 years and Rs. 10545.03 lakh is classified as standard assets as per RBI norms.
- iii. The loan account M/s Safeguard Lightings India Pvt. Ltd. is a Non Performing Asset (NPA) since September 16, 2015 and the amount disclosed in Note 2 consists of principal amount of loan only. Unrealised interest on this loan account as at the end of the current year is Rs.76.05 lakh (previous year Rs.51.22 lakhs). Being a doubtful asset more than 3 years, as per RBI norms, 100% provision has been made for the balance as on 31.03.2021 (previous year 100%) and the provision has been disclosed in Note 8. Suit has been filed against M/s Safeguard Lightings India Pvt. Ltd. for recovery of the loan dues with interest and the same is pending with JFMC XII of Thiruvananthapuram, as on 31.03.2021.
- iv. The loans given by the Company to its borrowers, all of them are suppliers of KSEBL, are in the nature of settlement based on receipts from KSEBL and moratorium on loan repayments prescribed by RBI due to Covid -19 pandemic is not applicable for the loans given by the Company.

3 Other financial assets	As at 31 March 2021	As at 31 March 2020
i. Interest receivable	6.15	365.90
iii. Other advances & receivables	4.20	5.13
Total	10.35	371.03

Kerala State Power and Infrastructure Finance Corporation Limited
Notes to the financial statements (continued)

(All amounts are in Indian Rupees, except share data and where otherwise stated)

4 Property, Plant & Equipment

Description	Gross Block			Depreciation			Net Block		
	Balance as at April 1, 2020	Additions during 2020-21	Deletions during 2020-21	Balance as at March 31, 2021	Balance as at April 1, 2020	For the Year 2020-21	Deletions	Balance as at March 31, 2021	Balance as at March 31, 2020
Tangible Assets									
Land	33.88	-	-	33.88	-	-	-	-	33.88
Building	184.03	-	-	184.03	68.91	6.15	-	75.06	115.12
Furniture & fixtures	77.23	-	-	77.23	72.94	0.27	-	73.21	4.29
Motor Vehicles	13.37	-	-	13.37	12.46	0.24	-	12.70	0.91
Office Equipments	2.68	-	-	2.68	2.13	0.09	-	2.20	0.57
Computers	6.06	-	0.72	5.34	5.79	0.14	0.72	5.21	0.27
Electrical Installations	2.28	-	-	2.28	1.59	0.11	-	1.70	0.69
Total	319.53	-	0.72	318.81	163.82	7.00	0.72	170.08	155.73
Previous Year Figures	317.09	2.44	-	319.53	156.70	7.12	-	163.82	160.39
2.Intangible Assets:									
Trademarks	0.21	-	-	0.21	0.10	0.02	-	0.12	0.11
Total	0.21	-	-	0.21	0.10	0.02	-	0.12	0.11
Previous Year Figures	0.21	-	-	0.21	0.06	0.04	-	0.10	0.15

- i. 20 cents of land assigned by Government of Kerala to the Company was not alienable for a period of 12 years from the date of assignment, 09.05.2003, and no title deed is executed for the same till 31.03.2021.
- ii. Deletions in gross block consists of disposal / reversal of tangible fixed assets not in use, related accumulated depreciation also reversed
- iii. Fixed asset items have been regrouped during the year 2020-21.

5 Other non financial assets	As at 31 March 2021	As at 31 March 2020
(a) Security Deposits:		
Unsecured, considered good	1.00	1.04
A	1.00	1.04
(b) Balance with Government Authorities:		
i. Income Tax refundable	11.47	9.25
B	11.47	9.25
b.i Income tax refundable consists of tax remitted by the Company in District Treasury, Thiruvananthapuram during the year 2005-06, credit for which is not considered while processing the return of income as the same was not made through an authorised bank.		
(c) Prepaid Expenses	0.33	1.22
C	0.33	1.22
Total Other non financial assets - (A+B+C)	12.80	11.51

6 Borrowings

	As at 31 March 2021	As at 31 March 2020
Secured loans:		
Loans repayable on demand from bank :		
Overdraft from State Bank of India, SME Branch	1,198.61	2,294.26
	1,198.61	2,294.26

- i. The loan repayable on demand from State Bank of India, Commercial Branch Thiruvananthapuram is secured by book debts and collaterally secured by 7.96 ares of land and building in Sy. No. 5/2 (Re Sy. No. 04) in Thycaud Village, Thiruvananthapuram Taluk held in the name of KSPIFC. The limit sanctioned is Rs.4000.00 lakh and there was no default in repayment of the same as on 31.03.2021.

7 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
(a) Refundable to borrowers	-	45.38
(b) Interest payable on overdraft from bank	-	23.52
(c) Security Deposit From KSERC	5.00	-
(d) Other liabilities	2.28	4.00
	7.28	72.90

8 Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits:		
(a) Provision for gratuity	4.34	4.13
(b) Provision for surrender of earned leave	2.63	1.88
A	6.97	6.01

8.b.1 Surrender of earned leave is provided based on company's own valuation, being short term and there is only two eligible employees as on 31.03.2021

Provision for Taxation	B	4.76	24.53
Other Provisions			
(a) Provision for standard assets		42.20	44.10
(b) provision for doubtful debts on NPA		180.52	180.52
	C	222.72	224.62
Total Provisions	(A+B +C)	234.45	255.16

(Movement of provision has been disclosed in Other Note II.2)

9 Deferred tax liability (net)

	As at 31 March 2021	As at 31 March 2020
<i>Deferred tax liabilities</i>		
Arising from timing difference in respect of depreciation	13.96	15.42
	13.96	15.42
<i>Deferred tax assets</i>		
Arising from timing difference in respect of Provision for bad and doubtful loan receivables	-	-
Employee benefits	1.75	1.67
	1.75	1.67
Net deferred tax liability/(asset)	12.21	13.75

