



# KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)  
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## Abstract

Adalath 2020, Thrissur- Representation from M/s. TATA Coffee Malakkappara- Extending supply to NC Colony, Mayiladumpara- Sanction accorded – Orders issued

## CORPORATE OFFICE (SBU-D)

B.O.(FTD) No.394/2021 (D(D,IT& HRM)/D-2/LV & Int/19-20/0038/21-22 Dated, TVPM, 26. 05. 2021

- Read: 1. Letter no. DGE-IJK/GB3/Adalath 2000/2019-20/66 dated 13.05.2020 of the Deputy Chief Engineer, Electrical Circle, Ernakulam
2. B.O. (FM) No. 2536/2011 (KSEB/TRAC/ S Code/ SC/R2/09) TVPM dated 28.10.2011
3. Circular no. KSEB/TRAC/ S Code/R2/09/114 dated 16.02.2012
4. Letter no. CE(DC)/AEE2/Tata Coffee/2020-21/2102 dated 04.11.2020 of the Chief Engineer Distribution (Central)
5. Letter no. CE(DC)/AEE2/Tata Coffee/2020-21/3339 dated 19.02.2021 of the Chief Engineer Distribution (Central)
6. Letter no. CE(DC)/AEE2/Tata Coffee/2020-21/3523 dated 27.02.2021 of the Chief Engineer Distribution (Central)
7. Note No. D(D,IT &HRM))/ D2/LV & Int/Adalath/21-22 dated 17.05.2021 of the Director (Distribution, IT & HRM) to the Full Time Directors (Agenda No. 44/5/21)

## ORDER

M/s. TATA Coffee Ltd submitted application for effecting supply to their NC Colony, Myladumpara, in the Adalath 2020 held at Thrissur on 27.02.2020 and it was decided to submit a detailed report on the matter before the Board.

Accordingly, the Deputy Chief Engineer, Electrical Circle, Irinjalakuda, as per letter read as 1<sup>st</sup> above, has reported that Mayiladumpara NC Colony is a dwelling area occupied mainly by the estate workers. In 1993, a Minimum Guarantee Agreement vide MG 06/93-94 dated 08.02.1993 was executed with the work estimating to Rs. 6,42,532 for extending supply to the NC Colony. The work involved construction of 6.5 km of HT line, Installation of 100kVA Transformer and LT lines and Street lights. The works were due for execution during 1999-2000 and was completed in December 2000 after which a revised estimate amounting to Rs. 18,32,392 was prepared based on actual execution of works. The Executive Engineer, Electrical Division, Chalakudy demanded the petitioner to execute a revised MG agreement. Aggrieved on this, M/s. TATA represented before the Power Secretary, who in turn rejected the representation and directed to remit the same. M/s. TATA filed various writ petitions before the Hon. High Court of Kerala and the same was dismissed. Again another writ petition WP(C)

No. 3414/2012 was filed by M/s. TATA against the revised MG amount. The MG amount had reckoned to Rs.35,27,354/- as principal and Rs. 56,26,143/- as interest as on 01/2012 . As part of filing of the WP, M/s. TATA remitted 50% of the principal, amounting to Rs.17,63,732/- by Bank transfer on 27.02 2012. The case is pending before the Hon' High Court.

The above line extension work was almost completed in the year 2000 . It is known that the line was test charged, but not charged for supply of power. Subsequently heavy damage occurred on the line, owing to natural calamity and also by wild animals. Now, it is estimated that an amount of Rs.16.05,310/- is required for rectification of the damages and charging of the line.

KSEBL has stopped the execution of MG Agreements from the year 2011 onwards, as per Board Order read as 2<sup>nd</sup> above. Hence, it is unreasonable to execute MG agreements now. Any work can be executed after collecting the reasonable cost. The estimate cost as on 2000 was Rs. 18,32,392/-. They have remitted Rs. 17,63,732/- during 2012. Additional estimated amount now involved for charging of the line is Rs.16,05,310/-.

The estimate for rectification works includes mainly erection of one 100kVA transformer, insertion of HT PSC poles (8nos) and LT Psc pole( 1 no), Renewal of existing damaged HT PSC pole, providing/renewing HT stay, Straightening slanted 11kV Poles, stringing of of 11kV ACSR Rabbit, providing transformer fencing and yard metalling etc.

As per clause 5 of the KSE Board circular, read as 3<sup>rd</sup> above, ' the commission has, in order further clarified that the Minimum Guarantee agreements already executed by KSE Board shall be honoured. It has also been clarified that the system of giving Minimum Guarantee is not provided for in the Electricity Supply Code 2005, and continuance of the same is punishable under the provisions of the Regulations.'

Considering all the above matter, the Chief Engineer Distribution (Central), as per the letter read as 4<sup>th</sup> above, has suggested that UCM and MG is dispensed with from 2011 onwards and treating it again as MG is not logical. Also, the line was in dilapidated condition due to calamity. But if everything went right as per MG and connections were given, there would have been chances for a revenue generation. The remittance of Rs.17,63,732/- in 2012 is considered as vain as far as TATA is concerned.

