ODISHA

India

# The Orissa Electricity Reform (Transfer of Assets, Liabilities, Proceedings and Personnel of Gridco to Distribution Companies) Rules, 1998

#### Rule

### THE-ORISSA-ELECTRICITY-REFORM-TRANSFER-OF-ASSETS-LIABIL of 1998

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The Orissa Electricity Reform (Transfer of Assets, Liabilities, Proceedings and Personnel of Gridco to Distribution Companies) Rules, 1998Published vide Notification No. S.R.NO 750/98S.R.NO 750/98. - In exercise of the powers conferred by Sub-section (5) of Section 23 read with Section 55 of the Orissa Electricity Reform Act, 1995 (Orissa Act 2 of 1996) as amended by the Orissa Electricity Reform (Amendment) Ordinance, 1998 (Orissa Ordinance No. 3 of 1998), the State Government after consultation with the Grid Corporation of Orissa Limited do hereby make the following transfer scheme rules for the purpose of providing and giving effect to the preparation and implementation of a scheme for the transfer of the Distribution Undertakings of the Grid Corporation of Orissa Limited to the distribution companies, namely:

#### 1. Short title, extent and commencement.

(1) These rules may be called the "Orissa Electricity Reform (Transfer of undertakings, Assets, Liabilities, Proceedings and Personnel of Gridco to Distribution Companies) Rules 1998".(2) These rules shall extend to the whole of the territory of the State of Orissa and also to Assets, Liabilities, Proceedings and Personnel of Gridco situated outside the State.(3) These rules shall come into force on the date of their publication in the Official Gazette.

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#### 2. Definitions.

(1) In these rules, unless there is anything repugnant in the subject or context:(a) "Act" means the Orissa Electricity Reform Act, 1995 (Orissa Act 2 of 1996);(b)"Appointed date" means the date on which these rules come into force;(c)"Area of Supply" means the area of distribution and supply of electricity in the specified zones and being in the case of Cesco, the Central Zone; in the case of Wesco, the Western Zone; in the case of Nesco, the North Eastern Zone and in the case of Southco, the Southern Zone;(d)"assets" means the Distribution System, motors, meters, testing apparatus, computers, communication and telecommunication equipment, land, buildings, offices, stores, machinery, equipment, installations, furniture, fixtures, fittings, vehicles, residential quarters and guest houses and amenities and installations pertaining thereto, and other moveable and immovable property, cash in hand, cash at bank, investments, book debts corporeal and incorporeal, tangible and intangible assets, benefits, licenses, consents, authorities, registrations, liberties, patents, designs and other intellectual property rights, and all other interests, debts and powers of every kind, nature and description whatsoever, privileges, easements, advantages, benefits and approvals, contracts, deeds, schemes, bonds, agreements and other instruments and interests of whatever nature;(e)"Central Zone" means the existing electrical circles of Bhubaneswar, Cuttack and Dhenkanal;(f)"Cesco" means the Central Electricity Supply Company of Orissa Limited, a company incorporated under the Companies Act, 1956 with registration no. 15-05105/97-98;(g)"Commission" means the Orissa Electricity Regulatory Commission constituted under Section 3 of the Act;(h)"Distcos" means together the four distribution companies namely, Cesco, Nesco, Wesco and Southco which have been incorporated with the principal objective of engaging in the business of distribution and retail supply of electricity in the relevant Area of Supply and "Distco" shall mean any one of them;(i)"Distribution Business" means the business of distribution and retail supply of electricity in an Area of Supply;(j)"Distribution System" means any system consisting mainly of cables, service lines and overhead lines, electrical plant and meters having design voltage of 33KV or under and used for the transportation of electricity from a Transmission System or Generating Set or other points to the point of delivery to end users taking any supply of electricity voltage of 33KV or under, and includes any electrical plant and meters in connection with the distribution of electricity but shall not include any part of the Transmission System;(k)"Distribution Undertaking" means Assets, Liabilities, Proceedings and Personnel specified in these rules as related to the Distribution Business of the Central, North Eastern. Western or Southern Zone, as the case may be;(l)"Generating set" means any plant or apparatus for the generation of electricity and shall, where appropriate, include a generating station comprising more than one generating unit;(m)"Gridco" means Grid Corporation of Orissa Limited, a company established by the State Government in terms of Section 13 of the Act;(n)"Gridco Retail Supply Licence" means the Orissa Distribution and Retail Supply Licence 1997 (No.1/97) granted to Gridco by the Commission and effective from 1st April 1997;(o)"Liabilities" means ail liabilities, debts, duties, obligations and other outgoing including statutory liabilities and State Government levies of whatever nature;(p)"Nesco" means the North Eastern Electricity Supply Company of Orissa Limited a company incorporated under the Companies Act, 1956 with registration no. 15-05106/97-98;(q)"North Eastern Zone" means the existing electrical circles of Balasore and Jaipur Road;(r)"Personnel" means employees, staff and officers of Gridco by whatever name called and shall include stipendary engineers and employees of Gridco including those on deputation from Gridco to other companies, organisations,

institutions and bodies corporate;(s)"Proceedings" includes all proceedings of whatever nature including suits, appeals, complaints, petitions, applications, conciliatory arbitration, whether civil or criminal or otherwise;(t)"Southco" means the Southern Electricity Supply Company of Orissa Limited a company incorporated under the Companies Act, 1956 with registration No. 15-05107/97-98;(u)"Southern Zone" means the existing electrical circles of Berhampur and Jeypcre;(v)"Specified Assets" "Specified Liabilities" "Specified Personnel" and "Specified Proceedings", as the case may be, means only those specified or otherwise provided for in these rules or in the Schedules to the rules;(w)"State" means the State of Orissa;(x)"Transmission System" means the system, consisting of electric lines having design voltage of 66 KV or higher, which is used for the purposes of the transportation of electricity from one power station to a substation or to another power station or between substations or to or from any external interconnection including 33/1 KV bays/equipment (up to the interconnection with any Distribution System), any plant and apparatus and meters owned or used in connection with the transmission of electricity and such buildings or part thereof as may be required to accommodate such plant and apparatus and other works and the operating staff thereof.(y)"Undertaking" means unit of the business consisting of assets, liabilities, proceedings and personnel.(z)"Wesco" means the Western Electricity Supply Company of Orissa Limited a company incorporated under the Companies Act, 1956 with registration No. 15-05104/97-98;(zz)"Western Zone" means the existing electrical circles of Rourkela, Burla and Bolangir; and(2)Words and expressions used and defined in the Act but not specifically defined in these rules shall have the same meaning as in the Act.

