



KERALA STATE ELECTRICITY BOARD LIMITED

Incorporated under the Companies Act, 1956

CIN : U40100KL2011SGC027424

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

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ABSTRACT

Retirements due in 2022-23 - Review of necessity of retaining/ shelving of posts in various categories – Orders issued.

CORPORATE OFFICE (ADMINISTRATION)

B.O.(DB) No. 413/2022 (CMD/106/Retirements/2022) Thiruvananthapuram, Dated:20.05.2022

Read: 1.Note No.CMD/106/Retirements/2022 dated : 07.05.2022 of the Chairman & Managing Director to the Full Time Directors (Agenda:OA:1/5/2022).

2. Note No.CMD/106/Retirements/2022 dated: 11.05.2022 of the Director (Finance).

3. Proceedings of the 64th Meeting of the Board Of Directors held on 12.05.2022 vide Agenda Item No. 28-05/2022.

ORDER

The Board in its 64th meeting vide Proceedings on agenda item read above reviewed the finances of KSEBL and found that about 27% of its revenue is spent annually on employee cost. The receipts from retention of duty allowed by the State Government till March 2014 is barely meeting the commitment of pensions of former KSEB employees and subsidies directed by the Government as per Section 65 of the Electricity Act 2003. The non-payment of electricity charges by Kerala Water Authority is also mounting despite the State Government taking over the payment of bills as per non-plan. At present an arrears of KWA is Rs. 996.90 crores (excluding interest) existing adding to the cost of finance of KSEBL. The All India average in power sector for employee cost is reportedly 15% and as such a reduction of 7% to 10% minimum is immediately required to bring the Company into comparative operational economy.

The present rough cost projections show that if the electricity duty is not continued to be allowed to KSEBL, there will be acute shortage of funds from the Financial Year 2024-25 onwards and pension disbursements may get affected. The employee strength and expenditure therefore needs to be kept in strict vigil and control and reasonable savings have to be effected through reducing avoidable recruitment to regular posts where technology savings are possible especially in Transmission and Distribution.

The possibility of automated centrally controlled operations in generating stations, substations and smart meter related savings in distribution network have to be effected for the next 5 years by further innovating on the recommendations of the Board of Directors regarding restructuring.

The Board further noted that the Full Time Director's meeting held on 07.05.2022 had commenced such exercise to review the cadre strength in the background of large number of retirements and identify posts which need not be refilled immediately.

The committee constituted for the purpose consisting of Director (Finance) (Chairman), Director (REES, Sports & Welfare), Director (Planning, Safety & SCM), Director (Generation-Civil) and Chief Engineer (HRM) (Convener) is looking into the matter for reporting by the end of May 2022.

These proposals have to be finalized after due notice and discussion with the internal stake holders. The Directors decided to delegate the task to the Committee already constituted and requested the OSD, (Finance Resources) to chair a meeting of the subcommittee in his chairmanship before the proposals are effected finally. It is also decided to constitute the subcommittee chaired by OSD (Finance Resources) to advise concurrently on the strategies to optimize the employee strength in the next 5 years to have financial balance and also avoid a potential financial stress in 2024-25 due to the steady increase of salary and pension commitment.

The report shall be preferred to the Directors within 2 months on the optimal management of manpower from 2022-23 to 2025-26.

The Board further directed the committee to furnish its first report after discussing with all stakeholders, positively, by 05/06/2022.

Orders are issued accordingly.

By Order of the Director Board
(Sd/-)
LEKHA.G
COMPANY SECRETARY (I/c)

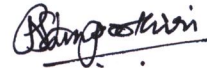
To

1. The Secretary (Administration)
2. The Chief Engineer (HRM)
3. Chief Personnel Officer

Copy to:

1. The Legal Adviser & Disciplinary Enquiry Officer
2. The Financial Adviser
3. The Chief Internal Auditor
4. The Company Secretary
5. The TAs to Chairman & Managing Director/Director (Distribution & IT)/Generation-Civil/Generation – Electrical/Transmission & System Operation/ REES, SOURA, Sports & Welfare/Planning, Safety & SCM)
6. PA to Director(Finance)
7. The Senior CA to Chief Vigilance Officer
8. The Senior CA to Secretary (Administration)
9. Library/Stock File.

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Senior Superintendent