



KERALA STATE ELECTRICITY BOARD LIMITED

Incorporated under the Companies Act, 1956

CIN : U40100KL2011SGC027424

Reg. Office : Vidyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695004, Kerala.

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ABSTRACT

Kerala State Electricity Board Limited –Appointment of Cost Auditors for the Financial Year 2020-21 – Sanctioned – Orders issued.

CORPORATE OFFICE (ADMINISTRATION)

B.O. (DB) No.385/2020 (CS/Cost Audit/2018-19) Thiruvananthapuram Dated:05.06.2020

Read:1. Note No.FA & CAS/Costing//Auditor/2020-21 dated 13.05.2020 of the Financial Adviser.

2. Note No. BDM/Cost Auditor Appointment/2020-21 dated 19.05.2020 of the Chairman & Managing Director.

3. Extract of minutes of the meeting of Board of Directors held on 25.05.2020 vide Agenda 06-05/2020.

ORDER

As per Section 148 of the Companies Act, 2013 the Central Government prescribes the class of companies who has to maintain Cost Records and conduct Cost Audit. The Companies (Cost Records and Audit) Rules, 2014 requires that for the regulated industries like power sector, Cost Records are to be maintained if the gross turnover in the immediately preceding Financial Year is greater than or equal to ₹35 Crores. It is also required to conduct Cost Audit if the gross turnover during the immediately preceding Financial Year is equal to or exceeds ₹50 Crores. As KSEBL satisfies the above conditions, it is a mandatory requirement to maintain Cost Accounting Records and conduct Cost Audit. As per Section 148(2)(a) of the Companies Act,2013, the Cost Auditor has to be appointed within 180 days of the commencement of the Financial Year and as per Rule 14 of the Companies (Audit and Auditors) Rule 2014, the Board shall appoint Cost Auditor on the recommendations of the Audit Committee, which shall also recommend the remuneration for such cost auditor and remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

The Financial Adviser as per letter read (1) above reported that M/s Murthy and Company LLP, Cost Accountants, Bangalore, the Cost Auditor of KSEBL for the Financial Years from 2015-16 to 2019-20 has sent their willingness to be appointed as the Cost Auditor for 2020-21 also, with the same terms and conditions as per their previous appointments. The Financial Adviser has also stated that considering the profile and exposure in auditing the cost records of major power generating companies, the appointment of M/s Murthy &Co. LLP, Cost Accountants, Bangalore (Registration No.000648) would be beneficial to KSEBL. He has also stated that the Cost audit fee for the last five years had been ₹3,00,000/- including conveyance and other incidental expenses but exclusive of applicable taxes.

The Audit Committee in its 21st meeting held on 25.05.2020 had recommended the appointment of the cost auditors for the Financial Year 2020-21.

Accordingly the matter was placed before the 53rd meeting of the Board of Directors as per note read (2) above. Having considered the matter in detail, the Board of Directors in its meeting held on 25.05.2020 resolved to accord sanction for the following.

1. Pursuant to section 148(3) of the Companies Act, 2013 and Rule 6(2) of the Companies (Cost Records and Audit Rules) 2014, M/s Murthy and Company, LLP, Cost Accountants, Bangalore (Registration No. 000648) be and are hereby appointed as the Cost Auditor of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2020-21 at a remuneration of Rs.3,00,000 /-(Rupees Three Lakh only) including conveyance and other incidental expenses) but exclusive of applicable taxes.
2. The appointment of Cost Auditor be placed for approval at the next Annual General Meeting of the Company for ratification of remuneration fixed by the Board for the Cost Auditor.
3. The Company Secretary or any one of the Directors of the Company be and is hereby authorized to submit the necessary intimation in Form CRA-2 to the Central Government for appointment of Cost Auditors by the Company and to do all such other acts as may be necessary from time to time and to take such other action as deemed necessary so as to give effect to the aforementioned resolution.

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

Forwarded/By order


Senior Superintendent