

1. Kerala State Power and Infrastructure Finance Corporation Limited (KSPIFC)

1.1 Kerala State Power and Infrastructure Finance Corporation Limited, (K. S. P. I. F. C) is a Government Company promoted jointly by the Government of Kerala and Kerala State Electricity Board (K.S.E.B) to provide financial assistance for the development of the Power sector and other Infrastructure projects in the State of Kerala. The company was formerly known as Kerala Power Finance Corporation Ltd, (K. P. F. C) with the objective of providing financial assistance only for power projects. KPFC was incorporated on 20th March 1998 as a Public Limited company under the Companies Act, 1956.

The Government vide G.O (MS) NO.21/2006/PD dated 03-08-2006 gave approval for providing financial assistance for other Infrastructure projects in addition to Power sector and the name of the company was also changed to Kerala State Power and Infrastructure Finance Corporation Limited. The company received fresh certificate of incorporation from Registrar of Companies on 13-12-2006 and new certificate of Registration from Reserve Bank of India on 05-01-2007. The Company commenced business activities in the new name from 08-01-2007.

The Registered and Administrative office of the Company is situated at Thiruvananthapuram.

The address of the Registered office is given below:

Kerala State Power and Infrastructure Finance Corporation Limited (KSPIFC)

KPFC Bhavanam

Vellayambalam, Sasthamangalam P. O.

Thiruvananthapuram

Phone: 0471-2735533,2735522

Email: kpfcl@md4.vsnl.net.in

Website: www.kpfcl.org, kpfcl@md4.vsnl.net

1.2 There are no branch offices for the company

1.3 Salient features

- Commenced business on 13th July 1999 under the name and style of Kerala Power Finance Corporation Ltd.
- Registered as a Public Limited Company with the Registrar of Companies, Kerala. (New Registration No U659160KL1998SGC012160)
- Registered as a Non Banking Finance Company (N.B.F.C) with Reserve Bank of India (New Registration No A.16.00094)
- Categorized by Reserve Bank of India as a "Au Category N.B.F.C with effect from 27-01-2003.
- Authorised Share Capital - Rs.100 crores divided into 10 crores equity shares of face value Rs.10 each.
- Paid up share capital as on 31-12-2008 - Rs.26.65 crores Contribution by promoters.

Government of Kerala : Rs.13.90 crores
K.S.E.B : Rs. 9.50 crores.
Bonus shares to promoters : Rs. 3.25 crores

Share Holders	Existing Shares	Bonus shares	Total shares	Amount in Rs.
Government of Kerala	13900000	1930560	15830560	158305600
Kerala State Electricity Board	9500000	1319440	10819440	108194400
Individual members	70		70	700
ITota	23400070	3250000	26650070	266500700

1.4 The business of the Company is carried out in line with objectives and activities set out in the Memorandum of Association. The business is carried out by Managing Director appointed, subject to the directions, superintendence and control by the Board of Directors appointed by the Government of Kerala in terms of the Articles of Association to the company. The Government may issue such directives or instructions as may be considered necessary in regard to the conduct of business and affairs of the company. The Shareholders of the company exercise control over the company's affairs as envisaged in the Companies Act. Presently the activities of the Company are largely determined by the mandate given by the Kerala State Electricity Board regarding borrowings for the year. The borrowing programme is guided and monitored by Board of Directors, with day to day operations carried out by the Managing Director with assistance of other executive Officer(s).

1.5 The administrative department of the Government is the Department of Power

1.6 Objectives of the Company

- 1) To finance for development and operations of the Kerala State Electricity Board, which is engaged in the generation, transmission and distribution of Electricity within the state of Kerala.
- 2) To finance for the development and operations of the Power sector Projects, units and stations involved in the generation, transmission and distribution of Electricity within the state of Kerala and to institutions who are supplies of raw materials, equipments, plant and machinery etc to various power producers and for financing infrastructural activities within the State of Kerala.
- 3) To assist Kerala State Electricity Board with long, medium and short term loans or subscribe to their bonds or assist in other ways within the restrictions imposed by the Reserve Bank of India from time to time.
- 4) To undertake and guarantee the issue of bonds and debentures and to co-accept the bills of exchange accepted by the Kerala State Electricity Board.

To enter into business segment of creating 'value' to the vacant land properties owned by public sector undertakings, Govt. departments and other Government bodies by building commercial complexes in the land under BOT schemes.

1.7 Administrative Setup

- Administrative Control - Power Department, Government of Kerala
- Chairman of the Company -I Secretary (Power) Govt. of Kerala.
- Board of Directors - Appointed by the Government as per Clause 81 of the Articles of Association of the Company.
- Managing Director - Appointed by Government.

1.9 Sources of Funds

The major sources of fund mobilization of the Company are

- 1) Fixed deposits
- 2) Non SLR Bonds with Government Guarantee
- 3) Short term/ Long term loans from Banks/Financial institutions

The borrowings of the Company as on 31-12-2008 is Rs.530 crores, the break up of which are given below.

