

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

PUBLIC NOTICE

In the matter of

Notice Under Section 19(3) of the Electricity Act 2003 for revocation of licence of M/s KINESCO
Power Utilities Private Limited

No. 719/SEA/KSERC/2013

Dated: 2-5-2014

1. As per the order dated 30-11-2009, the licence for distribution of electricity in Kinfra Export Promotion Park (KEPIP), Kakkand, KEPIP Expansion in Kakkanad, Kinfra Hi-tech Park Kalamassery and Kinfra Integrated Textile Park, Palakkad was transferred to M/s KINESCO Power Utilities Private Limited (hereinafter mentioned as M/s.KPUPL) from M/s. KEPIP, and in pursuance to the said order, the operational control of the licence area was taken over by M/s KPUPL on 1-2-2010. The licence was transferred to the new entity viz., M/s KPUPL created pursuant to a Government Order No.GO(MS)No.88/2008/ID dated 27-6-2008 for formation of a joint venture company between Kinfra and NTPC Electric Supply Company for undertaking distribution of power in industrial parks, SEZs and to contribute to system improvement in terms of quality and reliability in the distribution sector and also brings new technologies. However, till this date, the transfer of assets or opening balance sheet for new entity has not taken place to ensure sustainable distribution operations in the areas of supply.

2. The Commission has provisionally come to the conclusion that M/s KPUPL is not sufficiently equipped to continue the licensee operations in the areas of supply as designated in its licence, thereby rendering necessary actions under Section 19 of the Electricity Act. Accordingly, a notice No. 719/SEA/KSERC/13/1385 dated 18-12-2013 under Section 19(3) of the Electricity Act 2003, was issued to M/s KPUPL to show cause with necessary supporting details, within three months, as to why the licence for distribution of electricity given for M/s KPUPL is not be revoked. A copy of the notice is available at the website of the Commission (www.erckerala.org.)

3. The Kerala State Electricity Regulatory Commission invites comments/suggestions from the consumers and stakeholders on the above matter which may be sent so as to reach the Secretary, Kerala State Electricity Regulatory Commission, KPFC Bhavanam, C.V.Raman Pillai Road, Vellayambalam, Thiruvananthapuram – 695010 with a copy to the petitioner latest by 01-06.2014. The response may be submitted by hand, by courier, by post or by e-mail. The comments/suggestions on the matter may be filed in English or in Malayalam, and should carry the full name, postal address and e-mail address of the sender. Those who are desirous to be heard in person, in which case an opportunity would be given by the Commission at the Public Hearing to be held as scheduled.

Date	Venue	Time
03.06.2014	Conference Hall, M/s KPUPL, Kinfra Park Office, Kusumagiri. P.O. Kakkanad, Kochi.	11:00 AM

4. A copy of the notice is available at the website of the Commission (www.erckerala.org.) for the information of the public

By the Order of the Commission

SECRETARY



KERALA STATE ELECTRICITY REGULATORY COMMISSION

KPFC BHAVANAM, C.V. RAMAN PILLAI ROAD, VELLAYAMBALAM,
THIRUVANANTHAPURAM, KERALA, PIN 695 010

Phone: 0471 273 5544, FAX 0471 273 5599, Website: www.erckerala.org
E-mail: kserc@erckerala.org

No. 719/SEA/KSERC/13/1385

Dated: 18-12-2013

NOTICE

(Under Section 19(3) of The Electricity Act 2003)

1. WHEREAS, the licence for distribution of electricity in the area comprising of Kinfra Export Promotion Park (KEPIP), Kakkand, KEPIP Expansion in Kakkanad, Kinfra Hi-tech Park Kalamassery and Kinfra Integrated Textile Park, Palakkad was transferred as per the order dated 30-11-2009 of the Commission to M/s KINESCO Power Utilities Private Limited (hereinafter mentioned as M/s. KPUPL) from M/s. Kinfra Export Promotion Industrial Park (KEPIP), and in pursuance to the said order, the operational control of supply of electricity in the area of licence was taken over by M/s KPUPL on 1-2-2010 and the licence was transferred to the new entity viz., M/s KPUPL created pursuant to the Government Order No. G.O. (MS) No.88/2008/ID dated 27-6-2008 on formation of a joint venture company between KINFRA and NTPC Electric Supply Company for undertaking distribution of power in industrial parks, Special Economic Zones and to contribute to the system improvement in terms of quality and reliability in the distribution sector and also to bring in new technologies;