#### 3. Classification and transfer of Undertakings.

(1) The existing business and undertakings of Gridco shall stand classified, namely as :(a) Central Zone Distribution Undertaking;(b)North Eastern Zone Distribution Undertaking;(c)Western Zone Distribution Undertaking; (d) Southern Zone Distribution Undertaking; and (e) Transmission Undertaking and Residuary Undertakings.(2)The Gridco and each of the Distcos have agreed that the distribution Business and Undertaking of the Central Zone, North Eastern Zone, Western Zone and Southern Zone, taking into consideration the relatedness, usability, proximity and contiguity to the functions to be performed, suitability, place and nature of work and the viability of the distribution zones, shall comprise of the Specified Assets, Specified Liabilities, Specified Proceedings and Specified Personnel as set out in Schedules A, B, C and D respectively and that the value of the assets and extent of the liabilities transferred, the shares to be issued to Gridco as consideration for the transfer and other financial details contained in the respective schedules have been worked out based on the professional advice received and verified by them. The Gridco and each of the Distcos have further agreed that any difference which may arise in regard to the above shall be mutually settled between Gridco and Distcos with no liability to the State Government.(3)With effect from the appointed date the Distribution Undertakings of Gridco classified under Sub-rule (1) and comprising the Specified Assets, Specified Liabilities, Specified Proceedings and Specified Personnel as agreed to between Gridco and each of the Distcos and set out in the Schedules A, B, C and D shall stand transferred to and vest in Cesco, Nesco, Wesco and Southco respectively without any further act or things to be done by the State Government, Gridco, any Distco, the Personnel, debtors or creditors or any other person, subject, however, to the terms and conditions contained in these rules.(4)The transmission and residuary undertakings with all

Assets, Liabilities, Proceedings and Personnel other than those specified under Sub-rules (2) and (3) as forming part of any of the Distribution Undertakings, shall continue to remain with and belong to Gridco.(5)On the transfer and vesting of the Distribution Undertakings and except as otherwise provided in these rules the relevant Distco shall be responsible for all, or the relevant part of any, contracts, tenders, rights, deeds, schemes, bonds, agreements and other instruments of whatever nature relating to the Distribution Undertakings, which are subsisting or having effect on the Appointed Date, in the same manner as Gridco was liable immediately before the Appointed Date and the same shall be in full force and effect against or in favour of the relevant Distco and may be enforced as fully and effectively as if instead of Gridco, the relevant Distco had been a party thereto :Provided however, If any of the Specified Assets transferred to a Distco are subject to any security document or arrangement in favour of any third party, such assets shall stand transferred to the relevant Distcos subject to such security but Gridco shall enter into an agreement with the concerned Distcos for payment and discharge of such liability by Gridco to the third parties.(6)All licenses and consents held by Gridco relating to the Distribution Undertakings shall be in full force and effect as if instead of Gridco, such licenses and consents had been issued to each of the Distcos and as from the Appointed Date each Distco shall be responsible for the collection of electricity duty in place of Gridco in its-Area of Supply. (7) The State Government, in accordance with the Agreement dated 10 July 1996 (hereinafter called the "Orissa Agreement") with the International Bank for Reconstruction and Development (hereinafter called the "IBRD") and pending the transfer of the Distribution Business from Gridco to the Distcos, had for the purposes of strengthening the Distribution System lent to Gridco part of the proceeds of the loan from the IBRD through subsidiary loan agreements entered into between the State Government and Gridco. The assets and interest in assets related to the Distribution Business and forming part of the Specified Assets of each of the Distcos, the acquisition of which was funded from the loan from IBRD shall stand transferred from Gridco to the relevant Distco together with the corresponding liabilities which shall form part of the Specified Liabilities in terms of these rules subject to the condition that :(i)Within the time prescribed for the purpose by the State Government the relevant Distco shall execute a subsidiary loan agreement with the State Government and a project implementation agreement on terms and conditions approved by IBRD, inter alia, providing for schedule of repayment of all such Specified Liabilities on account of funds provided from the loan from IBRD, the interest, charges and other outgoings thereon, the security and safeguards to the satisfaction of the State Government to protect the interest of IBRD and the State Government and other applicable terms and conditions, whereupon the obligation to make payment of such Specified Liabilities shall stand transferred from Gridco to the Distcos; and(ii)In the event the subsidiary loan agreement is not entered into within the time specified by the State Government the relevant Distco shall forthwith pay to Gridco the amounts due to Gridco with interest, charges and outgoings on the funds from IBRD used for the acquisition of the Specified Assets transferred to the relevant Distco to enable repayment by Gridco to the State Government the relevant amounts in accordance with the subsidiary loan agreement signed between Gridco and the State Government.

#### 4. Conditions applicable to transfer of Specified Personnel.

(1) The transfer of Specified Personnel from Gridco to the respective Distco shall be subject to the following, namely:(a) that the terms and conditions of the service applicable to them on the

Appointed Date shall not in any way be less favourable than or inferior to those applicable to them immediately before the Appointed Date; (b) the Specified Personnel shall have continuity of service in all respects provided, however, that those Specified Personnel who opt for the pension scheme in accordance with Rule 43 of O.C.S. (Pension Rules) 1992 as amended by Government of Orissa, Finance Department Resolution Pen 41/96-25926/F dated 4th June 1996 shall have continuity of service in all respects except for pension rights where the continuity of service shall be calculated from 1st April 1997 only;(c)subject to clause (b) above, all benefits of service accrued before the Appointed Date shall be fully recognised and taken into account for ail purposes including the payment of any and all terminal benefits; and(d)any orders that may be passed by the Courts in proceedings pending on the Appointed Date in regard to seniority or other matters concerning the service conditions of the Specified Personnel.(2)The Specified Personnel on the Appointed Date shall cease to be in the service of Gridco and they shall not assert or claim any benefit of service in Gridco from the Appointed Date except as provided in these rules. (3) Subject to the provisions of the Act and these rules upon transfer of the Distribution Undertakings:(a)the Specified Personnel shall form a part of the relevant Distco in terms of these and shall be entitled to all the service benefits from the Appointed Date from such Distco; and(b)the status of the Specified Personnel as in the employment of Gridco, namely permanent, temporary, ad hoc, contractual or otherwise before the Appointed Date shall continue and the Specified Personnel shall not be entitled to claim any change in status by reason of the transfer in terms of these rules. (4) Gridco shall, in consultation with the Distcos, constitute forthwith a committee consisting of representatives from Gridco and each of the Distcos to receive representations from the Personnel in regard to the transfer of personnel to the Distcos in terms of these rules and to make recommendations on the matter to Gridco within 60 days from the Appointed Date or with such extended period as may be decided by the State Government.(5)Gridco shall, within a period of 30 days from the date of receiving the recommendation of the Committee under Sub-rule (4), take a decision on the allocation of the relevant Personnel to be made to the Distcos or retained as Gridco Personnel based on the recommendation of the Committee under Sub-rule (4) and shall record reasons for the decision.(6)If Gridco makes any decision under Sub-rule (5) the Personnel concerned shall be deemed to have been classified as on the Appointed Date for all intent and purpose as the Specified Personnel of the relevant Distco or Personnel forming part of the service of Gridco, as the case may be.(7)The existing conditions of the service and the service regulations of Gridco shall apply mutatis mutandis to the Specified Personnel transferred to the Distcos, till the Distcos frame the service regulation subject however to the conditions specified in Sub-rule (1).(8)The corpus for meeting Gridco's pension, gratuity and all other applicable terminal benefits obligations to the Personnel shall be apportioned among Gridco and the Distcos in proportion to their liabilities on this count. An actuary shall be appointed by Gridco to determine the assets of the funds to be transferred to the Distcos with reference to 31st March 99 and any shortfall in the funds allocated to any of the Distcos on this account as ascertained by an actuarial valuation made with reference to 31st March 99 shall be made good by Gridco. The liability to pay such terminal benefit to all Personnel who retire on or before the Appointed Date shall remain with Gridco.(9)Except as otherwise provided, in these rules in respect or all statutory and other schemes and all employment related matters including the provident fund, gratuity lurid, pension fund or any other special fund created or existing for the benefit and in respect of the Specified Personnel, from the Appointed Date the relevant Distco shall stand substituted for Gridco for all intents and purposes and all the rights, powers and obligations of

