

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present : Shri T K Jose, Chairman
Adv. A.J Wilson, Member
Shri B Pradeep, Member

OP 74/2023

In the matter of Petition for inclusion of additional license area at Rubber Park at Piravanthoor under Section 18 of the Electricity Act, 2003– amendment of license area and under Section 19 of Kerala State Electricity (Licensing) Regulations, 2006.

Petitioner Rubber Park India Private Ltd ('RPIPL')

Respondent Kerala State Electricity Board Ltd (KSEB Ltd)

Date of Hearing 21.03.2024

Venue Conference Hall, RPIPL Piravanthoor, Punalur.

Order dated 11.03.2025

1. Rubber Park India Private Ltd (hereinafter referred as RPIPL or petitioner) filed a petition dated 19.12.2023 for inclusion of additional license area at Rubber Park India Private Ltd Piravanthoor under Section 18 of the Electricity Act, 2003 and under Section 19 of Kerala State Electricity (Licensing) Regulations, 2006.
2. Summary of the petition filed by RPIPL is given below.
 - (1) RPIPL is a joint venture of Kerala Industrial Infrastructure Corporation Ltd (KINFRA) and the Rubber Board. The company was incorporated in 1997 under the Companies Act 1956 for establishing industrial parks, exclusively for rubber and rubber wood-based industries with world-class infrastructure. The objective of the Rubber Park is to develop infrastructure facilities like Common effluent treatment plant (CETP), water, power etc.
 - (2) The first park of the petitioner was established on 110 acres of land in Irapuram village, near Perumbavoor, in Kunnathunadu Taluk, Ernakulam District. The land within the park was allocated to 51 industrial units and the units are fully operational.

RPIPL also has distribution license to distribute electricity within the park, which was granted by Government of Kerala vide the GO (P) No. 20/2003/ PD dated 17.06.2003 under the provisions of Indian Electricity

Act, 1910. The details of the boundaries of the authorized area of supply is given below;

Cardinal Direction	Site A of RPIPL	Site B of RPIPL
North	By Panchayath Land	By PWD Road
East	By Periyar Valley Irrigation Project Low-Level Canal and 3 Cent Colony	By Harijan Colony
South	By PWD Road	By Panchayath Road
West	By Panchayath Road and Private Property	By PWD Road

RPIPL owns a 110/11 kV substation with a 2x12.5MVA capacity substation and also established 11 kV ring main power distribution network for supply of power to various consumers in the park. There are 2 ring main distribution system with 11 KV UG cables, two numbers of 11 KV dedicated feeder supply and 9 unitized substations within the park at Irapuram. Since inception they had adopted prepaid billing system for its consumers.

RPIPL, has been meeting its entire power requirement from the incumbent licensee KSEBL, at 110 kV through a 110 kV double circuit Kalamassery - Muvattupuzha feeder.

Rubber Park at Piravanthoor, Pathanapuram

- (3) The second park of the RPIPL is at Piravanthoor, Pathanapuram, near Punalur, Kollam District, in 20 acres of land, which was taken on lease from KINFRA.
KINFRA is a Government of Kerala undertaking, which is established by the State Government for the promotion of industries in the State.
- (4) Ministry of Environment, Forest and Climate Change (MoEFCC) vide notification F.No.1-4/2012-RE(Pt) dt. 13.11.2013 had declared the proposed land at Piravanthoor including the land in possession of KINFRA as an Ecologically Sensitive Area (ESA) in 2013. As per the notification of MoEFCC dated 04.09.2015, all new and expansion projects of building and construction with build-up area of 20,000 Sq.m (2,15,000 Sq.Ft) and above are prohibited in the ESA notified area.
- (5) M/s RPIPL vide their Board meeting held on 22.12.2017 had decided to develop an industrial park with a total build up area of less than 20,000 Sq.m (2,15,00 sq.Ft) at Piravanthoor Kollam in 20 acres of land from KINFRA to house 15-20 rubber based industrial units coming under white/green/orange category.
- (6) KINFRA has allotted 19.9294 Acres of land in Survey No.688/01 in Piravanthoor village, Pathanapuram Taluk, Kollam District on leasehold basis sublease with the premium of Rs 12.9132 crore, initially for a period of 35 years with a provision to sublease.

- (7) RPIPL has incurred a total cost of Rs 23.71 crore for the development of the park at Piravanthoor.
- (8) **RPIPL further submitted that the proposed park is developed in 19.9294 Acres of land, out of which 10.58 Acres of land is ready for the allotment of new industrial units.** The park is equipped with basic common physical infrastructure and facilities to enable the interested entrepreneurs to set up rubber based business operations. M/s RPIPL will provide water for industrial use from the water supply system to any industrial unit established in the Rubber Park from the day one onwards.

Hassle-free electricity is provided to the proposed park through a dedicated 11 kV feeder from the 110/11kV Substation of KSEB Ltd at Punalur. A canteen is also established for industry employees and public use. The details of the boundaries shared by the proposed park is given below.

