



KERALA GAZETTE

കേരള ഗസറ്റ്

EXTRAORDINARY

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GOVERNMENT OF KERALA

Power (C) Department

NOTIFICATION

G. O. (P) No. 46/2013/PD.

Dated, Thiruvananthapuram, 31st October, 2013.

S. R. O. No. 871/2013.—WHEREAS, in exercise of powers conferred under sub-sections (1), (2), (5), (6) and (7) of section 131 and section 133 of the Electricity Act, 2003 (Central Act 36 of 2003) the Government of Kerala had made the Kerala Electricity First Transfer Scheme, 2008 issued under G.O. (Ms.) No. 37/2008/PD dated 25th September, 2008 and published as S.R.O. No. 990/2008 in the Kerala Gazette Extraordinary No. 2090 dated 25th September, 2008, for the purpose of vesting of functions, properties, interests, rights, obligations and liabilities of the Kerala State Electricity Board in the State Government on such terms as agreed to by the Kerala State Electricity Board and the State Government and re-vesting thereof by the State Government in a corporate entity

and also for the transfer of personnel of the Board to the corporate entity and for determining the terms and conditions on which such transfers and vesting shall be made;

AND WHEREAS, all the functions, properties and all interests, rights in properties, all rights and liabilities of the Board stand vested in the State Government on such term agreed between the Kerala State Electricity Board and the State Government under the said transfer scheme;

AND WHEREAS, all interests, rights in properties, all rights and liabilities of the Board so vested in the State Government and administered by the Government in the name as 'Kerala State Electricity Board' by appointing a Special Officer and a Managing Committee has to be re-vested in a company, subject to the provisions of the Electricity Act, 2003 and the Kerala Electricity First Transfer Scheme, 2008;

NOW, THEREFORE, in exercise of the powers conferred under sub-section (2) of section 131 of the Electricity Act, 2003, the Government of Kerala hereby make the following Scheme for the transfer (re-vesting) of all the functions, properties and all interests, rights in properties, all rights and liabilities of the Board vested in the State Government under clause 4 of the Kerala Electricity First Transfer Scheme, 2008 and administered by the Government in the name as "Kerala State Electricity Board" to a Company.

SCHEME

1. Short title and commencement.—(1) This Scheme may be called the Kerala Electricity Second Transfer Scheme (Re-vesting), 2013.

(2) It shall come into force at once.

2. Definitions.—(1) In this Scheme, unless the context otherwise requires,—

(a) "Act" means the Electricity Act, 2003 (Central Act 36 of 2003);

(b) "Board" means the Kerala State Electricity Board constituted under sub-section (1) of section 5 of the erstwhile Electricity (Supply) Act, 1948 (54 of 1948), of which, all functions, properties, all interests, assets, liabilities and personnel were vested in the State Government in the name as "Kerala State Electricity Board" after the notification of the Kerala Electricity First Transfer Scheme, 2008 ;

(c) "Company" means the company incorporated as a fully owned Government Company under the Companies Act, 1956 (Central Act 1 of 1956) ;

(d) **“date of the transfer”** means the date of publication of this Transfer Scheme in the Official Gazette ;

(e) **“existing Pensioners”** means all the persons eligible for pension as on the date of re-vesting including that of the erstwhile Board and shall include eligible family members of the pensioners;

(f) **“First Transfer Scheme”** means the Kerala Electricity First Transfer Scheme, 2008 issued by notification under G. O. (Ms.) No. 37/2008/PD dated 25th September, 2008 and published as S.R.O. No. 990/2008 in the Kerala Gazette Extra ordinary No. 2090 dated 25th September, 2008 ;

(g) **“Kerala State Electricity Board (KSEB)”** means the undertakings of the Board vested in the Government of Kerala through the Kerala Electricity First Transfer Scheme, 2008, through which the State Government administer the functions of the erstwhile Board by appointing a Special Officer and a Managing Committee till the date of re-vesting of the functions, properties, interests, rights, liabilities, proceedings and personnel to the Transferee in accordance with the Act and this Scheme;

(h) **“Kerala State Electricity Board Limited”** means a Company incorporated under the Companies Act, 1956 (Central Act 1 of 1956) fully owned by the Government of Kerala, in which the Government shall re-vest the functions, properties, interests, rights, liabilities, proceedings and personnel in accordance with sub-section (2) of section 131 and section 133 of the Act, and this Scheme;

(i) **“liabilities”** include all liabilities, debts, duties, obligations and other outgoings including statutory liabilities and Government levies of whatever nature and contingent liabilities which may arise in regard to the dealings before the date of the re-vesting of the Undertakings of the erstwhile Board under this Scheme;

(j) **“Master Trust”** means the Trust to be constituted to manage the funds and disburse terminal benefits, pension, etc. and to ensure the interest of the existing pensioners and the personnel transferred to the Transferee as on the date of re-vesting in respect of payment of Terminal Benefits;

(k) **“personnel”** means workmen, employees, staff and officers of the erstwhile Board by whatever name called and includes trainees, if any, for the recruitment in the erstwhile Board and those on deputation from the erstwhile Board to other organizations or institutions; .

(l) **“proceedings”** means the proceedings of whatever nature including suits, appeals, complaints, petitions, applications, conciliatory, arbitration, whether civil or criminal or otherwise;

(m) **“property”** means all assets including power systems, plant, machinery, land, building, offices, stores, furniture, fixtures, vehicles, residential quarters and guest houses and amenities and installations pertaining and attached thereto and other movable and immovable assets, cash in hand, cash at bank, investments, book debts - corporeal and incorporeal, tangible and intangible assets, benefits, licenses, consents, authorities, registrations, concessions, grants, patents, trade marks and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, contracts, deeds, schemes, bonds, shares, agreements and other instruments and interest of whatever nature and wherever situated belonging to the erstwhile Board ;

(n) **“Schedule”** means a Schedule appended to this Scheme;

(o) **“Strategic Business Units (SBUs)”** means the three Units of the Kerala State Electricity Board Limited through which the Kerala State Electricity Board Limited shall manage the activities of Transmission, Generation and Distribution, namely:--

(i) **SBU-T** means the Transmission Unit of the Kerala State Electricity Board Limited to which the Transmission sub-undertakings are to be transferred in accordance with this Scheme;

(ii) **SBU-G** means the Generation Unit of the Kerala State Electricity Board Limited to which the Generation sub-undertakings are to be transferred in accordance with this Scheme;

(iii) **SBU-D** means the Distribution Unit of the Kerala State Electricity Board Limited to which the Distribution sub-undertakings are to be transferred in accordance with this Scheme;

(p) **“State”** means the State of Kerala ;

(q) **“State Government”** means the Government of Kerala;

(r) **“SERC”** means the Kerala State Electricity Regulatory Commission;

(s) **“Successor entity”** means the transferee as defined in sub clause (u) of Clause 2;

(t) **“terminal benefits”** means the Kerala State Electricity Board's employee-related liabilities, payments of pension, gratuity, leave encashment, general provident fund and any other retirement benefits and other applicable benefits including the right to have appropriate revisions in the above benefits consistent with the practices that were prevalent in the erstwhile Board ;

(u) **“Transferee”** means the Kerala State Electricity Board Limited;

(v) “**Tripartite Agreement**” means an agreement, entered into between the State Government, the Kerala State Electricity Board Limited and the Employees’ Unions for protection of Service Conditions and payment of terminal benefits;

(w) “**Undertaking**” means the functions, business properties, interests, rights, liabilities, obligations, proceedings and personnel to the extent and in the manner specified as a part of the undertakings and such other properties, interests, rights, liabilities, obligations, and proceedings of the erstwhile Board and wherever the context so admits shall include the Personnel as specified in this Scheme relevant to the functions;

(x) “**sub-undertaking**” means the functions, business and a block or blocks of properties, interests, rights to the extent and in the manner identified to belong to the functions of transmission, generation, distribution of the erstwhile Board and transferred by this Scheme to the respective Strategic Business Units;

(2) Words and expressions used in this Scheme and defined in the Act but not defined in this Scheme shall have the same meaning respectively as assigned to them in the Act.

3. Classification of Undertakings of the erstwhile Board.—(1) The undertakings of the Kerala State Electricity Board are classified in the following Schedules, namely :—

(a) The Kerala State Electricity Board Limited undertakings as set out in Schedule ‘A’

(b) Transmission sub-undertakings as set out in Schedule—‘A1’

(c) Generation sub-undertaking as set out in Schedule—‘A2’

(d) Distribution sub-undertakings as set out in Schedule—‘A3’

(2) Where the assets of the Undertaking under sub-clause (1) of clause 3 are subject to security documents or arrangements in favour of third parties for any financial assistance or obligation taken by the erstwhile Board or the Kerala State Electricity Board the liabilities arising from such security documents or arrangements shall vest with the Kerala State Electricity Board Limited.

