

MSEB CONTRIBUTORY PROVIDENT FUND TRUST

ANNUAL REPORT

F.Y. 2018-19



MSEBHOLDING COMPANY LTD



MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd



MAHATRANSCO
Maharashtra State Electricity Transmission Co. Ltd.



MAHAGENCO
Maharashtra State Power Generation Co. Ltd.

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FOREWORD

**To
All the members,**

The Board of Trustees of MSEB CPF Trust is, herewith, presenting the Annual Report of the Trust for the year 2018-19.

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 78515 Active Members as on 31.03.2019. The investment of the trust as on 31.03.2019 is Rs.9100 cr. Your trust has declared interest rate of 8.65% p.a. for the F.Y. 2018-19 which is equal to the rate declared by EPFO. Your trust is consistently among the trusts scoring full marks out of 1361 trusts evaluated by EPFO and given RANK #1 for their performances across six criterions related to efficiency and compliance parameters.

Your trust settled 18907 claims of the members towards advances and full or partial settlement of PF during the Financial Year 2018-19.

The Pattern of Investment notified by Ministry of Labour & Employment on 23rd April 2015 applicable to Exempted establishment w.e.f. 29.05.2015. During the year 2018-19, your trust continued its sincere efforts to invest Investible surplus of Rs.2343 cr within minimum time and in accordance with the Pattern of Investment notified by Ministry of Labour & Employment on 23rd April 2015. 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. Sunil Pimpalkhute	Director (Finance), MSEBHCL Chairman & Employer Trustee of MSEB CPF Trust	3rd Floor, HSBC Bank Building Fort
Shri. K. M. Chirutkar	Executive Director (O&M), MSPGCL, Employer Trustee of MSEB CPF Trust	3 rd Floor, Prakashgad, Bandra.
Shri. Pankaj Sharma	Chief General Manager (A), MSPGCL, Employer Trustee of MSEB CPF Trust	2 nd Floor, Prakashgad, Bandra.
Shri. C. A. Gadre	Chief General Manager (IA), MSEDCL, Employer Trustee of MSEB CPF Trust	Ground Floor, Prakashgad, Bandra.
Smt. Anju Gupta	General Manager (F&A), MSETCL, Employer Trustee of MSEB CPF Trust	6 th Floor, Prakashganga, Bandra.
Shri A. G. Mhaske	Maharashtra State Electricity Workers Federation, Employee Trustee of MSEB CPF Trust	Civil Division, Hanuman Nagar, Major Store, Jail Road, Nashik Road.
Shri S. G. Somawanshi	Maharashtra Vij Kamgar Mahasangh, Employee Trustee of MSEB CPF Trust	Administrative Building, MSETCL, EHV Construction Division 1, Kasba Peth, Third Floor, Pune – 411 011
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
Shri Sunil Jagtap	Subordinates Engineering Associates, Employee Trustee of MSEB CPF Trust	Shivaji Nagar Division, 1st Floor, Prakash Bhavan, Senapati Bapat Road In front of Bank of Baroda, Pune – 411 016
Shri D. D. Gutte	Maharashtra State Vij Kamgar Congress (INTUC), Employee Trustee of MSEB CPF Trust	Parli Vajinath Sub Division, Beed – 431 515.