Gridco in relation to any and all such matters shall become those of the relevant Distco.(10)The proceedings including disciplinary proceedings pending against the Specified Personnel as on the Appointed Date which relate to misconduct, lapses or acts of commission or omission committed before the Appointed Date shall not abate by reason of their transfer and the same may be continued by the relevant Distco.

#### 5. Rights and obligations of third parties restricted.

- Except as provided otherwise in the Act or in these rules in regard to a Distribution Undertaking transferred to a Distco, the rights and obligations of all persons from the Appointed Date shall be restricted to the relevant Distco to whom they are transferred and notwithstanding anything to the contrary contained in any deed, document, instrument, agreement or arrangement which such person has with Gridco, he shall not claim any right or interest against Gridco or any other Distco.

#### 6. Pending suits, proceedings etc.

(1)The Specified Proceedings of whatever nature by or against Gridco pending on the Appointed Date in regard to a Distribution Business or a Distribution, Undertaking which are transferred to the Distcos shall not abate or discontinue or otherwise in any way prejudicially be affected by reason of the transfer and the Specified Proceedings may be continued, prosecuted and enforced by or against the relevant Distco.(2)The Specified Proceedings may be continued in the same manner and to the same extent by the Relevant Distcos as it would or might have been continued, prosecuted and enforced by or against Gridco if the transfers provided for in these rules had not been made.

#### 7. Removal of difficulties.

(1)If any doubt, dispute or difficulty arise in regard to the transfers under these rules, the State Government may by order published in the Official Gazette make such provisions not inconsistent with the provisions of the Act or these rules as appear to it to be necessary or expedient for removing the difficulty; Provided that no order shall be made under these rules after the expiry of a period of two years from the appointed date.(2)Every order made under these rules shall be laid as soon as may be after it is made, before the State Legislature.

#### A

### Part I – Distribution Undertaking Forming Part of Cesco and Terms and Conditions Thereof

1. All Assets of Gridco pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking in the Central Zone including but not limited to the following:

(a)The Distribution System consisting of the distribution assets 33 KV, 11 KV, LT (single phase 2 wires to 3 phase 5 wires) lines with overhead lines and underground cables on different types of supports with various sizes of conductors and step up/step down transformers, breakers, protective and metering devices, control rooms, testing laboratories, lands, buildings, roads, diesel generating sets and other conventional and non conventional generating units, service connections and installations, street lighting and signal systems and other assets such as special tools and equipments, material handling equipments, earth movers, bulldozers, concrete mixers, cranes, trailers, heavy and light vehicles, furniture and fixtures, office equipments, air conditioners, refrigerators, computers, spares, consumables, raw materials, lands and civil work installations including roads, buildings, schools, dispensaries, training centres, workshops, work in progress, scraps, furniture, fixtures;(b)All current assets;(c)All current contracts, agreements, arrangements and interests.

- 2. Liabilities other than contingent liabilities restricted to the extent specified in the balance sheet as at 31st March 1999 and as contained in Part II of this Schedule.
- 3. Contingent liabilities arising in the ordinary course of business pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking of the Central Zone including consumer claims, refund of security deposits, claim for damages for losses caused to consumers and third parties, electrocution claims and all proceedings related thereto whether pending on the Appointed Date or initiated after the Appointed Date, subject to the potential liability having arisen before the Appointed Date.
- 4. For the purposes of certainty and to facilitate the finalisation of the respective accounts in detail of Gridco and Cesco, the Cesco shall continue as wholly owned subsidiary of Gridco till the end of the accounting year of Gridco on 31st March 1999. The opening balance sheet of Cesco as on the Appointed Date shall be prepared as per the books of account of Gridco namely the balance sheet of Gridco as at 31st March 1998 and the operations during the period after 31st March 1998 till the Appointed Date. The operations of Gridco and the Cesco with effect from the Appointed Date till 31st March 1999 shall be to the account of Gridco and shall be subject to year end adjustments as on 31st March 1999 as specified in this Schedule. The balance sheet and annual accounts of Gridco and Cesco as at 31st March 1999 and the opening balance sheets of Gridco and Cesco as at 1st April 1999 shall be finalised after making all the adjustments as per this and so as to reflect the provisional balance sheets of Cesco as contained in this

Schedule. Notwithstanding the transfer on the Appointed Date, Gridco shall be responsible to finalise the accounts of the Cesco for the year ending 31st March 1999 and to get the same duly audited in accordance with law.

- 5. Cash and bank balances will be adjusted by injection or withdrawal of funds by Gridco on 31st March 1999 to ensure that the balances are as stated in the provisional balance sheets set out in Part II of this Schedule. All other adjustments to the provisional balance sheets as noted in Part II of this Schedule will take effect as soon as practicable after completion of the Statutory Audit for the financial year ending 31st March 1999.
- 6. All Proceedings pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking of the Central Zone.
- 7. Personnel shall stand transferred from Gridco to Cesco as in Part III of this Schedule, subject however that in the case of Common Cadre Personnel (personnel who are not exclusively related to a specific distribution zone) an adjustment may be made after the finalisation of the representations of such Personnel.

All figures in Rs. lakhs.

