

# MSEB CONTRIBUTORY PROVIDENT FUND TRUST

## ANNUAL REPORT

2016-2017



## **CONTENTS**

<b>SR.NO.</b>	<b>PARTICULARS</b>	<b>PAGE NO.</b>
<b>1</b>	<b>FOREWORD</b>	<b>3</b>
<b>2</b>	<b>BOARD OF TRUSTEES</b>	<b>4</b>
<b>3</b>	<b>TRUSTEE REPORT</b>	<b>5</b>
<b>4</b>	<b>HIGHLIGHTS FOR THE YEAR 2016-17</b>	<b>5</b>
<b>5</b>	<b>ANNUAL INFORMATION OF MSEB CPF TRUST FOR THE F.Y.2016-17</b>	<b>6</b>
<b>6</b>	<b>FINANCIAL POSITION AS ON 31.03.2017</b>	<b>7</b>
<b>7</b>	<b>INVESTMENT POLICY</b>	<b>8</b>
<b>8</b>	<b>OUTLOOK &amp; WAY FORWARD</b>	<b>11</b>
<b>9</b>	<b>BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017</b>	<b>12</b>
<b>10</b>	<b>INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.3.2017</b>	<b>13</b>
<b>11</b>	<b>ANNEXURE 1 – DETAILS OF CLAIMS SETTLED</b>	<b>14</b>
<b>12</b>	<b>ANNEXURE 2 – STATUTORY AUDITOR' REPORT</b>	<b>15</b>
<b>13</b>	<b>ANNEXURE 3 – NOTES TO ACCOUNT</b>	<b>17</b>
<b>14</b>	<b>CONTACT INFORMATION OF OFFICIALS OF MSEB CPF TRUST</b>	<b>21</b>

## **FOREWORD**

**To  
All the members,**

*The Board of Trustees of MSEB CPF Trust feels immense pleasure in presenting the Annual Report of the Trust for the year 2016-17. Significantly, this is the first time that Annual Report on the working of CPF Trust is published for circulations to the members.*

*Your Trust is a Common CPF Trust for all four companies i.e. MSEBHCL, MSPGCL, MSETCL & MSEDCL. All members are contributing their subscription in MSEB CPF Trust. There are 83148 Active Members as on 31.03.2017. The investment of the trust as on 31.03.2017 is Rs.8119 cr. The average return on investment for the year was 8.65%. The EPFO has declared the 8.65% Statutory Rate of Interest for the F.Y.2016 – 17 and actual rate i.e. 8.65% has paid / credited to the members towards Interest on Contribution.*

*Your trust has made sincere efforts to settle a total of 22177 claims of the members towards settlement of 10%, 100%, Supplementary and 90% Final Settlement during the Financial Year 2016-17. The EPFO has started to provide Universal Account Numbers (UAN) to all the members of the EPFO and same is applicable to the Exempted Trust. On the same line your trust has made sincere efforts to generate and provide Universal Account Numbers (UAN) from the EPFO to all members.*

*Your trust has made sincere efforts to invest Investible surplus within minimum time on all occasions and Rs. 832 cr. has been invested during the F.Y. 2016-17. The Pattern of Investment notified by Ministry of Labour & Employment on 23<sup>rd</sup> April 2015 applicable to Exempted establishment w.e.f. 29.05.2015, prescribed 5% to 15% investment in Equity and related investment. The Board of Trustee of MSEB CPF Trust in 58<sup>th</sup> AGM held on 27.10.2015 recommend the said pattern of investment for adoption in the line of EPFO and decided to invest 5% of the total investments made during the year in Exchange Traded Fund (ETF) of Nifty and Sensex. Accordingly, investment in ETF started w.e.f. January 2016 in SBI MF Nifty and Sensex ETF and as on 31.03.2017 total investment are made Rs. 61.39 Cr and Rs. 21.45 Cr. respectively.*

*The Trustees sincerely acknowledge the contribution of all the superannuated members and wish them a happy and contented retired life.*