TRUSTEES' REPORT

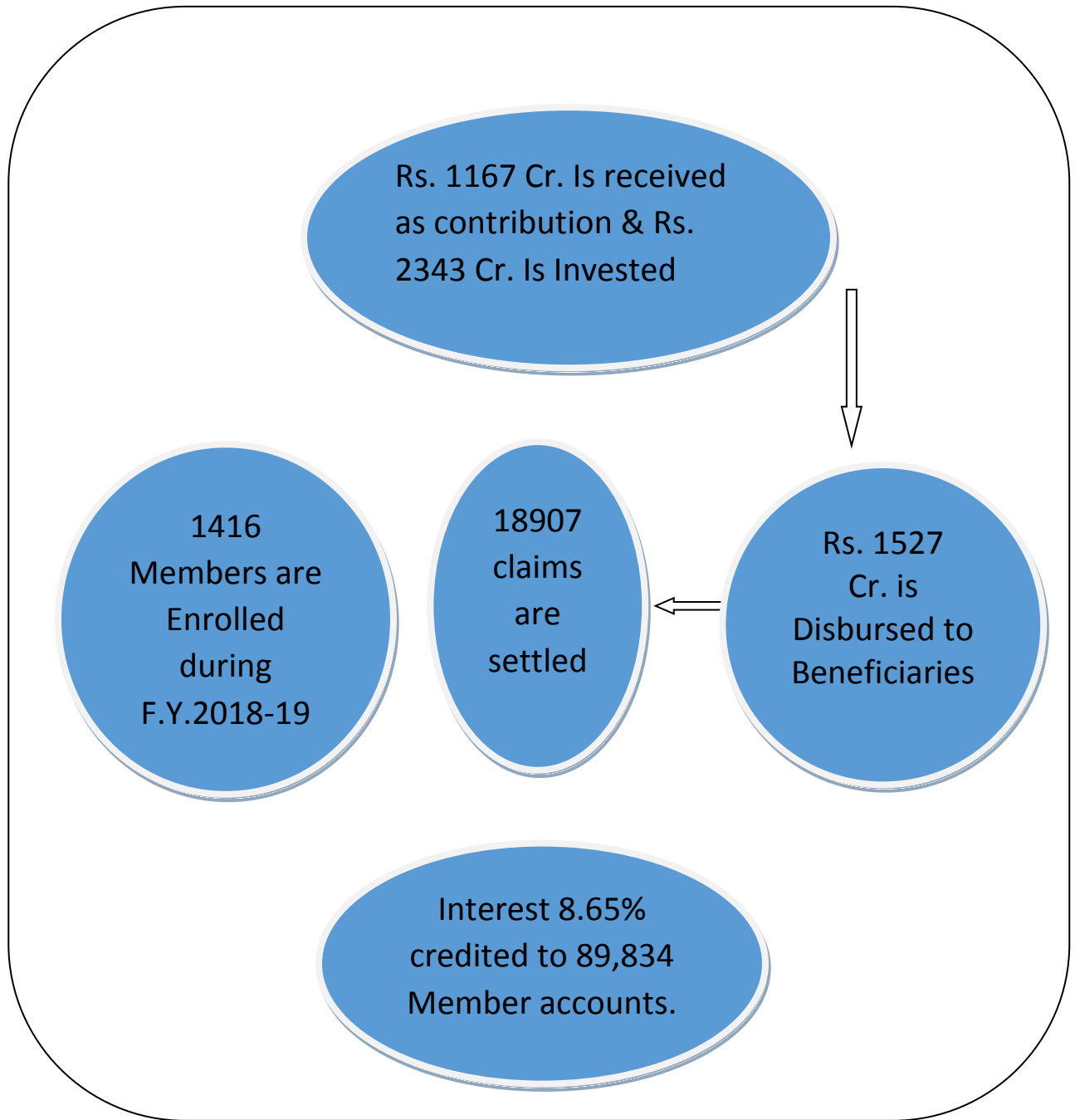
Dear Members,

On behalf of the Board of Trustees of your Trust, I have the privilege to present this Annual report for the Financial Year ended 31st March 2019.

Highlights for the year 2018-19

- The Trust has continued its 1st Rank, as it scored full marks for online performance evaluation of exempted establishments on the basis of Six Parameters i.e. Transfer of Fund before due date, Investment, Remittance to the Trust, Interest Declared, Claim Settlement and Audit of Accounts.
- A total of 18907 claims of the members towards settlement of 10%, 100%, Supplementary, 90% Final Settlement and Refundable & Non – Refundable Advances were settled during the year 2018-19
- Rs. 768 Cr. 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 1447 as on 31.03.2019.
- The average return on investment for the year was 8.63%.
- The investments of the trust as on 31.03.2019 is Rs.9100 Cr.
- No. of contributing members of trust is 78515 Employees as on 31.03.2019
- 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.

ANNUAL INFORMATION OF MSEB CPF TRUST FOR THE F.Y.2018-19



Public Grievances received

37

Public Grievances disposed

37

FINANCIAL POSITION (AS ON 31.03.2019)

(In Rs. Crores)

Particulars	2018-19	2017-18
Capital & Members Contribution		
Reserve Fund	8	23
Contribution	9488	9126
Unclaimed Deposit Accounts	79	68
Ex-Employee Fund	42	8
Provision for Final Settlement (Sanctioned but not disbursed)	2	3
Receivable from companies		
MSPGCL	17	18
MSETCL	15	15
MSEDCL	63	65
MSEBHCL	0.02	0.02
Provision for Accrued Interest (SSNNL under litigation)	46	46
Total	9760	9371
Investment (at Face Value)		
(Prior to 2002 – 03 & DDB 0% Bonds are at Cost)	9100	8505
Income from Investment	735	710
Income from Dividend (ETF)		3
Profit on Sale of Securities	37	22
Other Income	1	4
Total Income	772	739
Interest paid to members	768	726
Other Expenditure	21	11
Total Expenditure	788	737
Excess of Income over Expenditure	-16	2
Balance carried over to General Reserve	-16	2

BENEFITS TO MEMBERS

The trust has served to more than 78000 members. The interest rate given to members is 8.65% for F.Y. 18-19 which is at par with the interest rate declared by EPFO. During the year, the trust disbursed an amount of Rs.1527 crores to the members and settled 18,907 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. 2019-20

The trust has adopted the rate of interest @8.65% for crediting interest to the member's accounts on CPF accumulation for the FY'2018-19 and also adopted the same i.e. 8.65% as interim rate for the FY'2019-20 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/2018-19/5519 dated: 27.09.2019.