10 Other non financial liabilities

	As at 31 March 2021	As at 31 March 2020
(a) Non Current portion Advance Lease Rental from KSERC	56.15	62.09
(b) Current portion of Advance Lease Rental from KSERC	5.94	5.94
(c) Employees Providend Fund & TDS Payable	0.61	0.14
(d) GST Payable	2.08	0.73
	64.78	68.90

10.a. i. An amount of Rs.5.94 lakh, being the rent payable by Kerala State Electricity Regulatory Commission (KSERC) is being amortised from the advance lease rental already paid by KSERC to the company as per the terms of the lease agreement dated 03.01.2012 between KSERC and KSPIFC. The advance lease rental is considered as inclusive of Goods and Services Tax (GST) as there is no clause in the said lease agreement for collection of GST in addition to lease rent and KSERC does not have GST Registration as per the records of the company.

10. b. i. GST Payable/ (Claimable) :

GST Payable		
Central GST	0.73	0.85
State GST	0.73	0.85
KFC	0.08	0.05
a	1.54	1.75

Less: GST Input Availed			
Central GST		0.06	0.11
State GST		0.06	0.11
IGST		-	-
	b	0.12	0.22
GST Payable under RCM\			
Central GST		0.00	-
State GST		0.00	-
	c	0.00	-
GST Paid in Cash during the year			
Central GST		-	0.40
State GST		-	0.40
KFC		0.07	
	d	0.07	0.80
Balance Payable for previous years			
Central GST		0.34	-
State GST		0.34	-
KFC		0.05	-
	e	0.73	-
GST Payable - (a+e-b+c-d)		2.08	0.73

11 Share capital

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
Equity Shares of Rs. 10 each with voting rights	100,000,000	10,000.00	100,000,000	10,000.00
	100,000,000	10,000.00	100,000,000	10,000.00
Issued, subscribed and paid up				
Equity Shares of Rs. 10 each with voting rights	26,650,070	2,665.01	26,650,070	2,665.01
Total	26,650,070	2,665.01	26,650,070	2,665.01

11.1 The Company has only single class of equity shares. All the equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time, if any. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have vote. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to share of paid-up equity capital of the Company. Provided however, that so far as the Government is concerned, a vote may be given on his behalf on a show of hands or on a poll by any person, whether a member or nominee who need not be a member, to be present and vote at all or any of the meeting. Share holders have one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the

Company, remaining after the distribution of all preferential amounts in proportion to the number of equity shares held.

11.2 Details of shares held by each shareholders holding more than 5% shares:

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Hon'ble Governor of Kerala, on behalf of Government of Kerala	15,830,560	59.40	15,830,560	59.40
M/s Kerala State Electricity Board Limited	10,819,440	40.60	10,819,440	40.60
Total	26,650,000	100.00	26,650,000	100.00

11.3 Reconciliation of number of shares outstanding is set out below:

	As at 31 March 2021	As at 31 March 2020
Number of Equity shares at the beginning of the year	266,50,070	266,50,070
Add: Fresh Issue of Shares during the year	-	-
Add: Shares issued as bonus during the year	-	-
Add: Shares issued on exercise of ESOP	-	-
Add: Shares issued by way of conversion	-	-
Less: Shares cancelled on buy back	-	-
Number of Equity shares at the end of the year	266,50,070	266,50,070

11.4 Out of the shares held by Hon'ble Governor of Kerala, on behalf of the Government of Kerala, 19,30,560 shares were issued as bonus shares out of General Reserve during the financial year 2004-05

11.5 Out of the shares held by M/s Kerala State Electricity Board Limited, 13,19,440 shares were issued as bonus shares out of General Reserve during the financial year 2004-05

11.6 Total of 70 shares are being held by Directors of the Company and Key Managerial Personnel (KMP) and other subscribers to the Memorandum of Association of the Company on behalf of Government of Kerala

11.7 Company has not declared any dividend for the year 2020-21 and for previous four years.

12. Other equity

	As at 31 March 2021	As at 31 March 2020
I. Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961:		
(a) Opening balance	1,232.52	1,232.52
(b) Add: additions	-	-
(c) Less: transferred	-	-
(d) Closing balance	1,232.52	1,232.52
i. Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 is created in the year 1998-99 and no such special reserve created for the current year and previous year.		
II. Special reserve u/s 45-IC of RBI Act, 1934		
(a) Opening balance	215.74	-
(b) Add: Transfer from surplus/(deficit) in Statement of Profit and Loss		
i. for the year 2018-19	-	94.01
ii. for the year 2019-20	-	121.73
iii. for the year 2020-21	143.99	-
(c) Less: transferred	-	-
(d) Closing balance	359.73	215.74
Total Special Reserve	1,592.25	1,448.26
III. General reserve:		
(a) Opening balance	3,180.69	3,180.69
(b) Add: Additions		-
(c) Less: utilised for dividend		-
(d) Closing balance	3,180.69	3,180.69
IV. Surplus/(Deficit) in Statement of Profit and Loss:		
(a) Opening balance	1,407.78	1,014.84
Opening balance restated	1,407.78	1,014.84
(b) Add: profit for the year	719.95	608.68
(c) Less: transferred to special reserve		
i. for the year 2018-19	-	94.01
ii. for the year 2019-20	-	121.73
iii. for the year 2020-21	143.99	-
(d) Closing balance	1,983.74	1,407.78
Total I+II+III+IV	6,756.68	6,036.73



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13. Interest Income

- (a) on short term loans
- (b) Penal interest

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	1,147.73	1,239.35
	43.06	55.55
	1,190.79	1,294.90

