



## KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vidyuthi Bhavanam, Pattom, Thiruvananthapuram – 695 004

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### ABSTRACT

Innovation Fund & Escot - Manufacturing of Communicating Fault Pass Indicator (CFPD) under Electrical Circle, Palakkad - Withdrawal of excess amount accounted as receivable from Innovation fund - Sanctioned - Orders issued.

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### **Corporate Office (Finance Wing)**

B.O.(FTD) No.389/2024 (KSEBL/FA/AAA/33/2024-S1)  
Thiruvananthapuram.

Dated:04-09-2024

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- Read :
1. Note No. RC/FPI/2018 dated 25.06.2018 of the Financial Adviser.
  2. Note No.FA-AAA-SAI/2022/43 (6) dated 11.10.2023 of the Financial Adviser.
  - 3.Note No. CP/Plg.1/State support schemes/2024-25 dated 16.04.2024 of the Deputy Chief Engineer (Corporate Planning).
  4. Letter No. E 23819/KSEBL/FA/AAA/33/2024-S1 dated 07.06.2024 of the Financial Adviser.
  5. Note No. KSEBL/FA/AAA/33/2024-S1 dated 25.07.2024 of the Financial Adviser (Agenda No.13/8/24).
  6. Minutes of the meeting of Full Time Directors held on 08.08.2024 vide Resolution No FTD/2/8/2024/13.

### ORDER

Manufacturing and supply of Communicating Fault Pass Indicator (CFPD) is being carried out by Central Processing Unit under Electrical Circle, Palakkad. Being included in the Innovation and Escot fund of the State support scheme, the accounting procedure for the manufacturing and installation of CFPD was issued accordingly as per note read as 1<sup>st</sup> above. As per the accounting procedure CFPD issued from the central processing unit to Electrical Circles are to be treated as sale and the receipt by the Circles are to be treated as Purchase. The receiving Circles are required to pass the invoice similar to the invoice against the material received from the outside suppliers. The payments for the passed invoices are to be effected from the State Support fund received in the Treasury Savings Bank Account maintained at the O/o the Secretary (Administration) for this purpose by transferring the amount to the Non Operative Collection bank account of the ARU of the Central Processing Unit.

Accordingly, up to 31.03.2024 total amounting to Rs.13,74,03,328.90 Crores is accounted by Electrical Circle, Palakkad under account head 28101 -"Sundry Receivables against Sale of Ele. Plant Manufactured by Board" for the supply of

CFPDs manufactured. Similarly, various Electrical Circles have accounted total amounting to Rs.13,34,86,857.73 Crores under the account head 42191 - of "Liability for supplies - Innovation Fund" against its receipt.

Even though the manufacturing and installation of CFPDs were envisaged under the Innovation fund, no funds were released by the Government for the scheme till date and the above balances are still pending for adjustment. The Deputy Chief Engineer (Corporate Planning) as per note read as 3<sup>rd</sup> above informed that the State support for CFPDs under Innovation & Escot Rs.309.50 Lakh was included only for the FY 2018-19 and the item was not included for any subsequent years. The subject matter was also confirmed by the Deputy Chief Engineer (Corporate Planning) in the meeting convened by the Director (Distribution, IT & SCM) on 15.04.2024.

As per the note read as 5<sup>th</sup> above, it is reported by the Financial Adviser that if there is no chance to get financial support in excess of Rs.309.5 Lakhs from the Government for this purpose, accounting the transaction of CFPDs transfer in line with the accounting procedure issued earlier will result in accumulation of unwanted amount under receivable and liability account heads. It is also proposed that the amount spent in excess of Rs.309.5 Lakhs by KSEB Ltd is to be treated as KSEBL's expenditure and the excess amount already accounted by the Electrical Circle, Palakkad and other Electrical Circles as mentioned above needs to be treated as such in the accounts.

Having considered the matter in detail, the Full Time Directors in the held on 08.08.2024 passed the following resolution:

1. Resolved to accord sanction set off the amount exceeding Rs.3.095 Crores accounted in respect of manufacturing and supply of CFPDs by the Electrical Circle, Palakkad as Sundry Receivables for Sale of Ele. Plant manufactured by Board, against its receipts accounted by other Electrical Circles as Liability for supplies - Innovation fund treating as expenditure of KSEBL.
2. Further resolved to accord sanction to make suitable modifications in the accounting procedure issued for manufacturing and supply of CFPDs under Innovation & Escot.

Orders are issued accordingly.

By order of Full Time Directors

Signed by

Lekha Geetha

Date: 04/09/2024 16:40:33

COMPANY SECRETARY


To:

The Financial Adviser

Copy to:

The Company Secretary / Chief Engineer (IT,CR&CAPS) for publishing in the website /  
Financial Advisor / Chief Engineer (Commercial & Tariff) / LA&DEO / Chief Internal  
Auditor / Chief Vigilance Officer  
The Chief Personnel Officer / Public Relations Officer  
The TA to the Chairman & Managing Director / Director (Generation-Civil) /  
Director (Distribution, Safety, SCM & IT) / Director (Transmission, SO & Planning) /  
Director (Generation - Electrical, REES, SOURA, Sports & Welfare)  
The PA to the Director (Finance & HRM)  
The Sr.CA to the Secretary (Administration)  
The RCAO/ RAO  
Stock File.

Forwarded / By Order

  
Finance Officer