Rs. In lakhs

SI.No.	Particulars	Total Amount Borrowed	Outstanding borrowings As on 31.12.2008
1	Fixed Deposits	3280.20	0.00
2	Non SLR Bonds	83774.00	53,000.00
3	Loan from Banks	11925.00	0.00
	Total	98979.20	53,000.00

1.10 The detailed break up of the outstanding amount under Non SLR Bonds as on 31-12-2008 is given below.

1) Non SLR Bonds

Rs. In lakhs

Particulars	Series I 2002	Series II 2203	Series III 2003
Issue Size	20000.00	30774.00	33000.00
Coupon rate	11.10%	10.25%	8.4%
Issue opened on	07-10-2002	19-06-2003	09-10-2003
Issue closed on	11-12-2002	08-07-2003	15-10-2003
Tenure in years	7	7	10
Redemption	At end of 7 years	At end of 7 years	At end of 8 th , 9 th and 10 th year in ratio 35:35:30
Put/Call option	At end of 6 years	At end of 5 years	At end of 7 years
Payment of interest	Half yearly	Half yearly	Half yearly
Due date of payment of Interest to the investors	1 st April & 1 st October	30 th June, 31 st December	28 th /29 th February and 31 st August
Deemed date of allotment	01-01-2003	01-08-2003	14-11-2003
Call Option date	01-01-2009	01-08-2008	15-10-2010
Balance outstanding as On 31-12-2008	20000.00	0.00	33000.00

3) Term loan from Banks

Besides this, KSPIFC has also availed funds from the Overdraft facility of Rs. 10 crores sanctioned by the Bank of Baroda, Peroorkada Branch. The balance outstanding as on 31.12.08 is Rs. 42,66,033/-

1.11 Lending

The total loans sanctioned and disbursed by the Company for various projects in the Power sector and the balance outstanding as on 31-12-2008 is given below.

Particulars	Sanctioned	Disbursed	Balance	Outstanding
A) To K.S.E.B				
1 System Improvement Projects		11099.00	11099.00	00.00
2 Construction of Commercial complexes		969.85	63.65	18.88
3 Short term loans		19000.00	16902.21	0.00
4 Long term loan for developmental activities		83774.00	83774.00	53000.00
5 Installation of Shunt Capacitors		1337.76	1337.76	133.78
Total		11618061	113176.62	53152.66
B) Other Clients				
1. Short term loan to firms supplying electrical components to KSEB (from 1.4.08 to 31.12.08)		484.41	484.41	62.65
Grand total		116665.02	113661.03	53215.31

1.12 Financial Performance

An abstract of the financial performance of the Company are for last five years given below

Particulars	Rs. In Lakhs				
	03-04	04-05	05-06	06-07	07-08
Income From Operation	7152.97	10143.47	9894.28	9204.56	9037.34
Operating Expenses	6772.27	9773.99	9700.58	9062.42	8923.13

Depreciation	5.20	5.00	4.41	14.72	23.92
Provision for Taxation	85.38	81.53	55.66	69.53	120.77
Transfer to SPECIAL Reserve U/s 36(1) (Viii) of IT Act	142.87	149.02	106.45	129.67	90.07
Net Profit	283.47	246.56	198.48	273.75	312.66
Dividend Declared	56.69	49.31	39.69	54.75	62.53
Guarantee Commission Paid to Government	314.94	715.59	848.67	696.59	693.44
Fixed Deposits	1245.04	538.71	0.00	0.00	0.00
Non SLR Bonds	63774.00	0.00	0.00	0.00	0.00
Term Loan From Banks	3475.00	5000.00	1000.00	181.37	0.00

1.13 Loans Sanctioned/ Disbursements made to KSEB for the last five years

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08
Loans Sanctioned (during the year)	72274.00	10000.00	515.40	735.76	850.62
Cumulative Sanctions 120361.03	107350.63	117350.63	117866.03	118601.79	
Loans Disbursed	71416.00	9742.00	2594.05	735.76	850.62
Cumulative Disbursement 115278.39	101355.47	111097.96	113692.01	114427.77	

For further details please visit our websites www.kpfcl.org

2. Powers and duties of officers of KSPIFC and delegation of financial powers.

2.1 Powers and duties of officers

2.11 Managing Director

Managing Director performs his duties and functions subject to the directions, supervision and control of the Board of Directors of the company. He is responsible for implementation of the decisions of the Board of Directors of the company. The Managing Director is responsible for the following activities/ functions such as:

- Formulates the quality policy and objectives
- Performance of functions as per the delegation of powers sanctioned by the Board of Directors
- Maintenance of internal control and financial discipline in the company
- Presentation of Annual Plan of Operation (APO) and Annual Budget in time before the Board of Directors
- Presentation of Quarterly and Annual Accounts and Annual Report before the Audit Committee, Board of Directors and in the Annual General Meeting
- Regulation of expenditure and income from operations as per budget provisions
- Formulation and implementation of business schemes
- Diversification and Modifications
- Convening the meetings of Board of Directors and placing all the relevant facts and figures pertaining to the business of the company before the Board and implement the decisions of the Board
- Maintenance of discipline and improvement of efficiency of staff
- Liaison with Government and other organizations
- Maintenance of discipline as per the rules and delegation of powers
- Other duties and functions entrusted by the Board of Directors or Government
- Statutory compliances

2.12 General Manager (Reports to the Managing Director)

General Manager is responsible for carrying out the following functions:

- Performance of duties as per rules, standing orders and delegation of powers sanctioned by the Board of Directors
- Preparation of annual plan of Operations and Budget
- Attend meetings of Board of Directors / Annual General Meeting as special invitee
- Preparing agenda notes for the meetings of Board of Directors and Annual General Meeting in consultation with Consultat (Company Affairs) wherever necessary
- Ensure recording of minutes of the meeting of the Board of Directors. Extra Ordinary