**Board of Trustees  
MSEB CPF Trust**

**BOARD OF TRUSTEES**

Shri. J. K. Srinivasan	Director (Finance), MSEBHCL Chairman of MSEB CPF Trust	3rd Floor, HSBC Bank Building
Shri. S. J. Amberkar	Director (Finance), MSPGCL Employer Trustee of MSEB CPF Trust	2 <sup>nd</sup> Floor, Prakashgad, Bandra.
Shri. S. E. Hake	Chief General Manager (HR), MSEDCL Employer Trustee of MSEB CPF Trust	4 <sup>th</sup> Floor, Prakashgad, Bandra.
Shri. P. D. Sharma	Chief General Manager (A), MSPGCL Employer Trustee of MSEB CPF Trust	2 <sup>nd</sup> Floor, Prakashgad, Bandra.
Shri. C. A. Gadre	Chief General Manager (IA), MSEDCL Employer Trustee of MSEB CPF Trust	Ground Floor, Prakashgad, Bandra.
Shri. R. S. Kamble	M. S. Magasvargiya vidyut Kamgar sanghatana Employee Trustee of MSEB CPF Trust	EHV CC O&M Zone, Rasta Peth, Pune – 411 011.
Shri R. T. Deokant	Vidyut Shetra Tantrik Kamgar union Employee Trustee of MSEB CPF Trust	Karad Division, Ogalewadi Karad, Dist. Satara

(above position is as on 22.01.2018)

## **TRUSTEES' REPORT**

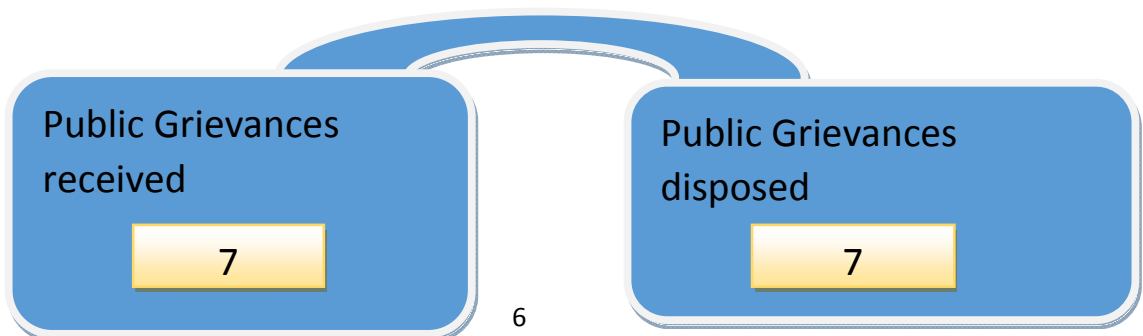
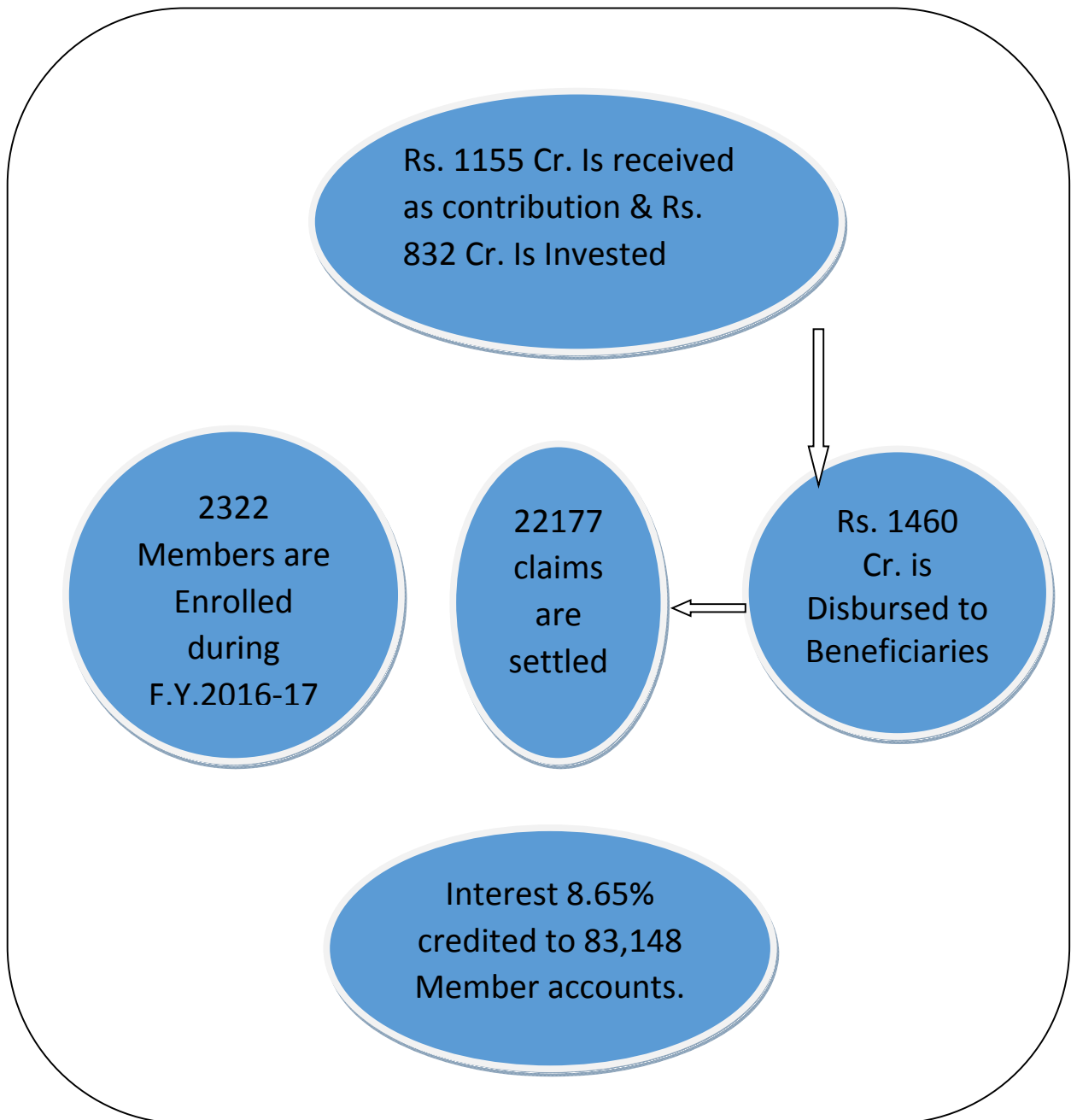
Dear Members,

