



## KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vidyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695 004

CIN: U40100KL2011SGC027424

Website: www.kseb.in

Phone: +91 471 2514576, 2446885, 9446008884

Email: dtkseeb@kseeb.in

### ABSTRACT

Proposal for construction of a new 110 kV Substation at Kotta, Chengannur in the land owned by KSTCL in the premises of M/s. Prabhuram Mills - Transfer of land by adjusting the cost of land with the current charge arrears of M/s. Prabhuram Mills – Orders issued - reg.

### Corporate Office (SBU-T)

BO (FTD)No.94/2023(D(T,SO,P&S)WT/Kotta/2022-23)

Thiruvananthapuram, Dated: 27.02.2023

- Read: 1. Minutes of the Meeting convened by the Hon'ble Minister for Electricity on 05.08.2021.
2. Minutes of the Meeting convened by the Hon'ble Minister for Electricity on 07.12.2022.
3. Letter No. KSTC/CS/2022-23 dated 04.01.2023 of the Managing Director, Kerala State Textile Corporation Limited.
4. Note No. D(T,SO,P&S)WT/Kotta/2022-23 (1) dated 09.02.2023 of the Director (T,SO,P&S) to the Full Time Directors (Agenda 38/2/23).

### ORDER

M/s.Prabhuram Mills, Mulakkuzha is presently fed from 110kV Substation, Chengannur and alternatively from 110kV Substation, Kozhenchery. In 2019, a proposal for construction of a new 110kV substation in the land owned by Prabhuram Mills was suggested, by transferring the land to KSEBL in lieu of partial compensation of the electricity charge dues of Prabhuram Mills. The electricity charge arrears (principal amount) of Prabhuram Mills as on 05.10.2021 was Rs.2.57 Crores.

In the joint meeting among KSEBL, Prabhuram Mills, KSIDC and Textiles Corporation (KSTCL) held on 03.06.2019, KSTCL proposed that the cost of land may be adjusted against the existing electricity dues and future energy bills of Prabhuram Mills. The company also demanded that a dedicated 11kV feeder shall be provided to their plant from the proposed substation. KSTCL was requested to confirm their willingness to the proposal in writing and also to get sanction from State Government for the land transfer. However, there was no further progress from KSTCL side on the matter.

In the meeting convened on 05.08.2021 by the Hon'ble Minister for Electricity, it was proposed that 2.5 acres of land in the premises of Prabhuram Mills can be transferred to KSEBL within two months and KSEBL agreed to start construction of the substation within 6 months from the date of land transfer. KSEBL also agreed to provide a dedicated 11kV feeder to Prabhuram Mills. In the meeting convened by the Hon'ble Minister for Electricity on 07.12.2022 with Hon'ble MLA, Chengannur, it was decided that the land for constructing the substation can be taken from Prabhuram Mills by giving market price. It was also decided to adjust the cost of land against the current charge arrears of Prabhuram Mills and that Industries Department shall take steps for allocating fund for remitting the balance current charge arrears after adjusting the land cost.



KSTCL as per letter read as 3<sup>rd</sup> above intimated that their Board of Directors has accorded sanction for selling the land to KSEBL at market price of Rs. 48,000/- per Acre. KSTCL also informed that their decision was communicated to the Government on 29.11.2022 for approval and to take steps for transferring 2.49 Acres of land to KSEBL at market rate. The rate of Rs.48,000/- per Acre is based on the fair value taken by RDO for transfer of land for Rice Park.

Even if the rate of Rs.48,000/- per Acre is admitted, the cost of 2.49 acres of land works out to about Rs. 43 Lakh only. As per the information available, the dues including interest is around Rs. 6.1 Crores as on December 2022. As per the feedback from field officers, market value of land in the locality is not above the rate indicated by the RDO, if not lower. Hence, even after adjusting the cost of land, huge amount will remain as pending current charge arrears from Prabhuram Mills. Even though Prabhuram Mills had given commitments in the previous meetings at Government level to pay the regular electricity charges, they were not able to keep up. Hence, it is apprehended whether the mounting arrears of Prabhuram Mills will be realisable in future.

Though construction of a 110 kV substation in the area is not over design per se, it is not necessary that it is to be constructed in this land itself. The land requirement for construction of 110kV substation is much lesser than 2.49 acres. If at all the entire land, as proposed, is transferred to KSEBL, part of it may be underutilised. Hence, unless the land is transferred without any strings attached, monetisation of the land in future may not be possible. Installation of solar panels in the unutilised area is also not a commercially wise decision as the cost of solar power generation is comparatively higher in Kerala compared to that at solar parks outside the state.

The matter was placed before the Full Time Directors as per the note read as 4<sup>th</sup> above for a decision. Having considered the matter in detail, the Full Time Directors in the meeting held on 17.02.2023 observed that as per the revenue valuation, the amount is less and the total extent of land offered is insufficient to set off the dues. Hence resolved to inform M/s.Prabhuram Mills as follows:

1. Only specific amount as per revenue valuation will be set off.
2. Balance dues payable to be informed to them.
3. They shall pay current charges and arrears in two weeks failing which the supply will be disconnected.

Orders are issued accordingly,

**By Order of the  
Full Time Directors**



**LEKHA G  
Company Secretary**

To:

1. The Chief Engineer (Transmission South)
2. The Chief Engineer (Distribution South)
3. The Special Officer (Revenue)

Copy to: The Chief Engineer (IT,CR&CAPs)/Financial Adviser/ Chief Internal



Auditor/Company Secretary

The Deputy Chief Engineer, Transmission Circle, Alappuzha

The TAs to CMD/ D(T,SO,P&S)/ D(D,IT&SCM)/ D(G-C)/ D(G-E&HRM)/

D(REES,S,N,S&W)

The PA to Director (Fin)

The Senior CA to Secretary (Admn.)

Stock File

Forwarded / By Order



Assistant Executive Engineer