#### Α

Part-II Provisional Balance Sheet as on 31st March, 1999 (CESCO)

| Sources of Fund                         | Notes | }    |
|---|-------|------|
| Share Capital                           |       |      |
| Authorised                              |       |      |
| 7.27.20.000 equity shares of Rs.10 each |       | 7272 |
| Issued, Subscribed and paid up          |       |      |
| 7.27.20.000 equity shares of Rs.10 each |       | 7272 |
| Retained Earnings                       |       | O    |
| Staff Welfare fund                      |       | 2    |
| Contingencies reserve                   |       | 119  |
| Total Shareholders fund                 | 1     | 7393 |
| Consumer's contribution                 | 2     | 6524 |
| Unsecured loan                          |       |      |
| Project related liabilities             |       |      |

| World Bank Loan                             |   | 5531  |
|---|---|-------|
| Other long term debt                        |   | 16126 |
| Total unsecured loan                        | 3 | 21657 |
| Current Liabilities                         |   |       |
| Accounts Payable                            |   | 9032  |
| Other Current Liabilities                   |   | 12418 |
| Consumer security deposit                   |   | 1777  |
| Total Current Liabilities                   | 4 | 23227 |
| TOTAL SOURCES                               |   | 58801 |
| Application of Fund                         |   |       |
| Fixed Assets                                |   |       |
| Gross Block                                 |   | 36043 |
| Less : Accumulated Depreciation             |   | 6766  |
| Net Block                                   |   | 29277 |
| Capital Works, in Progress                  |   | 6179  |
| Total Fixed Assets                          | 5 | 35456 |
| Investments                                 |   | 118   |
| Current Assets                              |   |       |
| Gross Receivables for sale of power         |   | 35427 |
| Less : Provision for bad and doubtful debts |   | 18246 |
| Net Receivables for Sale of Power           |   | 17181 |
| Gross stores and spares                     |   | 3289  |
| Less: Provision for obsolete spares         |   | 703   |
| Net Stores and spares                       |   | 2586  |
| Cash and Bank Balances                      |   | 1437  |
| Other Receivables                           |   | 2023  |
| Total Current Assets                        | 6 | 23227 |
| TOTAL APPLICATIONS                          |   | 58801 |
| Notes on Provisional Balance Sheet - CESCO  | ) |       |
|   |   |       |

- 1. Total Share-holders' Funds. Total Share-holders' funds will remain fixed at the figures shown.
- 2. Consumers' contribution. Consumers' contribution will be adjusted after completion of 1998/99 audit to reflect the actual accretion.

- 3. Total unsecured loan. Total Unsecured loan will be adjusted after completion of the 1998/99 audit to reflect actual increase in capital expenditure, financed by Gridco loan. See note 5 below.
- 4. Total current liabilities. The Provisional Balance Sheet is constructed on the basis that the current assets on the 31st March 1999 are equal to the current liabilities on the 31st March 1999. If and to the extent that the audited Balance Sheet as at 31st March 1999 shows that there is a difference between the current assets and the current liabilities on that date, then an adjustment will be made to "Other current liabilities" by such amount as is necessary to put the current assets into equilibrium with current liabilities as at 31st March 1999.
- 5. Total fixed assets. Total fixed assets will be adjusted to reflect the capitalisation carried out up to 31st March 1999 and actual capital works in progress as at 31st March 1999. See note 3 above.

#### 6. Current Assets:

i. The receivables, from the Departments of Government of Orissa and Government of Orissa Public Undertakings will be cleared by the concerned departments and undertakings, so as to enable CESCO to commence financial year 1999/00 with a zero balance. The amount of any such receivables outstanding at 31st March 1999 (if any) will be reinstated as an asset in the Gridco balance sheet and will be receivable by Gridco.ii. The gross receivables other than (i) above would be based on the book values with a 15% provision on the incremental gross debtors for the period between April 1, 1998 and March 31st, 1999. Gridco and CESCO shall however have an arrangement whereby when CESCO collects the receivables against which provisions have been made such amounts collected, shall then be shared between Gridco and CESCO equally.iii. Stores and spares will be adjusted after completion of the 1998/99 audit to reflect the actual book values of stores and shares net of provisions.iv. Cash and bank balances will be as stated.v. Other receivables will be adjusted after completion of the 1998/99 audit to reflect actual book value, excluding GoO subsidies (if any) which will be reinstated as an asset in the Gridco Balance Sheet and will be receivable by Gridco.

#### A

Part-III (A) Personnel of the following offices of Gridco along with all Personnel of subordinate offices like Circles, Divisions, Sub-Divisions, Sections and other places of work as the case may be who stand transferred to Cesco.

Sl.No. Name of the office.

- 1. Sr. General Manager, Central Distribution Zone, Bhubaneswar
- 2. Electrical Circle, Bhubaneswar.
- 3. Bhubaneswar City Distribution Division, Bhubaneswar
- 4. Puri Electrical Division, Puri
- 5. Khurda Electrical Division, Khurda
- 6. Nayagarh Electrical Division, Nayagarh
- 7. Bhubaneswar Electrical Division, Bhubaneswar.
- 8. Electrical Circle, Cuttack
- 9. City Distribution Division, Cuttack
- 10. Cuttack Electrical Division, Cuttack
- 11. Kendrapara Electrical Division No.1, Kendrapara.
- 12. Jagatsinghpur Electrical Division, Jagatsinghpur.
- 13. Kendrapara Electrical Division No.11, Marshaghai
- 14. Salipur Electrical Division, Salipur
- 15. Athagarh Electrical Division, Athagarh
- 16. Electrical Circle, Dhenkanal
- 17. Talcher Electrical Division, Chainpal
- 18. Angul Electrical Division, Angul
- 19. Dhenkanal Electrical Division, Dhenkanal.
- 20. Electrical Stores Division, Cuttack.
- 21. Internal Audit Zone, Cuttack.
- 22. PMU (Distribution) Field offices at Bhubaneswar, Cuttack and Dhenkanal.

(B)Such other Personnel as may be decided by Gridco based on suitability, place and nature of work, seniority and other criteria to form part of Cesco.(C)The manpower requirement relating to executives of Cesco as assessed by Gridco is as under.

#### Grade Number of posts.

#### **Engineering Support services**

|       |     | (HR, Finance & Legal). |
|-------|-----|------------------------|
| E9    | 1   | 1                      |
| E8    | 3   | -                      |
| E7    | 8   | 1                      |
| E6    | 20  | 2                      |
| E5    | 25  | 4                      |
| E4    | 92  | 9                      |
| E3    | 123 | 24                     |
| E2    | 222 | 25                     |
| Total | 494 | 66                     |

В

### Part I – Distribution Undertaking Forming Part of Nesco and Terms and Conditions Thereof

1. All Assets of Gridco pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking in the North Eastern Zone including but not limited to the following:

(a)The Distribution System consisting of the distribution assets 33 KV, 11 KV, LT (single phase 2 wires to 3 phase 5 wires) lines with overhead lines and underground cables on different types of supports with various sizes of conductors and step up/step down transformers, breakers, protective and metering devices, control rooms, testing laboratories, lands, buildings, roads, diesel generating sets and other conventional and non conventional generating units, service connections and installations, street lighting and signal systems and other assets such as special tools and equipments, material handling equipments, earth movers, bulldozers, concrete mixers, cranes, trailers, heavy and light vehicles, furniture and fixtures, office equipments, air conditioners, refrigerators, computers, spares, consumables, raw materials, lands and civil work installations including roads, buildings, schools, dispensaries, training centres, workshops, work in progress, scraps, furniture, fixtures; <(b)All current assets.;(c)All current contracts, agreements, arrangements and interests.