On behalf of the Board of Trustees of your Trust, I have the privilege to present this Annual report and audited statement of Accounts for the Financial Year ended 31<sup>st</sup> March 2017, together with the Auditors' Report.

### **Highlights for the year 2016-17**

- A total of 22177 claims of the members towards settlement of 10%, 100%, Supplementary and 90% Final Settlement were settled during the year 2016-17
- Rs. 687.85 Crore as Interest on Contribution had been paid / credited to the members.
- The accounts of the trust had been prepared and audited. Income tax return has been filed up-to-date.
- The outstanding position of final settlement claims is 733 as on 31.03.2017.
- The average return on investment for the year was 8.65%.
- The investments of the trust as on 31.03.2017 is Rs.8119.05 cr
- No. of contributing members of trust is 83148 Employees as on 31.03.2017
- Subscription from the employers has been received consistently within prescribed time.
- All statutory returns were filed on time
- Investible surplus has been fully invested within minimum time on all occasions
- Interest given to members is at par with EPFO i.e. 8.65% on monthly running balance.
- Accounts of the trust are audited by the CA firm as per statutory provisions and further an internal audit by another CA firm is also conducted.

**ANNUAL INFORMATION OF MSEB CPF TRUST FOR THE F.Y.2016-17**



## FINANCIAL POSITION (AS ON 31.03.2017)

(In Rs. Crores)

Particulars	2016-17	2015-16
<b>Capital &amp; Members Contribution</b>		
Reserve Fund	21.46	24.23
Contribution	8531.87	8061.23
Unclaimed Deposit Accounts	97.68	71.57
Provision for Final Settlement (Sanctioned but not disbursed)	14.70	119.59
Payable to companies		
MSPGCL	13.57	10.53
MSETCL	4.76	
MSEDCL	14.96	
Provision for Accrued Interest (SSNNL under litigation)	45.91	45.91
<b>Total</b>	<b>8744.91</b>	<b>8333.16</b>
<b>Investment (at Face Value)</b>		
<b>(Prior to 2002 – 03 &amp; DDB 0% Bonds are at Cost)</b>	<b>8119.05</b>	<b>7724.06</b>
Income from Investment	696.26	682.47
Income from Dividend (ETF)	1.27	-
Other Income	0.33	0.27
<b>Total Income</b>	<b>697.86</b>	<b>682.74</b>
Interest paid to members	687.85	653.23
Other Expenditure	8.68	5.74
<b>Total Expenditure</b>	<b>696.53</b>	<b>658.97</b>
Excess of Income over Expenditure	1.33	23.77
Balance carried over to General Reserve	1.33	23.77

### BENEFITS TO MEMBERS

The trust has served to more than 83000 members. The interest rate given to members is 8.65% for F.Y. 16-17 which is at par with the interest rate declared by EPFO. During the year, the trust has disbursed an amount of Rs.1460.06 crores to the members and settled 30,196 cases. The details of the same is available in Advance and Final Settlement Section.

The trust has been relentlessly pursuing the members whose claims are not received even after the mandatory three years' time from the date of discontinuance of service and during which interest accrual is allowed. Accordingly, cases of such nature are also settled.