4. Transfer of Undertaking to the State.—In exercise of the powers conferred under sub-sections (1), (2), (5), (6) and (7) of section 131 and section 133 of the Act, the Government of Kerala vide G.O. (Ms) No. 37/2008/PD dated 25th September, 2008 notified the Kerala Electricity First Transfer Scheme for the purpose of vesting the functions, properties, interests, rights, obligations and

liabilities of the Kerala State Electricity Board in the State Government on the terms agreed to by the Kerala State Electricity Board and the State Government and the re-vesting thereof by the State Government in the Kerala State Electricity Board Limited, a corporate entity, and also for the transfer of personnel of the Kerala State Electricity Board to the Kerala State Electricity Board Limited and for determining the terms and conditions on which such transfers and vesting shall be made.

5. Transfer of Undertaking by the State to the Kerala State Electricity Board Limited with decentralized functions.—In exercise of the powers conferred to the State Government under Sub clause (1) of clause 6 of the Kerala Electricity First Transfer Scheme dated 25th September, 2008, the State Government hereby re-vest the Undertaking as per sections 131 and 133 of the Electricity Act, 2003, as under:—

(i) The functions, properties, liabilities and proceedings as set out in Schedule - 'A' shall stand transferred to and vested in the Kerala State Electricity Board Limited on and from the date of the transfer ;

(ii) The functions, business and sub-undertaking, forming part of Transmission as set out in Schedule --- 'A1' shall denote SBU-T of the Kerala State Electricity Board Limited on and from the date of the transfer;

(iii) The functions, business and sub-undertaking, forming part of Generation as set out in Schedule ---'A2' shall denote SBU-G of the Kerala State Electricity Board Limited on and from the date of the transfer;

(iv) The functions, business and sub-undertaking, forming part of Distribution as set out in Schedule --- 'A3' shall denote SBU-D of the Kerala State Electricity Board Limited on and from the date of the transfer ;

(v) On such transfer and vesting of the functions, business and undertakings, properties, liabilities and proceedings above and except as otherwise provided, the Kerala State Electricity Board Limited shall be responsible for all functions, contracts, rights, deeds, schemes, bonds, agreements and other instruments of whatever nature relating to the respective functions, business and undertakings, properties, liabilities and proceedings transferred to it to which the erstwhile Board or KSEB was a party, subsisting or having effect on the date of the transfer, in the same manner as the erstwhile Board or KSEB was liable immediately before the date of the transfer, and the same shall remain in force and effect against or in favour of the Transferee and may be enforced effectively as if the Transferee had been a party thereto;

(vi) As consideration for the transfer and vesting of the functions, business and undertakings, properties, liabilities and proceedings as specified in this Scheme, Kerala State Electricity Board Limited shall have the financials and opening balance sheet and the Kerala State Electricity Board Limited shall issue shares and for instruments as the State Government may notify by order. The opening Balance Sheet of the Kerala State Electricity Board Limited as on 1st April, 2012 has been drawn up based on provisional Balance Sheet of KSEB as on 31st March, 2012. Any adjustments subsequent will be adjusted within the provisional period of one year from the date of re-vesting;

(vii) The State Government may by an order to be issued for the purpose amend, vary, modify, add, delete or otherwise change the terms and conditions specified in the Schedules at any time during the provisional period mentioned in clause 9 of this Scheme;

(viii) Within the provisional period of one year from the date of re-vesting, the accounts of the three SBUs will be segregated by the Transferee so as to facilitate the evaluation of financial performance of these units. Separate balance sheets will be prepared for the three SBUs and suitable transfer pricing mechanism between the SBUs shall be worked out by the Transferee taking into consideration the financial soundness of the three SBUs ;

6. Transfer of Personnel by the State.— (1) The transfer of personnel shall be subject to the terms and conditions contained in sections 133 and 134 of the Act.

(2) From the date of the transfer, the personnel of the Kerala State Electricity Board shall stand assigned to the services of the Transferee and they shall continue to officiate in the place where they are posted on the date of re-vesting and thereafter shall be under the disposal of the Transferee:

Provided that the transfer shall be governed by the conditions enumerated in Schedule-B of this Scheme;

(3) The Transferee shall absorb all permanent eligible personnel so transferred to it in its permanent services and the personnel shall form part of the services of the Transferee, in the post, scale of pay etc. in accordance with the orders that may be issued by the Transferee for this purpose, without any further act, deed or thing to be done by the State Government or the personnel and the State Government or the Transferee shall issue appropriate orders in the case of all other provisional, contingent, part time, temporary personnel engaged by the Board or KSEB prior to the vesting;

(4) All the employees shall remain on the rolls of the Kerala State Electricity Board Limited who shall be responsible for their pay, benefits and other service conditions. The personnel needed by the SBUs shall be deputed to them and their cost shall be accounted as part of the cost of the SBUs. However, the responsibility of managing the personnel shall be with the Kerala State Electricity Board Limited;

(5) Notwithstanding anything contained elsewhere,

(a) the Transferee and the State Government shall be jointly and severally responsible to duly make all such payments to the personnel in respect of the rights, responsibilities, liabilities and obligations and personnel related matters including the statutory dues such as salary, wages, gratuity, pension, provident fund, compensation, terminal and retirement benefits till the date of re-vesting and thereafter by the Transferee;

(b) the KSEB Employees' Welfare fund will be managed in future in the same manner as at present and the existing rules and regulations will continue to govern the functioning of the Employees' Welfare Fund. ;

(6) Subject to the provisions of the Act and this Scheme, the Transferee shall be entitled to modify or frame new regulations governing the conditions of service of personnel transferred to the Transferee under this Scheme, with the consent of Government, but the rank, scale of pay, salary, allowances and other pecuniary benefits including terminal benefits after the effective date of the transfer shall not in any manner be inferior to those applicable to them immediately before the date of the transfer.

(7) In respect of all statutory and other Schemes and employment related matters including the provident fund, gratuity, pension and any other superannuation fund or any other fund created or existing for the benefit of the personnel, the Transferee shall stand substituted for the erstwhile Board for all intents and purposes, rights, powers and obligations of the erstwhile Board and the services of the personnel shall be treated as continuing for the above purpose;

(8) The State Government shall notify appropriate arrangements in respect of the funding of the terminal benefits to the extent they are unfunded on the date of the transfer of the Personnel from the erstwhile Board or KSEB. As per actuarial valuation carried out by registered valuer, the provisional figure of unfunded liability is approximately ₹ 7584 Crores (Seven thousand Five hundred and Eighty Four crores) as on 30th September, 2011. Actuarial valuation of terminal liabilities at the time of transfer will be made as provided under

clause 9 (3) of the scheme. Till such time arrangements are made, the Transferee and the State Government shall be jointly and severally responsible to duly make such payments to the existing pensioners as well as the personnel who retire after the date of transfer but before the arrangements are put in place. The State Government, Kerala State Electricity Board Limited and employees' unions may enter into a tripartite agreement in consideration of the promises and mutual conditions set forth therein. A model Tripartite Agreement is appended as Schedule-C;

(9) The State Government will fund ₹ 3186 crores (Three thousand One hundred and Eighty six Crores) over a period of next 10 years to the Kerala State Electricity Board Limited on annual basis for meeting the unfunded terminal liabilities.

(a) The Kerala State Electricity Board Limited will issue two series of bonds to a master trust.

(i) 20 year bond with a coupon of rate 10% p.a. for ₹ 5021 Crores (Five thousand and Twenty one crores).

(ii) 10 year bond with a coupon of rate 9% p.a. for ₹ 2039 Crores (Two thousand and Thirty nine cores).

(b) Bonds will be issued to the trust which shall meet the liability of pension etc. in future from the interest and principal repayment from Kerala State Electricity Board Limited against the bonds issued in favour of the trust. With these arrangements the fund shall have a liability towards pension etc. of ₹ 7584 Crores (Seven thousand Five hundred and Eighty four crores) (app.) as on 30th September, 2011 with matching investments in securities issued by the Kerala State Electricity Board Limited for ₹ 7060 Crores (Seven thousand and Sixty crores) only.

(c) Another ₹ 524 crores (Five Hundred and twenty four crores) will be funded by State Government through budgetary provision over the next 10 years in equal installments as per G. O. (Ms.) No. 43/2011/PD dated 3rd November, 2011.