14 Rental Income

- Lease rent from KSERC
- Other Rental Income From KSERC

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	4.99	4.99
	0.19	-
	5.18	4.99

15 Other Income

Interest income

- i. Interest from bank deposits
- ii. Interest on Income Tax refund

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
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1.81	-
-	3.06

Other non-operative income

- i. Miscellaneous income
- ii. Provision for standard assets written back

0.01	0.74
1.90	0.77

3.72	4.57
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16 Finance costs

Interest expense on

- (a) Borrowings

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
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103.64	251.19
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103.64	251.19
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17 Employee benefit expense

- (a) Salaries & Wages
- (b) Remuneration to Managing Director
- (c) Contribution to provident and other funds
- (d) Staff welfare expenses
- (e) Group Gratuity Premium
- (f) Provision for Gratuity

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
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36.44	29.27
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-	-
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1.90	1.62
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0.08	0.06
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0.35	0.69
------	------

0.21	1.08
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38.98	32.72
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18 Depreciation and amortisation expense

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Depreciation and amortisation for the year on tangible assets	7.00	7.12
(b) Depreciation and amortisation for the year on intangible assets	0.02	0.04
(c) Less: Utilised from revaluation reserve		-
Total depreciation and amortisation of fixed assets	7.02	7.16
Total Depreciation and amortisation expense	7.02	7.16

(Ref. Note 4)

19 Other expenses

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Power, fuels and water charges	1.29	1.56
(b) Rates and taxes	0.12	1.72
(c) Repairs and maintenance	2.47	0.41
(d) Insurance	0.55	0.20
(e) Advertisement expenses	0.03	0.06
(f) Legal and Consultancy fees charges	2.44	2.52
(g) Audit fees	0.45	0.53
(h) Other audit fees	0.63	0.65
(i) Rating fees	0.60	0.77
(j) Membership fees (CIBIL)	0.42	0.12
(k) Communication expenses	0.22	0.21
(l) Printing and stationery	0.58	0.30
(m) Vehicle running expenses	0.35	0.23
(n) Office expenses	1.17	1.74
(o) Board meeting expenses	0.46	0.11
(p) Guarantee commission	-	2.85
(q) Bank charges	8.76	0.10
(r) interest expenses	0.07	1.43
(s) Miscellaneous items	3.43	0.94
(t) Audit expenses	0.07	0.05
(u) Donation to CMDRF	100.00	100.00
(v) Security charges	2.74	2.74
	126.85	119.24



19.1 Remuneration to Auditors

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Statutory audit fee	0.45	0.53
	0.45	0.53

20 Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company, according to which, the Company is required to spend at least Rs. 15.31 Lakhs during 2021 - 22 (P.Y. Rs.14.28 lakhs during 2020 - 21) towards Corporate Social Responsibility (CSR). The Company has made Fixed Deposits with SBI, Commercial Branch, Trivandrum for the purpose of unspent CSR Fund required to be spent during the year 2020 - 21 as per the 109th Board meeting held on 18-12-2020 in compliance with Second Proviso to Sec 135 (5) of the Companies Act, 2013 . No expenses have been incurred in construction of a capital asset under CSR during the current year and during the previous year.

II . Other Notes

II.1 Related parties

Names of related parties and description of relationship:

- a. List of related parties as identified by management are the following:
 - (i) Parties where control exists Government of Kerala
 - (ii) Other parties with whom company entered into transactions during the year Nil
- b. Transactions carried out with related parties in the ordinary course of business during the year Nil
- c. Key managerial personnel
 - (a) Dr.Saurabh Jain IAS Chairman
 - (b) Sri. N. S. Pillai IA&AS Managing Director
 - (c) Sri. Dinesha Aroor Director
 - (d) Smt . Sobha.V.R. Director
 - (e) Sri. K.C.Sahadevan Director
 - (f) Sri. Murali.S Director
 - (g) Smt.Deepthi. N.Nadar Chief Financial Officer
 - (h) Shri. S S Thanu Company Secretary

II.2 Movement of provision

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
i Provision for gratuity :		
At the beginning of the year		
- Long Term	4.13	3.04
- Short Term	-	-
Additional provision during the year		
- Long Term	0.21	1.09
- Short Term		
Utilised/paid during the year		
- Long Term		
- Short Term		
At the end of the year		
- Long Term	4.34	4.13
- Short Term	-	-

ii Provision for surrender of earned leave :		
At the beginning of the year		
- Long Term	1.88	1.13
- Short Term	-	-
Additional provision during the year		
- Long Term	0.99	0.97
- Short Term		
Utilised/paid during the year		
- Long Term	0.24	0.22
- Short Term		
At the end of the year		
- Long Term	2.63	1.88
- Short Term	-	-
iii Provision for standard assets:		
At the beginning of the year		
- Long Term	-	
- Short Term	44.10	44.87
Additional provision during the year		
- Long Term		
- Short Term		
Utilised/paid / reversal during the year		
- Long Term		
- Short Term	1.90	0.77
At the end of the year		
- Long Term	-	-
- Short Term	42.20	44.10
iv. Provision for non-performing assets (NPA assets) :		
At the beginning of the year		
- Long Term	180.52	180.52
- Short Term	-	-
Additional provision during the year		
- Long Term		
- Short Term		
Utilised/paid / during the year		
- Long Term		
- Short Term		
At the end of the year		
- Long Term	180.52	180.52
- Short Term		
v. Provision for Current Tax (Net):		
At the beginning of the year		
- Long Term	-	
- Short Term	24.53	-



Additional provision during the year

- Long Term		
- Short Term	4.76	24.53

Utilised/paid / during the year

- Long Term		
- Short Term	24.53	-

At the end of the year

- Long Term	-	-
- Short Term	4.76	24.53

II.3 Amount payable to Micro, Small and Medium Enterprises exceeding 45 days as on 31.03.2021 is Nil (previous year, Nil). No interest is payable under Micro, Small and Medium Enterprise Development Act, 2006 to any party covered under that Act.