### PROVISIONAL RATE OF INTEREST FOR F.Y. 2017-18

The trust has adopted the rate of interest @8.65% for crediting interest to the member's accounts on CPF accumulation for the FY'2016-17 and also adopted the same i.e. 8.65% as interim rate for the FY'2017-18 till the declaration of new rate by EPFO. It is in accordance to the notification of Rate of Interest declared by the EPFO, Govt. of India vide letter no. Invest. I/3(2) 133/ROI/2015-16/906 dated: 27.04.2017,

## **INVESTMENT POLICY**

Total investment made by the Trust in F.Y. 2016-17 is Rs.831.60cr (at Cost Price) which is, made strictly as per prescribed Revised Pattern issued by EPFO. w.e.f. 29.05.2015.

<b>Category</b>	<b>Percentage to be Invested</b>	<b>Amount Invested (Rs.in Crs.)</b>	<b>Percentage Invested (%)</b>
Government Securities and Related Investments	Minimum 45% and up to 65%	415.65	50
Debt Instruments and Related Investment	Minimum 35% and up to 45%	374.07	45
Short – term Debt Instruments and Related Investment	Up to 5%	Nil	Nil
Equities and Related Investments*	Minimum 5% and up to 15%	41.88	5
Asset backed, Trust Structured and Miscellaneous investment	Up to 5%	Nil	Nil
	Total	831.60	100

\* Investment in “Equities and Related investments” has been capped at the Minimum amount, i.e.

5% of the investment made in Financial Year 2016-17.

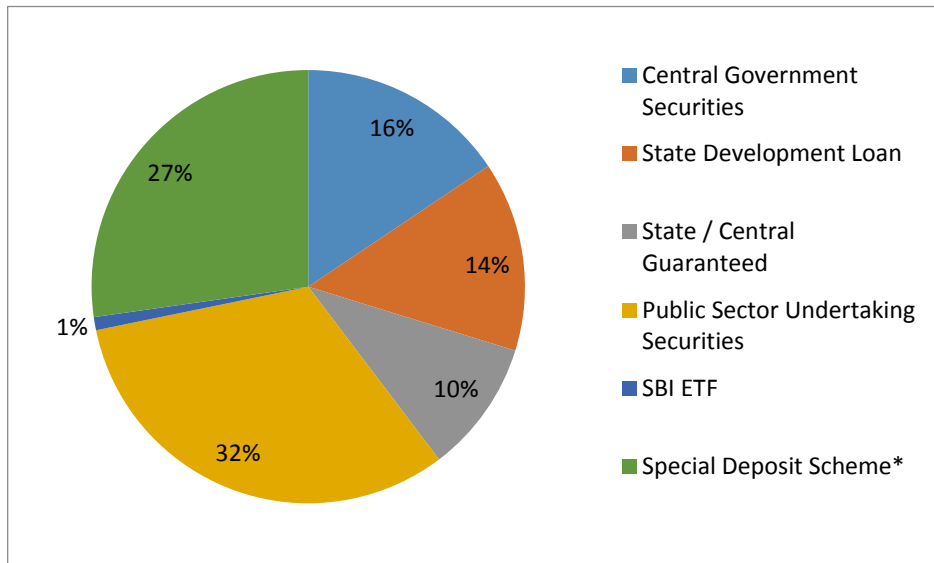


**DETAILS OF INVESTMENTS: As on 31<sup>st</sup> March, 2017**

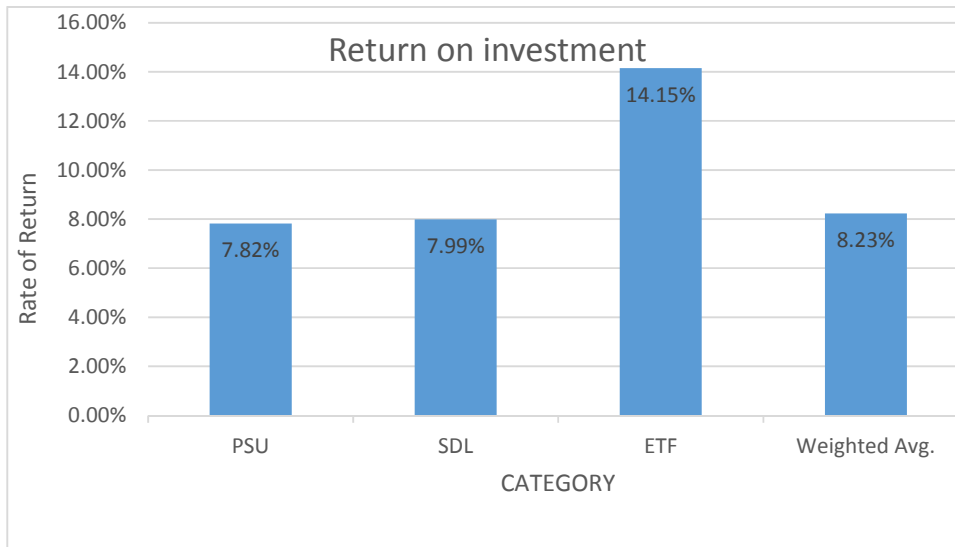
(Amount in Rs. Crore)