(d) State Government will permit that the electricity duty collected by KSEB for the period from 1-4-2008 to 31-3-2012 to be retained in the Kerala State Electricity Board Limited as its contribution for funding the terminal liability.

(e) In addition to the interest on bonds and repayment of principal, the Kerala State Electricity Board Limited will be paying the annual pension contribution based on actuarial valuation to the Master Trust in respect of the

personnel transferred to the Kerala State Electricity Board Limited. The unfunded liability upto the date of transfer will be borne and shared between the State Government and the Kerala State Electricity Board Limited. Any addition to the liability of ₹ 7584 Crores (Seven thousand Five hundred and Eighty Four crores) will be borne and shared by the State Government and the Kerala State Electricity Board Limited in the ratio of 35.4 : 64.6 respectively.

(10) All proceedings including disciplinary proceedings pending against the personnel as on the date of vesting and initiated thereafter till re-vesting which relates to misconduct, lapses or acts of commission or omission committed before the date of transfer, shall not abate and may be continued by the Transferee.

(11) (a) The personnel transferred to the Transferee shall be deemed to have entered into an agreement with the Transferee to repay loans, advances and other sums due and perform obligations undertaken by them to the Board or Kerala State Electricity Board which remain outstanding as on the date of the transfer in the same manner and on the same terms and conditions as existed prior to the vesting.

(b) The transferee shall make all payments due to the personnel in the same manner and on the same terms and conditions that existed prior to re-vesting subject to relevant Long Term Settlement negotiations and agreements entered into from time to time except in the case of payment of Terminal benefits, which shall be administered through the Master Trust.

(12) Payment of pension of personnel who have joined the service in KSEB on or after 1-4-2013 will be governed by the National Pension System (NPS) adopted vide BO (FB) No. 843/2013 (PRC/335/2013), dated 9-4-2013 and the Government orders, Circulars and guidelines issued from time to time in this regard;

(13) KSEB General Provident Fund in respect of employees on the rolls of KSEB as on 31-3-2013 will continue to be managed in the same manner as at present and the existing rules and regulations will continue to govern the functioning of the Provident Fund. The Government in exercise of powers conferred by sub-section 3 of section 8 of the Provident Fund Act, 1925, will issue necessary notification to add the name of the Kerala State Electricity Board Limited, in the Schedule to the Provident Fund Act, 1925 to enjoy the benefits under the Act. The employees recruited from 1-4-2013 are covered under the National Pension System (NPS) and will not come under the purview of the Kerala State Electricity Board General Provident Fund constituted under the Provident Fund Act, 1925. Inter transfer of GP Fund with pension fund is banned and separate funds shall be maintained for pension fund;

(14) Nothing contained in this Scheme shall apply to the personnel of the State Government or other organisations who are on deputation to the Kerala State Electricity Board as on the date of the re-vesting but such personnel shall continue on deputation to the Transferee till the expiry of the term of deputation.

7. Rights and obligations of third parties restricted.— Upon the transfer being effected in accordance with the provisions of the Act and this Scheme, the rights and obligations of all persons shall be restricted to the Transferee. In case anything contrary to the above is found contained in any deed, documents, instruments, agreements or arrangements which such person has with the Government or Kerala State Electricity Board/Board, the same will continue as such, and the third party shall not claim any rights or interest against the State Government or erstwhile Kerala State Electricity Board/Board, except those contained in such deed, documents, instruments, agreements, arrangements, etc.

8. Pending suits, Proceedings, etc.— (1) All Proceedings of whatever nature by or against the erstwhile Board or the Kerala State Electricity Board pending on the date of the transfer shall not abate or discontinue or otherwise in any way prejudicially affected by reason of the transfer under this Scheme and the proceedings shall be continued, prosecuted and enforced by or against the Transferee ;

(2) The proceedings covered under sub-clause (1) above shall be continued in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the erstwhile Board or Kerala State Electricity Board as if the transfer specified in this Scheme had not been made.

9. Classifications and re-vesting of property, rights, liabilities and proceedings to be provisional in the first instance.—(1) The classification and transfer of Undertakings including personnel under this Scheme, unless otherwise specified in any order made by the State Government, shall be provisional for a period of one year from the date of the transfer;

(2) At any time within a period of one year from the date of the transfer, the State Government may by order to be notified, amend, vary, modify, add, reduce, delete or otherwise change terms and conditions of the re-vesting as the State Government may consider appropriate. Any such modifications, additions etc. shall be made only after discussions with Trade Unions/Associations of officers.

(3) Actuarial valuation of terminal liabilities at the time of transfer will be made during the provisional period and necessary arrangements will be made by the Transferee and the State Government to ensure the sufficiency of funds for uninterrupted payment of terminal benefits;

(4) On the expiry of the period of one year from the date of the transfer and subject to any directions given by the State Government, the re-vesting of undertakings, properties, interests, rights, liabilities, personnel and proceedings made in accordance with this Scheme shall become final;

(5) Those undertakings, properties, interests, rights and liabilities left out unnoticed, or not listed specifically in the Schedules or omitted inadvertently or discovered subsequently shall be deemed to have been vested in Government and re-vested to the Transferee on such future date(s) as may be notified by the Government.

10. *Autonomy of Management.*—The successor entity shall have full powers to take investment decisions and authority to decide with the consent of the state Government on issues of creation of posts below company level, personnel recruitment and selection, objective performance assessments of personnel, performance linked promotion, compensation and incentives will be made through Kerala Public Service Commission as was done immediately before the date of the transfer. The successor entity on its part shall not be seeking any financial support from the Government except as provided in the scheme and cases mandated by the Act. In the event of successor entity seeking financial assistance in any other circumstances, it shall be governed by any restrictions imposed by Government.

11. *Decision of State Government to be final.*—(1) If any doubt, dispute, difference or issue arises in regard to the transfer under this Scheme, subject to the provisions of the Act, the decision of the State Government thereon shall be final and binding on all parties.

(2) The State Government may, by order published in the official Gazette, amend this Scheme and make such provisions, not inconsistent with the provisions of the Act, as may appear to be necessary for effecting re-vesting under this Scheme including notification of supplementary transfer scheme.

By order of the Governor,

DR. NIVEDITA P. HARAN,
Additional Chief Secretary to Government.

Explanatory Note

(This does not form part of the notification, but is intended to indicate its general purport.)

As per the G. O. (Ms.) No. 29/2008/PD dated 25th August, 2008, the Government have decided to restructure the Kerala State Electricity Board as a Company under the Companies Act, 1956 (Central Act 1 of 1956) as stipulated in the Electricity Act, 2003 (Central Act 36 of 2003). Under sections 131 and 133 of the Electricity Act, 2003, the Government are required to prepare a transfer scheme to vest the assets and liabilities of the Kerala State Electricity Board in Government on such terms as agreed to between the Government and the Board and re-vest it in a Government Company or in a Company or Companies in accordance with the Transfer Scheme so published.

As per the Kerala Electricity First Transfer Scheme issued by notification under G.O. (Ms.) No. 37/2008/PD dated 25th September, 2008, and published as S.R.O. No. 990/2008 in the Kerala Gazette Extraordinary No. 2090 dated 25th September, 2008, the Government of Kerala took over all the functions, properties, and all interests, rights in properties, all rights and liabilities of the Kerala State Electricity Board. As per sub-clause (1) of clause 6 of the said Scheme, the functions and undertakings of the Board set out in the Schedule thereto and as vested in Government under clause 4 shall stand re-vested in the Company on and from the date of publication the transfer of the scheme to be notified by the State Government for the purpose of re-vesting, subject to the provisions of the Act and the Scheme.

The notification is intended to achieve the above object.

SCHEDULE A

(See Clauses 3 and 5)

PART I

**ASSETS, LIABILITIES AND PROPERTIES TO BE VESTED IN THE
KERALA STATE ELECTRICITY BOARD LIMITED**

The assets, liabilities, properties and proceedings belonging to the Kerala State Electricity Board concerning the Transmission, Generation and Distribution as listed in Schedules A1, A2 and A3 below shall vest in the Kerala State Electricity Board Limited.

I. General

1. All Independent and stand-alone Rest houses / Installations of the Kerala State Electricity Board.
2. The office establishment and other buildings and lands, not covered in Schedule A1, A2 and A3, which are occupied/used for the activities of the Kerala State Electricity Board as on the effective date of re-vesting.

II. Miscellaneous

1. Contracts, agreements, interests and arrangements to the extent they are associated with or related to activities or to the Undertakings or assets referred to in Schedule A1, A2 and A3 and Para I above including power purchase and bulk power transmission agreements.