2. AND WHEREAS, the transfer of assets or drawing up of opening balance sheet for the new entity has not taken place till this date to ensure sustainable distribution operations in the areas of supply;

3. AND WHEREAS, in the order dated 6-12-2011 of the Commission on the Truing Up of accounts for the period from 2004-05 to 2008-09 of M/s KEPIP, the Commission had directed it to finalize the transfer process immediately and to submit the transfer scheme with complete details before the Commission for approval;

4. AND WHEREAS, the Commission in its order dated 3-1-2012 on ARR&ERC for M/s KPUPL for the year 2011-12, had directed them to submit the documents of transfer of assets and liabilities for approval within one month of the said order;

5. AND WHEREAS, as per order dated 22-6-2012 of the Commission in the ARR&ERC of M/s KPUPL for the year 2012-13, it was directed to submit the

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Date : 19/12/13
Initial : PGS

statement regarding transfer deed, position of assets etc. within one month from the date of the order, failing which it was notified therein that the Commission may initiate proceedings for revocation of transfer of licence;

6. AND WHEREAS, the Truing Up petition for 2009-10 submitted by KPUPL was returned vide letter dated 3/5/2013 of the Commission for curing the defects and the same has not been resubmitted till date by them;

7. AND WHEREAS, the licensee has not so far established the distribution system in its part of the area of licence ie., Kinfra Integrated Textile Park, Palakkad;

8. AND WHEREAS, the licensee has failed in furnishing a long term power purchase agreement or a plan for catering to the needs of the consumers in the area of supply;

9. AND WHEREAS, condition 4 of the licence given to M/s KPUPL provides for compliance of the provisions of the Electricity Act, Rules, Regulations, Orders and directions of the Commission; the licensee has to monitor the compliance and report any material breach of the licence, as soon as possible, as per Condition 5 it is the duty of the licensee to establish and maintain co-ordinated and economical distribution system and provide supply to its consumers, Condition 6 provides that the licensee has the obligation to supply electricity to any person requiring supply of electricity in the area of supply, in order to fulfil such obligations, the licensee has to have sufficient power purchase agreements for meeting the demands of the consumers, Condition 11 provides that the licensee has to maintain the accounts in such a way as the Commission may direct to prepare accounting statements and deliver to the Commission as and when necessary, Condition 33 provides that non-compliance or breach of any of the conditions 4 to 32 may be sufficient to proceed under clause (b) of subsection (1) of Section 19 of the Act;

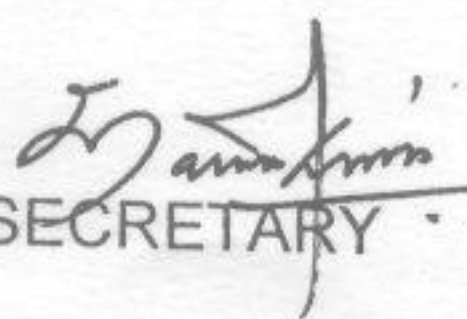
10. AND WHEREAS, Commission has provisionally come to the conclusion that the Licensee has failed to discharge the functions and obligations listed in the licence, including but not limited to the above and that they have not complied with the directions given by the Commission in its various orders aforesaid;

11. AND WHEREAS, the Commission under the above said circumstances has come to the prima facie finding that M/s KPUPL has not sufficiently equipped to continue the operations of the licensee in the areas of supply as designated in its licence, thereby rendering necessary on its part to take actions under Section 19 of the Electricity Act;

NOW, THEREFORE, M/s. KPUPL is hereby given notice under Section 19(3) of the Electricity Act 2003, to show cause, with necessary supporting details, within three months from the date of receipt of this notice, as to why the above said licence for distribution of electricity given to them should not be revoked.

M/s KPUPL is also informed that if they are not responding within the said period, it will be presumed that the licensee has no explanation to offer and the matter will be decided accordingly. M/s KPUPL is also directed to inform as to whether they desire to be heard in person in the matter.

By the Order of the Commission


SECRETARY

To

The Chief Executive Officer,
Kinesco Power and Utilities Private Limited,
Room No. 302-306, 2nd Floor,
CFC Building, KINFRA Park Office,
Kusumagiri P.O., Kakkanad,
Kochi - 682 030.