



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Reg. Office: Vidyuthi Bhavanam, Pattom,

Thiruvananthapuram - 695 004

CIN : U40100KL2011SGC027424

Website: www.kseb.in

Phone: +91 471 2514576, 2446885, 9446008884

E-mail: dtkseb@kseb.in

ABSTRACT

Land purchased by KSEBL for the construction of 400kV Substation at Madakkathara- Compensation paid by KSEBL as per Court Verdicts- Proportionate cost of additional expenses incurred on land handed over to M/s. PGCIL - sanction accorded for realizing interest amount with weighted average interest rate - Orders issued.

Corporate Office(SBU-T)

B.O.(FTD)No. 239 /2020/D(T,SO&S)/T4/LA-Madakkathara/2019-20 Thiruvananthapuram, Dated 26.03.2020

- Read:
1. B.O.(FTD)No.2031/D(T&SO)/T4/LA/2018-19 dated 21.12.2018
 2. B.O.(FTD) No. 267/2019/D(T&SO)/T4/LA-Madakkathara/2018-19 dtd. 19.03.2019
 3. Letter No SRTS-II/EDO/KSEBL/2019 dtd 03.07.2019 of M/s. PGCIL addressed to the Chairman & Managing Director
 4. letter No.D(T,SO&S)/T4/LA-Madakkathara/2019-20/362 dtd. 20.07.2019 addressed to the Deputy Chief Engineer, Transmission Circle, Thrissur.
 5. Letter No. AB/FO/MDKA/2019-20/2085A dated 22.02.2020 of the Deputy Chief Engineer, Transmission Circle, Thrissur
 6. Note No.D(T,SO&S)/T4/LA-Madakkathara/2019-20/136 dated 18.03.2020 of the Director(Transmission, System Operation & Safety)(Agenda 57/3/20)

ORDER

Sanction was accorded as per B.O. read as 1st above for realizing the Principal amount of Rs 1,32,48,934/- from M/s. PGCIL in connection with the compensation incurred by KSEBL, for the land portion handed over to PGCIL for building their 400kV S/s at Madakkathara on the condition that if the court directs to reimburse the excess amount paid by KSEBL, the same shall be refunded to PGCIL as well. It was further resolved to place the matter of realizing the interest from M/s.PGCIL before the Board of Directors. Accordingly M/s. PGCIL has paid the principal amount on 29.12.2018.

On placing the matter of realization of interest from M/s. PGCIL in the 44th meeting of the Board of Directors held on 18.02.2019, it was resolved to authorize the Full Time Directors to decide on the rate of the interest to be claimed from M/s. PGCIL and also to decide the date of effect of interest. Consequently as per B.O. read as 2nd above resolved to accord sanction to collect interest @ 12% from M/s. PGCIL with effect from the date of actual payment of compensation by KSEBL for the land purchased for the construction of 400kV Substation at Madakkathara.

M/s. PGCIL had requested as per letter read as 3rd above to consider a reduced interest rate from the prospective date of 07.06.2006 (ie. from the date of first claim raised by KSEBL). Based on this, the Chairman & Managing Director has directed to revisit the decision on the interest rate based on the actual interest rates prevailing at the time of each KSEB payments to have a realistic solution for the issue. Accordingly a meeting was held in the chamber of the Director (T,SO&S) on 29/08/2019 with senior officers from the field, Chief Internal Auditor and

representative from the office of the Financial Advisor to have an optimal solution. During the meeting, it was decided to consider the weighted average interest rate for the period from 1/1985 to 12/2018 and to recalculate the interest accordingly.

Accordingly, in consultation with the office of the Financial Advisor, the Deputy Chief Engineer, Transmission Circle, Thrissur as per letter read as 5th above has intimated the recalculated interest rate to be claimed from PGCIL as @ 10.22% instead of 12% (earlier sanctioned). In addition to the above KSEBL has remitted the land tax for the year 2019-20 after the payment of principal amount, hence this amount shall also be claimed from PGCIL.

Also, there is an execution petition filed during 2014 before Hon'ble Sub Court Thrissur (LAD No. 44 of 1986-EP No. 619 of 2014) is pending for disposal with a total decree claim of Rs. 4,27,96,698/- outstanding as on 1.11.2014 with further interest @ Rs.4402/- per day till the payment for enhanced compensation. This huge amount would become a liability to KSEBL if disposed against KSEBL. Hence an undertaking is to be obtained from M/s PGCIL agreeing that they are liable to reimburse any decree amount payable by KSEBL in lieu of future court verdicts, arises even after this settlement/land deed transfer.

Eventhough the KSEBL payments effected during pre-GST era and reimbursement of both the payments (principal and interest portion) comes in post GST era, a decision on the GST collection also to be taken as per rules.

A detailed note addressing all the above issues was placed before Full Time Directors as per note read as 6th above. Having considered the matter in detail, the Full Time Directors in its meeting held on 20.03.2020,

Resolved to accord sanction for the following

1. To claim the interest from M/s PGCIL at a reduced rate of 10.22% (instead of earlier sanction of @12%) on the compensation paid by KSEBL in respect of land purchased for the construction of their 400kV Substation at Madakkathara, with effect from the date of actual compensation payment by KSEBL.
2. To modify the B.O.(FTD) No. 267/2019/D(T&SO)/T4/LA-Madakkathara/2018-19 dated 19.03.2019 to this extent.
3. To claim the land tax remitted during 2019-20 from M/s. PGCIL.
4. To collect GST from M/s. PGCIL, if it is applicable.
5. To transfer the land documents to the name of M/s PGCIL on payment of all dues as above and after obtaining a valid undertaking from M/s PGCIL agreeing that, they are fully and solely responsible to pay/reimburse any amount of compensation or other payments with respect to the land portion under their possession which may arise even after the land transfer, if any.

Orders are issued accordingly.

By Order of the Full Time Directors,

Sd/-

Lekha G.

Company Secretary (In- Charge)

To : The Chief Engineer (Transmission-North)

Copy to:

The Deputy Chief Engineer, Transmission Circle, Thrissur

The Financial Adviser/ The Chief Internal Auditor.

The Dy. Chief Engineer (IT)/ The RCAO/ RAO.

The TA to Chairman & MD/D(T,SO&S)/D(D, IT & HRM)/D(G-C)/D(G-E, SCM)

The PA to Director (Finance)/Company Secretary, The Legal Liaison officer, Kochi

Fair Copy Superintendent/Library/Stock File.

Forwarded / By Order


Assistant Engineer