2. Loans, secured and unsecured to the extent they are associated with or related to activities or to the Undertakings or assets referred to in Schedule A1, A2 and A3 and Para I above.

3. Other current assets to the extent they are associated with or related to activities or to the Undertakings or assets referred to in Schedule A1, A2 and A3 and Para I above.

4. Other Current liabilities and provisions to the extent they are associated with or related to activities or the Undertakings or Assets referred to in Schedule A1, A2 and A3 and Para I above.

5. Contingent liabilities to the extent they are recognized and are associated with or related to, activities or to the Undertakings or Assets referred to in Schedule A1, A2 and A3 and Para I above.

6. Other liabilities to the extent they are associated with or related to activities or to the Undertakings or Assets referred to in Schedule A1, A2 and A3 and Para I above.

7. Proceedings to the extent they are associated with or related to activities or to the Undertakings or Assets referred to in Schedule A1, A2 and A3 above and Para I above.

8. Shares, assets, interests and liabilities connected with allotment of Baitarni West Coal block, Cheemeni Thermal Power Project, membership of Indian Energy Exchange and Power Exchange India Ltd., Baitarni West Coal Company limited and shares in Kerala State Power and Infrastructure Development Corporation.

9. Shares, assets, interests and liabilities existing and not mentioned elsewhere in the schedule.

10. Any residual assets or liabilities not forming part of Schedule and not otherwise adjusted or settled by the State Government.

PART II

AGGREGATE ASSETS AND LIABILITIES OF KERALA STATE ELECTRICITY BOARD LIMITED

<i>Schedule</i>	<i>Sl. No.</i>	<i>Particulars</i>	<i>Opening Balance Sheet as on 1-4-2012 (Rupees in Crores)</i>
(1)	(2)	(3)	(4)
NET ASSETS			
19	(a)	Net Fixed Assets	
	1	Gross Block	16073.79
	2	Less: Accumulated Depreciation	5314.75
	3	Net Fixed Assets (1 - 2)	10759.04
21	4	Capital Expenditure in Progress	1088.64
22	5	Assets Not in Use	
23	6	Deferred Costs	53.96

(1)	(2)	(3)	(4)
24	7	Intangible Assets	
25	8	Investments	19.50
	(b)	Net Current Assets	
26	9	Current Assets	
26 (a)	(a)	Stock	393.63
26 (b)	(b)	Receivables against supply of power	634.86
26 (c)	(c)	Cash and Bank Balance	634.71
26 (d)	(d)	Loans and advances	133.64
26 (e)	(e)	Sundry Receivables	362.30
		Total Current Assets	2159.14
		Less: Total Current Liabilities	
27	10	Security Deposits from Consumers	1583.97
28	11	Other Current Liabilities	2639.02
	12	Total Current Liabilities (10 + 11)	4222.99
	13	Net Current Assets (9 – 12)	(2063.85)
29	14	Subsidies Receivable from Government	524.00
29(a)	15	Net Subsidy Netted Off to be Written Off	
	16	Contribution Receivable from State Govt. towards Pension Liability	3186.00
29(b)	17	Regulatory Asset	924.47
		Net Assets (3 to 8 + 13 + 14 to 16)	14491.76
		Financed by	
30	18	Borrowings for Working Capital	1114.49
31	19	Payments due on Capital Liabilities	
32	20	Capital Liabilities	1356.34
33	21	Funds from State Government	

(1)	(2)	(3)	(4)
33 A	22	Equity Capital	3499.00
34	23	Contributions, Grants and Subsidies towards Cost of Capital Assets	
35	24	Reserve and Reserve Funds	
35 A	25	Terminal Benefit Fund and Provident Fund	
		(i) Terminal Benefit Fund—Rs.7584.00 Crores	
		(ii) Provident Fund Rs. 937.93 Crores	8521.93
	26	Surplus/(Deficit)	
Total Funds			14491.76

GENERAL

In consideration of the transfer mentioned above, the State Government may, direct Kerala State Electricity Board Limited to issue 349,90,00,000 number of equity shares of Rs. 10 each in favour of the State Government taking into account the assets and liabilities transferred to Kerala State Electricity Board Limited.

PART III

FUNCTIONS AND DUTIES OF KERALA STATE ELECTRICITY BOARD LIMITED

1. To carry out functions as per the objects clause of the Memorandum of Association.
2. To control/supervise/monitor the functions of the SBUs of Transmission, Generation and Distribution Units.
3. To carry out the functions related with generation, transmission and distribution of electricity in accordance with the Act and Rules thereunder and this transfer scheme through SBU-T, SBU-G and SBU-D.

4. To frame policies that will govern the functioning of the three SBUs, coordinate their functioning for achieving the overall strategic goals and to carry out the common functions of the three SBUs.
5. To manage the human resources of Kerala State Electricity Board Limited, including persons deputed to SBUs, recruitment, training, performance evaluation, promotions, disciplinary actions, pay and emoluments and any other matter related to HR functions.
6. To administer and manage the existing power purchase contracts and bulk power transmission contracts including the agreements, arrangements, allocation and other commitments for purchase of electricity and transmission thereof.
7. To enter into power purchase and supply agreements based on long-term, medium-term and short-term demand for power in the State.
8. To liaise with the governments, regulatory and appellate agencies and other statutory agencies in respect of issues specific to any of the SBUs.
9. To ensure compliance to various legislations including Company's Act, Taxation laws and to prepare and maintain documents necessary for compliance.
10. To manage the funds of Kerala State Electricity Board Limited including raising of resources for capital investments for the SBUs, to ensure liquidity, deploy in short, medium or long term surplus funds.
11. Control over and supervision of Common Assets and the Management of the Common Facilities and Common Services.
12. To frame the regulations and service conditions of the personnel transferred.
13. Any other functions covered under the Memorandum and Articles of Association (MoA & AoA) of the Kerala State Electricity Board Limited.

SCHEDULE 'A1'

(See Clause 3 and 5)

TRANSMISSION SUB-UNDERTAKING

PART I

ASSETS AND LIABILITIES OF KERALA STATE ELECTRICITY BOARD
LIMITED

(SBU-T)

The transmission sub-undertaking shall comprise of all Assets, Liabilities, properties and proceedings, including the following but not limited to them, belonging to the Kerala State Electricity Board, concerning the transmission of electricity:—

I. Transmission Assets:

All the Assets and Liabilities belonging to the Kerala State Electricity Board concerning the transmission of electricity including but not limited to the following:

All the existing transmission substations and lines (listed in Annexure 1) as well as those under construction having the capacity to carry electricity at voltages of 33 kV and above (notwithstanding the same are presently charged at voltages below 66 kV) of various capacities with all associated and related equipment, including step up, step-down transformers, circuit breakers, metering arrangements and other protective devices with power-line communication system, allied control rooms, load despatch centre, lands (including right of way), buildings, roads and other auxiliary assets spread over within and outside the territory of the State including such assets under construction and assets acquired, transferred or rights of which were vested with the Board by transfer, sale, lease or otherwise, but excluding such constructions or installations lawfully owned and operated by others.

II. General Assets:

The following, if they exclusively or primarily pertain to the projects referred to in Para I above or activities related to transmission projects:

Special tools and equipment, material handling equipment, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipment, air conditioners, refrigerators, computers

and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools, dispensaries, testing laboratories and equipment, workshops, works in progress, machinery and equipment sent for repairs, scraps and obsolete.

PART II
FUNCTIONS AND DUTIES OF KERALA STATE ELECTRICITY
BOARD LIMITED

(SBU-T)

The functions and duties of the Transmission Unit shall be:—

1. to undertake transmission of electricity through Intra-State transmission system;
2. to discharge all functions of planning and co-ordination relating to Intra-State transmission system in co-ordination with—
 - (i) Central Transmission Utility;
 - (ii) State Governments;
 - (iii) Generating companies;
 - (iv) Regional Power Committees;
 - (v) Authority;
 - (vi) Licensees;
 - (vii) any other person notified by the State Government in this behalf;
3. to ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres;
4. to provide non-discriminatory open access to its transmission system for use by—
 - (i) any licensee or generating company on payment of the transmission charges; or
 - (ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission;

5. to build, maintain and operate an efficient, co-ordinated and economical Inter-State transmission system or Intra-State transmission;

6. To develop and execute long term plans for evacuation and supply of power at voltages of and above 33 kV, in consultation and co-ordination with the other SBUs and under the policy framework developed by Kerala State Electricity Board Limited so as to satisfy the present and future needs to the generation and distribution SBUs;

7. To liaise and comply with the directions of the Regional Load Despatch Centre;

8. To carry out the functions of the State Load Despatch Centre;

9. Any other functions, duties and responsibilities entrusted by the State Government or as required under the Act.

SCHEDULE A2

(See clauses 3 and 5)

GENERATION SUB-UNDERTAKINGS

PART I

ASSETS AND LIABILITIES OF KERALA STATE ELECTRICITY BOARD LIMITED

(SBU-G)

The Assets and liabilities belonging to the Kerala State Electricity Board concerning the generation of electricity including but not limited to the following:

I. Existing Power Stations:

The list of existing power stations of Kerala State Electricity Board is attached as Annexure 2.