- 2. Liabilities other than contingent liabilities restricted to the extent specified in the balance sheet as at 31st March 1999 and as contained in Part II of this Schedule.
- 3. Contingent liabilities arising in the ordinary course of business pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking of the North Eastern Zone including consumer claims, refund of security deposits, claim for damages for losses caused to consumers and third parties, electrocution claims and all proceedings related thereto whether pending on the Appointed Date or initiated after the Appointed Date, subject to the potential liability having arisen before the Appointed Date.
- 4. For the purposes of certainty and to facilitate the finalisation of the respective accounts in detail of Gridco and Nesco, the Nesco shall continue as wholly owned subsidiary of Gridco till the end of the accounting year of Gridco on 31st March 1999. The opening balance sheet of Nesco as on the Appointed Date shall be prepared as per the account of Gridco namely the

balance sheet of Gridco as at 31st March 1998, and the operations during the period after 31st March 1998 till the Appointed Date. The operations of Gridco and the Nesco with effect from the Appointed Date till 31st March, 1999 shall be to the account of Gridco and shall be subject to year and adjustments as on 31st March, 1999 as specified in this Schedule. The balance sheet and annual accounts of Gridco and Nesco as at 31st March, 1999 and the opening balance sheets of Gridco and Nesco as at 1st April, 1999 shall be finalised after making all the adjustments as per this and so as to reflect the provisional balance sheets of Nesco as contained in this Schedule. Notwithstanding the transfer on the Appointed Date, Gridco shall be responsible to finalise the accounts of the Nesco for the year ending 31st March, 1999 and to get the same duly audited in accordance with law.

- 5. Cash and bank balances will be adjusted by injection or withdrawal of funds by Gridco on 31st March 1999 to ensure that the balances are as stated in the provisional balance sheets set out in Part II of this Schedule. All other adjustments to the provisional balance sheets as noted in Part II of this Schedule will take effect as soon as practicable after completion of the Statutory Audit for the financial year ending 31st March 1999.
- 6. All Proceedings pertaining exclusively or primarily to the Distribution Business and Distribution Undertakings of the North Eastern Zone.
- 7. Personnel shall stand, transferred from Gridco to Nesco as in Part III of this Schedule, subject however that in the case of Common Cadre Personnel (personnel who are not exclusively related to a specific distribution zone) an adjustment may be made after the finalization of the representations of such Personnel.

All figures in Rs. lakhs

В

Part-II Provisional Balance Sheet as on 31 March, 1999 (NESCO)

Sources of Fund

Notes

Share Capital

Authorised

6,59,1 0,000 equity shares of Rs.10 each

6591

| Issued, | Sube | cribed | and | hien | ıın |
|---------|------|--------|-----|------|-----|
| issuea, | Subs | cribea | anu | paiu | up  |

| issued, Subscribed and paid up              |   |       |
|---|---|-------|
| 6,59,10,000 equity shares of Rs.10 each     |   | 6591  |
| Retained Earnings                           |   | 0     |
| Staff Welfare fund                          |   | 1     |
| Contingencies reserve                       |   | 90    |
| Total Shareholders fund                     |   | 6682  |
| Consumer's contribution                     | 2 | 4904  |
| Unsecured loan                              |   |       |
| Project related liabilities                 |   |       |
| World Bank Loan                             |   | 3241  |
| Other long term debt                        |   | 10484 |
| Total unsecured loan                        | 3 | 13725 |
| Current Liabilities                         |   |       |
| Accounts Payable                            |   | 5370  |
| Other Current Liabilities                   |   | 4132  |
| Consumer security deposit                   |   | 2770  |
| Total Current Liabilities                   | 4 | 12272 |
| TOTAL SOURCES                               |   | 37583 |
| Application of Funds                        |   |       |
| Fixed Assets                                |   |       |
| Gross Block                                 |   | 26339 |
| Less: Accumulated Depreciation              |   | 5332  |
| Net Block                                   |   | 21007 |
| Capital Works in Progress                   |   | 4214  |
| Total Fixed Assets                          | 5 | 25221 |
| Investments                                 |   | 90    |
| Current Assets                              |   |       |
| Gross Receivables for sale ofpower          |   | 12868 |
| Less : Provision for bad and doubtful debts |   | 7199  |
| Net Receivables for Sale of Power           |   | 5669  |
| Gross stores and spares                     |   | 2409  |
| Less: Provision for obsoletespares          |   | 167   |
| Net Stores and spares                       |   | 2242  |
| Cash and Bank Balances                      |   | 1000  |
| Other Receivables                           |   | 3361  |
| Total Current Assets                        | 6 | 12272 |
| TOTAL APPLICATIONS                          |   | 37583 |
|   |   |       |

The Orissa Electricity Reform (Transfer of Assets, Liabilities, Proceedings and Personnel of Gridco to Distribution Companies) Rules, 1998

Notes on Provisional Balance Sheet - NESCO.

- 1. Total Shareholders' Funds. Total Shareholders 'funds will remain fixed at the figures shown.
- 2. Consumers' contribution. Consumers' contribution will be adjusted after completion of 1998/99 audit to reflect the actual accretion.
- 3. Total unsecured loan. Total unsecured loan will be adjusted after completion of the 1998/99 audit to reflect actual increase in capital expenditure financed by Gridco loan. See note 5 below.
- 4. Total current liabilities. The Provisional Balance Sheet is constructed on the basis that the current assets on the 31st March 1999 are equal to the current liabilities on the 31st March 1999. If and to the extent that the audited Balance Sheet as at 31st March 1999 shows that there is a difference between the current assets and the current liabilities on that date, then an adjustment will be made to "Other current liabilities" by such amount as is necessary to put the current assets into equilibrium with current liabilities as at 31st March 1999.
- 5. Total fixed assets. Total fixed assets will be adjusted to reflect the capitalisation carried out up to 31st March 1999 and actual capital works in progress as at 31st March 1999. See note 3 above.

#### 6. Current Assets. -

i. The receivables, from the Department of Government of Orissa and Government of Orissa Public Undertakings will be cleared by the concerned departments and undertakings, so as to enable NESCO to commence financial year 1999/00 with a zero balance. The amount of any such receivables outstanding at 31 March 1999 (if any) will be reinstated as an asset in the Gridco balance sheet and will be receivable by Gridco.ii. The gross receivables other than (1) above would be based on the book values with a 15% provision on the incremental gross debtors for the period between April 1, 1998 and March 31,1999. Gridco and NESCO shall however have an arrangement whereby when NESCO collects the receivables against which provisions have been made such amounts collected shall then be shared between Gridco and NESCO equally.iii. Stores and spares will be adjusted after completion of the 1998/99 audit to reflect the actual book values of stores and spares net of provisions.iv. Cash and bank balances will be as stated.v. Other receivables will be adjusted after completion of the 1998/99 audit to reflect actual book value, excluding GoO subsidies (if any) which will be reinstated as an asset in the Gridco Balance Sheet and will be receivable by Gridco.