INVESTMENT POLICY

Total investment made by the Trust in F.Y. 2018-19 is Rs.2343 Cr. (at Cost Price) which is, made strictly as per prescribed Revised Pattern issued by EPFO. w.e.f. 29.05.2015.

Category	Percentage to be Invested	Amount Invested (Rs.in Crs.)	Percentage Invested (%)
Government Securities and Related Investments	Minimum 45% and up to 65%	1057	45
Debt Instruments and Related Investment	Minimum 20% and up to 45%	940	40
Short – term Debt Instruments and Related Investment	Up to 5%	Nil	Nil
Equities and Related Investments*	Minimum 5% and up to 15%	346	15
Asset backed, Trust Structured and Miscellaneous investment	Up to 5%	Nil	Nil
	Total	2343	100

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

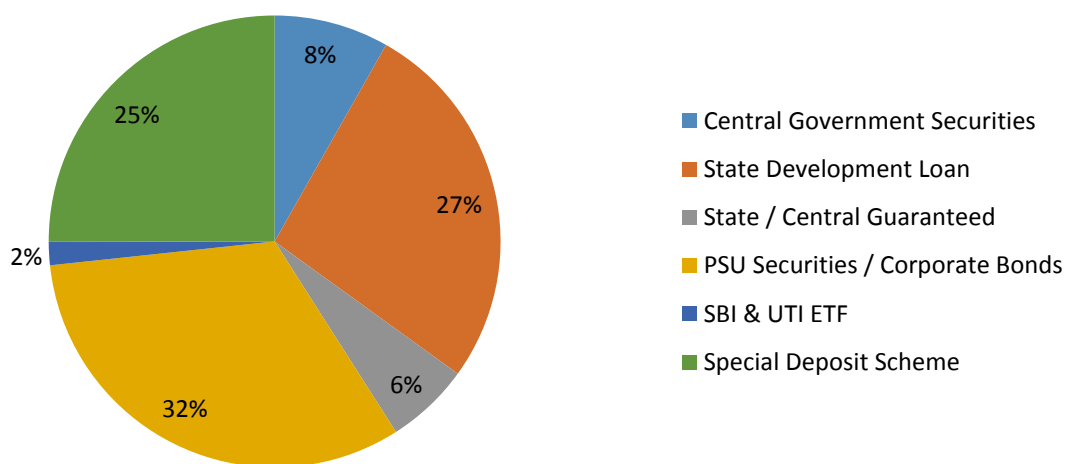
15% of the investment made in Financial Year 2018-19.

DETAILS OF INVESTMENTS: As on 31st March, 2019

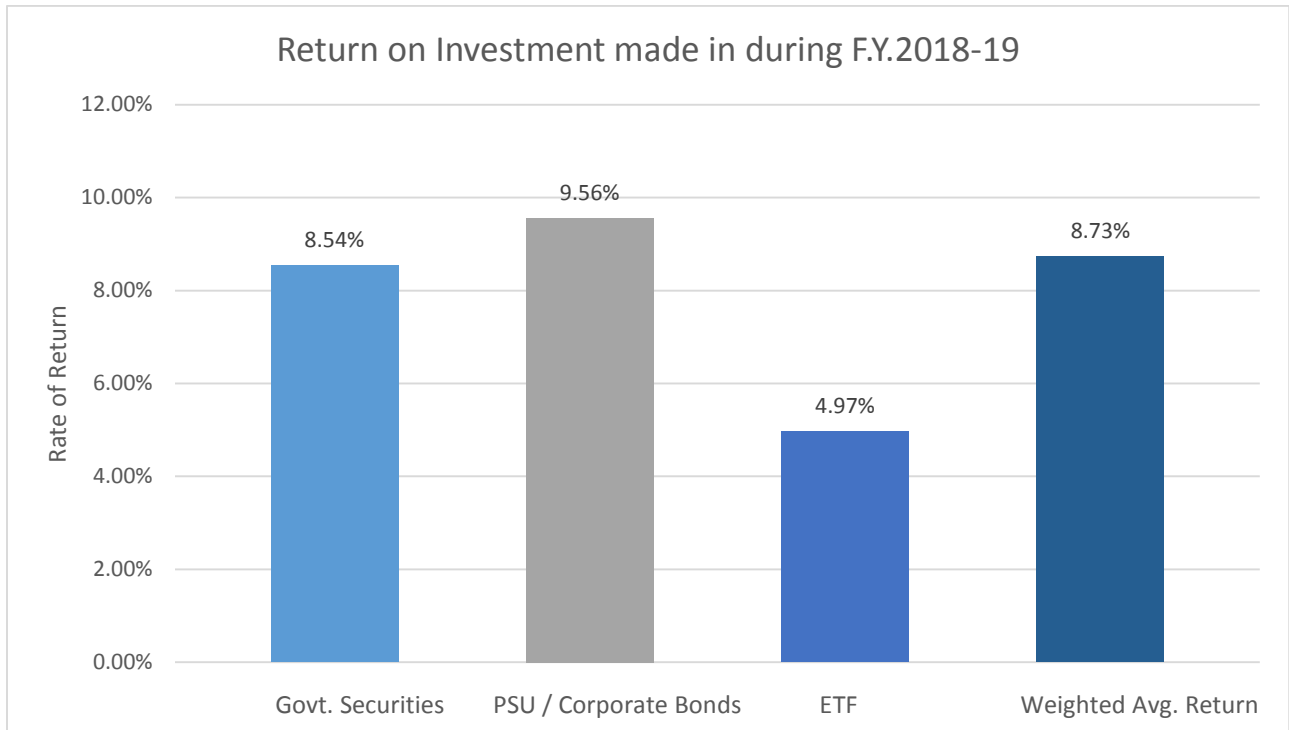
(Amount in Rs. Crore)