Sr. No.	Category	Face Value	Cost Price	Fair Value	Proportionate in Total investment
1	Central Government Securities	1323.03	1293.94	1384.02	15.60%
2	State Development Loan	1202.37	1243.91	1296.41	14.18%
3	State / Central Guaranteed	840.90	502.63	497.31	9.91%
4	Public Sector Undertaking Securities	2721.38	2757.88	2819.23	32.09%
5	SBI ETF	82.84	82.84	93.70	0.98%
6	Special Deposit Scheme*	2311.21	2311.21	2311.21	27.25%
	<b>Total</b>	<b>8481.73</b>	<b>8192.42</b>	<b>8401.80</b>	<b>100%</b>

**Face Value as on 31.03.2017**



The Chart depicts the Return on Investment for fresh investments made during Financial Year 2016-17



(As per EPFO, the minimum rate of interest for the F.Y. 2016-17 is 8.65%)

**AUDITORS**

M/s. P. S. Patil & Co. Chartered Accountants, Chembur were appointed as auditors for the financial year 2016-17.

## **OUTLOOK &WAY FORWARD**

MSEB CPF Trust has been making all out efforts to ensure continuous improvement in its systems and services provided its members. Standardization of systems and processes has been completed.

Further, following actions are also proposed for improvement in the functioning of the Trusts:

- i) Direct Payment to the subscriber's bank accounts initiated from 01.04.2017.
- ii) Online Nomination system implementation from 01.04.2017.
- iii) Online application for Advance and Final Settlement claims implementation from 01.04.2017.
- iv) Online PF balance view facility and loan status available for employees.
- v) SMS and Email facility for Inward, Sanctioned and Disbursement of payment for Advance and Final Settlement claims from 01.04.2017.
- vi) Efforts are being undertaken to try and trace the member whose accounts are dormant in order to ensure settlement of their outstanding claims.

(J.K.Srinivasan),  
Chairman,  
MSEB CPF Trust

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2017**

Rs. in Lakhs					
PARTICULARS	SCHEDULE	As at March 31, 2017		As at March, 2016	
		AMOUNT	T.AMOUNT	AMOUNT	T.AMOUNT
<b>SOURCES OF FUND</b>					
GENERAL RESERVE			2145.65		2422.84
CONTRIBUTION			862954.33		813280
<b>Total Rs....</b>			<b>865099.98</b>		<b>815702.84</b>
<b>APPLICATION OF FUNDS</b>					
Investments			811905.4		772406.46
<b>Current Assets, Loans &amp; Advances.</b>					
Arranger Fixed Deposit		30		30	
Saving Bank Account with HDFC Ltd.		1.79		2804.81	
Saving Bank Account with SBI		0.11		0.11	
Receivable from MSEBHCL		1.91		388.28	
Unamortized Premium Account		5325.63		2935.72	
Interest Accrued but not due on Investment		52633.6		50149.41	
Bank Charges Receivable		0.02		0	
TDS Receivable		0.04		0.04	
Interest Accrued and Due (under litigation)		4591.35		4591.35	
<b>Total (a)</b>		<b>62584.45</b>		<b>60899.72</b>	
<b>Current Liabilities and Provisions</b>					
Provision for Final Settlement		1061.59		11611.97	
Prior Period Provisions for Final Settlement		377.5		316.25	
Security Deposit		30.54		30.59	
Payable to Companies					
MSPGCL		1357.10		1053.18	
MSETCL		475.91		Nil	
MSEDCL		1495.88		Nil	
Amount Payable under litigation (SSNNL Case)		4591.35		4591.35	
<b>Total (b)</b>		<b>9389.87</b>		<b>17603.34</b>	
	12		53194.58		43296.38
			<b>865099.98</b>		<b>815702.84</b>