II.4 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of loans, receivables, unbilled revenues and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and, based on the current estimates, expects the carrying amount of these assets will be recovered. The Company based on its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. The impact of COVID-19 on the financial statements of the Company may differ from that estimated as at the date of approval of these financial statements.

II.5 Contingent Liabilities & Commitments

Claims against company not acknowledged as debt :-As at 31 March 2021 : Nil, Previous year : Nil
Other Contingent Liabilities & Commitments :As at 31 March 2021 : Nil, Previous year : Nil

II.6 Figures in brackets denote negative figures unless otherwise specified.

As per our report of even date attached

for **KANNAN & KASSIM**,
Chartered Accountants
Firm registration number: 008896S

for and on behalf of the Board of Directors of
**Kerala State Power and Infrastructure Finance
Corporation Limited**
CIN:U65910KL1998SGC012160

P B Vijayabhaskar
Partner, Membership No. 206038

Deepthi N Nadar
Chief Financial Officer

Dr B Ashok IAS
Chairman ,
DIN- 05230812

Sobha V.R
Finance Department
DIN -

S S Thanu
Company Secretary, Membership No.: F.7351

Thiruvananthapuram
Date : 23.09.2021

Thiruvananthapuram
Date : 20.09.2021



Kerala State Power and Infrastructure Finance Corporation Limited

REPORTING REQUIREMENTS AS PER RESERVE BANK OF INDIA DIRECTIONS DNBR.PD.008.310.119/2016-17 ON NON BANKING FINANCIAL COMPANIES

The following disclosures are to be made:

i)	Registration/ License/ Authorisation obtained from other financial sector regulators	As per Companies Act: 2013 CIN U65910KL1998SGC012160. AS per RBI Act: Reg No A.16.00094
ii)	Ratings assigned by credit agencies and migration of ratings during the year	Credit Rating on External Exposure: CARE BBB
iii)	Penalties, if any, levied by regulator	NIL
iv)	Information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries	RO Address: KPFC BHAVANAM, VELLAYAMBALAM, SASTHAMANGALAM P.O., TVPM_695010
	Country of Operation	India
	Joint Venture Partners	Nil
	Overseas Subsidiaries	Nil
v)	Asset-Liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet , structured products issued by them as also securitization / assignment transactions and other disclosures as given in Annex XII.	Separately enclosed as Annexure
vi)	Exposure to Real estate sector, both direct and indirect	Nil
vii)	Maturity pattern of Assets and Liabilities	Separately enclosed as Annexure XII

Kerala State Power and Infrastructure Finance Corporation Limited

Balance Sheet disclosure for deposit accepting NBFCs

(All amounts are in Indian Rupees, stated in crores)

1. Minimum Disclosures

The items listed in this Annex is disclosed in accordance with the RBI directions. The disclosures listed are intended only to supplement, and not to replace, other disclosure requirements as applicable.

2. Summary of Significant Accounting Policies

The Significant accounting policies are disclosed separately as a part of financial statements.

3.1 Capital

	Particulars	Current Year	Previous Year
i)	CRAR (%)	80.74	77.35
ii)	CRAR - Tier I capital (%)	80.74	77.35
iii)	CRAR - Tier II capital (%)	Nil	Nil
iv)	Amount of subordinated debt raised as Tier-II capital	Nil	Nil
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

3.2 Investments

	Particulars	Current Year	Previous Year
1)	Value of Investments		
(i)	Gross Value of Investments		
(a)	In India		
(b)	Outside India,		
(ii)	Provisions for Depreciation		
(a)	In India		
(b)	Outside India,		
(iii)	Net Value of Investments		
(a)	In India		Nil
(b)	Outside India.		
	Movement of provisions held towards depreciation on investments.		
(i)	Opening balance		
(ii)	Add : Provisions made during the year		
(iii)	Less : Write-off / write-back of excess provisions during the year		
(iv)	Closing balance		

3.3 Derivatives

3.3.1 Forward Rate Agreement / Interest Rate Swap

	Particulars	Current Year	Previous Year
(i)	The notional principal of swap agreements		
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements		
(iii)	Collateral required by the applicable NBFC upon entering into swaps		Nil
(iv)	Concentration of credit risk arising from the swaps \$		
(v)	The fair value of the swap book @		
<p>Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.</p>			
<p>\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.</p>			
<p>@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the applicable NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.</p>			

3.3.2 Exchange Traded Interest Rate (IR) Derivatives

	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March (instrument-wise)	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil

3.3.3 Disclosures on Risk Exposure in Derivatives Qualitative Disclosure

Since there are no activities, no disclosure is being made regarding the following:

- the structure and organization for management of risk in derivatives trading,
- the scope and nature of risk measurement, risk reporting and risk monitoring systems,
- policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and
- accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

Quantitative Disclosures

Particular	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount) For hedging		
(ii) Marked to Market Positions [1]		
a) Asset (+)		Nil
b) Liability (-)		
(iii) Credit Exposure [2]		
(iv) Unhedged Exposures		

3.4 Disclosures relating to Securitisation

3.4.1 The outstanding amount of securitised assets as per books of the SPVs sponsored by the applicable NBFC and total amount of exposures retained by the NBFC as on the date of balance sheet to comply with the Minimum Retention Requirements (MRR). These disclosures shall be made in the format given below.