Sr. No.	Category	Face Value	Cost Price	Fair Value	Book Value	Proportionate in Total investment
1	Central Government Securities	759	722	774	759	8%
2	State Development Loan	2470	2529	2579	2470	27%
3	State / Central Guaranteed	555	431	445	420	6%
4	PSU Securities / Corporate Bonds	2987	2999	2984	2987	32%
5	SBI / UTI ETF	153	153	154	153	2%
6	Special Deposit Scheme	2311	2311	2311	2311	25%
	Total	9235	9145	9247	9100	100%

Investment of MSEB CPF Trust as on 31.03.2019



The Chart depicts the Return on Investment for fresh investments made during Financial Year 2018-19



(As per EPFO, the minimum rate of interest for the F.Y. 2018-19 is 8.65%)

Note- The return on ETF, is consider based on ETF units sold during the year 2018-19.

AUDITORS

M/s. R. C. Jain & Associates LLP, Chartered Accountants, Mulund were appointed as Statutory Auditor for the Financial Year 2018-19.

OUTLOOK &WAY FORWARD

The MSEB CPF Trust has been making all out efforts to ensure continuous improvement in its systems and services provided its members. It will be our endeavor to settle PF claims and to give advances to members in shortest possible time. Standardization of systems and processes has been undertaken to a larger extent and further improvements are still being carried on. Also Trust is also pursuing to start E-tendering for Investment. Further, efforts are also being undertaken to trace the members whose accounts are dormant in order to ensure settlement of their outstanding claims.

(Sunil Pimpalkhute),
Chairman, MSEB CPF Trust

BALANCE SHEET AS AT 31st MARCH 2019

				Rs. in Lakhs
PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
SOURCES OF FUND				
GENERAL RESERVE		755		2343
CONTRIBUTION		960948		920203
Total Rs....		961703		922546
APPLICATION OF FUNDS				
Investments		910060		850542
<u>Current Assets, Loans & Advances.</u>				
Arranger Fixed Deposit	36		30	
Saving Bank Account with HDFC Ltd.	1051		2163	
Saving Bank Account with SBI	0.10		0.11	
Receivables				
	MSPGCL	1698	1754	
	MSETCL	1491	1541	
	MSEDCL	6329	6449	
	MSEBHCL	2	2	
Unamortized Premium Account	3861		6219	
Interest Accrued but not due on Investment	37402		54138	
TDS Receivable	0		0	
Interest Accrued and Due (under litigation)	4591		4591	
Total (a)	56462		76888	
<u>Current Liabilities and Provisions</u>				
Provision for Final Settlement	4		1	
Prior Period Provisions for Final Settlement	185		260	
Security Deposit	38		31	
TDS Payable	0		1	
Amount Payable under litigation (SSNNL Case)	4591		4591	
Total (b)	4818		4884	
		51643		72004
		961703		922546

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2019

Rs. in Lakhs

PARTICULARS	SCHEDULE	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
INCOME			
Interest on Investments		73440	70949
Interest on Savings Bank A/cs		35	31
Dividend on SBI Nifty & Sensex ETF		-	259
Profit on Sale of Securities		3659	2230
Other Income		71	394
Total	I	77205	73863
EXPENDITURE			
Interest on Employee's Contribution, Voluntary Contribution & Employers Contribution		76786	72608
Premium on investments written off during the year		2007	1057
Total	II	78793	73665
Excess of Expenditure over Income for the year	I-II	1588	198
Balance carried over to General Reserve	III	(1588)	198

ANNEXURE – 1

Details of claims settled during the year 2018-19

TABLE 1: Amount -wise details

(Rs. in Cr.)