#### В

Part-III (A) Personnel of the following offices of Gridco along with all Personnel of subordinate offices like Circles, Divisions, Sub-Divisions, Sections and other places of work as the case may be who stand transferred to Nesco.

#### Sl. No. Name of the offices.

- 1. General Manager, North Eastern Distribution Zone, Balasore.
- 2. Electrical Circle, Balasore
- 3. Balasore Electrical Division, Balasore
- 4. Baripada Electrical Division, Baripada.
- 5. City Electrical Division, Balasore.
- 6. Rairangpur Electrical Division, Rairangpur,
- 7. Bhadrak Electrical Division, Bhadrak.
- 8. Electrical Circle, Jajpur Road.
- 9. Jajpur Road Electrical Division, Jajpur Road.
- 10. Keonjhar-Electrical Division, Keonjhar
- 11. Anandapur Electrical Division, Anandapur
- 12. Internal Audit Zone, Balasore.
- 13. PMU (Distribution) field offices at Balasore & JajpurRoad
- 14. Stores Division office, Balasore

(B)Such other Personnel as may be decided by Gridco based on suitability, place and nature of work, seniority and other criteria to form part of Nesco.(C)The manpower requirement relating to executives of Nesco as assessed by Gridco is as under.

#### Grade Number of posts

#### **Engineering Support services**

|       |     | (HR, Finance & Legal). |
|-------|-----|------------------------|
| E9    | 1   | -                      |
| E8    | 2   | 1                      |
| E7    | 3   | 1                      |
| E6    | 10  | 1                      |
| E5    | 15  | 3                      |
| E4    | 51  | 6                      |
| E3    | 56  | 16                     |
| E2    | 122 | 15                     |
| Total | 260 | 43                     |
|       |     |                        |

C

### Part I – Distribution Undertaking Forming Part of Wesco and Terms and Conditions Thereof

1. All Assets of Gridco pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking in the Western Zone including but not limited to the following:

(a)The Distribution System consisting of the distribution assets 33 KV, 11 KV, LT (single phase 2 wires to 3 phase 5 wires) lines with overhead lines and underground cables on different types of supports with various sizes of conductors and step up/step down transformers, breakers, protective and metering devices, control rooms, testing laboratories, lands, buildings, roads, diesel generating sets and other conventional and non conventional generating units service connections and installations, street lighting and signal systems and other assets such as special tools and equipments, material handling equipments, earth movers, bulldozers, concrete mixers, cranes, trailers, heavy and light vehicles, furniture and fixtures, office equipments, air conditioners, refrigerators, computers, spares, consumables, raw materials, lands and civil work installations including roads, buildings, schools, dispensaries, training centres, workshops, work in progress, scraps, furniture, fixtures;(b)All current assets;(c)All current contracts, agreements, arrangements and interests.

- 2. Liabilities other than contingent liabilities restricted to the extent specified in the balance sheet as at 31st March 1939 and as contained in Part II of this Schedule.
- 3. Contingent liabilities arising in the ordinary course of business pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking of the Western Zone including consumer claims, refund of security deposits, claim for damages for losses caused to consumers and third parties, electrocution claims and all proceedings related thereto whether pending on the Appointed Date or initiated after the Appointed Date, subject to the potential liability having arisen before the Appointed Date.
- 4. For the purposes of certainty and to facilitate the finalisation of the respective accounts in detail of Gridco and Wesco, the Wesco shall continue as wholly owned subsidiary of Gridco till the end of the accounting year of Gridco on 31st March 1999. The opening balance sheet of Wesco as on the Appointed Date shall be prepared as per the books of account of Gridco

namely the balance sheet of Gridco as at 31 March 1998 and the operations during the period after 31st March 1998 till the Appointed Date. The operations of Gridco and the Wesco with effect from the Appointed Date till 31st March 1999 shall be to the account of Gridco and shall be subject to year end adjustments as on 31st March 1999 as specified in this Schedule. The balance sheet and annual accounts of Gridco and Wesco as at 31st March 1999 and the opening balance sheets of Gridco and Wesco as at 1st April 1999 shall be finalised after making all the adjustments as per this and so as to reflect the provisional balance sheets of Wesco as contained in this Schedule. Notwithstanding the transfer on the Appointed Date, Gridco shall be responsible to finalise the accounts of the Wesco for the year ending 31st March 1999 and to get the same duly audited in accordance with law.

- 5. Cash and bank balances will be adjusted by injection or withdrawal of funds by Gridco on 31st March 1999 to ensure that the balances are as stated in the provisional balance sheets set out in Part II of this Schedule. All other adjustments to the provisional balance sheets as noted in Part II of this Schedule will take effect as soon as practicable after completion of the Statutory Audit for the financial year ending 31st March 1999.
- 6. All Proceedings pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking of the Western Zone.
- 7. Personnel shall stand transferred from Gridco to Wesco as in Part III of this Schedule, subject however that in the case of Common Cadre Personnel (personnel who are not exclusively related to a specific distribution zone) an adjustment may be made after the finalisation of the representations of such Personnel.

#### C

Part-II All figures in Rs. lakhsProvisional Balance Sheet as on 31 March, 1999 (WESCO)

Sources of Fund Notes

**Share Capital** 

Authorised

4.86.50.000 equity shares of Rs.10 each

4865

Issued, Subscribed and paid up

| 4.86.50.000 equity shares of Rs.10 each   |   | 4865  |
|---|---|-------|
| Retained Earnings                         |   | 0     |
| Staff Welfare fund                        |   | 1     |
| Contingencies reserve                     |   | 93    |
| Total Shareholders fund                   | 1 | 4959  |
| Consumers contribution                    | 2 | 4978  |
| Unsecured loan                            |   |       |
| Project related liabilities               |   |       |
| World Bank Loan                           |   | 2870  |
| Other long term debt                      |   | 11696 |
| Total unsecured loan                      | 3 | 14566 |
| Current Liabilities AccountsPayable       |   | 7038  |
| Other Current Liabilities                 |   | 2663  |
| Consumer security deposit                 |   | 4650  |
| Total Current Liabilities                 | 4 | 14351 |
| TOTAL SOURCES                             |   | 38854 |
| Application of Fund                       |   |       |
| Fixed Assets                              |   |       |
| Gross Block                               |   | 26716 |
| Less: Accumulated Depreciation            |   | 5534  |
| Net Block                                 |   | 21182 |
| Capital Works in Progress                 |   | 3229  |
| Total Fixed Assets                        | 5 | 24411 |
| Investments                               |   | 92    |
| Current Assets                            |   |       |
| Gross Receivables for sale ofpower        |   | 21496 |
| Less: Provision for bad anddoubtful debts |   | 10428 |
| Net Receivables for Sale of Power         |   | 11068 |
| Gross stores and spares                   |   | 2028  |
| Less: Provision for obsoletespares        |   | 790   |
| Net Stores and spares                     |   | 1238  |
| Cash and, Bank Balances                   |   | 1000  |
| Other Receivables                         |   | 1044  |
| Total Current Assets                      | 6 | 14351 |
| TOTAL APPLICATIONS                        |   | 38854 |
| Notes on Provisional Balance Sheet - WESC | C |       |
|   |   |       |