- General Meetings and Annual General Meeting as per Companies Act.
- Ensuring effective fund management,
- All works connected with audit by Internal Auditors, Statutory Auditors, C & AG Audit, Tax Audit etc.
- All matters in connection with Income Tax, Reserve Bank of India. Registrar of Companies, Power Department and other Government Departments,
- General administration including daily administration and overall supervision and maintenance of books of accounts, statutory registers etc., filing of returns under various statutes, placing of annual report 'before State Legislature on time
- Ensure that proper agreements are -executed and kept under safe custody in respect of loans and advances to protect the interest of the company
- Attend to legal matters in consultation with Consultant (Company Affairs) wherever necessary
- Ensuring that all computer systems, its related accessories and software are maintained in order
- Monitoring the functioning of software packages used for business operations and ensure customization as per requirement
- Ensuring safe custody of all electronic databases relating to cash book. Fixed deposits etc.
- Resource mobilization

a. Fixed Deposits

- Preparation of agenda notes for MO's approval
- Setting targets for fixed deposit collection
- Ensuring timely dispatch of interest Warrants
- Monitoring the overall fixed deposit portfolio
- Handling customer grievances / complaints

b. Bond Issue

- Preparation of agenda notes for MO's approval
- Monitoring the overall bond portfolio
- Collate daily collection by way of bond issues based on reports given by

Arrangers

- Liaison with Arrangers, Registrar and Transfer Agents, Banks etc.
- Ensuring timely transfer of funds from various collection centers to focal point branch
- Ensuring timely dispatch of interest warrants to bond holders

c. Term Loan

- Negotiating with various banks with relation to term loans
- Preparation of agenda notes for MD's approval
- Monitoring timely availing of fund, payment of interest and repayment of Principal
- Lending programme.

- Analysis and appraisal of the loan proposals and finalizing agenda notes for approval of the Board of Directors
- Setting up target for loan disbursement for Assistant Manager to act on

- Monitor and review of entire process of loan disbursement
- Monitoring the overall repayment portfolio
- Monitor collection of revenue, expenditure
- Conducting inspections
- Monthly review of program of lending and collections
- Preparation of Quarterly Financial Review Report with particular reference to Internal
- Auditors Report, Arranging Audit Committee Meetings, recording of proceedings
- Maintenance of discipline as per rules and delegation of power
- Supervision of work of all subordinates
- Any other duty assigned by the Managing Director

2. 13 Administrative Manager (Reports to General Manager)

Administrative Manager shall report to General Manager and deal with general administration of the office, service matters of the employees of the company. purchases and store purchase, construction of office building and upkeep of the assets of the company. His important duties include:

- Security arrangements, general house keeping, public relation activities etc,
- Implementation of Service Rules applicable to the Company relating to service matters such as salary, leave, PF, gratuity etc.
- Process papers relating to recruitment of employees,
- Process papers relating to training,
- Processing all leave applications for sanction of leave as per delegation of power,
- Processing of applications for advance and sanction of advance as per rules and delegation of powers sanctioned by the Board of Directors,
- Preparing Salary Bills, TA Bills, Medical Reimbursement Bills and preparation of vouchers for payment of retirement benefits such as EPF, gratuity and related matters,
- Process papers relating to disciplinary action and related matters in respect of employees, as per delegation of power sanctioned by the Board of Directors
- Purchase of store materials
- Inspection relating to purchase and verification of store
- Review of inventory of materials and monthly stock positions
- Any other matter relating to purchases
- Process papers for purchases, ensuring budget estimate approvals, preparation of vouchers for effecting payments of all purchase and expenditure related to administrative expenses
- Maintenance of vehicles
- Construction of Building - Preparation of vouchers for effecting payments of construction bills prepared by architect and authorized by the Technical Consultant
- Ensure replies to contractors on all matters
- Maintenance of office building and premises
- Keep in safe custody all documents connected with land and buildings and assets under lock and key

- Upkeep of all computer system, printers and related accessories and safe custody of all related master floppies
- Responsible for timely renewal of insurance cover, Annual Maintenance Contract of the office assets on due dates
- Ensure recovery of statutory dues from employees, suppliers, contractors and preparation of documents for timely remittance of the dues to the respective departments, TDS etc.
- Preparing replies to LA interpellations
- Maintain imp rest cash and imprest cash book
- Disciplinary control of staff working under the administrative control
- Responsible for filing returns with government agencies relating to any administrative matters, annual returns to Provident Fund Office etc.
- Compiling of statutory deductions on administrative expenses for enabling filing of tax returns
- Public relations and liaison with Government Departments and other agencies as required
- General arrangements for conducting Board Meetings, Audit Committee Meetings etc.
- Any other duty assigned by the Managing Director / General Manager from time to time

2.14. Finance Manager (upon re-designation of 1 post of Assistant Manager) and Assistant Managers (Reports to General Manager)

Finance Manager and Assistant Manager reports to General Manager in all matters connected with the financial transactions of the company such as resource mobilization, loans and Administrative expenses. He is responsible for the maintenance of books of accounts as per Companies Act, 1956. His specific duties include:

- Preparation of Annual Plan of operation and budget,
- Preparation of Annual Accounts and related statements for Quarterly Financial Review by the Audit Committee,
- All matters connected with Audit of Accounts by Internal Auditors, Statutory Auditors, and Tax auditors and by CAG on the accounts of the company,
- Scrutiny of bills relating to payments other than administrative nature,
- Preparation of vouchers and generation of cheques relating to fixed deposits, loan transactions etc,
- Maintenance of cash book and all other related books of accounts, bank reconciliation statements etc,
- All matters related to taxes and other statutory remittances,
- Litigation connected with Loans, Tax etc,
- Resource mobilization:

a. Fixed Deposits

- Preparation of agenda notes for approval of rate of interest, text of advertisement in Board Meetings
- Processing the fixed deposit application form
- Collection the cash / cheque from the depositor and depositing in the bank account
- Generation on Fixed Deposit Receipts and ensuring timely despatch of the receipts
- Sending interest warrants to depositors on due dates
- Providing funds in the disbursement account on the due dates
- Timely refund of matured deposits to the respective depositors
- Scrutiny of application for loan against depositors and for premature withdrawal
- Maintaining database relating to the depositors and its timely updating
- Maintenance of records relating to the fixed deposits
- Customer queries and complaints

b. Bond Issues

- Processing documents for obtaining Government Guarantee and Credit Rating,
- Preparation of Information Memorandum relating to bonds issue,
- Preparation of related agenda notes,
- Sending communications to Arrangers, Collection Banks and Registrar and Transfer Agents on their appointment,
- Filing of related returns with Registrar of Companies,
- Sending the bond closure information to the Arrangers etc,
- Working out the allotment pattern of bonds as per the decision taken in the Board Meeting
- Preparation of letter of allotment and Bond Certificates,
- Statutory compliances as per RBI guidelines, SEBI, Company Law etc.
- Verification of the interest statement prepared by the registrars and the amounts printed in the warrants,
- Sending interest warrants to bond holders on due dates,
- Maintenance of all other relevant records,
- Providing necessary information as required by the credit rating agency, RBI, Depositories, SEBI etc.

c. Term Loans

- Preparation of related agenda notes for approval in Board Meeting,
- Processing of documents to be executed with banks,
- Upkeep of the loan agreements executed with banks,
- Processing files for payment of interest on due dates to banks,
- Registration of charges with registrar of companies,
- Maintenance of all other relevant records,

• **Lending**

- Scrutiny of applications,
- Analysis of loan proposal,
- Preparation of agenda notes,
- Processing loan documents to be executed,
- Liaison with clients,

- Release of loan installments to the clients,
- Forwarding demand notices to loan clients on time,
- Recovery of interest and principal on due dates from clients,
- Ensure compliance of all other post sanction formalities of loan,
- Litigation connected with lending,
 - Filing of returns with Income Tax departments, Registrar of Companies, Reserve Bank of India etc on due dates itself
 - Preparing Annual Reports, getting it printed on time and send to Power Department for placing before the Legislature on time,
 - Making the statutory payments like remittance of Advance Income Tax, tax deducted from interest payments made, guarantee commission to Government etc on time
 - Sending TDS Certificates to investors on time
 - Custodian of all documents related to borrowings and . lending and statutory registers and ensure safe
 - Responsible for the upkeep of all statutory registers and documents related to company matters
 - Sending replies to all official correspondences other than of administrative nature as 'per the directions given by the General Manager,
 - Coordinate with Statutory Auditors, Internal Auditors etc and ensuring that the audit is taken up on time
 - Consult Consultant(Company Affairs) on Company Law I other legal matters wherever, necessary,
 - Deal with correspondence with Government / RBI/other authorities with MD's /GM's approval
 - Safe custody of database of accounts. and all databases relating to resource mobilizations and lending in electronic mode not otherwise outsourced to external agencies,
 - Upkeep of the software package used in the accounting and financial transactions,
 - Liaison with software consultants to ensure timely completion of customizations in the software package,
 - Disciplinary control of staff working under his administrative control,
 - Any other-duty assigned by the Managing Director General Manager.

2.15. The Finance Manager will also have 'additional duties and responsibilities as specified below:

- Taking steps for resources mobilization as per the requirement to cater to the financial requirements of the loan clients, liasoning with Banks,.• Financial institutions, Arrangers, Merchant bankers, Trustees, Registrar and Transfer Agents in this regard
- Preparing Budget estimates from time to time with reference to financing requirements of infrastructure projects
- Projects appraisal, analysis and processing of all loan proposals in a professional manner so as to enable to management arrive at proper decisions. Also liasoning

with Technical, Financial and Marketing consultants of the Company in this regard

- Formulate various lending schemes from time to time as per the as per requirement in consultation with top management and other legal and financial consultants of the Company
- Preparations of quarterly reports to Managing Director on performance of each project.
- Ensuring timely collection of receivables from loan clients and making timely payouts to the Banks, Bond holders, Fixed deposit holders etc.
- Marketing of the various financing schemes offered by company in respect of all projects, issue necessary directions to the marketing agents and monitoring and evaluating the performance of these agents.
- Finalisation of all documentation in connection with resources mobilisation and lendings connected to infrastructure projects.
- Ensuring compliance of all post sanction formalities in connection with lendings.
- Finalization of Annual Accounts on time as per Companies Act,1956 with help of Assistant Managers and Auditors.
- Ensuring payment of all statutory taxes to respective authorities on due dates, filing of necessary returns to Reserve Bank, Registrar of Companies or any other statutory authorities etc.
- To ensure that the dues are received from the loan clients promptly and to take steps for recovery of loans instalments, attending litigations etc.
- Supervision of all work being done by Assistant Managers in relation to Accounts and Finance.
- To ensure proper internal control and check in all financial operations of the Company.
- Generally to assist top management and Audit Committee in taking appropriate policy decisions.