Particulars	2018-19	2017-18
Amount paid towards Refundable Advance	190	163
Amount paid towards Non Refundable Advance	24	10
Amount paid towards 90% Final Settlement	693	710
Amount paid towards 10% & 100% Final Settlement	619	430
Amount paid towards Supplementary Final Settlement	1	1
Total	1527	1314

TABLE 2: No. of claims wise details

Sr. No.	Settled Claims	No. of Cases (2018-19)	No. of Cases (2017-18)
1	Non- Refundable Advance	508	276
2	Refundable Advance	8969	6847
3	90% Final Settlement	2715	2961
4	100% Final Settlement	922	874
5	10% Final Settlement	4022	2943
6	10% & 100% Death Cases	391	299
7	Supplementary Final Settlement	1380	683
	Total	18907	14883

ANNEXURE - 2
R. C Jain & Associates LLP
CHARTERED ACCOUNTANTS

622-624, The Corporate Center, Nirmal Lifestyle, LBS Marg, Mulund (W), Mumbai – 400 080

Independent Auditors' Report

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019; and
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date;

Emphasis of Matter

1. We draw attention to Note No. 19 to the Financial Statements which describes the change in accounting policy for 1 % BOT Interest.
2. Note No.08; based on the explanation provided the provision for the same is not being made.
3. As per the Provident Funds and Miscellaneous Provisions Act, 1952, Investments are required to be valued at Cost decided by the Board of Trustees; MSEB CPF will value their Investments at FV.

Our opinion is not qualified in respect of these matters and the true and fair view is not hampered because of the same.

Report on the Financial Statements

We have audited the accompanying financial statements of **Maharashtra State Electricity Board's Contributory Provident Fund**, which comprises the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information-

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures 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 control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Report on Other Legal and Regulatory Requirements

1. We further report that:
 - a) We have 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 Income and Expenditure, dealt with by this Report are in agreement with the books of account.

For R.C. Jain & Associates LLP

Chartered Accountants

**Place: Mumbai
Dated: 25.10.2019**

**(CA R. C. Jain)
Partner
Membership no: 038096
FRN: 103952W**

ANNEXURE 3

Notes forming part of the Accounts for the year ended 31st March 2019

1. 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 finalised at a different amount. The difference between the actual EPS paid amount and finalised amount due to supplementary form 'S' is Rs. 1,20,85,108/-, which is under reconciliation and lying in Subscription Account.

Sr No.	Particulars	MSPGCL	MSETCL	MSEDCL	MSEBHCL	Total
(a)	Employees' Provident Fund Accounts	19,43,91,60,696	14,65,79,97,207	60,75,52,84,137	2,94,35,159	94,88,18,77,199
(b)	Unclaimed Deposits Accounts	9,68,06,982	6,38,88,794	63,18,41,054	--	79,25,36,830
(c)	Ex-Employee Fund	3,13,18,030	3,19,34,699	35,71,77,875		42,04,30,604
(d)	Total (a) + (b)+ (c)	19,56,72,85,708	14,75,38,20,700	61,74,43,03,066	2,94,35,159	96,09,48,44,633
(e)	MS 31 report	19,56,59,89,836	14,75,36,42,112	61,73,36,92,418	2,94,35,159	96,08,27,59,525
(f)	Variance (d) - (e)	12,95,872	1,78,588	1,06,10,648	--	1,20,85,108

2. Unclaimed Deposit Accounts:

As per the EPFO mandate, the Fund stops crediting interest to member's account, after they remain inoperative for three or more consecutive years. The said amounts along with interest are transferred to Unclaimed Deposit Account. As per the books of accounts, the balance as on 31st March, 2019, lying in Unclaimed Deposit Account is Rs. 79,25,36,830/-.

3. Ex- Employee Fund Accounts:

As per notification issued by Ministry of Labour and Employment dated: 11th November, 2016 provided in the paragraph 72, in sub-paragraph (6) of EPF Scheme, 1952 and the revised condition no. 10 of Appendix A under sec. 17 of the EPF & MP Act, 1952, the dues (including interest) on accounts treated as operative on termination/resignation of member till retired from service after attaining age of fifty five years or migrated abroad permanently, have been bifurcated from Unclaimed Deposit accounts of Liability side of Balance Sheet and treated as 'Ex-Employee Fund. As per the books of accounts, the balance as on 31st March, 2019, lying in Ex- Employee Fund Account is Rs. 42,04,30,604/-.