Cardinal Direction	Boundary of Rubber Park, Piravanthoor
North	KINFRA Land
East	PWD Road
South	PWD Road
West	Buffalo Breeding Farm and Private Lands

- (9) The Government of Kerala vide G.O (P) No. 134/2011/ID dated 23.05.2011, in exercise of the powers conferred by Clause (f) of the Section (2) and (5) of the Kerala Industrial Single Window Clearance Boards and Industrial Township Area Development Act, 1999 (5 of 2000) declared **KINFRA Industrial Park, Piravanthoor, Kollam** to be an 'Industrial Area' of the State and constitute a Single Window Clearance Board for the said area to be known as 'The Kerala Industrial Infrastructure Development Corporation Industrial Park, Piravanthoor Single Window Clearance Board' for the purpose of speedy issue of various licences, clearances or certificates required under the various state enactments for setting up of small scale industrial undertakings. Deputy Chief Engineer, KSEBL, Kollam is also a member of the said Board.
- (10) RPIPL submitted that, M/s KIFRA already have an industrial park near the Rubber Park at Piravanthoor and established a dedicated 11kV feeder from the 110/11kV Substation, Punalur of KSEB Ltd. RPIPL ensures hassle-free power supply through extending the dedicated 11KV feeder from the 110/11kV Substation, Punalur of KSEB Ltd to KIFRA park by using 11KV ABC distribution network.

There are 2x500kVA, 11kV/415V & 2x250kVA, 11kV/415V distribution transformers inside the park for catering the power requirement of various units. Streetlights also provided in the road constructed in the

park. The internal power distribution and feeder extension works for the proposed park were carried out as deposit work by the KSEB Ltd. RPIPL had deposited Rs. 92.34 lakhs towards the deposit work for the feeder extension and establishing internal power distribution network and Rs. 47.46 lakhs to KINFRA as 50% of the total cost (Rs. 94.91 lakhs) incurred by them towards establishing the dedicated 11 KV feeder from 110/11kV Substation, Punalur of KSEB Ltd.

KSEBL has already energised a distribution transformer within the park. At present KSEBL is giving supply directly to administrative buildings and also for few allottees in the park at LT.

RPIPL is expecting 15-20 numbers of industrial units in the Rubber Park at Piravanthoor. The area of the park falls under Electrical Section, Piravanthoor of KSEBL. The electrical section offices of KSEBL have a consumer base of 15000 to 20000 consumers. It may be difficult for KSEBL to deliver personalised services to 15-20 numbers of industrial consumers.

Considering these aspects, Rubber Park requested before the Commission to grant license for the distribution of electricity within the area of Rubber Park at Piravanthoor.

3. The Commission after examining the petition decided to admit the same as OP 74/2022, and directed the petitioner to comply the following;
 - (1) RPIPL may publish the notice in compliance to Regulation 8 of KSERC (Licensing) Regulations, 2006 in two dailies each having wide circulation, in English and Malayalam. A copy of the notice published in the dailies may be forwarded to the Commission.
 - (2) RPIPL may serve notice and copy of the petition to the State Government, local authority and KSEB Ltd as envisaged in the Regulation.
4. RPIPL vide the e-mail dated 18.03.2024 submitted that they had published the details of the land proposed to be included, in two English dailies (Times of India & New Indian Express) and two Malayalam dailies (Mathrubhumi & Deshabhimani) on 07.03.2024. Further the petitioner vide letter dated 12.03.2024 had forwarded the copy of petition to the Government of Kerala, Piravanthoor Grama Panchayath and KSEB Ltd, copy of the same is also forwarded to the Commission.

Counter affidavit of KSEBL

5. KSEBL vide the affidavit dated 20.03.2024 has submitted the objections and comments on the petition filed by M/s RPIPL for the inclusion of 'rubber park at Piravanthoor as its additional license area. The summary of the objections and comments of KSEBL is given below.
 - (1) KSEBL is the deemed distribution licensee for the entire State of Kerala. The area proposed by M/s RPIPL to be included as additional

distribution license area in Piravanthoor, Kollam is within the license area of KSEBL.

As per Clause 14 and 131 of Electricity Act 2003, KSEBL is the successor entity of the erstwhile Kerala State Electricity Board (KSEB), which was formed as per Section-5 of the Electricity (Supply) Act 1948.

Therefore the application of M/s RPIPL for extending the license area at Piravanthoor, Kollam can be treated only as a subsequent license in accordance with the 6th proviso to Section 14 of Electricity Act 2003, in the area where KSEBL is already a deemed licensee.

- (2) KSEB Ltd submitted that, as per 6th proviso to Section 14 of the EA 2003, the appropriate Commission may grant a license to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the condition that the applicant comply with the additional requirements as may be prescribed by the Central Government.