Moreover, it is reported that all the unuseful materials including all high valued items like transformer, AB switches and reusable conductor etc. were taken for reuse in other locations. So actually the line was not in service for the entire period of MG calculated. If the value of the used materials are deducted, the amount will be reduced.

Hence, as MG was stopped from 2011 and the connections were not effected, if the work was treated as deposit work the calculation is as follows:

TABLE A

Sl.No	Particulars	Amount (Rs)
1	Total estimate for the work due as on 31/12/2000 + 10% supervision charges (i.e 1832392+ 183239.2)	2015631
2	Interest @ 6% from 01.01.2001 being date after intimation till Feb 2012	1350473
3	Total	3366104
4	Less remittance on 27.2.2012	1763732
5	Balance to be remitted	1602372
6	Interest from 1.3.2012 to 30.09.2020 (@ 6%)	825222
7	Balance Outstanding	2427594
	(Rupees Twenty Four Lakhs Twenty Seven thousand Five hundred and Ninty Four only )	

The supply required is for the poor tea plantation workers dwelling quarters. There may be 25 plus domestic connection beneficiaries in the area. It is also learnt that the Athirappilly Grama Panchayath wishes to extend the supply of this transformer at NC colony to the Vettivettukadu Tribal colony nearby inside the forest.

The Chief Engineer Distribution(Central), as per the letter read as 5<sup>th</sup> above, has furnished the estimate for electrification of Vettivittakkadu Tribal Colony, which amounts to Rs.85,41,000/-. The estimate is prepared under the assumption that 11kV line upto Myladumpara NC colony is charged. Necessary clearance from Forest Department is required for the work. There are 13 no of houses as beneficiary of the subject work under Vettivettukkadu Tribal colony. Hence, both may be considered together since the supply to Vettivittakkadu Tribal Colony can be effected only after charging the supply to NC colony. Hence, it is recommended to allow a 50% discount in renovation work of line to NC Colony.

Also, considering the benefits to the poor labourers and tribal habitants, the Chief Engineer (Distribution Central) has recommended 50% of discount on the estimated cost (as arrears) or else to allow 25% discount after deducting the cost of reused materials, which seems to be reasonable , may be allowed to pay by TATA to renovate/ reconstruct the old line and close all the litigations about this.

In this regard, it is noted that as part of Total Electrification Project launched during 2016, KSEB Ltd had to bear 50% of the estimated cost in each LA constituency, subject to a maximum of Rs One Crore per Constituency and balance fund had to be shared by funds from various Government departments. Even though the State of Kerala has been declared as "Totally Electrified State" in the country on 29.05.2017, as part of the "Total Electrification Project" , both the above colonies via Myladumpara NC colony and Vettivittakkadu colonies

are still electrified. Considering the policy of Electricity for all, the above colonies also need to be electrified.

Also, had the revised MG Agreement been executed and line charged as per schedule, then the maintenance of the line is the responsibility of KSEBL. Moreover, all the unuseful materials including all high valued items like transformer, AB switches and reusable conductor etc. were taken for reuse in other locations. Hence, charging an amount of Rs.16,05,310/- for the maintenance of line is not proper.

The matter was placed before the Full Time Directors as per the note read as 7<sup>th</sup> above.

Having considered the matter in detail, the Full Time Directors in the meeting held on 21.05.2021, resolved to accord sanction to exempt the consumer from executing revised Minimum Guarantee for the already completed works for effecting supply to the NC Colony, Mayiladumpara considering that KSEBL has stopped the execution of MG Agreements from the year 2011 onwards, subject to the withdrawal of the case pending before the Hon'ble High Court of Kerala.

Further resolved to authorize the Deputy Chief Engineer, Electrical Circle, Irinjalakuda to recalculate the arrears due from the consumer, treating the work as deposit work with 6% interest as proposed in Table A. by the Chief Engineer, Distribution (Central).

Further resolved to accord sanction to the Deputy Chief Engineer, Electrical Circle, Irinjalakuda for carrying out the work of rectification of the damages of the already constructed line, using KSEBL's Fund, for effecting supply to the NC Colony, Mayiladumapara, after realizing the arrears due from the consumer.

Orders are issued accordingly.

By Order of Full Time Directors,  
Sd/-  
Lekha G.  
Company Secretary (In charge)


To

The Deputy Chief Engineer, Electrical Circle, Irinjalakuda

Copy to:

The Chief Engineer (Distribution Central), Ernakulam/The Chief Engineer (IT&CR)  
The Financial Adviser/The Chief Internal Auditor/Company Secretary  
The RCAO/The RAO/The LLO  
The TA to Chairman & Managing Director/The TA to Director (Distribution, IT & HRM / Transmission, System Operation/ Generation-Electrical & Supply Chain Management / Generation-Civil/Planning & safety)  
The PA to Director (Finance)/ Senior CA to Secretary (Administration)  
The Fair Copy Superintendent/Library/Stock File

Forwarded/By Order

  
Assistant Executive Engineer