



Web Special: Debt shock for KSEB, perks vault for staff

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Kottayam: KSEB Limited is staggering under heavier debts than even the KSRTC but its employees and pensioners, unlike the Transport Corporation's, had never felt the pinch. In fact, they have never had it better.

While the KSRTC's accumulated debt is below Rs 3500 crore, KSEBL's is a whopping Rs 7570 crore as on April 30 this year; its loss in 2017-18 alone was Rs 2093.39 crore. Power minister M M Mani had recently said in the Assembly that raising power tariffs was the only option left. Still, the power utility's employees and pensioners are not just spared but seem to be bestowed a largesse.

If in 2016-17, 31 per cent of the utility's revenue was spent on salary and pension, the KSEBL has sought nearly 40 per cent of its revenue to pay salaries and pensions in 2018-19 (based on the Revenue Account figures KSEBL has submitted before the ERC). But given KSEBL's past performance, the employee and salary costs are expected to shoot even higher. For instance, during 2017-18, the KSEBL had originally estimated that 35 per cent of its revenue for salary and pensions but ended up using 38.5 per cent of its revenue to pay its rolls. In 2014 itself, official figures showed that KSEBL had the highest employee cost per unit of electricity generated in the country.

What's more, the public utility has already petitioned the Electricity Regulatory Commission to release more funds to pay the salaries and benefits of nearly 8000 of its 35,000 employees. The utility argues that the ERC, which is the authority to sanction the revenue requirements of KSEB Limited, had approved the employee cost for only 27,175 of its employees. The power utility's petition to the ERC argues that the deficit was imposing a huge financial strain. This is yet another reason why the power minister is gunning for a tariff hike.

Fact is, the power utility has been constantly asked to curtail its burgeoning employee costs. Way back in 2010, the ERC had directed KSEBL to redeploy employees who had been

rendered excess as a consequence of computerisation and the introduction of new technology. “It was on the basis of this directive that IIM-Kozhikode was asked to do a study on the service quality and organizational efficiency of KSEB,” a top KSEBL official said. The report, which was submitted in 2015, underlined the need to redeploy excess staff.

In 2014, the ERC had once again asked KSEBL to control and rationalize its employee cost, especially its increasing dependence on contract labour. An additional report submitted by IIM-Kozhikode in 2017 had called for the review of the 'Compassionate Employment Scheme', which allows employment in the position such as workman, lineman, office attendant, confidential assistants, and fair copy assistant for dependents of former employees.

The power minister said the public utility would initiate certain rationalisation measures as outlined in the IIM study. He, however, ruled out a freeze on future recruitment. Earlier, the government, too, had officially objected to KSEBL employee costs. Dr K M Abraham, when he was additional chief secretary (finance), had noted in a file that “while it is important to reward employee with a good compensation package, there are components in the package that should have been curtailed to reasonable levels.” There were, for instance, certain perks like 'risk allowance' that were enjoyed even by employees ensconced inside air-conditioned offices.

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