- 1. Total Shareholders' Funds. Total Shareholders' funds will remain fixed at the figures shown.
- 2. Consumers' contribution. Consumers' contribution will be adjusted after completion of 1998/99 audit to reflect the actual accretion.
- 3. Total unsecured loan. Total unsecured loan will be adjusted after completion of the 1998/99 audit to reflect actual increase in capital expenditure financed by Gridco loan. See note 5 below.
- 4. Total current liabilities. The Provisional Balance Sheet is constructed on the basis that the current assets on the 31st March 1999 are equal to the current liabilities on the 31st March 1999. If and to the extent that the audited Balance Sheet as at 31st March 1999 shows that there is a difference between the current assets and the current liabilities on that date, then an adjustment will be made to "Other current liabilities" by such amount as is necessary to put the current assets into equilibrium with current liabilities as at 31st March 1999.
- 5. Total fixed assets. Total fixed assets will be adjusted to reflect the capitalisation carried out up to 31 March 1999 and actual capital works in progress as at 31 March 1999. See note 3 above.

#### 6. Current Assets. -

i. The receivables from the Departments of Government of Orissa and Government of Orissa Public Undertakings will be cleared by the concerned departments and undertakings so as to enable WESCO to commence financial year 1999/00 with a zero balance, The amount of any such receivables outstanding at 31 March 1999 (if any) will be reinstated as an asset in the Gridco balance sheet and will be receivable by Gridco.ii. The gross receivables other than (1) above would be based on the book values with a 15% provision on the incremental gross debtors for the period between April 1, 1998 and March 31,1999. Gridco and Wesco shall however have an arrangement whereby when Wesco collects the receivables against which provisions have been made such amounts collected shall then be shared between Gridco and Wesco equally.iii. Stores and spares will be adjusted after completion of the 1998/99 audit to reflect the actual book values of stores and spares net of provisions.iv. Cash and bank balances will be as stated.v. Other receivables will be adjusted after completion of the 1998/99 audit to reflect actual book value, excluding GoO subsidies (if any) which will be reinstated as an asset in the Gridco Balance Sheet and will be receivable by Gridco.

#### C

Part-III (A) Personnel of the following offices of Gridco along with all Personnel of Subordinate offices like Circles, Divisions, Sub-Divisions, Sections and other places of work as the case may be who stand transferred to Wesco.

#### Sl. No. Name of the office

- 1. General Manager, Western Distribution Zone, Burla
- 2. Sambalpur Electrical Division, Sambalpur
- 3. Bargarh Electrical Division, Bargarh
- 4. Jharsuguda Electrical Division, Jharsuguda
- 5. Deogarh Electrical Division, Deogarh
- 6. Electrical Circle, Rourkela
- 7. Rourkela Electrical Division, Rourkela
- 8. Sundergarh Electrical Division, Sundergarh
- 9. Rajgangpur Electrical Division, Rajgangpur
- 10. Electrical Circle, Bolangir
- 11. Bofangir Electrical Division, Bolangir
- 12. Titilagarh Electrical Division, Titfagarh.
- 13. Kalahandi West Electrical Division, Bhawanipatna
- 14. Kalahandi East Electrical Division, Bhawanipatna
- 15. Electrical Stores Division, Burla.
- 16. Internal Audit Zone, Rourkela
- 17. Internal Audit Zone, Sambalpur.
- 18. PMU (Distribution) field offices at Burla, Rourkela &Bolangir.

(B)Such other Personnel as may be decided by Gridco based on suitability, place and nature of work, seniority and other criteria to form part of Wesco.(C)The manpower requirement relating to executives of Wesco as assessed by Gridco is as under.

Grade Number of posts.

#### **Engineering Support services**

|    |    | (HR, Finance & Legal). |
|----|----|------------------------|
| E9 | 1  | -                      |
| E8 | 3  | 1                      |
| E7 | 4  | 1                      |
| E6 | 12 | 1                      |
| E5 | 15 | 3                      |
| E4 | 59 | 7                      |
| E3 | 91 | 20                     |

E2 139 21 Total 324 54

D

### Part I – Distribution Undertaking Forming Part of Southco and Terms and Conditions Thereof

1. All Assets of Gridco pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking in the Southern Zone including but not limited to the following:

(a)The Distribution System consisting of the distribution assets 33 KV, 11 KV, LT (single phase 2 wires to 3 phase 5 wires) lines with overhead lines and underground cables on different types of supports with various sizes of conductors and step up/step down transformers, breakers, protective and metering devices, control rooms, testing laboratories, lands, buildings, roads, diesel generating sets and other conventional and non conventional generating units, service connections and installations, street lighting and signal systems and other assets such as special tools and equipments, material handling equipments, earth movers, bulldozers, concrete mixers, cranes, trailers, heavy and light vehicles, furniture and fixtures, office equipments, air conditioners, refrigerators, computers, spares, consumables, raw materials, lands and civil work installations including roads, buildings, schools, dispensaries, training centres, workshops, work in progress, scraps, furniture, fixtures;(b)All current assets;(c)All current contracts, agreements, arrangements and interests.

- 2. Liabilities other than contingent liabilities restricted to the extent specified in the balance sheet as at 31st March 1999 and as contained in Part II of this Schedule.
- 3. Contingent liabilities arising in the ordinary course of business pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking of the Southern Zone including consumer claims, refund of security deposits, claim for damages for losses caused to consumers ant) third parties, electrocution claims and all proceedings related thereto whether pending on the Appointed Date or initiated after the Appointed Date, subject to the potential liability having arisen before the Appointed Date.
- 4. For the purposes of certainty and to facilitate the finalisation of the respective accounts in detail of Gridco and Southco, the Southco shall continue as wholly owned subsidiary of Gridco till the end of the accounting

year of Gridco on 31st March 1999. The opening balance sheet of Southco as on the Appointed Date shall be prepared as per the books of account of Gridco namely the balance sheet of Gridco as at 31st March 1998 and the operations during the period after 31st March 1998 till the Appointed Date. The operations of Gridco and the Southco with effect from the Appointed Date till 31st March 1999 shall be to the account of Gridco and shall be subject to year end adjustments as on 31st March 1999 as specified in this Schedule. The balance sheet and annual accounts of Gridco and Southco as at 31 March 1999 and the opening balance sheets of Gridco and Southco as at 1st April 1999 shall be finalised after making all the adjustments as per this and so as to reflect the provisional balance sheets of Southco as contained in this Schedule. Notwithstanding the transfer on the Appointed Date, Gridco shall be responsible to finalise the accounts of the Southco for the year ending 31 March 1999 and to get the same duly audited in accordance with law.