2.16. Duties and responsibilities of Business Manager:

Perusant to the decision of the Board of directors on 29-12-2008 to post a Business Manager in the Company, the duties and responsibilities of the Business Manager are fixed as follows:

1. The Business Manager will be the head of marketing division of the company and will function from the Corporate and Registered Office of the company at Trivandrum.
2. She will report to the General Manager on all matters relating to her work and shall work in full coordination with the Manager finance.
3. Before initiating any prospective business activity, she shall discuss with the GM and MD and brief them for any assistance or stand to be taken by the company on matters such as terms of business, discuss on every critical stage before making commitments on behalf of the company. It should be borne in mind that all such prospective business proposals are subject to approval of the Board of directors or even approval from the Govt. in certain cases.

4. For all inputs necessary for the functions related to marketing, she may seek guidance on financial matters and terms commensurate with the norms fixed by the company on previous projects from time to time, keeping in mind always prevailing trend of borrowings, lendings etc in financial institutions etc.
5. As business manager, she will keep a standard record of brief outline of terms and conditions of borrowings and landings normally adopted by banks and financial institutions. This will help her in follow up further progress in any projects.
6. The business manager may work out alternate business strategies and propositions which will improve the activities of the corporation in the competitive market and for his purpose keep close liason with banks and financial institutions.
7. The business manager will deal with scrutiny and preparation of documents relating to the project activities and closely follow up realization of money due to the company from borrowers or other business organizations, to ensure that money's are realized on time and to initiate steps including legal steps whatsoever required.
8. The business manager may keep in mind the main objects and other objects specified on the memorandum and articles of association of the company in the business activity initiated with the company.
9. All the business correspondences may be issued after getting approval from the Managing Director.
10. The business manager will maintain close relationship with Government in connection with the business activities of the company.
11. The business manager is expected to be a live wire on business activity and as such shall always at interest of the organization and concentrate on new activities in a regular manner and vigorously follow up new business activity. She shall prepare budget for new activities in consultation with Manager Finance
12. She will have to see all files and records of the company and any other duty assigned by the Managing Director.

2.2 Delegation of financial powers

The financial powers delegated to Managing Director, General Manager and Administrative Manager is given below.

PART-I-FINANCIAL POWERS

SI NO	Particulars	Revised with effect from 1/4/2003		
		MD	GM	Adm.mgr.
1	Sanction to purchase stores, tool & plants, furniture, office equipments, and other expendable stores subject to condition that monopoly product & branded products can be purchased directly from manufacturers or from their authorized dealers.	Rs. 5.00 Lakhs	Nil	Nil
2	Payment of charges for obligatory advertisements	Full powers	Nil	Nil
3	Payment of charges for non-obligatory advertisements.	Rs. 20,000/-	Nil	Nil
4	Purchase of stationery & paymen of	Rs.1.00Lakhs	RS.10,000	Nil

	printing charges			
5	Non-recurring contingent charges	Rs. 10,000/-	Nil	Nil
6	Purchase of motor vehicles sanctioned by the Board directly from manufacturers or their authorized dealers.	Full powers	Nil	Nil
7	Sanction for the repairs of motor vehicles & other machinery	Rs. 75,000/-	Nil	Nil
8	Sanction for the disposal of unserviceable articles, stores and vehicles (book values are indicated)	Rs. 10000.00	Nil	Nil
9	Technical sanction for repairs & maintenance of buildings and compound	Rs. 1.00 Lakh	Nil	Nil
10	Write off of value of	RS.50,000	Nil	Nil
11	Write off of irrecoverable Revenue relating to Administrative expenses	Rs.5,000/-	Nil	Nil
12	Sanctioning & incurring expenditure for publicity, extension, education and activities	Rs.25,000/- subject to annual limit of Rs. 3 lakhs	Nil	Nil
13	Sanctioning and incurring expenditure for purchase of films, books, journals and other publications	Rs.10000/- subject to annual limit of Rs. 1 lakh	Nil	Nil
14	Sanctioning and incurring expenditure for conducting customer meet, training programme	RS.20,000 annual limit Rs. 5 lakh	Nil	Nil
15	Sanctioning payment' of legal & au charges	Full powers	Nil	Nil
16	Payment all statutory payments lik Guarantee Commission. Stamp Duty, etc	Full powers	Full powers	Nil
17	Guest Entertainment expenses subject to annual limit fixed by the	Full powers	Rs.30001- oerannum	Nil
18	Payment of postage & telephone charges	Full powers	Full powers	Full powers
19	Power to sanction rent for private building taken for the use of Corooration	Full powers	Nil	Nil
20	Power to keep cash in office	Full powers	Nil	Nil
21	Keeping Cash for petty	Nil	Nil	RS.3000.00

PART-II- ESTABLISHMENT MANERS

1.	Payment of Salary & Allowances, Leave Salary etc to Employees	Full Powers	Nil	Nil
2.	Sanction of all types of leave as per rules to subordinates except study leave & leave without allowance for more than 120 days	Full powers	Full powers	Full powers
3.	Sanction of TA as per rules to subordinates for travel with in the state and adjoining districts of neighboring states	Full powers	Full powers	Full powers
4.	Sanction of travel outside the state of subordinates	Full powers	Nil	Nil
5.	Sanction of increment as per rules to subordinates other than deputationists	Full powers	Full powers	Full powers
6.	Sanction of Advance to subordinates as per rules	Full powers	Nil	Nil
7.	Medical Reimbursement of subordinates subject to the provisions in the Medical Benefit	Full powers	Full powers	Full powers

The Powers are delegated subject to the following conditions:

1. Expenditure shall be incurred as per the provisions in the Budget approved by the Board of Directors
2. Purchase shall be as per Store Purchase Rules of the Government of Kerala.
3. Overall Budget provision shall not ordinarily be exceeded. Any deviation on expenditure more than 5% of the provision in the Budget approved by the Board of Directors shall be placed before the Board for approval.
4. The items not covered by above delegation shall vest with the Board of Directors.

