



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: (O) +91 471 2514522

Email: dgekseb@kseb.in

ABSTRACT

Transfer of KSEBL land at Brahmapuram for setting up the Smart City Project - Inadequate Compensation to KSEBL - Conclusions/Recommendations (6.6.2) of the third Report of the Committee on Public Accounts (2021-23) - Decision to take up the matter with Government - Sanactined - Orders issued.

SBU/G-E

BO (FTD)No.576/2022(DGE/G1/BDPP/Dmart City/2022-23)

Thiruvananthapuram,Dated: 05.07.2022

- Read:
1. Proceedings of the 35th meeting of the Board of Directors held on 15.11.2017.
 2. Letters No. DGE/G1/Smart City/2018-19 dated 15.12.2017, 09.05.2018 & 23.03.2019.
 3. Government letter No.IT-A1/309/2018-ITD dated 16.05.2022.
 4. Third Report of the Committee on Public Accounts (2021-23).
 5. Note No.DGE/G1/BDPP/Smart city/2022-23/109 dated 23.06.2022 of the Director (Generation - Electrical) to Full Time Directors (Agenda 75/6/22).

ORDER

As per G.O. No.13/7/PD/TVM dated 05.07.2007, the Government of Kerala had ordered to transfer 100 acres of land owned by KSEB Ltd. for the Brahmapuram Diesel Power Plant at Kochi to the Revenue Department in Government for the use of Smart City Project. The G.O. stated the value of land will be determined and paid by Government later to KSEB Ltd. Accordingly, 40.7356 Ha (100.65 acres) of land was taken over by the Revenue Department and transferred to the Smart City (Kochi) Infrastructure Private Limited. Out of the 79.7177 Ha of land acquired by KSEB Ltd. for the BDPP project at a cost of ₹10.04 Crore, KSEBL is now in possession of only 38.9821 Ha. of land at Brahmapuram. Subsequently, as per G.O. No.16/2008 dated 21.04.2008, it was informed by the Government of Kerala that the District Collector, Ernakulam has fixed the total value of land transferred to Smart City Project as ₹7.57 Crore. The 100.65 Acres of KSEBL's land transferred to Revenue Department is very close to the heart of Kochi city and KSEBL had spent an amount of ₹4.6 Crore for the development of the land alone. Considering the expenditure incurred by KSEBL for the acquisition of 100 acres of land by availing loan from World Bank @ 17% with Government guarantee @ 0.75% as guarantee commission, compensation paid including legal expenses, anticipated amount to be paid towards pending court cases, development charges for the land etc., and also considering the loss of an asset with tremendous appreciation potential, KSEBL had requested to provide the value of land at the then market rate. The transaction value of land at Brahmapuram during 02/2006, as per the document available in the Sub Registrar office Puthencruz was ₹1,27,609 per Are (₹52,000/Cent).

The Accountant General's Audit team in their Inspection Report also pointed out that the value of land in Kochi has increased considerably after the setting up of Vallarpadam Terminal, LNG Terminal and announcement of Kochi Metro Rail Project and any compensation less than the market value would be a loss to KSEB. Since the value fixed by the Revenue Department was meagre compared with the then market value of land in the locality, Government in Revenue Department was repeatedly requested to take up the matter with Government

dated 05.09.2013, it was informed that the value of ₹7.57 crores for 100 acres was fixed by the Council of Ministers and since this was an acquired land lying unutilized taken over by Government and not a commercial transaction, market price was not a consideration. Hence request of KSEBL for enhancing compensation was declined.

The matter was discussed in the Board of Directors meeting held on 15.11.2017 and resolved to authorize the Chairman & Managing Director to take up the matter again with the Government for enhancement of compensation. Accordingly, the subject matter was repeatedly requested as per letters read as 2nd above for granting reasonable compensation (at par with the then prevailing market value) to KSEBL for the land handed over for setting up of Smart City, Kochi. Subsequently, in the Public Accounts Committee meeting held on 04.01.2021, the matter of providing adequate compensation to KSEBL for the land transferred for Smart City Project (Para 6.6.2) was discussed and has arrived at an amicable solution. The Committee observed that the KSEBL is willing to settle the dispute regarding the amount of compensation for the transfer of its land with an amount of ₹7.57 Crore as approved by the cabinet, with interest. The Committee on Public Accounts (2021-23) in its third Report has recommended the E&IT department to settle the dispute by paying the compensation, amounting to ₹7.57 Crores, with the interest till date to the KSEB, if it is not settled so far. (Audit para 6.6.4 contained in the Report on Land Management by the Government of Kerala with special focus on land for Aranmula airport and Smart City, Kochi (Report No.6 of the year 2014).

Subsequently, as per Government letter read as 3rd above, it was requested to furnish the status of payment in this regard. Since the settlement in this regard is still pending with the E&IT department, it was requested to take up the matter with the Government in E&IT Department for providing amounting to ₹7.57 Crore with interest till date to KSEBL as recommended by the Committee on Public Accounts (2021-23, Third Report) for the land handed over to Revenue/IT Department for setting up of Smart City Project, Kochi.

The matter was placed before the Full time Directors as per Note read as 5th above for a decision.

The Full Time directors meeting held on 27.06.2022 resolved to take up the matter for providing compensation amounting to ₹7.57 Crore with interest till date to KSEBL as recommended by the Committee on Public Accounts (2021-23, Third Report) for the land handed over to Revenue/IT Department for setting up of Smart City Project, Kochi with the Government.

Orders are issued accordingly.

**By Order of the
Full Time Directors**

Sd/-
LEKHA G

Company Secretary

To:

The Chief Engineer (Generation), Moolamattom.

The Deputy Chief Engineer, Generation Circle, Thiruvananthapuram.

Copy to: The Financial Advisor/Chief Internal Auditor/Company Secretary
The Deputy Chief Engineer (IT)/ RAO/The RAO
The TA to {Chairman & MD/ Director (GE)/ Director(GC)/ Director (Trans. & SO, Planning & Safety)/
Director (D& SCM) /Director(REES, Soura, Nilaavu, Sports & Welfare)}
The PA to Director (Finance,IT &HRM)
The CA to Secretary (Administration)
Stock File

Approved For Issue



Assistant Executive Engineer