



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

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

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Abstract

Arrears to the tune of ₹37,85,234/- (pending since 2003) with respect to consumer No. 7127 under Electrical Section, Payyavur – Request for sanction to withdraw the demand - Sanctioned – Orders issued.

CORPORATE OFFICE (SBU-D)

B.O.(DB) No.211/2020 (D(D&IT)/D-4/Genl/2018-19/0117) Dated, Thiruvananthapuram, 18/03/2020

- Read: 1. Letters No. RB/Payyavur Crushers/2018-19/947 dated 27.10.2018, 16.11.2018 and 30.05.2019 of the Deputy Chief Engineer, Electrical Circle, Sreekandapuram.
2. Remarks of the Financial Adviser vide Note No. FA/Tender- II/47/2018 dated 13/12/2018.
3. Note no. LAV/4883/2016 dated 6/5/2019 of the Legal Adviser & Disciplinary Enquiry Officer.
4. Note No. D(D&IT)/D-4/Genl/2018-19/0117 dated 17.07.2019 of the Director (Distribution&IT) to the Full Time Directors (Agenda No. 52/7/19).
5. Proceedings of the 48th meeting of the Board of Directors held on 22.08.2019. (Agenda 14-08/2019).
6. Letter No. RB/Payyavur Crushers/2019-20/1154 dated 30.10.2019 of the Deputy Chief Engineer, Electrical Circle, Sreekandapuram.
7. Note No. D(D&IT)/D-4/General/2018-19/0117 dated 16/11/2019 of the Director (Distribution, IT & HRM) to the Full Time Directors (Agenda No. 71/11/19).
8. Note No. D(D&IT)/D-4/General/2018-19/0117 dated 04/12/2019 of the Chairman&Managing Director.
9. Proceedings of the 52nd meeting of the Board of Directors held on 04.03.2020. (Agenda 06-03/2020).

ORDER

The Deputy Chief Engineer, Electrical Circle, Sreekandapuram, as per letters read as 1st above, requested sanction to write off the demand to the tune of ₹37,85,234/- (pending since 2003) with respect to the Low Tension consumer no. 7127 (of M/s Payyavur Saw Mill) under Electrical Section Payyavur. This demand for ₹37,85,234/- was subsequent to the Anti Power Theft Squad inspection on 23/7/2003, and detection of unauthorised extension of 140kW load to M/s Payyavur Crushers, from the existing connection of Payyavur Saw Mill (Low Tension consumer no. 7127). Against the complaint raised by the consumer, and upon enquiry by the Chief Electrical Inspector vide proceedings dated 20/9/2003, it was observed that the demand was legally not in order and the invoice shall be finalised only after detailed Departmental & Vigilance enquiry.

KSEBL had neither challenged the order of the Electrical Inspector nor pointed out the impropriety of the order, and the demand remained as disputed in the book of accounts of the company. Later, when High Tension connection was denied to this premises (by clubbing Payyavur Crushers & Payyavur Saw Mill), due to the above arrears, the consumer again approached the Hon'ble High Court and High Tension connection was granted following the orders of the Court and subsequently the Low Tension connection to consumer no. 7127 was dismantled. The principal amount of ₹37,85,234/- plus interest against the consumer no. 7127 is pending as on date.

The Financial Adviser, as per remarks read as 2nd above informed that "write off" is the relinquishment of claims after all possible means of recovery of public money and the provisions of writing off of losses/liability is governed by Art.300 in Chapter XI of Kerala Financial code Vol.-I. But, in this case no way attracts the aforesaid provision, as the Chief Electrical Inspector & the Hon'ble High Court struck down the APTS bill and eventually KSEB Ltd. decided to comply with the judgment, and thus the demand of ₹37,85,234/-, ceases to be a claim in respect of public money and no more to be recoverable. And therefore, the Executive Engineer may be issued a direction to withdraw the demand retrospectively.

The Legal Adviser & Disciplinary Enquiry Officer as per note read as 3rd above also reiterated the fact that since the assessment was found unsustainable by the Chief Electrical Inspector, that order was not challenged and the subsequent observation of the Hon'ble High Court in WPC No. 32493/2013 reiterating the futility of the assessment, there is no scope to recover the amount legally.

The matter was placed before the 48th meeting of Board of Directors and the Board as per the proceedings read as 5th above observed that the proposal for withdrawal of demand of ₹37,85,234/- raised against the Low Tension consumer No. 7127, under Electrical Section, Payyavur need to be placed with the certification by the competent authority who had raised demand about irrecoverability of the claim.

The Deputy Chief Engineer, Electrical Circle, Sreekandapuram, as per letter read as 6th above, has forwarded the report (Letter No. DB3/ESPYVR/19-20/203 dated 18.10.2019) of the Assistant Engineer, Electrical Section, Payyavur for further action. It is reported that the arrear amount in respect of consumer no. 7127 cannot be recovered since any appeal authority will have to consider the order dated 20/9/2003 of the Chief Electrical Inspector. In the order, the Chief Electrical Inspector decided that the petitioner has not used the energy supplied to him in contravention of the provision of Section 21 (1) of Indian Electricity Act, 1910 and hence not liable to be penalized for misuse of energy.

The Assistant Engineer has recommended for taking necessary action to withdraw the demand of ₹37,85,234/-.

The matter was resubmitted before the Board of Directors as per note read as 8 above with the necessary certification. After considering the fact that there is no scope to recover the amount and that all the procedural formalities are completed, the Board of Directors in its meeting held on 04.03.2020 resolved to accord sanction to the Executive Engineer, Electrical Divison, Iritty, to withdraw the demand of ₹37,85,234/- raised against the Low Tension consumer no. 7127, under Electrical Section, Payyavur as recommended by the Assistant Engineer, Electrical Section, Payyavur.

Orders are issued accordingly.

By Order of the Director Board,
Sd/-
Lekha G.
Company Secretary (In charge)

To

The Deputy Chief Engineer, Electrical Circle, Sreekandapuram.
The Executive Engineer, Electrical Divison, Iritty.

Copy to:

The Legal Adviser & Disciplinary Enquiry Officer.
The Financial Adviser/Chief Internal Auditor.
The Chief Engineer (Distribution North Malabar), Kannur.
The Chief Engineer (IT&CR)
The Financial Adviser/The Chief Internal Auditor
The RCAO/The RAO/The LLO
The TA to Chairman & Managing Director
The TA to Director (Distribution, IT & HRM / Transmission, System Operation & Safety
/ Generation-Electrical & Supply Chain Management / Generation-Civil)
The PA to Director (Finance)/ Senior CA to Secretary (Administration)
The Fair Copy Superintendent/Library/Stock File

Forwarded/By Order

Shruti Shrinani

Assistant Executive Engineer