- 5. Cash and bank balances will be adjusted by injection or withdrawal of funds by Gridco as on 31 March 1999 to ensure that the balances are as stated in the provisional balance-sheets set out in Part II of this Schedule. All other adjustments to the provisional balance sheets as noted in Part II of this Schedule will take effect as soon as practicable after completion of the Statutory Audit for the financial year ending 31st March 1999.
- 6. All Proceedings pertaining exclusively or primarily to the Distribution Business and Distribution Undertaking of the Southern Zone.
- 7. Personnel shall stand transferred from Gridco to Southco as in Part III of this Schedule, subject however that in the case of Common Cadre Personnel (personnel who are not exclusively related to a specific distribution zone) an adjustment may be made after the finalisation of the representations of such Personnel.

D

Part-II Provisional Balance Sheet as on 31 March, 1999 (SOUTHCO)

Sources of Fund

Notes

**Share Capital** 

1000

988

| The Orissa Electricity Reform (Transfer of Assets, Liabilities, | Proceed | ings and Per |
|---|---------|--------------|
| Authorised  |         |              |
| 3.76.60.000 equity shares of Rs.10 each                         |         | 3766         |
| Issued, Subscribed and paid up                                  |         |              |
| 3.76.60.000 equityshares of Rs. 10 each                         |         | 3766         |
| Retained Earnings   |         | 0            |
| Staff Welfare fund  |         | 1            |
| Contingencies reserve   |         | 83           |
| Total Shareholders fund   | 1       | 3850         |
| Consumer's contribution   | 2       | 4514         |
| Unsecured loan  |         |              |
| Project related liabilities                                     |         |              |
| World Bank Loan   |         | 2453         |
| Other long term debt  |         | 10566        |
| Total unsecured loan  | 3       | 13019        |
| Current Liabilities   |         |              |
| Accounts Payable  |         | 2913         |
| Other Current Liabilities                                       |         | 4326         |
| Consumer security deposit                                       |         | 1880         |
| Total Current Liabilities                                       | 4       | 9119         |
| TOTAL SOURCES   |         | 30502        |
| Application of Fund   |         |              |
| Fixed Assets  |         |              |
| Gross Block   |         | 23382        |
| Less: Accumulated Depreciation                                  |         | 4920         |
| Net Block   |         | 18462        |
| Capital Works in Progress                                       |         | 2838         |
| Total Fixed Assets  | 5       | 21300        |
| Investments   |         | 83           |
| Current Assets  |         |              |
| Gross Receivables for sale ofpower                              |         | 15276        |
| Less: Provision for bad and doubtful debts                      |         | 9007         |
| Net Receivables for Sale of Power                               |         | 6269         |
| Gross stores and spares   |         | 1544         |
| Less: Provision for obsoletespares                              |         | 682          |
| Net Stores and spares   |         | 862          |
|   |         |              |

Cash and Bank Balances

Other Receivables

Total Current Assets 6 9119
TOTAL APPLICATIONS 30502

Notes on Provisional Balance Sheet - SOUTHCO

- 1. Total Shareholders' Funds. Total Shareholders' funds will remain fixed at the figures shown.
- 2. Consumers' contribution. Consumers' contribution will be adjusted after completion of 1998/99 audit to reflect the actual accretion.
- 3. Total unsecured loan. Total unsecured loan will be adjusted after completion of the 1998/99 audit to reflect actual increase in capital expenditure financed by Gridco loan. See note 5 below.
- 4. Total current liabilities. The Provisional Balance Sheet is constructed on the basis that the current assets on the 31st March 1999 are equal to the current liabilities on the 31st March 1999. If and to the extent that the audited Balance Sheet as at 31st March 1999 shows that there is a difference between the current assets and the current liabilities on that date, then an adjustment will be made to "Other current liabilities" by such amount as is necessary to put the current assets into equilibrium with current liabilities as at 31st March 1999.
- 5. Total fixed assets. Total fixed assets will be adjusted to reflect the capitalisation carried out up to 31st March 1999 and actual capital works in progress as at 31st March 1999. See note 3 above.

#### 6. Current Assets. -

i. The receivables from the Departments of Government of Orissa and Government of Orissa Public Undertakings will be cleared by the concerned departments and undertakings, so as to enable SOUTHCO to commence financial year 1999/00 with a zero balance. The amount of any such receivables outstanding at 31st March 1999 (if any) will be reinstated as an asset in the Gridco balance sheet and will be receivable by Gridco.ii. The gross receivables other than (1) above would be based on the book values with a 15% provision on the incremental gross debtors for the period between April 1, 1998 and March31, 1999. Gridco and SOUTHCO shall however have an arrangement whereby when SOUTHCO collects the receivables against which provisions have been made such amounts collected shall then be shared between Gridco and SOUTHCO equally.iii. Stores and spares will be adjusted after completion of the 1998/99 audit to reflect the actual book values of stores and spares net of provisions.iv. Cash and bank balances will be as stated.v. Other receivables

will be adjusted after completion of the 1998/99 audit to reflect actual book value, excluding GoO subsidies (if any) which will be reinstated as an asset in the Gridco Balance Sheet and will be receivable by Gridco.

#### D

Part-III (A) Personnel of the following offices of Gridco along with all Personnel of Subordinate offices like Circles, Divisions, Sub-Divisions, Sections and other places of work as the case may be who stand transferred to Southco.

#### Sl. No. Name of the office

- 1. General Manager, Southern Distribution Zone, Berhmapur
- 2. Berhampur Electrical Division, Berhampur
- 3. Ganjam North Electrical Division, Berhampur
- 4. Bhanjanagar North Electrical Division, Bhanjanagar
- 5. Phulbani Electrical Division, Phulbani
- 6. Parlakhemundi Electrical Division, Parlakhemundi
- 7. Boudh Electrical Division, Boudh
- 8. Electrical Circle, Jeypore
- 9. Jeypore Electrical Division, Jeypore
- 10. Rayagada Electrical Division, Rayagada
- 11. Nawrangpur Electrical Division, Nawrangpur.
- 12. Electrical Stores Division, Berhampur.
- 13. Internal Audit Zone, Jeypore
- 14. Internal Audit Zone, Berhampur.
- 15. PMU (Distribution) field offices at Berhampur & Jeypore

(B)Such other Personnel as may be decided by Gridco based on suitability, place and nature of work, seniority and other criteria to form part of Southco.(C)The manpower requirement relating to executives of Southco as assessed by Gridco is as under.

Grade Number of posts.

#### **Engineering Support services**

|    |     | (HR, Finance & Legal). |
|----|-----|------------------------|
| E9 | 1   | -                      |
| E8 | 2   | -                      |
| E7 | 3   | 2                      |
| E6 | 11  | 1                      |
| E5 | 15  | 3                      |
| E4 | 55  | 6                      |
| E3 | 68  | 17                     |
| E2 | 124 | 15                     |

Total 279 44