II. Power Projects Under Construction

The list of generation projects under construction is attached as Annexure 3.

III. General Assets:

The following, if they exclusively or primarily pertain to the generating stations or projects referred to in Para I & II above or activities related to such generating stations or projects:

Special tools and equipment, material handling equipment, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipment, air conditioners, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including dams, barrages, canals, tunnels, penstocks, roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools, dispensaries, testing laboratories and equipment, workshops, works in progress, machinery and equipment sent for repairs, scraps and obsolete.

PART II

FUNCTIONS AND DUTIES OF KERALA STATE ELECTRICITY BOARD LIMITED

(SBU-G)

The functions and duties of a Generation Unit shall be:

1. To identify potential for and verify the feasibility of, establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines (up to the evacuation yards), connected therewith in accordance with the provisions of the Act or the rules or regulations made thereunder.

2. Generation Unit may supply electricity to any licensee or any consumer in accordance with the Act and the rules and regulations made thereunder through SBU-D of Kerala State Electricity Board Limited.

Generation Unit shall:—

- (a) submit technical details regarding its generating stations to the Appropriate Commission and the Authority;
- (b) coordinate with the Central Transmission Utility or the State Transmission Utility, as the case may be, for transmission of the electricity generated by it;
- (c) comply with the directions of the State Load Despatch centre.

Any other functions, duties and responsibilities entrusted by the State Government or as required under the Act.

SCHEDULE A3

(See Clauses 3 and 5)

DISTRIBUTION SUB-UNDERTAKINGS

PART I

ASSETS AND LIABILITIES OF KERALA STATE ELECTRICITY BOARD
LIMITED

(SBU-D)

The Assets, liabilities and proceedings belonging to the Kerala State Electricity Board concerning the distribution of electricity in the area of supply in the state of Kerala except in the areas of other distribution licensees including but not limited to the following:

I. Distribution Assets:

All 33 kV, 22 kV, 11 kV, LT (Single phase 2 wire to 3 phase 5 wire) lines (with overhead lines aerial bunched cables and underground cables) and substations on different types of supports with various sizes of conductors and step up/step down transformers, breakers protective and metering devices and control rooms, testing laboratories, lands (including right of way), buildings, roads, service connections and installations inside consumer's premises, street lighting and signal systems owned by or leased to the Board but excluding fittings, fixtures and installations owned, by private persons or local authorities, including any of the above assets under construction as on effective date of transfer.

II. General Assets:

The following, if they exclusively or primarily pertain to the above mentioned distribution systems, properties or projects or activities related to such distribution systems, properties or projects:

- (a) Special tools and equipment, material handling equipment, earth movers, bulldozers, concrete mixtures, cranes, trailers, heavy and light vehicles, furniture, fixtures, office equipment, air conditioners, compressors, refrigerators, computers and signal systems, spares, consumables, raw materials, lands and civil works installations including roads, buildings, staff quarters, rest houses, properties and structures and their associated buildings, schools, dispensaries, testing laboratories and equipment, training centers, workshops, works in progress, machinery and equipment sent for repairs, scraps and obsolete.

- (b) The office establishment, buildings, lands and all other assets not covered elsewhere in this schedule, which are predominantly occupied/used for the activities of Distribution Undertakings as on the effective date of transfer.

PART II
FUNCTIONS AND DUTIES OF KERALA STATE ELECTRICITY BOARD LIMITED

(SBU-D)

The functions and duties of Kerala State Electricity Board Limited (SBU-D) to act as distribution licensee to develop and maintain an efficient, co-ordinated and economical distribution system in its area of supply and to supply electricity in accordance with the provisions contained in the Act and further directions of the Kerala State Electricity Regulatory Commission.

ANNEXURE 1

<i>Sl. No.</i>	<i>Transmission—List of Substations as on 31-3-2012</i>
(1)	(2)
400 KV Substations	
1	Madakkathara
220 KV Substations	
1	Arcacode
2	Brahmapuram
3	Edamon
4	Edappon
5	Kalamassery
6	Kanhirode
7	Kaniambetta

(1)	(2)
-----	-----

- | | |
|----|---------------------------------------|
| 8 | Kanjikkode (Palakkad) |
| 9 | Kundara |
| 10 | Malapparamba |
| 11 | Mylatty |
| 12 | Nallalam |
| 13 | Pallom & New Pallom Switching Station |
| 14 | Pothencode |
| 15 | Shornur |
| 16 | Thalipparamba |
| 17 | Vadakara |

110 KV Substations

- | | |
|----|----------------|
| 1 | Adimaly |
| 2 | Agasthyamoozhi |
| 3 | Aluva |
| 4 | Ambalappuram |
| 5 | Aroor |
| 6 | Aruvikkara |
| 7 | Athani |
| 8 | Attingal |
| 9 | Ayarkunnam |
| 10 | Ayathil |
| 11 | Ayyanpuzha |
| 12 | Azhikode |
| 13 | Chakkittappara |
| 14 | Chalakkudy |
| 15 | Chavara |
| 16 | Chelari |
| 17 | Chellanam |
-

(1)	(2)
18	Chengalam (Kumarakom)
19	Chengannoor
20	Cherplassery
21	Cherpu
22	Cherupuzha
23	Cheruvathur
24	Chevayur
25	Chovva
26	Edappal
27	Edappally
28	Edarikkode
29	Edathua
30	Edayar
31	Erattupetta
32	Ezhimala
33	Guruvayur
34	Imjalakkuda
35	Iritty
36	Kadavanthra
37	Kalladikkode
38	Kaloor
39	Kandanad
40	Kandassankadavu
41	Kanhangad
42	Kanjikkode
43	Kanjikkuzhi
44	Kasargode (Vidyanagar)
45	Kattakkada
46	Kavanadu

(1)	(2)
47	Kayamkulam
48	Kilimanoor
49	Kizhissery
50	Kodakara
51	Koduvally
52	Kollengode
53	Koottanad
54	Koppam
55	Kottarakkara
56	Kottiyam
57	Koyilandy
58	Kozhenchery
59	Kozhinjampara
60	Kubanoor
61	Kunnamangalam (Kzd)
62	Kunnamkulam
63	Kurumassery
64	Kuttiapuram
65	Kuttiyadi
66	Malampuzha
67	Malappuram
68	Malayattoor
69	Mallapally
70	Mangad
71	Manjeswaram
72	Mannarkkad
73	Mattanchery
74	Mattannur

(1)	(2)
75	Mavekikkara
76	Medical College (Tvm)
77	Melattoor
78	Meppayur
79	Mulleria
80	Mundayad
81	Muvattupuzha
82	Nadapuram
83	Nedumangad
84	New Vytala
85	North Parur
86	Ollur
87	Ottappalam
88	Pala
89	Panoor
90	Parali
91	Parassala
92	Parippally
93	Paruthippara
94	Pathanamthitta
95	Pathanapruam
96	Pathiripala
97	Pazhayangadi
98	Payyannur
99	Pazhayannur
100	Perumbavoor
101	Pinarayi
102	Piravom

(1)	(2)
103	Ponnani
104	Pothanikkad
105	Pullazhy
106	Punalur
107	Punnapra
108	Punnayurkulam
109	Ranny
110	Rayonpuram
111	Sasthamcotta
112	Technopark
113	TERLS
114	Thalassery
115	Thirumala
116	Thrikkodithanam
117	Thycattussery
118	Tirur
119	Udumpanoor
120	Vadakara
121	Vadallencherry
122	Vaikom
123	Valappad
124	Varkala
125	Vennakkara (Palakkad)
126	Viyyur
127	Vyttila
128	Walayar
129	Wisland
130	Wadakkencherry
131	Westhill

(1) (2)

