



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Reg. Office: Vidyuthi Bhavanam, Pattom, Thiruvananthapuram – 695 004

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ABSTRACT

Leasing of dark fibres between Paruthipara (Tvp) and Kanjirode (Kannur) vide agreement No. 36/18-19/29.10.18 to M/s Kerala Cable TV Federation- request for reducing interest rate on belated payments and request for instalments for arrears outstanding against lease rentals – Sanctioned - Orders issued.

Corporate Office(SBU-T/SO)

B.O(FTD)No.298/2019/D(T&SO)/T2/SO/Fibre lease /KCF/2018-19 dated Tvp 03..04.2019

ORDER

- Read: 1. Agreement No. 36/2018-19 dtd 29-10-2018 of the office of Chief Engineer (System Operation).
2. B.O.(FTD) No. 115/2018(D(T&SO)/T2/Optic fibre leasing /2017-18) dtd 11.01.2018 .
3. B.O.(FTD) No. 1408/2018(D(T&SO)/T2/Optic fibre leasing /2018-19) dtd 01.06.2018.
4. Letter dated 14.10.18 of Kerala Cable TV Federation addressed to Hon'ble Minister of Electricity.
5. Letter No. CESO/Tech/TNMS/TNMS-1/KCF- Fibre lease/2018-19/3049/05.02.18 of Chief Engineer (System Operation).
6. FTD Note No. D(T&SO)/T2/Fibre lease/ KCF/ 2018-19/ 152 dated 28-03-2019 of Director (Transmission &System Operation) (Agenda 92/3/19)

KSEBL is leasing out Dark Fibres from the Optical Fiber Network between Kalamassery to Paruthippara and Kalamassery to Kannur. Different operators including Asianet, PGCIL, KCCL and cable TV operators under M/s Kerala Cable TV Federation are using the network on lease.

M/s. Kerala Cable TV Federation had signed an agreement with KSEBL for leasing of dark fibre as per Agreement No. 31/2014-15 dtd 04-09-2014 at the rate of Rs. 5000/Km/fibre/annum per pair of dark fibre of DWSM type and Rs. 4500/Km/fibre/annum for DSSM type cable. The agreement was expired on 03-09-2016.

As per the directions from the Board, tenders were invited to arrive at a new rate on 01.11.2016 for the renewal but only one tender received and hence rates could not be finalised. Meanwhile, vide BO (FTD No.1431/2017/ D(T&SO)/T2/optic fibre leasing /2016-17 dated 03.06.17, the lease rent for PGCIL was revised, and in line with the same, the Board had accorded sanction for renewal of agreement with other agencies including M/s KCF vide BO read 3 above by applying 15% rate hike in the first year and 8% rate hike for each year up to March 2019 with retrospective effect from the date of actual expiry of agreement. Accordingly M/s Kerala Cable TV Federation had signed renewal agreement for availing dark fibre services from KSEBL vide No. 36/18-19/29.10.2018.

However M/s KCF has not remitted the arrear payments from the actual agreement expiry date which is calculated as Rs.35,34,452/-, as the BO has retrospective effect from 10/2016. As per the agreement condition, the interest @ rate of 24% will be levied for belated payments. As the decision on revised rate has come only on 01-06-2018, the interest was claimed only from that date with 24% interest which comes as RS. 5,32,201/- as on 31.01.2019. It is understood that no interest has been claimed by the concerned from the date of expiry of the agreement (03.09.2016) to the date of revised BO (01.06.2018).

Later, M/s Kerala Cable TV Federation (KCF) has requested for amending the interest rate vide letter read 4 and to allow 10 instalments for remitting the outstanding arrears.

In this regard, the Chief Engineer (System Operation) vide letter read 5 has reported that reduction in interest rate for belated payments from 24% to 12% was earlier allowed to PGCIL on their request vide B.O. read as 2 above. It is also recommended that the same reduction can be allowed for calculating penal interests for belated payment of all other fibre optic lease holders as well and to waive the penal interest from the date of expiry of the respective agreements with various lease holders upto 31.05.2018, as the decision on revised rate has come only on 01.06.2018.

The matter was placed before the Full Time Directors' meeting held on 28.03.2019 vide note read 6 above.

Having considered the matter in detail, the Full Time Directors resolved to waive the penal interest up to May 2018 from the date of expiry of respective agreements, as the decision on revised rate has come only as per B.O dated 01.06.2018 and the lease holders be allowed to pay the outstanding arrears including interest portion in 10 equal installments, if requested, with applicable interest rates.

Regarding the request for the reduction of penal interest from 24% , it was further resolved that the case would be considered at the time of renewal of the agreement , provided the operators would be ready to pay the rent amounts in advance adhering all terms and conditions of PGCIL agreements.

Orders are issued accordingly.

**By order of the Full Time Directors,
Sd/-
Lekha G.**

Company Secretary (In- Charge)

To

The Chief Engineer (Transmission System Operation)

Copy to:

The Deputy Chief Engineer(IT)

The Chief Internal Auditor

The Financial Adviser/

The RCAO/The RAO

The TA to Chairman & Managing Director/ Director (T&SO)/ Director (D&IT)/

Director (G-C&HRM)/ Director (CP,GE,SCM&S)

The PA to Director(Finance)/Secretary (Administration).

The Fair Copy Superintendent.

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Assistant Executive Engineer