- 1 No of SPVs sponsored by the applicable NBFC for securitisation transactions*
- 2 Total amount of securitised assets as per books of the SPVs sponsored
- 3 Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet
 - a) Off-balance sheet exposures
 - First loss
 - Others
 - b) On-balance sheet exposures
 - First loss
 - Others
- 4 Amount of exposures to securitisation transactions other than MRR
 - a) Off-balance sheet exposures
 - Exposure to own securitizations
 - First loss
 - Loss
 - Exposure to third party securitisations
 - First loss
 - Others
 - b) On-balance sheet exposures
 - Exposure to own securitizations
 - First loss
 - Loss
 - Exposure to third party securitisations

First loss

Others

*Only the SPVs relating to outstanding securitisation transactions may be reported here

3.4.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particular	Current Year	Previous Year
(i) No. of accounts	Nil	
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain / loss over net book value		

3.4.3 Details of Assignment transactions undertaken by applicable NBFCs

Particular	Current Year	Previous Year
(i) No. of accounts	Nil	
(ii) Aggregate value (net of provisions) of accounts sold		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain / loss over net book value		

3.4.4 Details of non-performing financial assets purchased / sold

Applicable NBFCs which purchase non-performing financial assets from other NBFCs shall be required to make the following disclosures in the NTA to their Balance sheets:

A. Details of non-performing financial assets purchased :

Particular	Current Year	Previous Year
1 a) No. of accounts purchased during the year	Nil	
b) Aggregate outstanding		
2 a) Of these, number of accounts restructured during the year		
b) Aggregate outstanding		

B Details of Non-performing Financial Assets sold :

Particular	Current Year	Previous Year
1 No. of accounts sold	Nil	
2 Aggregate outstanding		
3 Aggregate consideration received		

Kerala State Power and Infrastructure Finance Corporation Limited

Balance Sheet disclosure for deposit accepting NBFCs
(All amounts are in Indian Rupees, stated in crores)

3.5 Asset liability management maturity pattern of certain items of assets and liabilities

	Upto 30/ 31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits					Nil				
Advances				107.26					107.26
Investments					Nil				
Borrowings					Nil				
Foreign Currency assets					Nil				
Foreign Currency liabilities					Nil				

Kerala State Power and Infrastructure Finance Corporation Limited

Balance Sheet disclosure for deposit accepting NBFCs

(All amounts are in Indian Rupees, stated in crores)

3.6 Exposures

3.6.1 Exposure to Real Estate Sector

Particulars		Current Year	Previous Year
a)	Direct Exposure		
	(i) Residential Mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
	(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, Multi -purpose commercial premises, multi- family residential buildings, multi- tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure shall also include non-fund based limits.	NIL	
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
	a. Residential		
	b. Commercial Real Estate		
Total Exposure to Real Estate Sector		NIL	

3.6.2 Exposure to Capital Market

Particulars		Current Year	Previous Year
i)	Direct investment in equity shares, convertible, bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;		
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs /ESOPs), convertible bonds, convertible debentures, and units of equity - oriented mutual funds.	NIL	
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security		

iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units or equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	NIL
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	
vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	
vii)	bridge loans to companies against expected equity flows / issues.	
viii)	all exposures to Venture Capital Funds (both registered and unregistered)	
Total Exposure to Capital Market		NIL

3.6.3 Details of financing of parent company products

3.6.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

There are no single borrower limits which need to be reported under this head. Unsecured Advances

- a) For determining the amount of unsecured advances the rights, licenses, authorisations, etc., charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by them, shall not be reckoned as tangible security. Hence such advances shall be reckoned as unsecured.
- b) There are no advances for which intangible securities such as charge over the rights, licenses, authority etc.

4. Miscellaneous

Registration obtained from other financial sector regulators

Disclosure of Penalties imposed by RBI and other regulators

There are no penalties imposed by RBI and other regulators.

Related Party Transactions are separately disclosed in the annual financial statements.

Ratings assigned by credit rating agencies and migration of ratings during the year

BBB rating has been assigned by the Credit Rating Agency "CARE".

Remuneration of Directors

All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company is disclosed in the Annual Report.

Management

As part of the directors' report or as an addition thereto, a Management Discussion and Analysis report forming part of the Annual Report to the shareholders is disclosed.

Net Profit or Loss for the period, prior period items and changes in accounting policies.

Net profit made by the company during the year 2020-21 is INR 6.94 crores. There were no changes in the accounting policies of the company during the year.

5. Additional Disclosures

Provisions and Contingencies

To facilitate easy reading of the financial statements and to make the information on all Provisions and Contingencies available at one place, applicable NBFCs are required to disclose in the NTA the following information:

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	NIL	NIL
Provision towards NPA	1.81	1.81
Provision made towards Income tax	2.05	2.51
Other Provision and Contingencies (with details)	0.07	0.06
Provision for Standard Assets	0.42	0.44

Draw Down from Reserves

There are no amounts drawn from the reserves during the year.

Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits (for deposit taking NBFCs)

Total Deposits of twenty largest depositors	NIL
Percentage of deposits of twenty largest depositors to Total Deposits of the deposit taking NBFC	

Concentration of Advances

Total advances of twenty largest borrowers	107.26
Percentage of advances to twenty largest borrowers to Total advance of the applicable NBFC	100%

Concentration of Exposures

Total Exposure to twenty largest borrowers / customers	107.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	100%

Concentration of NPAs

Total Exposure to top four NPA accounts – 1 NPA account	1.81 Crores
---	-------------

Sector-wise NPAs

Sl. No	Sector	Percentage of NPA's to total Advances in that sector
1	Agriculture & allied activities	NIL
2	MSME	NIL
3	Corporate borrowers	1.68
4	Services	NIL
5	Unsecured personal loans	NIL
6	Auto loans	NIL
7	Other personal loans	NIL