66 KV Substations

- 1 Adoor
 - 2 Alapuzha
 - 3 Ambalapparamba (Mavoor)
 - 4 Anchal
 - 5 Angamali
 - 6 Ayoor
 - 7 Changanassery
 - 8 Cherthala
 - 9 Chittur
 - 10 Chumathara
 - 11 Edakkara
 - 12 Edathala
 - 13 Ernakulam (North)
 - 14 Ettumanoor
 - 15 G. I. S. Fort Kochi
 - 16 Gandhinagar
 - 17 G. I. S. LA Complex
 - 18 G. I. S. Marine Drive
 - 19 G. I. S. Power House
 - 20 Kakkanad
 - 21 Kanjirappally
 - 22 Kannampully
 - 23 Karimanal
 - 24 Karukutty
 - 25 Karunagappally
 - 26 Karuvatta
-

(1)	(2)
27	Kattappana
28	Kattoor
29	KEL (Unmanned)
30	Kizhakkambalam
31	Kochin Shipyard (Perumanoor)
32	Kochupampa
33	Kodungallur
34	Koodal
35	Koothattukulam
36	Koratty (Madura Coats)
37	Kothamangalam
38	Kottayam
39	Kulamavu
40	Kuravilangad
41	Kuthumunda
42	Kuthuparamba
43	Kuttanad
44	Kuttikattur
45	Mala
46	Mananthavady
47	Manjeri
48	Mankave
49	Mulavukad
50	Mundakkayam
51	Nangiarkulangara
52	Nedumkandom
53	Nedumpoil

(1)	(2)
54	Nemmara
55	Neyyattinkara
56	Nilambur
57	Njarackal
58	Ossigin (KPCL)
59	Palode
60	Pampady
61	Panampilly Nagar
62	Pathirappally
63	Peerumedu
64	Perinthalmanna
65	Pudukkad
66	Puthencruz
67	Puthiyara G. I. S.
68	Sreekandapuram
69	Sulthan Batheri
70	Thamarassery
71	Thiruvalla
72	Thodupuzha
73	Thrikkakkara
74	Thriveni
75	Vandipperiyar
76	Vattiyoorkavu
77	Vazhathope
78	Veli
79	Vizhinjam
80	Walayar

(1)

(2)

33 KV Substations

- 1 Adichannelloor
- 2 Agali
- 3 Alakkode
- 4 Alangad
- 5 Alanelloor
- 6 Alathur
- 7 Ananthapuram
- 8 Anchangadi
- 9 Anthikkadu
- 10 Badiyadukka
- 11 Balussery
- 12 Belur
- 13 Chalissery
- 14 Chavakkad
- 15 Chelakkara
- 16 Chengamanadu
- 17 Chirakkal
- 18 Chittadi
- 19 Chullimanoor
- 20 Dharmadom (Thalasserry Town)
- 21 Edavanna
- 22 Erumapetty
- 23 Ezhukone
- 24 Kadackal
- 25 Kaduthuruthi
- 26 Kaipamangalam

(1)	(2)
27	Kalady
28	Kalikavu
29	Kallambalam
30	Kallettumkara
31	Kalloorkadu
32	Kalpetta
33	Kannur Town
34	Karukachal
35	Kattanam
36	Kidangoor
37	Kodiyeri
38	Koduvayur
39	Kongad
40	Kongannur
41	Konni
42	Kooriyad
43	Kovappady
44	Koratty
45	Kurumassery
46	Kuruppambady
47	Kuthiathodu
48	Kuttiyattor
49	Makaraparamba
50	Maniyampara
51	Mannar
52	Mazhuvannur
53	Meenakshipuram

(1)	(2)
54	Meenangadi
55	Melady
56	Mullassery
57	Mullorkara
58	Mundur
59	Muthalamada
60	Nadukani
61	Necleswaram
62	Nelliampathy
63	Ollur-Puthur
64	Ochira
65	Othukkungal
66	Padinjarathara
67	Paika
68	Palakkal
69	Pallassena
70	Parappukara
71	Parappur
72	Pariyaram (Kannur)
73	Pariyaram (Thrissur)
74	Pattambi
75	Pattikadu
76	Payyannur Town
77	Pazhassi
78	Perla
79	Poomala
80	Poovar



(1)	(2)
81	Pooyappally
82	Pulamanthole
83	Pulpally
84	Puthenvelikkara
85	Puthiyatheruvu
86	Puthoor
87	Puthur
88	Ramanattukara
89	Ramapuram
90	Ranny-Perinad
91	Sreckrishnapuram
92	Tarur
93	Thakazhy
94	Thambalamanna
95	Thavanoor
96	Thazhekkode
97	Thirunavaya
98	Thiruvallur
99	Tholambra
100	Thottada
101	Thrikkarippur
102	Thrithala
103	Upputhara
104	Urumi
105	Vadakkekkara
106	Vadanappally
107	Vagamon

(1)	(2)
108	Valluvambrum
109	Vannamada
110	Varapuzha
111	Velanthavalam
112	Vellagalloor
113	Vellanur
114	Vellarada
115	Vellikulangara
116	Venjarammoodu
117	Vengola
118	Vithura
119	Wandoor
120	West Elery

GENERATING STATIONS

GENERATING STATIONS (as on 31-3-2012)

<i>Sl. No.</i>	<i>Name of Station</i>	<i>Installed Capacity (MW)</i>
(1)	(2)	(3)
I. HYDEL		
1	Chembukadavu Stage I (2.7 MW)	2.70
2	Chembukadavu Stage II (3.75 MW)	3.75
3	Idamalayar-Unit I, II	75.00
4	Idukki Unit I-VI	780.00
5	Kakkad Unit I, II	50.00
6	Kallada Unit I, II	15.00
7	Kuttiyady Unit I-III	75.00
8	Kuttiyady Extension	50.00
9	Kuttiady Tail Race	3.75
10	Kuttiyady Additional Extension	100.00
11	Lower Meenmutty Unit I-III	3.50
12	Lower Periyar Unit I-III	180.00
13	Malampuzha	2.50
14	Malankara Unit I-III	10.50
15	Mattupetty	2.00
16	Neriamangalam Unit I-III	52.65
17	Neriamangalam Extension	25.00
18	PL.B.E	16.00
19	Pallivasal Unit I-IV	37.50

(1)	(2)	(3)
20	Panniyar Unit I, II	32.00
21	Peppara	3.00
22	Poozhithodu Small Hep	4.80
23	Poringalkuthu Unit I-IV	32.00
24	Sabarigiri Unit I-VI(Unit # IV Under Rebuilding)	280.00
25	Sengulam Unit I-IV	48.00
26	Sholayar Unit I-III	54.00
27	Urumi I (3.75 MW)	3.75
28	Urumi II (2.4 MW)	2.40
29	Ranni-Perunad	4.00
	Hydel Total	1943.80
II Thermal		
	Brahmapuram Unit I-V	106.60
	Kozhikkode Diesel Power Plant Unit I-VIII	128.00
	Thermal Total	234.60
III Wind		
	Kanjikkode (9 × 0.225)	2.025
	Wind Total	2.025
	Total Installed Capacity (I + II + III)	2185.425

GENERATION PROJECTS UNDER CONSTRUCTION AS ON 31-3-2012.**A. Ongoing Schemes**

1. Pallivasal Extension Scheme	..	60 MW, 164.9 Mu
2. Thottiyar HEP	..	40 MW, 99 Mu
3. Sengulam Augmentation Scheme	..	85 Mu
4. Chathankottunada II	..	6 MW, 14.76 Mu
5. Vilangad SHEP	..	7.5 MW, 22.63 Mu
6. Peechi SHEP	..	1.25 MW, 3.286 Mu
7. Barapole SHEP	..	15 MW, 36 Mu
8. Kakkayam SHEP	..	3 MW, 10.39 Mu
9. Perumthencaruvi SHEP	..	6 MW, 25.77 Mu
10. Chimmony SHEP	..	2.5 MW, 6.7 Mu
11. Sabarigiri (Addl. Capacity)	..	60 MW, 239 Mu

B. Tendered Schemes

1. Athirapilly HEP	..	163 MW, 223 Mu
2. Mankulam HEP	..	40 MW, 82 Mu
3. Vellathooval SHEP	..	3.6 MW, 12.17 Mu
4. Poringalkuthu SHEP	..	24 MW, 45.02 Mu
5. Anakkayam SHEP	..	7.5 MW, 22.83 Mu
6. Adyanpara SHEP	..	3.5 MW, 9.01 Mu

SCHEDULE - B

[See clause 6 (2)]

