

KERALA STATE ELECTRICITY BOARD

ABSTRACT

Re-vesting of the assets and liabilities of KSE Board in a corporate entity – Formation of Regional Committees - Orders issued

Corporate Office (Finance Wing)

B.O. (FM) No. 132/2009 (RC/Accounts/2008) dated: 19.01.2009, Thiruvananthapuram

Read: (1) G.O. (Ms) No. 37/2008/PD dated 25.09.2008.
(2) B.O. (FM) No. 3137/2008(RC/1/Consultant/2008) dated 18.12.2008
(3) Note No. RC/Accounts/2008-09 dated 15.12.2008 of Member (Finance)
(4) Note No. FA&CAS Monitoring Cell/2008-09 dated 15.01.09 of Financial Adviser

ORDER

The Government of Kerala, vide G.O. read as paper (1) above has notified a transfer scheme under Sections 131 and 133 of the Electricity Act 2003 for the vesting of assets and liabilities of KSEB to State Government and re-vesting thereof in a company to be formed under the Indian Companies Act, 1956. It is proposed that the re-vesting of assets and liabilities of the Board now vested in Government shall take place on 1st April 2009 and the new company shall start functioning from that date. M/s PFC Consulting Ltd, New Delhi has been appointed as consultant to assist KSEBoard in the restructuring process vide B.O. read as paper (2) above.

As part of the restructuring process, cleaning up activities of the balance sheet of KSEB has already been started by the consultant. The consultant has pointed out following anomalies in the accounts of KSEB that are to be set right:

- (a) Clearance of inter-unit balances.
- (b) Rectification of anomalies in connection with material accounting and MASA.
- (c) Clearance of long pending items in Bank reconciliation statement.
- (d) Projects completed and pending capitalisation.
- (e) Identification and rectification of unnatural balances in ledger.
- (f) Compilation of physical data in respect of fixed assets and linking with value as per ledger.
- (g) Reconciliation among ARUs in respect of assets and materials transferred/received from other ARUs.
- (h) Preparation of subsidiary records for easy identification of break up values.
- (i) Any other rectification required to be done which would render the cleaning up of accounts for easy absorption by the successor entity.

The above issues are to be resolved within a tight time schedule so as to facilitate the cleaning up of balance sheet and issuing of transfer scheme. Vide note read as paper (3) above, the Financial Adviser was directed to set up separate task-force for assisting the restructuring team at head office. The Financial Adviser vide note read as paper (4) above has pointed out that there are only 45 officials working as Finance Officer/Assistant Finance Officer/Divisional Accountant in the 138 ARUs and hence sparing the services of these officials for the purpose of Task-Force would cause further strain at all levels. He suggested that services of retired KSEB officers who are well-

versed in the accounting procedures may be availed for the purpose. It was recommended that three Regional Committees viz. South, Central and North be formed with the following retired Finance Officers as head of the Committees and nominating officials from the three regions as members to assist the Account Rendering Units in setting right the anomalies in their books of accounts.

1. Sri. A.G. Ganga Prasad, Retired Finance Officer
2. Sri. C.K. Prasannan Pillai, Retired Finance Officer
3. Sri. K.A. Amrithapal, Retired Finance Officer

It was further recommended that the scope of the work of these Regional Committees can be fixed as under:

- To assist the ARUs in identifying areas where corrections are required.
- To give specific direction to the field ARUs in rectifying mistakes.
- Provide assistance to the ARUs in the form of clarifications etc., as may be required, during the course of work.
- Provide periodical feedback to the Restructuring Committee already formed at the Board level.

Having considered the proposals of Financial Adviser, the Board is pleased to order as follows:

1. Avail the services of Sri. A.G. Gangaprasad, Sri. C.K. Prasannan Pillai and Sri. K.A. Amrithapal (all retired Finance Officers) to act as heads of the three Regional Restructuring Committees. Their services will be availed for a period of 6 months at a consolidated honorarium of Rs.15,000/- per month and TA/DA as per rules applicable for the post of Finance Officers. The payment shall be arranged from the following ARUs:

Southern Region : Office of the Chief Engineer (HRM)
Central Region : Electrical Division Pallom
Northern Region : Electrical Division, Kozhikode

2. Form three Regional Restructuring Committees consisting of the following members.

Southern Region	1. Sri. A.G. Ganga Prasad, Retired Finance Officer (<i>Head of Committee</i>)
	2. Sri. K.G. Anil Kumar, Divisional Accountant, Electrical Division, Attingal
	3. Sri. Premachandran, Divisional Accountant, TRAC
	4. Sri. R. Suresh, Divisional Accountant, Civil Circle, Pallom
Central Region	1. Sri. C.K. Prasannan Pillai, Retired Finance Officer (<i>Head of Committee</i>)
	2. Sri. Mohammed Sulfikar, Senior Assistant, R.O., Pallom
	3. Sri. P.T. Raju, Senior Superintendent, Electrical Section, Kottayam
	4. Sri. Paul George, Senior Superintendent, Regional Audit Office, Kottayam
	5. Sri. Sivadas P.P, Asst. Finance Officer, Transmission Circle, Kalamasserry
Northern Region	1. Sri. Amrithapal K.A., Retired Finance Officer (<i>Head of Committee</i>)
	2. Sri. Suresh Babu, Senior Superintendent, Electrical Circle, Kozhikode
	3. Sri. E.N.Satheesh, Divisional Accountant, KDPP
	4. Sri. Vinayan P., Divisional Accountant, Electrical Division, Shornur
	5. Two suitable Senior Assistants to be nominated by the Chief Engineer
	6. (Distribution- North)

3. The Financial Adviser shall co-ordinate the activities of the Regional Committees through the Restructuring Committee functioning at Board level.

4. The Chief Engineer (Distribution-North), the Chief Engineer (Distribution-Central) and the Financial Adviser may arrange office facilities for the functioning of the Regional Committees.
5. The Restructuring Committee already functioning at the Board level shall review the functions and progress of work of the Regional Committees and submit report on the progress on a fortnightly basis to the Board through the Financial Adviser.
6. The Heads of ARUs may nominate a responsible officer in their office as Nodal Officer to interact with the Restructuring Committee and the Regional Committee.

Orders are issued accordingly.

By order of the Board,
Sd/-
G. SREKUMARAN
SECRETARY

To

The Financial Adviser
All Members of the Regional Committee
All ARUs

Copy to:

All Chief Engineers
The Director MIS / TA to Chairman / PA to Member (Finance) / TA to Member (Transmission & Distribution) / TA to Member (Generation) / Restructuring Committee / Senior CA to Secretary / Fair Copy Superintendent

Forwarded By Order,

Assistant Finance Officer