KERALA STATE ELECTRICITY BOARD LIMITED
(Incorporated under the Companies Act, 1956)
Registered Office: Vydyuthi Bhavanam, Pattom,
Thiruvananthapuram – 695 004.
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ABSTRACT

Implementation of Enterprise Resource Planning (ERP) in KSEB Ltd. under Partial turnkey basis / departmental execution as part of IPDS – Work done by departmental staff – Accounting procedure – Sanctioned – Orders issued.

CORPORATE OFFICE (IT)

B.O.(FTD) No.455/2020(IT/Proj/IPDS/ERP/2020-21/) Thiruvananthapuram, dated 02.07.2020

Read: 1. B.O. (DB) No.2978/2016(IT/CU/IPDS/PMA/ERP/2016-17/), dated 18.10.2016.
2. B.O. (FTD) No.3089/2017(IT/CU/IPDS/ERP/2017-18/), dated 13.12.2017.
3. B.O. (FTD) No. 403/2019(IT/Proj/IPDS/ERP/2019-20/), dated 20.05.2019.
4. Note no. IT/Proj/IPDS/ERP/2020-21/35 dated 17.06.2020 of the Chief Engineer (IT, CR & CAPs) to the Full Time Directors (Agenda No. 49/6/20).

ORDER

The Chief Engineer (IT, CR & CAPs) as per the note read above has reported that Integrated Power Development Scheme (IPDS) has been launched by the Ministry of Power, Government of India and as per IPDS guidelines, schemes for Enterprise Resource Planning (ERP) and IT enablement of distribution sector is envisaged to be covered as per requirement of utility. M/s. KPMG Advisory Service Private Limited was appointed as the Project Management Agency (PMA) based on the B.O. read as 1st paper above.

The Detailed Project Report (DPR) for Rs. 42.64 Crore, prepared based on IPDS guidelines and PFC's standard template, and also approved as per B.O. read as 2nd above was sanctioned by the Power Finance Corporation (PFC) having a grant component of Rs. 25.79 Crore with Partial Turn Key based execution mode. Out of the DPR cost of Rs. 42.64 Crore, Rs. 29 Crore is estimated for ERP application along with Rs. 9.84 Crore for its implementation and the remaining Rs. 3.80 Crore is estimated for procuring Server, storage, UPS, PC, printer etc. Sanction was accorded as per B.O. read as 3 above to carry out customization / development and implementation of ERP solution with the in-house development team under IT wing, as part of Partial turnkey based execution sanctioned by PFC and supply, installation and commissioning of servers, storage etc. through open tender process.

M/s. PFC has stipulated mechanism for release of grant against milestones as per IPDS guidelines and as KSEBL has achieved the conditions specified for the release of 10% (1st tranche) and 20% (2nd tranche) of eligible grant component, PFC has released Rs. 7.04 Crore towards implementation of ERP in KSEBL for release through PFMS portal. Out of this, Rs. 2.96 Crore is utilized for the procurement of server, storage etc. and Rs. 4.08 Crore is pending as unutilized.

Out of the total grant component of Rs. 25.79 Crore, Rs. 23.3 Crore can be claimed as the software customization / development cost for the dedicated team created exclusively for the departmental execution of customization / development and implementation of ERP solution. The milestones prepared based on the project plan submitted to PFC as per annexure can be adopted for the claim towards departmental customization / development of ERP solution.

In view of the above, the Chief Engineer (IT, CR & CAPs) has suggested to adopt the following procedure (prepared based on the remarks of the Financial Advisor, KSEBL) for claiming the customization / development cost of implementation of ERP solution done departmentally:

(1) Separate M Book stamped "IPDS-ERP" may be maintained for measuring the milestone based bills for the departmental cost of customization / development of ERP solution along with bills for training, data migration, testing, roll out stabilization support etc.

(2) To assign Chief Engineer (CAPs) as the contractor and to use the Non-Operative Collection account no. 6722830806 of the Chief Engineer (IT&CR) maintained at KSEB Administrative Complex Branch, Pattom as the bank account of the contractor (as Chief Engineer (IT&CR) is holding the position of Chief Engineer (CAPs)).