RE-VESTING OF PERSONNEL

CONDITIONS OF RE-VESTING

The re-vesting of personnel shall be subject to the following conditions:—

I. Re-vesting Scheme for employees

1. The re-vesting of personnel shall be subject to the terms and conditions contained in section 133 of the Act.
2. From the date of publication of the notification of this second transfer scheme, the personnel of the Kerala State Electricity Board shall stand assigned to the services of the Transferee and they shall continue to officiate in the place where they are posted on the date of re-vesting and thereafter shall be under the disposal of the Transferee.
3. The Transferee shall absorb all permanent eligible personnel so re-vested to it in its permanent services and the personnel shall form part of the services of the Transferee, in the post, scale of pay etc. in accordance with the orders that may be issued by the Transferee for this purpose, without any further act, deed or anything to be done by the State Government or the personnel and the State Government or the Transferee shall issue appropriate orders in the case of all other provisional, contingent, part time, temporary personnel engaged by the Board or Kerala State Electricity Board prior to the vesting.
4. All the employees shall remain on the rolls of Kerala State Electricity Board Limited who shall be responsible for their pay, benefits and other service conditions. The personnel needed by the SBUs shall be deputed to them and their cost shall be accounted as part of the cost of the SBUs. However, the responsibility of managing the personnel shall be with the Kerala State Electricity Board Limited.
5. (a) Notwithstanding anything contained elsewhere, the Transferee and the State Government shall be jointly and severally responsible to duly make all such payments to the personnel in respect of the rights, responsibilities, liabilities and obligations and personnel related matters including the statutory dues such as salary, wages, gratuity, pension, provident fund, compensation, terminal and retirement benefits till the date of re-vesting and thereafter by the Transferee.

- (b) Kerala State Electricity Board Employees' Welfare Fund will be managed in future in the same manner as at present and the existing rules and regulations will continue to govern the functioning of the Employees Welfare Fund.
6. Subject to the provisions of the Act and this Scheme, the Transferee shall be entitled to modify or frame new regulations governing the conditions of service of personnel re-vested to the Transferee under this Scheme, with the consent of Government, but the rank, scale of pay, salary, allowances and other pecuniary benefits including terminal benefits after the effective date of transfer shall not in any way be inferior to those applicable to them immediately before such re-vesting.
 7. In respect of all statutory and other schemes and employment related matters including the provident fund, gratuity, pension and any other superannuation fund or any other fund created or existing for the benefit of the personnel, the Transferee shall stand substituted for the erstwhile Board or Kerala State Electricity Board for all intent, purposes, rights, powers and obligations of the erstwhile Board or Kerala State Electricity Board and the services of the personnel shall be treated as continuing for the purpose of the above.
 8. The State Government shall notify appropriate arrangements in regard to the funding of the terminal benefits to the extent they are unfunded on the date of the transfer of the Personnel from the erstwhile Board. As per actuarial valuation carried out by registered valuer, the provisional figure of unfunded liability is approximately ₹ 7584 Crores as on 30-9-2011. Actuarial valuation of terminal liabilities at the time of transfer will be made as provided under clause 9 (3) of this scheme. Till such time arrangements are made, the Transferee and the State Government shall be jointly and severally responsible to duly make such payments to the existing pensioners as well as the personnel who retire after the date of transfer but before the arrangements are put in place. The State Government, Kerala State Electricity Board Limited and employees' union may enter into a tripartite agreement in consideration of the promises and mutual conditions set forth therein. A model Tripartite Agreement is appended as Schedule-C.
 9. The State Government will fund ₹ 3186 Crores over a period of next 10 years to Kerala State Electricity Board Limited on annual basis for meeting the unfunded terminal liabilities.

Kerala State Electricity Board Limited will issue two series of bonds to a Master Trust:—

- (i) 20 year bond with a coupon rate of 10% p.a. for ₹ 5021 Crores.
- (ii) 10 year bond with a coupon rate of 9% p.a. for ₹ 2039 Crores.

Bonds will be issued to the Master Trust to meet the liability of pension etc. in future from the interest and principal repayment from Kerala State Electricity Board Limited against the bonds issued in favour of Master Trust. With these arrangements the Master Trust will have a liability towards pension etc. of ₹ 7584 Crores (approximately) as on 30-9-2011 with matching investments in securities issued by Kerala State Electricity Board Limited for ₹ 7060 Crores only.

Another ₹ 524 Crores will be funded by State Government through budgetary provision over next 10 years in equal installments as per G. O. (Ms.) No. 43/2011/PD dated 3-11-2011.

State Government will permit that the electricity duty collected by Kerala State Electricity Board for a period from 1-4-2008 to 31-3-2012 to be retained in the Kerala State Electricity Board Limited as its contribution for funding the terminal liability.

In addition to the interest on bonds and repayment of principal, Kerala State Electricity Board Limited will be paying the annual pension contribution based on actuarial valuation to the Master Trust in respect of personnel transferred to Kerala State Electricity Board Limited.

The unfunded liability upto the date of transfer will be borne and shared between the State Government and the Kerala State Electricity Board Limited. Any addition to the liability of ₹ 7584 Crores will be borne and shared by the State Government and the Kerala State Electricity Board Limited in the ratio of 35.4 : 64.6 respectively.

10. All proceedings including disciplinary proceedings pending against the personnel as on the date of vesting and initiated thereafter till re-vesting which relates to misconduct, lapses or acts of commission or omission committed before the date of re-vesting, shall not abate and may be continued by the Transferee.
11. The personnel re-vested to the Transferee shall be deemed to have entered into an agreement with the Transferee to repay loans, advances and other sums due and perform obligations undertaken by them to the Kerala State Electricity Board which remain outstanding as on the date of the re-vesting in the same manner and on the same terms and conditions as existed prior to the vesting.

The transferee shall make all payments due to the personnel in the same manner and on the same terms and conditions that existed prior to re-vesting subject to relevant Long Term Settlement negotiations and agreements entered into from time to time except in the case of payment of Terminal benefits, which shall be administered through the Master Trust.

12. Payment of pension of personnel who have joined the service in Kerala State Electricity Board on or after 1-4-2013 will be governed by the National Pension System (NPS) adopted vide BO (FB) No. 843/2013 (PRC/335/2013), dated 9-4-2013 and the Government orders, Circulars and guidelines issued from time to time in this regard.
13. Kerala State Electricity Board General Provident Fund in respect of employees on the rolls of Kerala State Electricity Board as on 31-3-2013 will continue to be managed in the same manner as at present and the existing rules and regulations will continue to govern the functioning of the Provident Fund. The Government in exercise of powers conferred by sub-section (3) of the section 8 of the Provident Fund Act, 1925, will issue necessary notification to add the name of the Kerala State Electricity Board Limited, in the Schedule to the Provident Fund Act of 1925 to enjoy the benefits under the Act. The employees recruited from 1-4-2013 are covered under the National Pension System (NPS) and will not come under the purview of the Kerala State Electricity Board General Provident Fund constituted under the Provident Fund Act of 1925. Inter-transfer of General Provident Fund with pension fund is banned and separate funds shall be maintained for pension fund;
14. Nothing contained in this Scheme shall apply to the personnel of the State Government or other organisations who are on deputation to the Kerala State Electricity Board as on date of the re-vesting but such personnel shall continue on deputation to the Transferee till the expiry of the term of deputation.

II. Redressal of grievances regarding allocation

1. The employees of the Transferee shall be allowed to raise grievance, if any to the Committee for Redressal of Grievances (CRG) which shall be constituted by the Government of Kerala to address such issues.
2. The Committee for Redressal of Grievances (CRG) shall consider the grievances of the employees of the transferee within a period of six months from the date of issue of the notification of the second transfer scheme.
3. Criteria and procedure for consideration of cases will be decided by the Committee.

1. WHEREAS, the Government of Kerala as per G. O. (Ms.) No. 37/2008/PD dated 25-9-2008 notified the Kerala Electricity First Transfer Scheme, 2008 for the purpose of vesting of functions, properties, interests, rights, obligations and liabilities of KSEB to State Government on the terms agreed to by KSEB and State Government.

2. WHEREAS, the Government of Kerala has notified as per G. O. dated.....the Kerala Electricity Second Transfer Scheme (Re-vesting), 2013 for re-vesting the functions, properties, interests, rights, obligations and liabilities of Board / KSEB from State Government to Kerala State Electricity Board Limited and also for the transfer of personnel of the erstwhile Board/KSEB to Kerala State Electricity Board Limited and for determining the terms and conditions on which such transfers and re-vesting shall be made.

3. WHEREAS, the State Government, the KSEB Limited and the employees and officers of the Board/KSEB are desirous of entering into an agreement to ensure the service conditions consequent to the re-vesting as envisaged under the Electricity Act, 2003 with a view to facilitate smooth implementation of the re-vesting scheme.