4. Provision for Final Settlement Claims Account:

This account represents the provision made for final settlement claims sanctioned during F.Y 2018-19 but remained unpaid as on 31st March 2019, to the extent of Rs.3, 90,762/-

5. Prior Period Provision for Final Settlement:

This account represents the provision made for final settlement claims sanctioned prior to 2017-18 but remained unpaid as on 31st March, 2019.

The Trust has been suggested to intimate all the companies to submit the "R" forms for the balance amount of Rs. 1,85,40,742/- by 31st March 2020. Claims shall no longer be payable to the companies there after and be written back as other Income in the next financial year.

6. Security Deposit (Against Arrangers): Rs. 37,72,500/- as on 31.03.2019

It is an account where deposits from arrangers, internal Auditors and Statutory Auditors are deposited; a fixed deposit against this amount appears in the asset side.

7. Employees Provident Funds Accounts and Investments:

Comparative between balances payables to subscribers and investments:

Particulars	Balance as on 31.03.2019	Balance as on 31.03.2018
Balance Payable to Subscribers	96,09,48,44,633	92,02,02,67,158
Investment Value	91,00,59,82,358	85,05,42,24,560
Unamortized Premium Account	38,60,66,106	62,19,01,807
Interest accrued but not due	374,01,66,581	5,41,38,34,258
Interest accrued and due	45,91,35,126	45,91,35,126
	95,13,22,15,044	91,54,90,95,731

It may seem from above, that there is apparent shortfall of Rs. 96.26 crores between Investments and subscriptions payables. However, substantial interest on investments amounting to Rs 10.51 crores has been received on 31.03.2019, and thereby reflected in the bank balance.

Also, the subscription pertaining to March 19 have been included in the above amount, but the contributions for the same have not been received till 31.03.2019 and hence form part of receivables. The Investments standing at Rs. 91,00,59,82,358/- and Bank Balances standing at Rs. 10,87,93,749/- are adequate and sufficient against the liability of the Subscribers.

8. Provisions and Contingent Liability (SSNNL Case)

(I) Provisions

(a) Brief on DHFL

MSEB CPF Trust has invested Rs. 293 Cr. face value in various series of DHFL having AAA rating by Care and ICRA as per Investment pattern issued by Ministry of Labour on 09.06.2015. DHFL has paid its interest obligation till June 2019. However in the month of August & September 2019, DHFL has made Default of Rs. 18.07 Cr. due to MSEB CPF Trust. In August 2019, The Catalyst Trusteeship Ltd. (Debenture Trustees) communicated with Trust regarding execution of ICA, and with the consent of all Trustees, consent has been given to them for entering into ICA. As published on the website of debenture Trustees, in respect of the debentures under "Public Issues", the draft of 'Application to be filed with DRT' is under preparation of Legal Counsel and the same is proposed to be filed shortly. And the debentures under privately placed issues, where consent for joining ICA has not been received, the communications have been sent to all debenture holders in last week of September, seeking instructions for taking further action in the matter (Ref. - Regulation 15(2) of SEBI (DT) Regulations). As discussed in meeting held on 26.09.2019, among DHFL, lender Banks and Debenture trustee, it was informed that DHFL has intimated a draft Resolution Plan formulated by it, for discussions with and consideration of the core-committee of lenders, under the RBI circular dt. 07.06.2019. However decision on same is still awaited.

Under the instructions of AS 4 - Contingencies and Events Occurring After the Balance Sheet Date, 'Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date.' However, considering the above scenario, where there is positive hope that the matter will be resolved in the DRT, whereby there might be a rearrangement of the dues to our Trust rather than a loss, and since it is too early to decide otherwise of any loss arising to the Trust, The Trust presently looks optimistically towards receipt of investment amount as on 31.03.2019. Hence, it finds no immediate need for any provision in Financial Year 2018-19. If, however, there is any adverse change in the scenario by the end of the year 2019-20, adequate provision in consultation with experts shall be taken into the books.

(b) Brief on IL&FS

MESB CPF trust has invested an amount of 63 Crs in bonds of IL&FS in Primary Issue as per decision of Investment committee on 20th Aug 2018. On the date of investment, its rating was AA+ by ICRA & CARE which is allowed as per EPFO investment pattern and also as per Investment Policy of MSEB CPF Trust (the details is as follows).

Security Name	Infrastructure & Leasing Financial Services Limited 9.90% Secured Redeemable Non-Convertible Debentures 2025
Rating	“ICRA AA+” by ICRA Limited “CARE AA+” by CARE Ratings Limited
Coupon Rate	9.90 % p.a. (7 Years)
Coupon Payment Frequency	Annually on August 27, each year till redemption. The final interest payment will be made along with principal on the redemption date
Next Coupon Payment	August 2019.