(3) To submit the M-book with bills, necessary supporting documents to the O/o Chief Engineer (IT&CR) for passing and accounting. On passing the bills, the expenditure is to be booked under the account code of capital work in progress issued for IPDS. Necessary sub code under the account code of SARAS is to be created separately to identify the expenditure towards customization / development of ERP solution. SARAS software support team is to be instructed to create required code. The journal on passing the bills will be: 14.13X a/c......Dr. To 42.213 a/c.

(4) As all the payments under IPDS has to be directly made from dedicated bank account (mapped to PFMS), the payment vouchers for the passed bills are to be forwarded to the O/o Financial Advisor through SARAS for effecting payments (since the dedicated bank account is being maintained at the O/o Financial Advisor).

(5) On receipt of the amount in the bank account, it is to be accounted as 24.3xx a/c........Dr. To 75.903 a/c (employee cost) To 76.903 a/c (other cost).

Having considered the matter in detail, the Full Time Directors in the meeting held on 25.06.2020:

1. Resolved to approve the proposed procedure suggested in item (1) to (5) above for claiming the customization / development cost of implementation of ERP solution done departmentally.

2. Further resolved to approve the milestones as per Annexure to claim the customization / development cost of implementation of ERP solution.

Orders are issued accordingly.

**By Order of the
Full Time Directors**

Sd/-

**Lekha G.
Company Secretary (I/C)**

To

The Chief Engineer (IT, CR & CAPs)

Copy to:
1. The Financial Advisor / CIA, K S E B L
2. The TA to CMD / Director D, IT & HRM / T, SO & Safety / GE & SCM / GC
3. The PA to the Director (Finance)/ Company Secretary
4. Records/Stock file and Library / AB Section

Forwarded / By Order

Assistant Executive Engineer

Annexure

#	Milestones/Activities	Deliverable	Payment Schedule
1	**Project Inception**		10 % of Project Cost on completion of the all activities in milestone 1
1.1	Project Plan Finalization	Approved Project Plan	
1.2	ERP Governance Team Formation	Proceedings on formation of Governance Team	
2	**As-Is and To-Be Design**		10 % of Project Cost on completion of the all activities in milestone 2
2.1	As Is process study and To-Be process	As Is process study and To-Be process Documents	
2.2	Business Solution Design Document and Solution Blueprint	Business Solution Design Document and Solution Blueprint Document	
2.3	Hardware Specification Document & Network and Communication Infrastructure Specification	Hardware Specification Document & Network and Communication Infrastructure Specification Document	
3	**Training and Change Management**		10 % of Project Cost on completion of the all activities in milestone 3
3.1	Training Requirement Report and Training Curriculum	Training Requirement Report and Training Curriculum	
3.2	ERP Core Team Training for selected Functional and IT Systems personnel	Copy of training Materials and Attendance Sheet for Training Sessions	
3.3	First Overview level training for top Management	Copy of training Materials and Attendance Sheet for Training Sessions	
3.4	Training of all type of users for ERP solution	Copy of training Materials and Attendance Sheet for Training Sessions	
4	**Development and Customization**		40 % of Project Cost on completion of the all activities in milestone 4
4.1	Development and Customization of ERP modules	Software and Technical Documents including; SRS, HLLD, LLD, DFD and source code & source code documentation	
4.2	Integration	Integration Report	
4.3	Data Migration	Data Migration Completion Report	
5	**Testing and Go-live**		15 % of Project Cost on completion of the all activities in milestone 5
5.1	ERP Test Plan	ERP Test Plan Document	
5.2	Testing of ERP system & UAT Report	UAT Report	
5.3	Authorization, security and access control specification	Authorization, security and access control Specification Document	
5.4	Go-Live at Pilot sites	Pilot Go-Live Report	
5.5	Back Up Strategy, Archival Plan and Disaster Recovery Plan	Back Up Strategy, Archival Plan and Disaster Recovery Plan Document	
5.6	System and user manual	System and user manual	
6	**Roll Out**		10 % of Project Cost on completion of the all activities in milestone 6
6.1	Roll out of the ERP system across KSEBL	State-wide rollout Report	
6.2	Go-live Operational Acceptance for all the sites of KSEBL	Operational Acceptance Report and Acceptance	
7	**Stabilization Support**	Six Months Stabilization Report	5 % of Project Cost on completion of the all the activities in milestone 7

Sd/-

Company Secretary (I/C)