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

Rs. in Lakhs

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>For the Year Ended 31.03.2017</b>	<b>For the Year Ended 31.03.2016</b>
<b>INCOME</b>			
Interest on Investments		69626.29	68221.76
Interest on Savings Bank A/cs		20.45	25.71
Dividend on SBI Nifty & Sensex ETF		127.44	Nil
Profit on Sale of Securities		2.63	1.03
Other Income		9.80	26.12
<b>Total</b>	<b>I</b>	<b>69786.61</b>	<b>68274.62</b>
<b>EXPENDITURE</b>			
Interest on Employee's Contribution, Voluntary Contribution & Employers Contribution		68785.41	65323.42
Premium on investments written off during the year		868.38	519.10
Loss in Equity and related Investment		Nil	54.46
<b>Total</b>	<b>II</b>	<b>69653.79</b>	<b>65896.98</b>
<b>Excess of Income over Expenditure for the year</b>	<b>I-II</b>	<b>132.82</b>	<b>2377.64</b>
<b>Balance carried over to General Reserve</b>	<b>III</b>	<b>132.82</b>	<b>2377.64</b>

## ANNEXURE – 1

### Details of claims settled during the year 2016-17

**TABLE 1 : Amount -wise details**

(Rs. in Crore)

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Amount paid towards Refundable Advance	166.46	199.20
Amount paid towards Non Refundable Advance	8.19	9.43
Amount paid towards 90% Final Settlement	790.33	798.37
Amount paid towards 10% & 100% Final Settlement	488.96	359.13
Amount paid towards Supplementary Final Settlement	6.12	6.73
<b>Total</b>	<b>1460.06</b>	<b>1372.86</b>

**TABLE 2 : No. of claims wise details**

Sr. No.	Settled Claims	No. of Cases (2016-17)	No. of Cases (2015-16)
1	Non- Refundable Advance	252	211
2	Refundable Advance	7767	10028
3	90% Final Settlement	3675	4398
4	100% Final Settlement	762	556
5	10% Final Settlement	4420	4191
6	10% & 100% Death Cases	382	373
7	Supplementary Final Settlement	12938	26236
	<b>Total</b>	<b>30196</b>	<b>45993</b>

## ANNEXURE - 2

### P. S. PATIL & CO. CHARTERED ACCOUNTANTS

---

1<sup>st</sup> Floor, 2/2, Chandrodaya Society, Swastik Park, Chembur, Mumbai-71.

---

#### Independent Auditors' Report

To the trustees of **Maharashtra State Electricity Board's Contributory Provident Fund**

#### **Report on the Financial Statements**

We have audited the attached Balance sheet of **Maharashtra State Electricity Board Contributory Provident Fund**, as at 31<sup>st</sup> March, 2017 and also the Income and Expenditure Account for the year ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the financial statements**

The Fund's Board of Trustees are responsible for the preparation of these financial statements that give a true & fair view of the financial position and financial performance of fund in accordance with the accounting principles generally accepted in India, including the Accounting standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 ("the Act") for safeguarding the assets of the fund and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgment's and estimates that are reasonable and prudent, and design, implementation 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under. We conducted our audit in accordance with the standards on Auditing. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Fund's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Fund has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Fund's Trustees,

as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

#### **Basis of Qualified opinion**

We draw attention to Note No 3 of Notes to Accounts in respect to Differences in EPS Liability for which the impact of Financials is not ascertainable.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanation given to us subject to the matter referred in basis of Qualified opinion paragraph above, the aforesaid financial statements give the information required by 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 fund as at 31<sup>st</sup> March 2017 and its surplus for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirement:**

We further report that, Subject to remarks and observations made in the Notes to Accounts on even date :

- I. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- II. In our opinion, proper books of accounts have been kept by the trust so far as appear from our examination of the books;
- III. The balance sheet and the Income & Expenditure Account dealt with by this report are in agreement with the books of accounts.

**For P.S.Patil & Co.**

**Chartered Accountant**

**(CA. PushkarPatil)**

(M.No. 105469)

(FRN 119901W)

Place: Mumbai



## ANNEXURE 3

### Notes forming part of the Accounts for the year ended 31<sup>st</sup> March, 2017

#### 1. MSPGCL, MSEDCL, MSETCL and MSEB Holding Co. Ltd. (Erstwhile MSEB) Account :-

Erstwhile MSEB has been reconstructed into four companies i.e. Maharashtra State Electricity Distribution Company Ltd., Maharashtra State Power Generation Company Ltd., Maharashtra State Electricity Transmission Company Ltd., and Maharashtra State Electricity Board Holding Company. As per Books of Accounts, Rs. 135,709,941 was payable to Maharashtra State Power Generation Company Ltd., Rs. 47,591,202 was payable to Maharashtra State Electricity Transmission Company Ltd., Rs. 149,588,195 was payable to Maharashtra State Electricity Distribution Company Ltd. and Rs. 191,404 was receivable from Maharashtra State Electricity Board Holding Company. These are balances payable to and receivable from companies. We received confirmation from Companies.

