

**KERALA STATE ELECTRICITY REGULATORY COMMISSION  
THIRUVANANTHAPURAM**

Present: **Shri. S. Venugopal, Member**  
**Shri. K. Vikraman Nair, Member**

Petition RP No.3 / 2019

In the matter of : Review on the Order dated 14-9-2018 on the Truing up of  
Accounts of KSEB Ltd for the year 2016-17

Petitioner : Deputy Chief Engineer (Commercial & Planning)  
With full powers of Chief Engineer,  
Kerala State Electricity Board Limited

Petitioner represented by :Sri. Bipin Sankar , Deputy CE, TRAC  
Sri. K G P Nampoothiri, EE TRAC  
Sri Girish Kumar, F.O., TRAC,  
Sri. Ajith Kumar, DA), TRAC  
Sri. Anil Rosh, Dy CAO, KSEB  
Sri. Abdul Naser, F.O. KSEB

Respondents present by : Sri, Dijo Kappen, Kottayam  
Sri. Ratheesh Kumar, HT-EHT Association  
Smt.Prini Peter, HT-EHT Association  
Sri. Pradeep, HT-EHT Association  
Sri.Ayyappan Nair, Thiruvananthapuram  
Sri. Jayan Leiyseeyam, Thiruvananthapuram

**Daily Order dated 25-03-2019**

The petition above mentioned was filed by M/s Kerala State Electricity Board Limited against the Order on Truing up of Accounts for the year 2016-17 dated 14-9-2018 was came up for hearing on 19-3-2019. Sri. Bipin Shankar, Dy Chief Engineer, representing KSEB Ltd presented the matter. The review was sought mainly on the following issues :

1. There is apparent error on the estimation of the normative loan for the year 2015-16 on account of omission on depreciation clawed back in earlier years in the computation and accordingly the interest charges for the year 2016-17 would be revised.
2. Disallowance of employee cost by Rs.217.35 crore without considering the business growth

3. Disallowance of electricity duty under Section 3(1) of the Kerala Electricity duty Act
4. Disallowance of depreciation of Rs.247.63 crore towards the assets created out of contribution and grants
5. Other debits, prior period expenses and charges on account of fair valuation of Rs.33.90 crore on switch over to INDAS
6. Arrears on interest on GPF of Rs.14.26 crore for the year 2015-16 accounted in 2016-17.

KSEB Ltd conceded that though details regarding interest on GPF and fair valuation adjustments are included in the further clarifications on the petition, the same was not sought as separate claims in the petition.

Regarding the common issues such as interest on normative loan, employee cost, section 3(1) duty, and depreciation, the objectors reiterated the arguments made in the RP No.2/2018 on the petition for Review of Truing up for 2015-16. Regarding other debits and arrears on Interest on GPF, Sri. Ratheesh Kumar, Joint Secretary, representing the Kerala HT-EHT Industrial Electricity Consumers stated that fair value adjustments are only accounting practices and actual payment are not subjected to such adjustments. Thus fair value expenses proposed by KSEB Ltd can be ignored. The Association further prayed that since there is exorbitant delay in filing the petition, it would be a good practice to conduct a public hearing before admitting the delay condonation petition.

Hearing concluded.

KSEB Ltd may furnish accounting details of the claim of GPF and fair valuation with detailed note to substantiate the claim and reply if any on the rejoinders of the parties within 10 days.

Sd/-

**K. Vikraman Nair**  
**Member**

Sd/-

**S. Venugopal**  
**Member**

Approved for issue  
Sd/-

**G.Jyothichudan**  
**Secretary**