

18.2.2012

TRIPARTITE AGREEMENT AMONG GOVERNMENT OF KERALA, KERALA STATE ELECTRICITY BOARD LIMITED AND KSEB EMPLOYEES' UNIONS

This tripartite agreement entered into this _____ day of May 2012 among Government of Kerala represented by the Principal Secretary to Government, Power Department (hereinafter called the "State Government") of the first part;

And

Kerala State Electricity Board Limited (Corporate Identity Number U40100KL2011SGC027424), a company incorporated under the Companies Act, 1956 having its Registered Office at Vydyuthi Bhavanam, Pattom, Thiruvananthapuram-695 004 represented by its Chairman & Managing Director (hereinafter called "KSEB Ltd.") of the second part;

And

The Unions representing workmen and officers of the erstwhile Kerala State Electricity Board (hereinafter called "Union ") represented by their authorized office bearers as listed below of the third part.

Sl. No	Name of the Union / Association	Registration Number	Authorised Representative

1. Whereas the Government of Kerala as per GO (Ms) No. 37/2008/PD dated 25.09.2008 notified the Kerala Electricity First Transfer Scheme, 2008 for the purpose of vesting of functions, properties, interests, rights, obligations and liabilities of KSEB to State Government on the terms agreed to by KSEB and State Government.

2. Whereas the Government of Kerala has notified as per GO-----
-----dated----- the Kerala Electricity Second Transfer Scheme (Re-vesting), 2012 for re-vesting the functions, properties, interests, rights, obligations and liabilities of Board / KSEB from State Government to Kerala State Electricity Board Limited and also for the transfer of personnel of the erstwhile Board/KSEB to Kerala State Electricity Board Limited and for determining the terms and conditions on which such transfers and re-vesting shall be made.

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

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

a) In so far as this Tripartite Agreement is concerned:

- i) **"Board"** means Kerala State Electricity Board constituted under Section 5 of the erstwhile Electricity (Supply) Act, 1948 (54 of 1948), of which all functions, properties, all interests, assets, liabilities and personnel were vested in the State Government in the name of "Kerala State Electricity Board" after the notification of transfer scheme dated 25.09.2008;
- ii) **"Kerala State Electricity Board (KSEB)"** means the undertakings of the Board vested in Government of Kerala through notification vide S.R.O. No.990/2008 dated 25/09/2008 by which State Government is administering the functions of the Board by appointing the Special Officer and a Managing Committee till the date of re-vesting of the functions, properties, interests, rights, liabilities, proceedings and personnel to the transferee in accordance with the Electricity Act, 2003 and the Kerala Electricity Second Transfer (Re-vesting) Scheme, 2012;
- iii) **"Kerala State Electricity Board Ltd."** means the Company incorporated under Companies Act, 1956(1 of 1956) wholly owned by the Government of Kerala, in which the Government will re-vest the functions,

properties, interests, rights, liabilities, proceedings and personnel in accordance with Sub-section (2) of Section 131 & Section 133 of Electricity Act, 2003 and the Kerala Electricity Second Transfer (Re-vesting) Scheme, 2012;

iv) **“Master Trust”** means the Trust to be constituted to manage the funds and to disburse terminal benefits, pension etc. and ensure interest of the existing pensioners and the personnel transferred to the Kerala State Electricity Board Ltd. as on the date of re-vesting as regards payment of Terminal Benefits as defined in the Kerala Electricity Second Transfer (Re-vesting) Scheme, 2012.

b) The State Government and the KSEB Ltd. hereby guarantee that there will be no retrenchment of employees for any reason and their status/services will be protected.

c) All the existing employees will be absorbed to KSEB Ltd.

d) The terms and conditions of services of the existing employees such as promotions, transfers, wages, compensations, leave, allowances etc. upon transfer to KSEB Ltd. shall continue to be regulated by

existing regulations/service rules in vogue and is guaranteed to continue as indicated hereunder.