On 4th September 2018, there were reports in media that IL&FS defaulted on Rs. 1000 Crs Inter corporate deposit of SIDBI. On 9th September 2018, ICRA downgraded long term rating of non- convertible debenture to BB from AA+. Further on 17th Sep 2018 it has got downgraded to D by ICRA.

At present, proceeding is under process at National Company Law Appellate Tribunal (NCLAT) New Delhi. On 01/10/2018 The Government of India takes control of IL&FS and appointed 6- members Board of Director headed Chairman by Uday Kotak. Further as per ET news on 2/10/2019, there will be 50% debt recovery by March 2020: IL&FS. The New Board of Director address that half of Rs 97K crore debt will be recovered through asset monetisation, restructuring and floating invites. The government appointed management committee of the IL&FS group says it expects at least half of the Group debt be resolved, recovered or restructured by March 2020. Further, the entire matter is a question about immediate liquidity. The efforts taken by the 6-member committee directly under the vigilance of the Government is expected to make short term defaults and rearrangements therefore, but has a long term stability being established back.

On 27.08.2019, the IL&FS has made default of interest of Rs. 6.23 Cr. due to the MSEB CPF Trust, and this is expected to be arranged and repaid soon enough. Therefore, looking at the direct vigilance of the Government, and our final investment redeemable on a long term basis, The Trust looks optimistically towards receipt of interest amount till 31.03.2020, and principal investment also not seeing any considerable haircut. Under such a scenario, the management has presently not made any provision for losses on the investment as on 31/03/2019. The matter will again be reviewed for updates, and any deterioration in the situation will immediately be provided for.

(II) Litigation Cases

(a) MSEB CPF Trust v/s Sardar Sarovar Narmada Nigam Ltd is pending in the Supreme Court of India.

The Trust had invested Rs. 113.19 crores in Sardar Sarovar Narmada Nigam Bonds 2014 during the period 2004 to 2008 considering highest returns at the time of investment.

The issue price of bond was Rs. 3600 and maturity price was Rs. 1, 11,000 which were due for maturity in the year 2014, However Gujarat Legislature passed an Act for early redemption of Deep Discount Bonds of SSNNL as a result of which, SSNNL got power to redeem the bonds at a reduced maturity value of Rs. 50,000 on 11th January, 2009. SSNNL credited Rs. 1,13,42,00,000 to the Trust's HDFC bank Account as against Rs. 1,59,33,35,126 resulting in a shortfall of Rs. 45, 91, 35,126. This matter is subject in the Supreme Court of India. The difference of the said interest amount of Rs. 45, 91, 35,126/- is appearing Interest Accrued and Due Account.

(b) MSEB CPF Trust v/s Madhya Pradesh State Electricity Board & Ors. is pending in High Court of Bombay.

The Trust had purchased 39 bonds of 12.50% MPEB SRL Bonds 2007 @ Rs.50,00,000/- each bond of total amounting Rs. 19.50 Crs between the period 1994 to 1995. Half yearly interest on 26th March and 26th September was receivable to MSEB CPF Trust on the Face Value of Rs.19.50 Crs. (i.e. Rs.2.44 Crs. on every year). However, the half yearly interest was due since 26th March, 2000 has not paid by MPEB till 2006, which was due for maturity in the year 2007.

Therefore, approval of the Chairman of MSEB CPF Trust was obtained to file a writ petitions in the Bombay High Court to recover the said interest. On 23rd January 2006, the Hon'ble Bombay High Court has passed the order and directed to MPEB to pay the amount to the MSEB CPF Trust. Accordingly Rs.38,58,16,599/- was received from MPEB at different schedule against the actual due of Rs.49,44,93,384/-.Therefore, after receiving Rs.38,58,16,599/- the MSEB CPF Trust demanded for Overdue Interest of Rs. 12,04,74,914/- payable by MPEB since 20th January, 2009. The matter is pending with Hon'ble Bombay High Court for further order of listing.

MPEB has been trifurcated and the said liability is transferred to MP Paschim Kshetra Vidyut Vitaran Co. Ltd. In the year 2014 and further in the year 2016 it was transferred to Chhattisgarh State Electricity Board and subsequently to Chhattisgarh Power Holding Co. Ltd.