Movement of NPAs

Particulars		Current Year	Previous Year
i)	Net NPAs to Net Advances (%)	-	-
ii)	Movement of NPAs (Gross)		
	a) Opening Balance	1.81	1.81
	b) Additions during the year	-	-
	c) Reductions during the year	-	-
	d) Closing balance	1.81	1.81
iii)	Movement of Net NPAs		
	a) Opening Balance	-	-
	b) Additions during the year	-	-
	c) Reductions during the year	-	-
	d) Closing balance	-	-
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening Balance	1.81	1.81
	b) Additions during the year	-	-
	c) Reductions during the year	-	-
	d) Closing Balance	1.81	1.81

Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
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NIL

Off-balance Sheet SPVs sponsored

(which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NIL	

6. Disclosure of Complaints

Customer Complaints

(a)	No. of complaints pending at the beginning of the year	NIL
(b)	No. of complaints received during the year	
(c)	No. of complaints redressed during the year	
(d)	No. of complaints pending at the end of the year	



KANNAN & KASSIM
CHARTERED ACCOUNTANTS



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T.C.No.68/795(3), 2nd Floor, S-1
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Apartment, Balavan Nagar, Manacaud
Thiruvananthapuram- 695 009, Kerala
Phone: 0471- 2453747
E-mail: kankastvm@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

To the Members of **M/s. KERALA STATE POWER AND INFRASTRUCTURE FINANCE CORPORATION LIMITED, THIRUVANANTHAPURAM**

Report on the audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of **M/s. KERALA STATE POWER AND INFRASTRUCTURE FINANCE CORPORATION LIMITED, THIRUVANANTHAPURAM**, ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the statement of changes in equity and Cash Flow Statement for the year then ended, and notes to the 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, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2021 and its profits, its changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

4. Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to

Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

5. Responsibility of Management for Financial Statements

The Company's board of directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matter

1. We draw attention to Note 2 of the financial statements which disclose that the outstanding loan amount of M/s. Traco Cable Company Ltd. (Traco) as on 31.03.2021 is Rs. 9925.55 lakhs which is 92.54% of the total loan outstanding of the company as on 31.03.2021. In our opinion, concentration of loan in such higher proportion to single borrower, though permitted by RBI, is in high risk for the company. According to the information and explanations given to us, such high value loans were sanctioned based on purchase order received by the borrower and their financial statements and financial position are not properly considered either in pre sanction or post sanction review by the company. We are of the view that, if financial positions are a parameter for sanction of loan, Traco may not be eligible for such high value loans.

Also, these loans are not secured by tangible collateral security and till issue of bill to Kerala State Electricity Board Limited (KSEBL) by the borrower, these loans are in very high risk. Also, no charge is seen created by these borrowers with Registrar of Companies and/or CERSAI in favour of the company.

Also, according to the information and explanations given to us, the company is not even reviewing the receivable position of Traco, which is the security given to the company for the loan given to Traco. As per the records available to us, total receivables of Traco as on 31.03.2021, which include receivables from other electricity boards in addition to receivables from KSEBL, is less than loan outstanding of Traco as on that date in the books of the company.

Also, as noticed in audited financial statements of Traco for the year 2019-20, networth of Traco is in negative as on 31.03.2020 and 31.03.2019, and Traco was in operating loss for the year 2019-20 and 2018-19.

Our opinion is not modified in respect of this matter.

8. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the balance sheet, statement of profit and loss, statement of changes in equity and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e. being a Government company, Section 164 (2) of the Act is not applicable to the company in terms of notification dated 05.06.2015;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g. being a Government Company, the provisions of section 197 of the Act with respect to the matters to be included in the Auditors' Report are not applicable to the company; and
 - h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - (ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts;



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- (iii) There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by section 143(5) of the Act we give in the Annexure C a statement on the compliance to the directions issued by the Comptroller and Auditor General of India applicable to the company for the year under audit.

For KANNAN & KASSIM
CHARTERED ACCOUNTANTS

Sd/-

P.B. VIJAYABHASKAR FCA
PARTNER (M.NO. 206038)
FIRM REGN NO.008896S

Place: Thiruvananthapuram
Date: 23.09.2021

UDIN : 21206038AAAADL6270

ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT
OF EVEN DATE ON THE FINANCIAL STATEMENTS OF
M/s. KERALA STATE POWER AND INFRASTRUCTURE FINANCE CORPORATION LIMITED,
FOR THE YEAR ENDED 31.03.2021
(Referred to in paragraph 8(1) of our report of even date)

- i) a. The company is reasonably maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets of the company have been physically verified by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the discrepancies noticed on such verification during the year under audit are not material and the same have been properly dealt with in the books of accounts.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company **except for 20 cents of land assigned by Government of Kerala to the company on 09.05.2003 for which, according to the information and explanations given to us, no title deed has been executed.**
- ii) In our opinion and according to the information and explanations given to us, the company do not hold any inventory and hence the requirements to report whether physical verification of inventory of the company has been conducted at reasonable intervals by the management, whether the discrepancies noticed on physical verification of inventory were material or not and whether those discrepancies have been properly dealt with in the books of accounts are not applicable to the company.
- iii) a. According to the information and explanations given to us, the company is not maintaining any register u/s. 189 of the Act. However, from the examination of the records, in our opinion and according to the information and explanations given to us, the company has not granted any loan secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register to be maintained under section 189 of the Act and hence in our opinion, the requirement to report whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular and if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security the applicable provisions of section 185 and 186 of the Act have been complied with.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted during the year under audit any deposit and hence the requirement to report in case the company has accepted deposits whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with and if an

order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not are not applicable to the company