Besides the above, the Manager- Finance is also authorized to sanction all payments upto Rs.10,000/- and also operate the Bank accounts of the Company up to this limit, except the overdraft accounts with Bank where there is joint operation and also the current account relating to Bond interests with HDFC Bank.

3. Procedure followed in Decision Making Process

3.1 The functions of the Company are carried out by the Managing Director subject to control by the Board of Directors. The Directors of the Company are appointed by the Governor of Kerala. The Board of Directors delegate powers to Managing Director who is responsible for managing the day to day affairs of the Company.

3.2 All decisions relating to resource mobilization, loan disbursements, procurement of fixed assets, administrative affairs, corporate planning, project implementation etc are taken by the Managing Director in the light of the powers delegated to him by the Board

of Directors and as per the provisions of the Companies Act and Memorandum and Articles of Association.

Decisions which require the approval of the Board is taken after convening Board Meeting in compliance with the provisions of the Companies Act. The approval of the share holders are also taken for items requiring their approval as required under the Companies Act and as per the provisions of the Memorandum and Articles of Association of the Company. The decisions in the Board meeting are taken on the basis of the agenda notes relating to items to be placed in the Board meetings.

The annual borrowing target of the Company is set out in the light of proposals received from Kerala State Electricity Board, who is the main borrower of funds of KSPIFC. The proposals received from KSEB are scrutinized and evaluated in the light of various financial and technical parameters. If the proposal is found feasible after evaluation, a detailed note is prepared and put up to the Board of Directors recommending the proposal for sanction, specifying the loan amount, rate of interest, period of loan, repayment terms, security for the loan etc. Suitable sources for funding these projects are also identified in the light of various factors like amount of loan required, plan of drawal of the loan funds, period for executing the project etc. Once the sanction is accorded by the Board of Directors, a sanction ticket is issued to KSEB. Simultaneously action is also taken for mobilizing funds from the debt market for funding these projects as per the borrowing programme approved by the Board of Directors. The loan is released either in lumpsum or in instalments depending upon the nature of the project after necessary loan agreements are executed in favour of KSPIFC.

KSPIFC also provides short term loans to Firms supplying electrical components to KSEB against supply bills raised in favour of KSEB. The repayment of the loan is guaranteed by KSEB. The loan is for a period not exceeding 90 days. A tripartite agreement is executed between KSPIFC, KSEB and the Firm for getting the payments due to suppliers from KSEB, directly to KSPIFC. Loan upto 85% of the bill amount is provided. The loan is released directly to the Firms upon submission of the original bill duly countersigned by the authorized officer of KSEB and after executing necessary loan agreements.

Functionaries in the Company are responsible for carrying out the duties assigned to each one of them and they shall initiate timely action to complete their duties as per schedule according to the rules and procedures of the Company. They are also responsible for keeping the records of the Company in compliance of the Regulatory / Statutory requirements.

3.3 Mechanism for enforcing accountability is strengthened through the role and functioning of Internal Auditors, Statutory Auditors and Comptroller and Auditor General of India. The Accounts are prepared with assistance from the Internal Auditors who are Chartered Accountants. The Accounts are approved by the Board before Audit by the Statutory Auditors. Comments of the Comptroller and Auditor General of India on the audited accounts are obtained as required under the Companies Act. The Comments of the Principal Secretary (Finance), Government of Kerala are also obtained on the

audited accounts as per the provisions of the Memorandum and Articles of Association of the Company. The Annual accounts along with the Auditors' Report, Comments of the Comptroller and Auditor General of India, Comments of the Principal Secretary (Finance), Government of Kerala and the Directors' Report are placed before the Annual General meeting for adoption by the shareholders. The Annual Report is laid before the State legislature in compliance with Section 619 of the Companies Act

4. Norms Set for Discharge of Functions

The Company's professional management team headed by Managing Director has been successfully achieving the targets year after year as observed from the consistent track record of the Company.

	Target
Issuing of Original Fixed deposit receipts	In case of receipts FD receipts are issued then and there. In case of deposits made by way of cheque / DD, within 2 from the date of clearing of the cheques ..
Issuing of interest warrants	The interest warrants for the whole financial year are sent in a single lot so as to reach within 15 days prior to the t" due
Transfer of Bonds held in physical	Within 30 days
Payment of Interest/Redemption amount	Posted at least 10 days before the due date so that investor can obtain payment on
Handling/Reply to Miscellaneous Investor' Queries, complaints, Grievances, etc.	Within 10 days subject to receipt of complete Documents /information from
Compliance under various acts	On or before the due date
Payment of bills	Within 7 days subject to submission bills in order.
Annual	Prepared every financial year and placed before the Board of Directors along with the observations of the Audit Committee. The Audited accounts are placed before the shareholders in the Annual general meeting within the due date specified as per the Companies Act.

A retainer has been appointed to look after the Company affairs and legal matters.

5. Rules, Regulations Instructions Manuals and Records held by it or under its control or used by its employees for discharging its functions.

- 1.Memorandum and Articles of Association of the Company
- 2.Guidelines issued by Reserve Bank of India
- 3.Directions issued by the Government of Kerala from time to time.
- 4.Kerala Service Rules

5.Stores Purchase Manual.