4. NOW, THEREFORE, in consideration of the promises and mutual conditions set forth herein, it is agreed by and among the parties as follows:

(1) In so far as this Tripartite Agreement is concerned:

- (i) **“Board”** means Kerala State Electricity Board constituted under Section 5 of the erstwhile Electricity (Supply) Act, 1948 (54 of 1948), of which all functions, properties, all interests, assets, liabilities and personnel were vested in the State Government in the name of “Kerala State Electricity Board” after the notification of transfer scheme dated 25-9-2008;
- (ii) **“Kerala State Electricity Board (KSEB)”** means the undertakings of the Board vested in Government of Kerala through notification vide S.R.O. No. 990/2008 dated 25-9-2008 by which State Government is administering the functions of the Board by appointing the Special Officer and a Managing Committee till the date of re-vesting of the functions, properties, interests, rights, liabilities, proceedings and personnel to the transferee in accordance with the Electricity Act, 2003 and the Kerala Electricity Second Transfer (Re-vesting) Scheme, 2013;

- (iii) **“Kerala State Electricity Board Ltd.”** means the Company incorporated under Companies Act, 1956 (1 of 1956) wholly owned by the Government of Kerala, in which the Government will re-vest the functions, properties, interests, rights, liabilities, proceedings and personnel in accordance with sub-section (2) of Section 131 & Section 133 of Electricity Act, 2003 and the Kerala Electricity Second Transfer (Re-vesting) Scheme, 2013;
- (iv) **“Master Trust”** means the Trust to be constituted to manage the funds and to disburse terminal benefits, pension etc. and ensure interest of the existing pensioners and the personnel transferred to the Kerala State Electricity Board Limited as on the date of re-vesting as regards payment of Terminal Benefits as defined in the Kerala Electricity Second Transfer (Re-vesting) Scheme, 2013.
- (2) The State Government and the KSEB Ltd. hereby guarantee that:
- (a) There will be no retrenchment of employees for any reason and their status/services will be protected.
 - (b) All the existing permanent employees will be absorbed to KSEB Ltd.
 - (c) The terms and conditions of services of the existing employees such as promotions, transfers, wages, compensations, leave, allowances etc. upon transfer to KSEB Ltd. shall continue to be regulated by existing regulations/service rules in vogue and is guaranteed to continue as indicated hereunder.
 - (d) With regard to wage/pay revision, the present system of periodic bipartite negotiations and agreements shall continue.
 - (e) The State Government and KSEB Ltd. shall take all steps to assure the payment of pension including dearness relief and other terminal benefits of the existing employees and pensioners as on the date of re-vesting, in the same pattern as on today including periodical revisions as applicable. To ensure this the Government has allowed the KSEB Ltd. to retain the electricity duty collected for a limited initial period upto ₹..... crores per year and the Government is open to review this retention based on the adequacy of the corpus fund thus created.

- (f) All the existing welfare measures for the existing employees as on the date of re-vesting, like the scheme for compassionate appointment, medical reimbursement, family pension, commutation of pension, voluntary retirement, invalid pension etc. shall be continued.
- (g) All benefits of the services rendered by the existing employees in Board/KSEB as on the date of re-vesting shall be protected and be given full effect.
- (h) The period of service of the existing employees under the Board/KSEB and under KSEB Ltd. shall be treated as continuous service for the purposes of the service benefits and terminal benefits payable to the personnel.
- (i) All the existing welfare benefits to the retired employees shall continue. All obligations in respect of payment of pension and other retirement benefits including provident fund, welfare fund, superannuation pension, encashment of leave and gratuity to the employees who have retired and who are going to be retired from the service of the Board/KSEB as on the date of re-vesting shall be the liability of the KSEB Ltd. and in respect of all statutory and other schemes relating to the employees existing on the date of re-vesting, KSEB Ltd. shall stand substituted for the Board/KSEB to all intents and purposes.
- (j) The employees of KSEB Ltd. will be paid gratuity as per the Payment of Gratuity Act, 1972.
- (k) Liabilities in respect of gratuity and superannuation benefits shall be transferred to the 'Master Trust' to be constituted under the Indian Trust Act, 1882. To meet this liability the KSEB Ltd. will issue bonds to the Master Trust to the extent of the unfunded liability of ₹ 7584 Crores as on 30-9-2011. Kerala State Electricity Board Ltd. will issue two series of bonds to the Master Trust.
- * 20 year bond with a coupon rate of 10% p.a. for ₹ 5021 Crores.
 - * 10 year bond with a coupon rate of 9% p.a. for ₹ 2039 Crores.

Another ₹ 524 crore will be funded by the Government through budgetary provision over next ten years in equal installments as per G. O. (Ms.) No. 43/2011/PD dated 3-11-2011.

State Government also agrees that the electricity duty collected by KSEB for the period from 1-4-2008 to 31-3-2012 will be retained in the Kerala State Electricity Board Limited as its contribution for funding the terminal liability.

In addition to the above, the KSEB Ltd. will pay the annual pension contribution based on actuarial valuation to the Master Trust in respect of the personnel transferred to KSEB Ltd.

The unfunded liability upto the date of transfer will be borne and shared between the State Government and the Kerala State Electricity Board Ltd. Any addition to the liability of ₹ 7584 Crores will be borne and shared by the State Government and the Kerala State Electricity Board Ltd. in the ratio of 35.4 : 64.6 respectively.

The liability of ₹ 7584 Crores to the Master Trust will be funded as per clause 6(9) of the Kerala Electricity Second Transfer (Re-vesting) Scheme, 2013.

The KSEB Ltd. shall pay the Master Trust, the accrued interest on the above bonds for the financial year on the first day of April every year.

- (l) If for any reason the Master Trust is not able to meet its obligations relating to payment of pensionary benefits from its fund fully or partially, the State Government and the KSEB Ltd. shall make good such shortages to ensure the payment of terminal benefits without any defaults.
- (m) KSEB Employees Welfare Fund will be managed in future in the same manner as at present under the new set up and after re-vesting, the Governing Body shall meet and resolve on issues like change of name, bank accounts, investments in fixed deposits etc.
- (n) All the existing agreements/settlements and liabilities of KSEB and Board shall be honoured by the KSEB Ltd.
- (o) The existing employees transferred to the service of the KSEB Ltd. shall be deemed to have entered into an agreement/settlement with KSEB Ltd. to fulfill the obligations assumed by them with the Board / KSEB including in respect of repayment of loans, advances and other sums due which remain outstanding from the employees on the effective date. The transferee shall make all payments due to the personnel in the

same manner and on the same terms and conditions that existed prior to re-vesting subject to relevant LTS negotiations and agreements entered into from time to time except in the case of payment of Terminal benefits, which shall be administered through the Master Trust.

- (p) Payment of pension of personnel who have joined the service in KSEB on or after 1-4-2013 will be governed by the National Pension System (NPS) adopted vide BO (FB) No. 843/2013 (PRC/335/2013), dated 9-4-2013 and the Government orders, Circulars and guidelines issued from time to time in this regard;
- (q) KSEB General Provident Fund in respect of employees on the rolls of KSEB/Board as on 31-3-2013 will continue to be managed in the same manner as at present and the existing rules and regulations will continue to govern the functioning of the Provident Fund. The Government in exercise of powers conferred by the Sub section 3 of the Section 8 of the Provident Fund Act, 1925, will issue necessary notification to add the name of the Kerala State Electricity Board Ltd., in the Schedule to the Provident Fund Act of 1925 to enjoy the benefits under the Act. The employees recruited from 1-4-2013 are covered under the National Pension System (NPS) and will not come under the purview of the KSEB General Provident Fund constituted under the Provident Fund Act of 1925. Inter-transfer of GP Fund with pension fund is banned and separate funds shall be maintained for pension fund.
- (r) All official proceedings including disciplinary proceedings pending at the time of re-vesting shall be dealt with by KSEB Ltd.
- (s) All the existing workload norms will be continued and changes from time to time will be finalized through mutually negotiated settlements.
- (t) All the appointments now being done through the Kerala Public Service Commission in accordance with the provisions of the Kerala Public Service Commission (Additional Functions) Act, 1963 will continue as such and amendments in this respect, if necessary, will be notified by the Government.

Signed by Shri.....,

Witness

Chairman & Managing Director

For and on behalf of Kerala State Electricity Board Ltd,
 Vidyuthi Bhavanam, Pattom,
 Thiruvananthapuram-4

(Of the Second part)

Sl. No.	<i>Name of Signatory Name of the Union/Association Registration Number For and on behalf of the Unions representing workmen and officers (Of the Third part)</i>	Signature	Witness	Signature of witness