



KERALA STATE ELECTRICITY BOARD LIMITED

Incorporated under the Companies Act, 1956

CIN : U40100KL2011SGC027424

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ABSTRACT

Kerala State Electricity Board Limited –Committee of Full Time Directors-Standard Procedure-Modification-Adoption of- Sanctioned – Orders issued

CORPORATE OFFICE (COMPANY SECRETARIAL – CORPORATE AFFAIRS)

B.O. (DB) No. 380/2023 (CS/FTD-Procedure-Approval/2014) Thiruvananthapuram, Dated:08.08.2023

- Read:
1. Proceedings of the 12th Board Meeting held on 12.12.2013 (Agenda item 35-12/2013)
 2. Clause 37 of Articles of Association
 3. Letter No. CS.3/FTD-Govt. Approval/2014 dated 30.01.2014
 4. B.O. (DB) No. 487/2014 (Estt. III/596/2014) Dated 24.02.2014
 5. G.O. (Rt.) No. 71/2014/PD Dated 26.02.2014
 6. B.O. No. 731/2021(CS.100/Estt./Rules of Business/2021) dated 05.10.2021
 7. BO(DB) No. 449/2022(PLNG-AEE2/2022/31) dated 26.05.2022
 8. Note No. CS.3/FTD-Procedure-Approval/2014 dated 03.07.2023 of the Chairman & Managing Director
 9. Proceedings of the Adjourned 72nd Meeting of the Board of Directors held on 27.07.2023 (Agenda 02-07/2023)

ORDER

The Committee of Full Time Directors (FTD) presently functioning in Kerala State Electricity Board Ltd. (KSEBL) has been constituted by the Board in its 12th meeting held on 12.12.2013 as per the proceedings read as 1st above. It was so decided by the Board based on the finding that a Committee of Directors (similar to FTM of erstwhile KSEB) is to be constituted to ensure smooth functioning of the day to day and operational matters of the Company. It is not mandatory to have such a Committee as per the Companies Act, 2013. The three mandatory Committees are: i) Audit Committee, ii) CSR Committee and iii) Nomination & Remuneration Committee. Clause 37 of the Articles of Association has given powers to the Board to appoint any committee of Directors and delegate any of the Board's powers to such Committee with the prior approval of the Government. The matter was taken up with the Government as per letter read as 3rd above. The permission of the Government by way of ratification has then been obtained vide Government Order read as 5th above.

Clause 10 of the Rules of Business of the Company (published as per the BO read as 6th above) declares that the Director in charge of an SBU or Department shall be primarily responsible to the Chairman & Managing Director and to the Board of Directors for the disposal of the business appertaining to that Department. Second Schedule read with Rule 8 of the Rules of Business has provided authorization to Directors/ Head of the Departments (HoDs) to authenticate KSEBL decisions. As per Part I of the said Second Schedule, the authorisation assigned to the Committee of Full Time Directors is as Delegated by the Board of Directors.

As per clause 37 of the Articles of Association, "the Board may also from time to time, modify the composition of any such committee or dissolve any such committee. The Board may also from time to time modify or revoke the authority conferred on any such committee".

The Committee of Full Time Directors is a mechanism build up at a level between the Board of Directors and the individual Directors for the smooth functioning of the day to day activities and operational matters before the introduction of e-file system. The Directors who are heading the assigned portfolios are primary responsible for their recommendations. Many a time it is experienced that the process simplification through the mechanism of physical meeting of the Committee of Full Time Directors is not bringing expected result rather it is in a way stands contrary to the accountability/ responsibility of individual directors as provided for under Clause 10 of Rules of Business. In order to check the said shortfall, it was proposed to review the present system of processes followed and suggested the following method/ procedure of dealing with operational and policy issues and for conducting FTD meetings to be introduced.

- i) A. The Directors / HODs based on the Delegation of Powers shall ascertain whether the file is to be submitted to Financial Adviser / Director (Fin) or to the Full Time Directors for their remarks, if any, related to the subject and later submit to CMD.
B. The issues as per the delegated power, if are to be decided in FTD, the draft notes after taking remarks of all directors on the file of the concerned SBU, shall be put up to CMD for seeking further instructions.
- ii) The files shall be processed through E-file and the present system of physical meeting every week shall be dispensed with. By doing so decisions can be taken at

appropriate levels daily as per the delegated powers without waiting for a physical meeting.

iii) The files after taking decisions will be returned to the Director / HODs concerned. The Director / HODs shall submit the same to Secretary / Company Secretary depending upon whether it is a decision of Director / FTD's respectively for issue of office order / FTD order.

iv) The Company Secretary shall compile the decisions taken by the FTD date wise and place the matter as an agenda in every Director Board Meeting.

v) In the process of submitting an FTD file for decision, all Directors shall enter their specific remarks on the matter before submitting to the CMD.

The principles to be followed are:

- i. Each SBU / other unit shall be accountable for the proposals put forward regarding various subject matters.
- ii. If the proposal involves finance, such proposals shall be put up only after getting the remarks of the Financial Adviser and remarks of the Director (Finance) from FA Unit and Director (Finance) unit respectively.
- iii. If the proposal involves legal issues, the remarks of Senior Law Officer / legal opinion has to be taken before submitting the proposal to the decision making authority.
- iv. No proposals shall be submitted without remarks in which remarks of Finance or Law or of both are required.
- v. The Delegation of Power and its amendments from time to time shall strictly be followed.
- vi. All officers shall take action within delegated power as per the Business Rules, procedures, prescribed by KSEBL from time to time.
- vii. All actions related to administrative matters / functional matters shall be taken up in time.

Eg. 1 :- Administrative matter as per KSEBL Business Rules / KSSR / Government Orders issued by Government from time to time.

Eg. 2 :- Works contract / service contract as per the contract agreement executed and contract laws.

The matter was placed before the 72nd meeting of the Board of Directors as per note read as 8th paper above. The Adjourned 72nd Meeting of the Board of Directors held on 27.07.2023 has considered the matter in detail. The Chairman & Managing Director has explained in the meeting that the changes are proposed to tap the advantages of the e-file system introduced in the company for file processing. The e-office platforms allow all to work seamlessly. The Government of Kerala have given directions to all Departments/ State Owned Organisations to work on e-office/ e-platforms. Chairman & Managing Director has further clarified that the issues of policy nature and issues beyond the delegated powers shall be put up to Chairman & Managing Director for taking appropriate course of actions. The Additional Chief Secretary (Power) has suggested that wherever required the powers should be delegated appropriately so that policy and strategic matters and its implementation should only be placed before the Director Board. After having detailed discussion, the Board has passed the following resolution:

RESOLVED TO adopt the suggested method of dealing with operational and policy issues and for conducting FTD meetings.

Orders are issued accordingly.

By Order of the Director Board

(Sd/-)

LEKHA.G

COMPANY SECRETARY

To

All Heads of SBUs/Departments

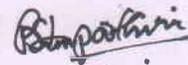
Copy to:

The TA to [Chairman & Managing Director/Director (Distribution, Safety, SCM & IT)/Director (Transmission, System Operations & Planning/Director (Generation-Civil)/ Director (Generation-Electrical, REES, SOURA, Sports and Welfare)]

The PA to Director (Finance & HRM)

The CA to the [Chief Vigilance Officer/Legal Adviser & Disciplinary Enquiry Officer/ Company Secretary/ Secretary (Administration)/ Financial Advisor/Chief Internal Auditor] Library/Stock File.

Forwarded/By order



Senior Superintendent