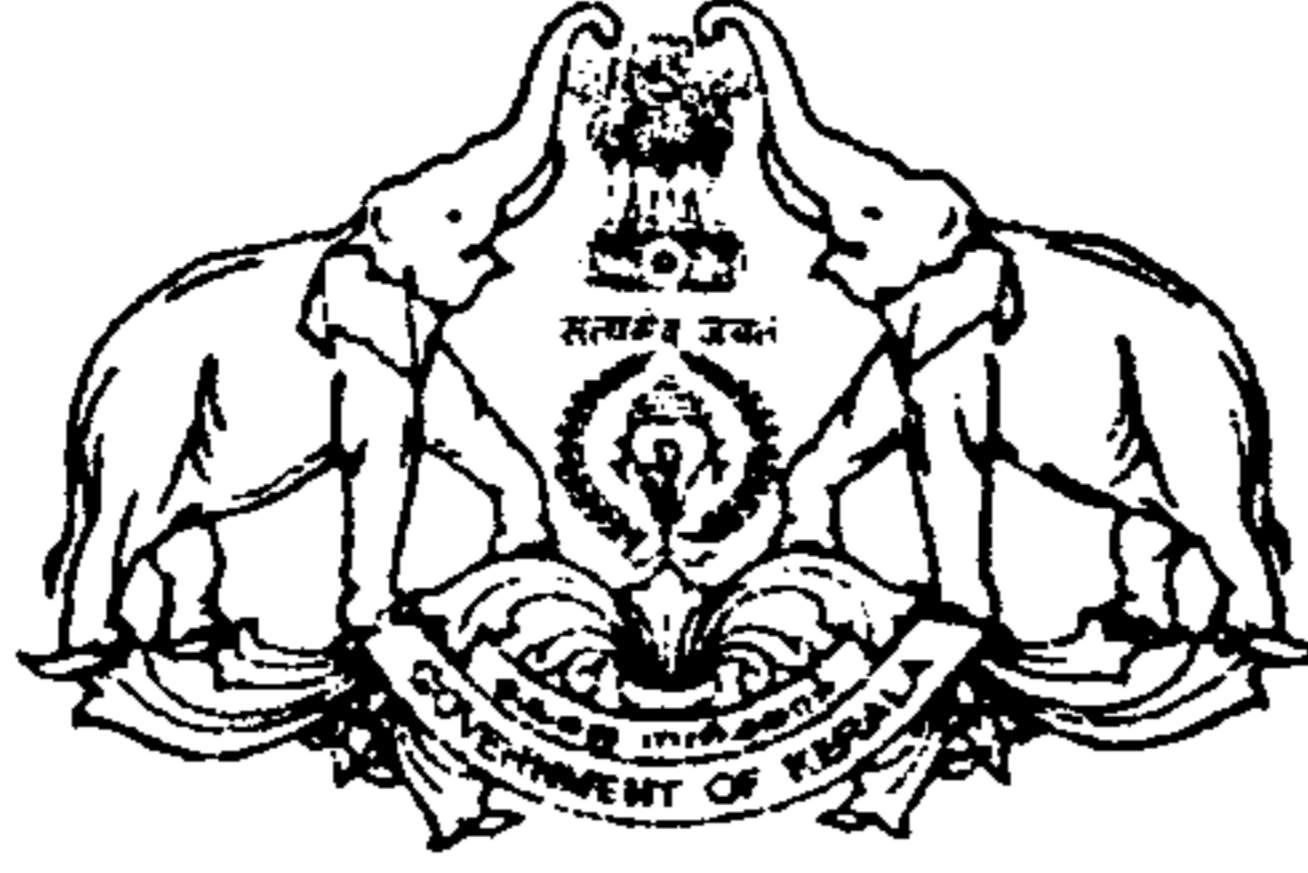


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Government of Kerala
കേരള സർക്കാർ
2013



Regn. No. KERBIL/2012/45073
dated 5-9-2012 with RNI

Reg. No. രജി. നമ്പർ
KL/TV(N)/634/2012-14

KERALA GAZETTE

കേരള ഗസറ്റ്

EXTRAORDINARY

അസാധാരണം

PUBLISHED BY AUTHORITY

ആധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്

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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>	Opening Balance Sheet as on 1-4-2012 (Rupees in Crores)
(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.