



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Reg. Office: Vydyuthi Bhavanam, Pattom, Thiruvananthapuram - 695 004, Kerala

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Abstract

M/s. Premier Tyres - concessional tariff - Writing off amount of Rs.2,57,06,477/-
-Sanctioned - Orders issued.

COPORATE OFFICE (SPECIAL OFFICER REVENUE)

B.O.(DB) No.213 /2020 (SOR/AMU 4/HTB4/438) Dated,

Thiruvananthapuram 18-03-2020

Read:- 1. G.O.(MS) No.140/95/ID dated 29-08-1995.

2. Letter No.LA.III/6677/2001 dated 09-09-2002 of Secretary, KSEB
addressed to the Principal Secretary to Government, Power Department

3. Letter No.13878/G2/01/ID dated 01-01-2003 of Principal Secretary to
Government Industries addressed to Secretary, KSEBL.

4. Note No.SOR/AMU/HTB 4/438/2020 dated 27-02-2020 of the Chairman
& Managing Director.

5. Proceeding of the 52nd meeting of the Board of Directors held on
04-03-2020(Agenda item No.34-3/2020).

ORDER

M/s. Premier Tyres Ltd., Kalamassery(leased to Appollo Tyres Ltd, Kalamasserry) is an HT consumer (Con. Code.HTB.4/438) having Contract Demand of 4750 kVA. When the company registered as sick Industrial unit and referred to BIFR, a scheme of revival of the company was sanctioned by the BIFR by the order dated 17.04.1995 in case No.23 of 1991. In accordance with the scheme, the Government of Kerala issued an order read as 1st above directing that electricity would be supplied to the company at concessional rate as applicable to new industries, as per G.O. (Ms) No.4/92/PD dated 06.02.1992 for a period of three years. Accordingly, the firm had remitted the current charges at Pre-92 rate from 09/1995 to 08/1998. The Board decided not to implement the direction contained in the Government Order read 1st above -on the ground that the company was not a new industry which started commercial production during the eligibility period mentioned in the Government Order dated 06.02.1992. So the consumer had been billed at the ruling rate from

09/1998 prevalent from time to time. But the consumer remitted the charges at the concessional rate, as per their own calculation which resulted in short remittance of Rs. 2,57,06,477/-. Thereafter a notice dated 16.04.2001 was issued to the consumer from the office of the Special Officer (Revenue) directing to remit the short remitted amount on or before 05.05.2001 for a total amount of Rs.4,85,57,710.52 being the arrear of current charge and interest due as on 31.03.2001.

The consumer filed OP. No.14015/2001 before the Hon'ble High Court of Kerala against the above mentioned notice dated 16.04.2001 with prayer to quash the same and permission to enjoy the benefit of Pre-92 concessional rate as per Government Orders dated 06.02.2002 and 29.08.1995 and BIFR order dated 17.04.1995. The stand taken by the KSEB before the Court was that being not a party of the BIFR scheme and that the petitioner not coming within the purview of the new industry as mentioned in the Government Order dated 06.02.1992, the arrear notice dated 16.04.2001 issued by the Board was legal and not arbitrary. The Hon'ble High Court disposed of the OP on 08.07.2002 holding that the petitioner company is a beneficiary of Government Order read as 1st and so long as the said Government Order is not varied by the Government, the Board is bound to act on the same since the Government is prepared to reimburse the differential tariff to the Board. While setting aside the notice dated 16.04.2001 the Hon'ble Court observed that the loss caused pursuant to implementation of the Government Order read 1st above be realized by the Board from the Government.

Thereafter, the Board decided to implement the same and accordingly the Industries Department, Government of Kerala was requested as per letter read as 2nd to reimburse to KSEB a sum of Rs.2,57,06,476.52 plus interest at 24% per annum being the differential amount between the Pre-92 concessional rate and the ruling rates.

Meanwhile, the Principal Secretary, Industries Department as per letter read as 3rd informed that the reimbursement claimed by the KSEB is in contravention of the Government Order read 1 above since the Government Order does not stipulate that the Industries Department should remit the differential amount between the Pre-92 tariff and the ruling tariff. It is also mentioned therein that the Government Order dated 29.08.1995 was issued as a relief package as proposed by BIFR and hence the claim of KSEB for reimbursement by the Industries Department is unwarranted. The amount due to be reimbursed by the Government to KSEB as on 31.01.2003 is Rs.5,98,68,560/- (Arrear Rs.2,57,06,476 + Interest Rs.3,41,62,084/-).

As the Government has not initiated any favourable steps to reimburse the arrear amount as opined by the Single Bench in OP. No.14015/2001 of the Hon'ble High Court of Kerala, an arrear notice dated 10.07.2009 for an amount of Rs.2,57,06,477/- as on 31.03.2009 was issued to the consumer. Against this notice, the consumer filed WP (C) No.20437/2009 before the Hon'ble High Court of Kerala and the same was disposed in favour of the consumer and the arrear notice was set aside.

As detailed above, the KSEBL is not in a position to realize the arrear amounting to Rs.2,57,06,477/- (Principal portion). The Director (Finance) after examining the matter has directed to put up a proposal to Board of Directors for writing off the arrears.

Accordingly the matter was placed before the meeting of Director Board as per note read as 4th above.

Having considered the matter in detail, Board of Directors in its meeting held on 04.03.2020 has resolved to accord sanction to write off the long pending arrear amounting to Rs.2,57,06,477/- (Principal portion) due from M/s Premier Tyres.

Orders are issued accordingly.

By Order of the Director Board

**Sd/-
LEKHA.G,
COMPANY SECRETARY (IN-
CHARGE)**

To

Special Officer Revenue,
Kerala State Electricity Board Ltd,
Vydhyuthi Bhavanam, Pattom.

Copy to:-

1. The TA to Chairman and Managing Director.
2. The PA to Director (Finance)/Senior CA to Secretary(Administration).
3. The Chief Engineer (Commercial and Tariff).
4. The Financial Adviser.
5. The Company Secretary - in-charge.
6. The Chief Internal Auditor.
7. Stock File.

Forwarded/By Order


SENIOR SUPERINTENDENT