- vi) In our opinion and according to the information and explanations given to us, the company is not carrying out any manufacturing activity and hence the requirement to report whether the Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company is not applicable to the company.
- vii) a. According to the information and explanation given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities **except for remittance of goods and service tax** and there are no arrears of outstanding undisputed statutory dues as on the last day of the financial year under audit for a period of more than six months from the date they became payable **except for goods and service tax of Rs. 0.73 lakhs.**
 - b. According to the information and explanations given to us there are no dues of income tax or sales tax or service tax, goods and service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix) In our opinion, the requirement to report whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised are not applicable to the company as there were no such moneys raised during or related to the year under audit.
- x) According to the information and explanations given to us, any fraud by the company or any fraud on the Company by its officers or employees neither noticed nor reported during the year under audit.
- xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no managerial remuneration has been paid or provided by the company over and above the limit specified in section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting requirements for a Nidhi company is not applicable to the company.
- xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company all transactions with the related parties are in compliance with provisions of sections 177 and 188 of Act applicable to Government Company and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence the requirement to report whether provisions of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used



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for the purposes for which the funds were raised are not applicable to the company for the year under audit.

- xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) According to the information and explanations given to us, the company is required to be registered and registration has been obtained under section 45-IA of the Reserve Bank of India Act, 1934.

For Kannan & Kassim
Chartered Accountants

Place: Thiruvananthapuram
Date: 23.09.2021

Sd/-
P.B. Vijayabhaskar FCA
Partner (M.no. 206038)
Firm Regn No. 008896S

UDIN : 21206038AAAADL6270



ANNEXURE B
TO THE INDEPENDENT AUDITOR'S REPORT
OF EVEN DATE ON THE FINANCIAL STATEMENTS OF
M/s. KERALA STATE POWER AND INFRASTRUCTURE FINANCE CORPORATION LIMITED,
FOR THE YEAR ENDED 31.03.2021
(Referred to in paragraph 8.2(f) of our report of even date)

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

Opinion

We have audited the internal financial controls with reference to financial statements of **M/s. KERALA STATE POWER AND INFRASTRUCTURE FINANCE CORPORATION LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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".

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 the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, 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 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 control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the 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 controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 or 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 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.

Other Matter

We draw attention to Note 2 of the financial statements which state that short term loan given by the company to suppliers of KSEBL (borrowers) are secured by Tripartite Agreement executed among the borrowers, KSEBL and KSPIFC, Power of Attorney authorising KSPIFC to receive all the payments from KSEBL against the supplies made by borrowers to KSEBL, Demand Promissory Note from the borrower, company guaranty of the borrowers and Memorandum of Agreement executed between borrowers and KSPIFC. As the company is not obtaining any collateral security even for loan exceeding Rs. 9900.00 lakhs, the end use of fund by the borrowers should be closely ensured by the company that the same is utilized only for the purpose for which it is sanctioned. It is seen that the company is obtaining only an utilization certificate signed by the borrower to ensure end use of loan amount. In our opinion, the internal control and other procedures followed by the company to ensure proper end use of loan given to its top borrowers needs to be improved to commensurate with the amount financed by the company.

For Kannan & Kassim
Chartered Accountants

Sd/-

P.B. Vijayabhaskar FCA
Partner (M.no. 206038)
Firm Regn No. 008896S

Place: Thiruvananthapuram

Date: 23.09.2021

UDIN : 21206038AAAADL6270

ANNEXURE C
TO THE INDEPENDENT AUDITOR'S REPORT
OF EVEN DATE ON THE FINANCIAL STATEMENTS OF
M/s. KERALA STATE POWER AND INFRASTRUCTURE FINANCE CORPORATION LIMITED,
THIRUVANANTHAPURAM
FOR THE YEAR ENDED 31.03.2021
(Referred to in paragraph 8.3 of our report of even date)

Directions under section 143(5) of the Companies Act, 2013

Sl. No.	Directions	Auditors' comment
1.	<p>Whether the company has system in place to process all the accounting transactions through IT system?</p> <p>If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</p>	<p>The company is maintaining books of account in 'Tally Software', but the accounting transactions are not processed through IT system.</p> <p>Not applicable as the accounting transactions are not processed through IT system.</p>
2	<p>Whether there is any restructuring of an existing loan or case of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan?</p> <p>If yes, the financial impact may be stated.</p> <p>Whether such cases are properly accounted for?</p>	<p>No such cases for the year 2020-21</p> <p>Not applicable</p> <p>Not applicable</p>
3	<p>Whether funds (grants, subsidy, etc.) received/receivable for specific schemes from central/state agencies were properly accounted for/used as per its terms and conditions?</p> <p>List the cases of deviation.</p>	<p>No such funds received/receivable for specific schemes from central/state agencies for the year 2020-21</p>

Sub-directions under section 143(5) of the Companies Act, 2013

Sl. No.	Directions	Auditors' comment
1.	<p>Whether the company has complied with the directions issued by Reserve Bank of India for:</p> <ul style="list-style-type: none"> ● Non Banking Finance Companies (NBFCs); ● Classification of non performing assets; and ● Capital adequacy norms for NBFCs. 	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has complied with the directions issued by Reserve Bank of India for:-</p> <ul style="list-style-type: none"> ● Non Banking Finance Companies (NBFCs); ● Classification of non performing assets; and ● Capital adequacy norms for NBFCs.
2.	<p>Whether the company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge of the mortgaged assets. Further, instances of undue delay in disposal of seized units may be reported.</p>	<p>According to the information and explanations given to us, the company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge of the mortgaged assets.</p> <p>Short terms loans against purchase orders issued by KSEBL/other EBs are secured only by tripartite agreement.</p> <p>According to the information and explanations given to us, there are no instances of seizure of units by the company during or as at the end of the year under audit.</p> <p>Loan to M/s. Safeguard Lightings (India) Pvt. Ltd. is NPA from 16.09.2015 and the company has taken measures to recover the dues.</p>
3.	<p>Whether introduction of any scheme for settlement of dues and extensions thereto are in compliance with the policy guidelines of the company/Government.</p>	<p>According to the information and explanations given to us, there was no scheme for settlement of dues during or as at the end of the year under audit.</p>
4.	<p>Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash.</p>	<p>Being NBFC, the company has no trade receivables or trade payables.</p> <p>According to the information and explanations given to us, balance confirmations have been obtained for all accounts with bank and treasury except for term deposits with bank.</p>



