



KERALA STATE ELECTRICITY BOARD LIMITED

Incorporated under the Companies Act, 1956

CIN : U40100KL2011SGC027424

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

Phone No. +91 471 2514491, 2514620. Fax: 0471 2554039

E-Mail: cs@kseb.in Website : www.kseb.in

ABSTRACT

Statutory Audit – audit fee and reimbursement of TA/DA - revision of - sanctioned – Orders issued.

CORPORATE OFFICE (ADMINISTRATION)

B.O. (DB) No.26/2021 (CS/Appointment & Remuneration of Statutory Auditors/2020-21).
Thiruvananthapuram Dated:14.01.2021

- Read: 1. B.O. (DB) No.555/2019/ (BDM47/ Auditors expenses) dated 17.07.2019.
2. B.O. (DB) No.767/2019/(CS/Remuneration of statutory Auditors) dated 18.10.2019.
3. Minutes of the Annual General Meeting of the company dated 25.09.2020.
4. Letter dated 18.11.2020 of Sri. Suresh Mohan, Partner of Mohan & Mohan Associates, Chartered Accountants.
5. Note No. AA/Audit fee, TA&DA//2020-21 dated 23.11.2020 of the Financial Adviser.
6. Note No. CS/Appointment & Remuneration of Statutory Auditors/2020-21 dated 23.12.2020 of Chairman & Managing Director.
7. Proceedings of minutes of the 56th meeting of Board of Directors held on 01.01.2021 vide Agenda Item no. 23-12/2020.

ORDER

The reimbursement policy of TA/DA/Accommodation expenses of Statutory Auditors for the Financial Year 2018-19 onwards had been fixed as per Board Order read as 1st above as under:

- The accommodation Inspection Bungalows of KSEBL shall be provided, wherever available at free of cost, else reimbursement of expenses shall be given for accommodation limited to ₹1500/- per person subject to producing the bills.
- Daily allowance of ₹400/- per person shall be provided for Outstation audit.
- Reimbursement of travelling expenses shall be provided to the auditors for shortest route from their office to the nearest railway station of KSEBL's concerned ARU as per voucher produced. The Statutory auditors are permitted to use their own vehicle at the rate of ₹9/- per Kilometre subject to a maximum of 1500 km per firm during the entire audit period for the applicable financial year.

The Financial Adviser, as per Note read as 5th above, has reported that Sri. Suresh Mohan, Partner of M/s Mohan & Mohan Associates one of the Statutory Auditors for the Financial Year 2019-20 & 2020-21 on behalf of other Joint Statutory Auditors viz. M/s JRS & Co Chartered Accountants, M/s Krishnamoorthy & Krishnamoorthy Chartered Accountants has submitted a request read as 4th above for revision of Statutory Audit fee and reimbursement of TA/DA/Accommodation for the Financial Years 2019-20 & 2020-21. It was also reported that the fee of Statutory Auditors were lastly revised during the financial year 2017-18 from ₹10,67,0000/- to ₹12,50,0000/- and reimbursement policy has been revised during the Financial Year 2018-19. Since then the scope and volume of work and coverage of audit areas increased due to the adoption of Indian Accounting Standard, hence the request for the revision of audit fee is reasonable. Due to COVID 19 pandemic, rates of reimbursement of TA/DA/Accommodation require modification as safe mode of public transport as well as health protocol during accommodations at the Inspection Bungalows may not be ensured now. Considering all the aspects, the Financial Adviser has recommended the following in connection with the request of revision of Statutory Audit fee and reimbursement policy:

- a. The Audit fee may be revised from ₹12,50,000/- to ₹15,00,000/- (Rupees Fifteen lakh only) plus applicable taxes
- b. The reimbursement of accommodation facility may be revised from ₹1500/- to ₹2000/- per day per person for the period.
- c. The request for daily halt allowance may not be considered.
- d. Daily allowance may be increased from ₹400/- to ₹500/- for outstation audit beyond 8 Kilometre from the office of the audit firm is situated.
- e. Due to non availability of safe mode of public transport due to COVID pandemic, the cap put on the maximum kilometre permitted for the Statutory Auditors to use their own or hired vehicle for the purpose of audit may be removed for the years 2019-20 and 2020-21 as a special case subject to the condition put forth by the Statutory auditors in their request. However if the safe mode of public transport is available, that may be used to the maximum extend and reimbursement of travelling expenses may be provided to the auditors for shortest route from their office to the nearest railway station of ARU concerned of KSEBL's as per voucher produced. The kilometre rate may be revised from ₹9 per kilometre to ₹11 per kilometre.

The matter has been placed before the 24th Meeting of the Audit Committee of the Company held on 23.12.2020 vide Agenda Item No: 03-12/2020. The Audit Committee has examined the matter in detail and recommended to place the matter before the Director Board for decision.

Accordingly the matter was placed before the 56th meeting of the Board of Directors as per note read 6th above. Having considered the matter in detail, the Board of Directors in its 56th meeting held on 01.01.2021 has passed the following resolution:

“RESOLVED TO authorize the Chairman & Managing Director to decide the revision of fees of the Statutory Auditors for the Financial Year 2019-20 and 2020-21, after ensuring that the audit is completed by the Statutory Auditors at the earliest.

RESOLVED FURTHER TO revise the reimbursement of expenses of Statutory Auditors for the Financial Years 2019-20 & 2020-21 as under.

- a. The reimbursement of accommodation facility be revised from ₹1500/- to ₹2000/- per day per person for the period. The accommodation in inspection Bungalows of KSEBL shall be provided, where ever available at free of cost.
- b. Daily allowance be increased from ₹400/- to ₹500/- for outstation audit beyond 8 Kilometre from the office of the audit firm is situated.
- c. The cap put on the maximum kilometre permitted for the Statutory Auditors to use their own or hired vehicle for the purpose of audit be removed for the years 2019-20 and 2020-21 as a special case. The kilometre rate be revised from ₹9 per kilometre to ₹11 per kilometre”.

Orders are issued accordingly.

By Order of the Director Board

Sd/-

LEKHA G.

Company Secretary (i/c)

To

The Financial Adviser

Copy to:

1. The Chief Internal Auditor / Company Secretary
2. The TA to Chairman & Managing Director/Director (Distribution, IT & HRM)/ Director (Transmission & System Operation)/Director (Generation- Civil)/ Director (Generation-Electrical & SCM)/ Director (Planning, Safety & REES)
3. The Senior CA to Chief Vigilance Officer
4. The Senior CA to Legal Adviser & Disciplinary Enquiry Officer
5. The Senior CA to Secretary (Administration)
6. Library/Stock File.

Forwarded/By order



Senior Superintendent