9. MSPGCL, MSETCL, MSEDCL and MSEB Holding Co. Ltd (Erstwhile MSEB) Account:

Erstwhile MSEB has been reconstructed into four companies i.e. Maharashtra State Power Generation Company Ltd (MSPGCL), Maharashtra State Electricity Transmission Company Ltd (MSETCL), Maharashtra State Electricity Distribution Company Ltd (MSEDCL) and Maharashtra State Electricity Board Holding Company Ltd. (MSEBHCL). Following balances were receivable from the companies as on 31.03.2019:

Sr. No.	Particulars	Amt. (Rs.)
1	Maharashtra State Power Generation Company Ltd	16,98,39,243
2	Maharashtra State Electricity Transmission Company Ltd	14,90,86,391
3	Maharashtra State Electricity Distribution Company Ltd	63,29,41,798
4	Maharashtra State Electricity Board Holding Company Ltd	1,93,670

Balance confirmations have been received for all the above balances from the respective Companies and are reconciled as on 31st March 2019.

10. Investment 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. 2002-03, 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 Interest 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 Investments Pattern.

11. Unamortised Premium Account: Rs. 38,60,66,106/- as on 31.03.2019

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 depending upon the coupon rate vis-à-vis prevailing interest rates. 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 Amortisation Account. In present case it is Unamortised Premium Account.

As a routine practice since 2003, and as decided by the trustees so as to have a uniform impact on all the years and thus to set up a rationale in the yearly Profit & Loss position, 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 unamortised portion is carried under the balance sheet as 'Unamortized Premium Account' (Rs. 38,60,66,106/).

12. Fixed Deposit (Arranger): Rs. 36,00,000/- as on 31.03.2019

It is deposit received from arrangers i.e. brokers of securities. Trust has Fixed Deposit of Rs. 36,00,000/- against Security Deposit of Rs. 37,72,500/-.

13. Bank Account: Rs. 10,51,29,914/- as on 31.03.2019

The Bank balance as on 31st March 2019 was Rs. 10,51,29,914/- out of which HDFC Bank has Balance of Rs. 10,51,19,342/- and SBI Bank has Balance of Rs. 10,571/- as on 31st March 2019.

14. Interest Accrued and Due Account: Rs. 45,91,35,126/-

This account represents the amount of interest accrued as well as due on some securities but not received during the current financial year.

15. Interest Accrued But Not Due Account: - Rs. 3,74,01,66,581/-

This account represents the amount of accumulated interest accrued but not due on some securities, Bank Accounts and Fixed Deposit during the current/past financial years, which shall be due for receipt, in the subsequent financial years.

INCOME AND EXPENDITURE ACCOUNT:

16. Interest Credited to Sundry CPF Subscribers A/c: Rs. 7,67,85,53,871/-

The account exhibits the amount of interest provided on the monthly progressive balance of CPF subscribers for the year 2018-19 during this financial year at the statutory rate of interest i.e. 8.65%

17. Premium Written off Account: Rs. 19,84,74,066/- for the year 2018-19.

As per the Trust decision and to the best rationale and in the interest of the employees, Premium/Discount on Investments Held to Maturity is 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.

18. Interest Suspense Account: Rs. 23,28,000/- for the year 2018-19.

As explained above, the net premium/discount on purchase of securities needs to be written off over the remaining life of the security and the concerned security is valued in the Balance Sheet at its face value. However securities purchased prior to 2003-04, are valued at cost and the premium/discount is written off in the year of maturity. The amount credited through Interest Suspense account denotes the discount on few of these securities, which are matured during the current financial year.

19. Interest Income: Rs. 7,34,74,18,651/- for the year 2018-19.

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.

20. Other Income: Rs. 71,61,415/- for the year 2018-19.

Other Income majorly includes:

- Processing Fees Rs. 3,80,000/- received from “Arrangers”.
- Penalty Income of Rs. 3,45,137/- received from “Arrangers”.
- PLA Revision of Rs. 64,36,278/-

21. Profit on sale of Securities and Equities: Rs. 36,59,52,716/- for the year 2018-19.

During the year, Trust has sold some securities & equity shares and earned the profit from the same. The proceeds were again re-invested as per the Investment policy

22. Deficiency: (Rs. 15,88,23,155/-) for the year 2018-19.

Deficiency of Income over Expenditure was (Rs. 15,88,23,155/-) and same is carried forward to Balance Sheet.

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:

Name & Designation	Contact
Shri. R. J. Pawar, AGM (PF) Shri. Rahul Panhale, Sr. Manager (Pension & Administration) Smt. G. M. Shinde, Manager (Final Settlement & Nomination) Smt. K. S. Kaware, Manager (Investment & Advances)	Address: MSEB CPF Trust Ground Floor, Estrella Batteries Expansion Bldg., Dharavi Road, Matunga. Phone: 022-24031498 – AGM (PF) 022-24010367 – Pension 022-24010368 – Final Settlement 022-24010364 – Advance 022-24092531 – S & R Section. Email : cpfmseb.2011@gmail.com msebpension1995@gmail.com cpfsection@gmail.com cpfsection.sr@gmail.com cpfnomination@gmail.com