Notes:

- a) The Memorandum of Association deals with the Objects of the Company and Share Capital.
- b) The Articles of Association deals with internal functions and administrative rules and regulations.

The above documents are considered as Public documents and are obtainable from the office of the Registrar of Companies (Kerala), Kochi on payment of fee as per Companies Act, 1956. The Company has a manual of procedures which is followed as per ISO 9001:2000 standard proposals. The Service Rules of the staff of the Company is under framing by the Government.

6. Statement of categories of documents that are held by the Company or under its control

REGISTERS

Sl.No	Name
A	Administration
1	Attendance Register
2	Cheque Issue Register
3	Fixed Asset Register
4	Inward Register
5	Safe Key Transfer Register
6	Ledger Folio Details
7	Outward Register
8	Register of Holidays Leave etc Granted
9	Register of office orders
10	Stationery Stock Register
B	Loans
1	Loan Register
2	Equitable Mortgage Register
C	Statutory Register
1	Register of Share Transfer, Members, Directors
2	Share Forms of KPFC
D	Accounts

- 1 Cash Book
- 2 General Ledger
- 3 Journal Register
- 4 Imprest cash book
- 5 Cash advance book

E Fixed Deposits

- E.1 Interest Cheque Registers
- E.11 Interest cheque Register - Monthly interest
- E.12 Interest cheque Register - Quarterly interest
- E.13 Interest cheque Register - Half yearly interest
- E.14 Interest cheque Register - Annual Interest.
- E.2. Fixed Deposit Statutory Registers
- E.2.1 Fixed deposit Register- Regular Income Deposit Scheme
- E.2.2 Fixed deposit Register- Cumulative Income Deposit Scheme
- E.3. Fixed Deposit Daily Collection Registers
- E.4 Other Fixed deposit Registers
- EA.1 Fixed Deposit Maturity Report Register
- EA.2 Fixed Deposit- Pre-Closed Accounts & Loan on Fixed Deposit Register
- EA.3 Fixed Deposit Refund Cheque Register

F Bonds

- 1 Interest & TDS Register - Series I Bond Issue
- 2 Interest & TDS Register - Series II Bond Issue
- 3 Interest & TDS Register - Series III Bond Issue
- 4 Register of Bond Application Forms - Series I
- 5 Register of Bond Application Forms - Series II
- 6 Register of Bond Application Forms - Series III

The above documents and registers are not available for inspection by Public.

7. Particulars of any arrangement that exists for consultation with, or representation by members of the public in relation to the formulation of its policy or implementation thereof.

The General Manager is the designated officer to hold discussions with members of the Public and he handles all matters related to the Public relations. However this is an informal arrangement. Being a Government Company any policy is formulated and implemented at the level of the Board of Directors and with the Government approval wherever necessary.

8. Board of Directors, Committees etc.

The initial constitution of the Board of Directors as the Government Order No G.O.(Ms) No. 33/97/PD dated 9-10-1997 issued in connection with the formation of the Corporation is as follows.

- 1.Principal Secretary to Government : Part time Chairman
- 2.Managing Director : Full time employee of the Corporation appointed by Govt.
- 3.Chairman, Kerala State Electricity Board : Member
- 4.Member (Finance), Kerala State Electricity Board : Member
5. Representative of Govt. in Finance Dept.: Member
6. Managing Director, State Co-operative Bank : Member
7. Representative of Bank Financial institution: Member

The present Board of Directors of the Company are:

Name & Designationn		Phone No:
Sri. L. Radhakrishnan IAS	Power Department, Govt. of Kerala	Chairman 2329227 (0)
Secretary (Power)		2431415 ®
Sri.Rajeev Sadanandan IAS	Kerala State Electricity Board	2442125
Chairman	Pattom. Thiruvananthapuram	2514500(0)
Sri.S.Mathew George.	Kerala state Electricity Board	Director 2448409 (0)
Member (Finance)	Pattom. Thiruvananthapuram	2431200 ®
Sri.M.Girees Kumar	Finance Department	Director 2333075 (0)
Additional secretary to	Government of Kerala	2728754 ®
Government		
Sri.M.N.Gunavardhanan IAS	Managing Director	Director 2315026
	Kerala State Co-operative Bank Ltd	2553565 ®
Sri. S. Suresh	Chief Manager, Indian Bank	Director 2474258
	M.G.Road. Trivandrum	2471378
Sri. C.A. Mohandas	Additional Secretary, Power	
	Department, Govt. Secretariat	MD 2501359 (O)
	Trivandrum.	

The list of share holders of the Company as on 31-12-2008 are:

Name	Designation	No of shares	Folio No	I Distinctive No
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		held			
Governor of Kerala	Government of Kerala	15830560	9		310071-10310070 19500071-22000070 23400071-25330630
Chairman, Kerala State Electricity Board	Kerala State Electricity Board	10819440	8		71-310070 10310071-10360070 25330631-26650070
Sri. L.Radhakrishnan.IAS	Secretary(Power)	20	40		01 -10 31 - 40
Sri.Rajeev Sadanandan IAS	Chairman, KSEB	10	20		61 -70
Sri. Mathew George	Member (Finance), KSE	10	22		51 - 60
M.N.Gunavardhanan IAS	Managing Director Kerala State Co-operative Bank Thiruvananthapuram.	10	44		21- 30
Girees Kumar	Additional Secretary to Government Finance Dept Government of Kerala	10	35		11 - 20
Sri. K. Asokan	Member (Distribution and Transmission) Kerala State Electricity Board.	10	43		41 - 50

