



KERALA STATE ELECTRICITY BOARD LIMITED

Incorporated under the Companies Act, 1956

CIN : U40100KL2011SGC027424

Reg. Office : Vydyuthi Bhavanam, Pattom, Thiruvananthapuram – 695004, Kerala.

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ABSTRACT

Appointment of Prof. Arun Kumar in the Board of Directors of KSEBL as Independent Director - Reconstitution of Audit Committee & CSR Committee and the constitution of Nomination & Remuneration Committee -sanctioned-orders issued.

Company Secretarial (Corporate Affairs)

B.O.(DB) No.129/2024 (CS/KSEBL-Independent Director /2015-16) Thiruvananthapuram,
Dated:30.03.2024

- Read: 1. B.O.(DB) No.2091/2014/FA& CAS/2014-15 dated 02.08.2014.
2. B.O.(DB) No.1699/2016(CS/CSR Committee/2016) dated 09.06.2016.
3. B.O.(DB) No.500/2020(CS/Audit Committee/2016) dated 29.07.2020.
4. G.O(Rt) No.20/2024/POWER dated 22.01.2024
5.Note No. CS/KSEBL- Independent Director /2015-16) dt.24.02.2024 of the Chairman & Managing Director
6. Proceedings of the 76th Meeting of the Board of Directors held on 13.03.2024 vide Agenda Item No. 09-03/2024

ORDER

As per Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014, there shall be at least two Independent directors on the Board of Directors of KSEBL. The Government of Kerala as per the G.O read as 4th above has appointed Prof. Arun Kumar as Independent Director in addition to the present Independent Director Adv. V Murugadas. The appointment of Independent Director shall be approved by the Company in General Meeting as provided for in Section 152(2) of the Companies Act, 2013 and shall be formalized through a letter of appointment.

Similarly, Section 177 (2) of the Companies Act, 2013 provides that

"The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority:

Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement."

In the light of appointment of Second Independent Director, it was proposed to reconstitute the Audit Committee to make it in conformity with the Section 177 (2) of the Companies Act, 2013. The name of Independent Director to be co-opted to the CSR Committee was also to be considered by the Board.

Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 has made it mandatory to constitute 'Nomination & Remuneration Committee' in certain specified classes of companies. Going by the provisions of said Rules, KSEBL being a public limited company having paid-up share capital of more than Rs. 100 crores, it is mandatory to constitute 'Nomination & Remuneration Committee (NRC)'. The NRC shall be consisting of three or more *non-executive directors* out of which *not less than one half shall be Independent Directors*, provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of NRC but shall not chair such committee. As per the Corporate Governance Guidelines the Role of Nomination and Remuneration Committee are:

- i. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- ii. To devise a policy on diversity of Board of Directors.
- iii. To formulate criteria for evaluation of Board of Directors, its Committees and individual Directors.
- iv. To specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- v. To assist the Board in fulfilling all related responsibilities and consider other topics as defined by Board.
- vi. Any other functions required under corporate law and statutory requirements.

Article 37 of the Articles of Association of KSEBL empowers its Board to appoint any committee of Directors and delegate any of Board's powers to any committees of the Board consisting of such members of the Board of Directors *with the prior approval of the Government*. In order to comply with the provisions of Section 178 of the Companies Act, 2013 read with the Rules thereunder, the Board was requested to consider constitution of Nomination & Remuneration Committee (NRC).

The matter was placed before the Board in the light of the appointment of Prof. Arun Kumar as the Independent Director, as per note read as 5th above. The Board in its 76th meeting held on 13.03.2024 vide agenda item No. 09-03/2024 has passed the following resolution:

“RESOLVED THAT pursuant to G.O.(Rt) No.20/2024/POWER dated 22.01.2024, the provisions of Section 149(4) of Companies Act, 2013 read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 and subject to the approval of the Company in General Meeting, approval of the board be and is hereby granted to the Chairman & Managing Director to take all the necessary action to comply with the statutory formalities for the appointment of Prof. Arun Kumar as the Independent Director of the Company including the issuance of formal letter of appointment;

RESOLVED ALSO TO authorize the Company Secretary to keep the ‘Declaration of Independence’ furnished by Prof. Arun Kumar under safe custody for a period of eight years;

RESOLVED ALSO TO reconstitute the Audit Committee with the following composition:

Adv. V. Murugadas, Independent Director	Chairperson
Prof. Arunkumar, Independent Director	Member
Director in charge of Finance	Member

RESOLVED ALSO TO reconstitute the CSR Committee with the following composition:

Director in charge of Finance	Chairperson
Director in charge of Planning	Member
Adv. V. Murugadas, Independent Director	Member

RESOLVED FURTHER THAT in pursuance to the provisions of the Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, Nomination & Remuneration Committee (NRC) be and is hereby constituted with the following composition:

Prof. Arunkumar, Independent Director	Chairperson
Adv. V. Murugadas, Independent Director	Member
Secretary, Power Department	Member

RESOLVED ALSO THAT the Nomination & Remuneration Committee (NRC) be and is hereby authorized to formulate and place before the Board a detailed charter/policy document.

RESOLVED ALSO THAT the Chairman & Managing Director / Director (Finance) be and are hereby authorized to do all such acts, deeds and things which may be necessary for giving effect to this resolution including the filing of e-Forms with the Registrar of Companies to intimate the appointment of Independent Director **and that** Dr. Baiju Ramachandran, Company Secretary in practice be authorized to verify the particulars of e-form including its attachments, if any, from the records of the Company and to pre-certify the said e-form DIR-12 for the newly appointed Independent Director before filing with ROC."

Orders are issued accordingly.

By Order of the Director Board

(Sd/-)

LEKHA.G

COMPANY SECRETARY

To

The Company Secretary

Copy to:

The Secretary (Administration) /The Financial Adviser / The Chief Internal Auditor

The TA to [Chairman & Managing Director/Director(Distribution, Safety, SCM & IT)/

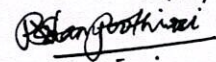
Director(Transmission, System Operation & Planning)/Director(Generation-Civil)/ Director(Generation-Electrical, REES, SOURA, Sports & Welfare)

The PA to Director (Finance & HRM)

The Senior CA to [Chief Vigilance Officer/Legal Adviser & Disciplinary Enquiry Officer/ Secretary (Administration)]

Library/Website/Stock File.

Forwarded/By order



Senior Superintendent