- e) With regard to wage negotiations, the present system of bipartite negotiations shall continue.
- f) The State Government and KSEB Ltd. shall take all steps to safeguard the payment of pension including dearness relief and other terminal benefits of the existing employees and pensioners as on the date of re-vesting, in the same pattern as on today including periodical revisions as applicable.
- g) All the existing welfare measures for the existing employees as on the date of re-vesting, like the scheme for compassionate appointment, medical reimbursement, family pension, commutation of pension, voluntary retirement, invalid pension etc. shall be continued.
- h) All benefits of the services rendered by the existing employees in Board/KSEB as on the date of re-vesting shall be protected and be given full effect.
- i) The period of service of the existing employees under the Board/KSEB and under KSEB Ltd. shall be treated as continuous

service for the purposes of the service benefits and terminal benefits payable to the personnel.

j) All the existing welfare benefits to the retired employees shall continue. All obligations in respect of payment of pension and other retirement benefits including provident fund, welfare fund, superannuation pension, encashment of leave and gratuity to the employees who have retired and who are going to be retired from the service of the Board/KSEB before the date of re-vesting shall be the liability of the KSEB Ltd. and in respect of all statutory and other schemes relating to the employees existing on the date of re-vesting, KSEB Ltd shall stand substituted for the Board/KSEB to all intents and purposes.

k) The employees of KSEB Ltd. will be paid gratuity as per the Payment of Gratuity Act, 1972.

l) All accumulations in the Provident Fund account of employees and liabilities in respect of gratuity and superannuation benefits shall be transferred to the 'Master Trust' to be constituted under the Indian Trust Act, 1882. To meet this liability the KSEB Ltd. will issue bonds to the Master Trust to the extent of the unfunded liability of Rs. 7584 Crores as on 30.09.2011 and in addition, transfer of Rs. 688.30 Crores, the balance in General Provident Fund as on

31.03.2011. Kerala State Electricity Board Ltd. will issue two series of bonds to the Master Trust.

- 20 year bond with a coupon rate of 10% p.a. for Rs. 5021 Crores.
- 10 year bond with a coupon rate of 9% p.a. for Rs. 2039 Crores.

Another Rs. 524 crore will be funded by the Government through budgetary provision over next ten years in equal installments as per GO (Ms.) No. 43/2011/PD dated 3.11.2011.

State Government also agrees that the electricity duty collected by KSEB for the period from 01.04.2008 to 31.03.2012 will be retained in the Kerala State Electricity Board Ltd as its contribution for funding the terminal liability.

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

The liability of Rs. 7584 Crores to the Master Trust will be funded as per clause 6(9) of the Kerala Electricity Second Transfer (Re-vesting) Scheme, 2012.

- m) If for any reason the Master Trust is not able to meet its obligations relating to payment of pensionary benefits from its fund, KSEB Ltd along with Government undertakes to supplement payment of pensionary benefits from its own fund.
- n) KSEB Employees Welfare Fund will be managed in future in the same manner as at present under the new set up and after re-vesting, the Governing Body shall meet and resolve on issues like change of name, bank accounts, investments in fixed deposits etc.
- o) All the existing agreements/settlements and liabilities shall be honoured by the KSEB Ltd.
- p) The existing employees transferred to the service of the KSEB Ltd. shall be deemed to have entered into an agreement/settlement with KSEB Ltd. to fulfill the obligations assumed by them with the Board / KSEB including in respect of repayment of loans, advances and other sums due which remain outstanding from the employees on the effective date.
- q) All official proceedings including disciplinary proceedings pending at the time of re-vesting shall be dealt with by KSEB Ltd.

- r) All the existing workload norms will be continued and changes from time to time will be finalized through mutually negotiated settlements.
- s) All the appointments now being done through the Kerala Public Service Commission in accordance with the provisions of the Kerala Public Service Commission (Additional Functions) Act, 1963 will continue as such and amendments in this respect, if necessary, will be notified by the Government.
- t) The State Government shall ensure that KSEB Ltd. fulfills all its commitments as agreed upon above and Government will issue necessary orders to this effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives ON THE DAY MONTH AND YEAR FIRST HEREINABOVE WRITTEN.

SIGNED by Shri. -----,
Principal Secretary,
Power Department,
Government of Kerala.

Witness

For and on behalf of the Government of Kerala
(Of the First part)

SIGNED by Shri. -----,
Chairman & Managing Director

Witness

For and on behalf of Kerala State Electricity Board Ltd,
Vydyuthi Bhavanam, Pattom,
Thiruvananthapuram-4
(Of the Second part)

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