#### 2. Unclaimed Deposit Accounts :-

As per the EPFO mandate, the fund has stopped crediting interest to member's account which remained in-operative to the member accounts for the three years and above are not paid interest and are transferred to Unclaimed Deposit Account. As per the Books of Account balance as at 31<sup>st</sup> March, 2017 lying in Unclaimed Deposit Account was Rs. 976,758,481.

#### 3. Reconciliation of EPS Liability :-

The EPS liability is paid by respective companies to EPFO by netting or reducing the Board Share which is remitted to the Fund. However due to supplementary Form 'S' the said liability is finalized at a different amount. The difference between the actual EPS paid amount and finalized amount due to supplementary Form 'S' is Rs. 10,686,656 which is under reconciliation and lying in Subscription Account.

Particulars	MSPGCL	MSETCL	MSEDCL	MSEDCL	Total
Employees' Provident Fund Accounts	17,324,010,755	12,581,636,899	55,385,770,641	27,255,962	85,318,674,257
Unclaimed Deposit Accounts	118,677,755	89,942,423	768,138,303	-	976,758,481
Total of above	17,442,688,510	12,671,579,322	56,153,908,944	27,255,962	86,295,432,738
MS 31 Report	17,436,469,559	12,670,750,670	56,150,269,891	27,255,962	86,284,746,082
<b>Variance</b>	<b>6,218,951</b>	<b>828,652</b>	<b>3,639,053</b>	-	<b>10,686,656</b>

**Reply** – It was decided in the meeting held on dated: 21.09.2017 that the EPS actually paid to EPFO should be considered in the system and not on the basis of EPS amount intimated through Schedule Report. Accordingly, the necessary changes in the system should be initiated and the same is to be intimated to the Executive Director (IT), MSEDCL.

**4. Provision for Final Settlement Claims Account :-**

This account represents the provision made for final settlement claims sanctioned during the current accounting year but remained unpaid as on 31<sup>st</sup> March, 2017, to the extent of Rs. 106,159,391 in Final Settlement Claims Account.

**5. Prior Period Provision for Final Settlement :-**

This account represents the provision made for final settlement claims of Supplementary cases sanctioned during prior periods but remained unpaid as on 31<sup>st</sup> March, 2016, to the extent of Rs. 37,750,433. This is on account of change in accounting system from Excel Based to System Based subject to reconciliation.

**6. Employee Provident Fund Accounts and Investments :-**

There is shortfall of Rs. 3,595,570,971 (as on 31 March, 2016: Rs. 3,078,032,896) between the amount of Employees Provident Fund Accounts of Rs. 85,318,674,257 (as on 31 March, 2016: Rs. 80,612,250,680) and investments including Unamortized Premium Account Rs. 81,723,103,286 (as on 31 March, 2016: Rs. 77,534,217,784). This is because the investment account does not include interest accrued but not due Rs. 5,263,360,074 (as on 31 March, 2016: Rs. 5,014,940,994) and interest accrued and due but not received Rs. 459,135,126 (as on 31 March, 2016: Rs. 459,135,126). If it is assumed that these amounts are received during the current accounting year, then total investment would be higher than the amount payable to Subscribers by Rs. 2,126,924,229 (as on 31 March, 2016: Rs. 2,396,043,224). Thus, the amount payable to Subscribers is duly backed by adequate investments.

**7. Interest accrued and due account (Asset Side) :-**

This account represents the amount of Interest accrued as well as due on Sardar Sarovar Narmada Nigam Ltd but not received during the year.

**8. Investments Valuation :-**

Investments in securities are generally valued at Face value and the differential amount paid as premium or discount is written off over the life of securities.

However, prior to F. Y. 2003-04 the investments were valued at purchase price and the difference between purchase value and face value of Security, i.e. Premium/Discount was debited/credited in Income and Expenditure Account under the head Suspense Account in the year of maturity. These securities still continue to be valued on the same lines, instead of on face value.

Further, in case of 0% bonds (Zero Coupon Bonds) the securities are valued at purchase value and not on face value (since market value of any particular year is not comparable to its cost and the Interest accrued on the same is recorded separately as 'Interest Accrued but not due account' on annual basis.

All investments made during the year were as per Investment Pattern.

Quoted investments are valued as per market rate available as on 31.03.2017.

For Securities, where market quotation was not available as on 31.03.2017, last year Market Value (for untraded securities) is taken as Market Value.

**9. Unamortized Premium Account :-**

In the secondary market, most of the securities are normally available at price higher than the face value of the security, and sometimes at a lower rate. The extra amount so paid is called premium and short amount paid is called discount. Both these amounts are netted off against each other resulting into a net Premium/Discount Amortization Account. In present case it is Unamortized Premium Account.