Audit Committee:

The Audit Committee is appointed by the Board of Directors as a measure of good Corporate governance as laid down in Section 292 (A) of the Companies Act.1956. Matters pertaining to internal audit, internal control system, review of quarterly and annual financial statements, Internal Audit Reports etc are discussed and recommendations are made to the Board of Directors. The recommendations made by the Audit Committee on any matter relating to the financial management including the audited report shall be binding on the Board. The present members of the Audit Committee are

- 2) Sri. S. Suresh - Chief Manager, Indian Bank
- 3) Sri. M. Girees Kumar - Additional Secretary, Finance Department
4. Sri. C. A. Mohandas - Managing Director

Sub Committee of Directors ; A Sub-Committee of the following Directors has been formed to approve the transfer/split transmission of Bonds.

1. Sri. Mathew George - Director
2. Sri. M. Girees Kumar - Director

Sub committee for disposal of complaints from borrowers

9. Directory of Officers and Employees

The staff structure of the Corporation is as follows

No .SI	Designation	of posts .No	Mode of aoDOintment
1	Managing Director	1	Government of Kerala
2	General Manager	1	Government of Kerala Direct recruitment
3	Assistant Manager	2	recruitment Direct
4	Administrative Manager	1	Direct recruitment/ deputation
5	Stenographer	1	Direct recruitment
6	Peon	1	Direct recruitment
7	Driver	1	Direct recruitment

The details of the officers of KSPIFC are given below

1. Managing Director (In charge)
Sri. C.A. Mohandas-Ph.No.0471 – 2735522
2. MANAGER –Finance
Mr. C. K. Srikumar – Ph: No. 0471-2735511
3. BUSINESS MANAGER
Smt. K. K. Devi – Ph: No. 0471-2735533

10. Monthly remuneration received by each of its officers and employees

The present monthly remuneration of the employees of KSPIFC are as follows

Amount in Rupees

Name Total	Basic	DA	HRA	CCA	Leave Travel Allowance	Conveyance Allowance	Education Allowance		
Sri. C.A. Mohandas Managing Director in Charge (Power Department)	Drawing Salary from Government in his capacity as Additional Secretary								
Sri. C.K. Srikumar Manager-Finance 32.646.00	22.700	8.626 (38%)	1.200	120	--	--	--		
Smt. K.K.Devi Business Manager 23.008.00	10.350	10.040 (97%)	1.200	120	863	400	35		

The secretarial staff required for the office is engaged on contract and daily wage basis.

11. Budget allocated to each of its agency, indicating the particulars of all plans, proposed expenditure are reports on disbursements made.

--Not applicable being a Company and not a Government Department

12. Manner of execution of subsidy programmes, including the amounts allocated and the details of beneficiaries of such programmes.

--Not Applicable

13. Particulars of recipients of concessions, permits or authorization granted by it.

--NIL

14. Details in respect of the information available to or held by it reduced in an electronic form

The Annual Accounts of the Company, database relating to Fixed deposits and Bonds are kept in electronic form. The information required as per Right to Information Act is also kept in electronic form.

15. Particulars of facilities available to citizens for obtaining information including the working hours of a library or reading room, if maintained for public use. The Company has a skeletal library including journals and books relating to Power, Income Tax, Companies Act etc.

Copies of documents may be obtained on payment of the prescribed fees as specified below, which is fees prescribed as per G.O(Ms) No 8026/05/GAD dated 19-10-2005 issued by the Government of Kerala in accordance with Section 27 of the Right to Information Act.

Schedule of Fees.

As per Section 6(1) Fees to be remitted along with application requesting for information	Rs.10/-
As per Section 7 (1) 1. For getting information in A4 size paper, per page 2. For getting information in paper of dimension larger than A4 3. For Samples and Models 4. For verification of documents	RS.2/- Actual Cost Actual cost For first 1 hour - no fees For every succeeding Minutes and part thereof- RS.1 0 each
As per Section 7(5) 1. For getting information in CD, floppy	RS.50/-

The Information Officer is authorized to provide the necessary information on receipt of an application from the person seeking information.

Contact address:

Information Officer

Kerala State Power and Infrastructure Finance Corporation Limited (KSPIFC)

KPFC Bhavanam

Vellayambalam, Sasthamangalam P. O.

Thiruvananthapuram - 695 010

Phone: 0471-2735533

Fax: 0471-2735511.

16. Name, designation and other particulars of Public information officers

Information Officer Sri. C. K. Srikumar

Manager- Finance

Kerala State Power and Infrastructure Finance

Corporation Limited (KSPIFC)

KPFC Bhavanam,

Vellayambalam, Sasthamangalam. P. O.

Thiruvananthapuram - 695 010

Phone: 0471- 2735533

Fax: 0471 - 2735511

Assistant Information Officer

Smt. K. K. Devi

Business Manager

Kerala State Power and Infrastructure Finance

Corporation Limited (KSPIFC)

KPFC Bhavanam,

Vellayambalam, Sasthamangalam. P. 0

Thiruvananthapuram - 695 010

Phone: 0471-2735533

Appellate Authority

Sr L. C. A. Mohandas

Managing Director In-charge,

Kerala State Power and Infrastructure Finance

Corporation Limited (KSPIFC)

KPFC Bhavanam,

Vellayambalam, Sasthamangalam. P. 0

Thiruvananthapuram - 695 010

Phone: 0471- 2735533, 2735522