Annual Report 2020-21

5.	Whether bank guarantees are revalidated in time?	According to the information and explanations given to us, the company has not obtained any bank guarantee during and as at the end of the year under audit.
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For Kannan & Kassim
Chartered Accountants

Place: Thiruvananthapuram
Date: 23.09.2021

Sd/-
P.B. Vijayabhaskar FCA
Partner (M.no. 206038)
Firm Regn No. 008896S

UDIN : 21206038AAAADL6270



KANNAN & KASSIM
Chartered Accountants



Annual Report 2020-21

T.C.No.68/795(3), 2nd Floor, S-1
Near BNRA 42- B, Gods' Light
Apartment, Balavan Nagar, Manacaud
Thiruvananthapuram- 695 009, Kerala
Phone: 0471- 2453747
E-mail: kankastvm@yahoo.co.in

**Additional Report submitted to the Board of Directors of Kerala State Power and
Infrastructure Finance Corporation Limited, as per "Non-Banking Financial Companies
Auditor's Report (Reserve Bank) Directions, 2008"**

- 1 The Company is engaged in the business of non-banking financial institution and has obtained a Certificate of Registration (CoR) from the Reserve Bank of India (RBI) and the company is entitled to continue to hold the CoR in terms of its asset/income pattern as on March 31, 2021.
- 2 The Company has not been classified as Asset Financing Company since it does not have any leasing / hire purchase activity.
- 3 Even though Kerala State Power and Infrastructure Finance Corporation Limited is an NBFC accepting/ holding public deposits, the company has temporarily stopped the acceptance of public deposits since 2004.
4. The Company has complied with the applicable prudential norms on income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts, and concentration of credit/investments or relevant exemption has been obtained as specified in the Directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
5. The Capital adequacy ratio as disclosed in the return submitted to the RBI in terms of the Non- banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve bank) Directions, 2007 has been correctly determined and such ratio is in compliance with the minimum CRAR prescribed therein.
6. The company has furnished to RBI within the stipulated period the return on deposits as specified in NBS 1 to the Non Banking Financial Companies Acceptance Public Deposits (Reserve Bank), Directions, 1998.

For Kannan & Kassim
Chartered Accountants

Sd/-

P.B. Vijayabhaskar FCA
Partner (M.no. 206038)
Firm Regn No. 008896S

Place: Thiruvananthapuram
Date: 23.09.2021

UDIN : 21206038AAAADM7871



KANNAN & KASSIM
Chartered Accountants



Annual Report 2020-21

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CERTIFICATE OF STATUTORY AUDITORS

We have examined the books of accounts and other records of Kerala State Power and Infrastructure Finance Corporation Limited for the Financial Year ending March 31, 2021. On the basis of the information submitted to us, we certify the following:

Sl.	Particulars	Details
1	Name of the company	Kerala State Power and Infrastructure Finance Corporation Limited
2	Certificate of Registration No.	A.16.00094
3	Registered office Address	KPFC Bhavanam, Sasthamangalam.P.O., Vellayambalam, Thiruvananthapuram
4	Corporate office Address	KPFC Bhavanam, Sasthamangalam.P.O., Vellayambalam, Thiruvananthapuram
5	The company has been classified by RBI as :	NBFC- LOAN
6	Net Owned Fund (in ' Crore)	94.22
7	Total Assets (in ' Crore)	109.39
8	Asset-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)	98.52 99.26
9	Whether the company was holding any Public Deposits, as on March 31, 2021? If Yes, the amount in ' Crore	No
10	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec 45-IC of the RBI Act, 1934).	NA for the year 2020-21
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No

12	If the company is classified as an NBFC-Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	NA for the year 2020-21
13	If the company is classified as an NBFC-MFI; % of Qualifying Assets to Net Assets (<i>refer to Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011</i>)	NA for the year 2020-21
14	If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	NA for the year 2020-21
15	If the company is classified as an NBFCIFC % of Infrastructure Loans to Total Assets	NA for the year 2020-21
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI? (<i>please refer to per DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015 on the subject for details</i>)	NO

In terms of paragraph 2 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the company has been made.

We have read and understood paragraph 5 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008.

For Kannan & Kassim
Chartered Accountants

Place: Thiruvananthapuram
Date: 23.09.2021

Sd/-
P.B. Vijayabhaskar FCA
Partner (M.no. 206038)
Firm Regn No. 008896S

UDIN : 21206038AAAADN3675



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 FINANCIAL STATEMENTS OF
KERALA STATE POWER & INFRASTRUCTURE FINANCE CORPORATION LIMITED,
THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2021

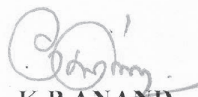
The preparation of financial statements of **Kerala State Power & Infrastructure Finance Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2021** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management 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 **23 September 2021**.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the financial statements of **Kerala State Power & Infrastructure Finance Corporation Limited, Thiruvananthapuram** for the year ended **31 March 2021** under section 143(6)(a) of the Act. 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6) (b) of the Act.

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

Thiruvananthapuram
Dated: 01.11.2021


K.P. ANAND
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II), KERALA