As per prescribed Accounting Standards, these amounts are required to be charged to Income and Expenditure Account over the remaining life of the security on SLM basis. Accordingly, all amounts due for the current year have been charged to Income and Expenditure Account for the current year, and unamortized portion is carried under the balance sheet as 'Unamortized Premium Account' (Rs. 532,563,157).

**10. Fixed Deposit(Arranger) :-**

It is deposit received from arrangers i.e. brokers of securities. Trust has Fixed Deposit of Rs. 3,000,000 against Security Deposit of Rs. 3,054,000.

**11. Bank Account :-**

The Bank balance as on 31<sup>st</sup> March, 2017 was Rs. 190,201 Out of which HDFC Bank has Balance of Rs 179,269 and SBI Bank has Balance of Rs.10,933 as on 31<sup>st</sup> March 2017.

**12. Interest Credited to Sundry CPF Subscribers A/c :- Rs 6,878,540,674**

The account exhibits the amount of interest provided on the monthly progressive balance of CPF Subscribers for the year 2016-17 during this financial year at the statutory rate of interest i.e. 8.65%.

**13. Premium Written off Account :- Rs 86,838,106**

As per the prescribed Accounting Standards, Premium/Discount on Investments is required to be charged to Income and Expenditure Account on the SLM basis over the life of the security. Accordingly, all amounts due for the current year have been charged to Income and Expenditure Account for the current year by Premium Written off Account.

**14. Interest Income :-Rs. 6,962,629,486**

This account represent Interest received on Investments (Net of interest paid on Purchase), 1% BOT Interest, Interest on Bank Fixed Deposits and Interest on Savings Bank Accounts.

**15. Other Income :- Rs. 3,025,091**

This account represents amount received as penalty Rs. 60,000 and Rs.2,965,091 towards PLA revision.

**16. Dividend Income :- Rs. 12,744,000**

During the year Trust received dividend of Rs. 9,437,500 from SBI Nifty ETF and Rs. 3,306,500 from SBI Sensex ETF.

**17. Surplus :- Rs. 13,282,674**

Excess of Income over Expenditure was Rs. 13,282,674 and same is carried forward to Balance Sheet.

**18. Interest on SSNNL Security (Court Case) – Rs. 459,135,126**

The Trust has invested Rs 113.19 crores in Sardar Sarovar Narmada Nigam Ltd. Bonds-2014 considering highest returns at the time of investment. The issue price of bond is Rs. 3,600 and maturity price is Rs.1,11,000 was due for maturity in the year 2014, however Gujarat Legislature has passed an Act for early redemption of Deep Discount Bonds of SSNNL. Due to the said Act, SSNNL has got power to redeem the bonds at a reduced maturity value of Rs. 50,000 on 11<sup>th</sup> January, 2009, SSNNL has credited Rs.113,42,00,000 to the Trust's HDFC Bank Account as against Rs. 159,33,35,126 resulting in a shortfall of Rs. 45,91,35,126. This matter is subjected in the Honorable Gujarat High Court. The difference of the said Interest amount of Rs.45,91,35,126 is appearing in Interest Accrued and Due Account.

**19. Litigation Cases :-**

Presently there are three court cases of MSEB CPF Trust under litigation. They are as follows:

- a. MSEB CPF Trust v/s Sardar Sarovar Narmada Nigam Ltd. is pending in the Supreme Court of India.
- b. MSEB CPF Trust v/s Madhya Pradesh State Electricity Board & Ors. is pending in High Court of Bombay.

### GRIEVANCE REDRESSAL DESK

For attending all employee related queries / grievances a help desk is functioning at the Trust premises. The contact details of concern department officials are as given below:

<b>Name &amp; Designation</b>	<b>Contact</b>
Shri. R. J. Pawar, AGM (PF) Shri. H. B. Kirpan, Sr. Manager( Pension) Smt. S. S. Gajre, Manager (FS) Smt. K. S. Kaware, Manager (Inv. & Adv.) Smt. Gauri Rane, Manager (S&R)	<b>Address:</b> MSEB CPF Trust Ground Floor, Estrella Batteries Expansion Bldg., Dharavi Road, Matunga. Phone: 022-24031498 – AGM (PF) 022-24010367 – Pension 022-24010368 – Final Settlement (FS) 022-24010364 – Advance 022-24092531 – S & R Section. Email : <a href="mailto:cpfmseb.2011@gmail.com">cpfmseb.2011@gmail.com</a> <a href="mailto:msebpension1995@gmail.com">msebpension1995@gmail.com</a> <a href="mailto:cpfsection@gmail.com">cpfsection@gmail.com</a> <a href="mailto:cpfsection.sr@gmail.com">cpfsection.sr@gmail.com</a>