Government of India, vide notification dated 23.03.2005 has prescribed additional requirements as per "Distribution of Electricity licence Rules 2005" wherein the following are prescribed

- (i) The Appropriate Commission shall decide the requirement of capital investment in the area
- (ii) The Applicant for grant of licence shall be required to satisfy that 30% of the cost of investment is available.
- (iii) In case of a second licensee the minimum of area of supply shall be a municipality, corporation or a revenue district.
- (iv) The applicant has not been found guilty under provisions of Companies Act, IT Act, SEBI Act, Excise and Customs Act.

KSEBL further submitted that, GoI vide the Gazette notification dated 08.09.2022 amended the Distribution of Electricity License (additional requirements of Capital Adequacy, Credit worthiness and code of conduct) Rules, 2005 and the relevant portion is extracted below.

"Explanation,- For grant of a license for distribution of electricity within the same area in terms of sixth proviso to Section 14 of the Act, the area falling within either a Municipal Corporation as defined in article 243Q of the Constitution or three adjoining revenue districts, or a smaller area as may be notified by the Appropriate Government shall be the minimum area of supply"

- (3) Government of India under Special Economic Zone Act notified that a Developer or authority of a special Economic Zone shall be deemed to be a licensee for distribution of electricity for the purpose of Section 14 of Electricity Act 2003. SEZs are exempted from the minimum area condition as well as other condition prescribed for grant of license.

- (4) Regarding the Capital Adequacy and Credit worthiness for getting distribution license, KSEBL submitted relevant portion of the judgment of Hon'ble APTEL in Judgement dated 6th April 2011, in Appeal Petition No. 07/2010 has observed as follows;

"45.....In case the parallel licence is granted to the Applicant (PVVNL), the State Government will consider to provide financial help for establishing and strengthening the distribution network. It does not indicate that the sovereign guarantee has been given by the State Government for providing the entire funds to the Applicant "Will Consider" can not be construed to be a "Sovereign Guarantee". So the conclusion arrived at by the State Commission to the effect that the above letter shall be considered to be a Sovereign Guarantee and as more than an assurance by the Government for the development and strengthening the distribution network, is totally wrong as the same is contrary to the contents of the letter dated 22.4.2009. On the other hand, as referred to above, the said letter only expresses that the State Government may consider providing funds to the Respondent No.1. This letter does not show that the State Government has made any budgetary allocation for providing equity capital to Respondent No.1 to the extent of 30% of the capital investment".

The Hon'ble APTEL in the above order has further stated that

"46.Merely because the Respondent No.1 and UPPCL happened to be the Government Companies, it cannot be concluded that it has satisfied the capital adequacy norms. In order words, the fact that the Company is a Government Company would not be construed to be sufficient to fulfil the mandatory requirements of capital adequacy and creditworthiness. The Respondent No.1 or its promoter is a mere Company which is like any other company promoted by a large Company in the country. No exception can be carved out for the Respondent No. 1 or its promoter merely because the Company is owned by the State Government. Neither, the Electricity Act, 2003, nor the Regulations framed by the State Commission make any exception for the Companies owned by the Government."

Thus, it is clear that the satisfaction of capital adequacy and credit worthiness has to be established by the petitioner for getting distribution license.

- (5) The minimum area of supply as per the "Distribution of Electricity Licence Rules 2005" and its amendment has to be either a municipal corporation or three adjoining revenue district or a smaller area as may be notified by the Appropriate Government. The intention behind envisaging a minimum area condition is to avoid cherry picking. Here also the area requested for grant of license in the petition, consists only of few industrial consumers. This can also be considered as cherry picking as there is only subsidizing category of consumers in the proposed area of supply.
- (6) KSEB Ltd further submitted that the area of supply requested by the petitioner has not been notified by the State as a minimum area of

supply. Accordingly, the minimum area of supply conditions is not satisfied by the petitioner in the above case.

- (7) The contention of the petitioner that, the section offices of KSEBL managing a substantial consumer base of approximately 15,000 to 20,000, may face practical limitations in delivering personalized services to the 15-20 numbers of individual consumers cannot be accepted.

KINFRA Industrial area adjacent to the Rubber Park Piravanthoor area is presently fed by KSEBL and there is no complaint from the part of KINFRA regarding the power supply given and the services rendered by KSEBL in that area.

Further, KSEBL has been supplying power to various industrial parks throughout Kerala with credible service and to the maximum satisfaction of the consumers. Hence, there will be no problem for KSEBL for providing electricity supply to the consumers under the Piravanthoor Rubber Park area also to the full satisfaction of the consumers.

- (8) KSEB Ltd further submitted that providing licence to smaller areas are causing excess infrastructure development which in turn will be reflected on the tariff of the consumers of the State. Any unwanted infrastructure needs to be curbed for the betterment of the society. Many small licensees in the State had developed number of EHT substations, where only a meagre load has been catered. There is a wastage of infrastructure developed as part of having multiple licensees and also to the fact that all the small licensees are taking power from KSEB Ltd. Hence KSEB Ltd suggested that the supply to the industrial area may be given as Single Point Supply connection instead of giving them a licensee status.

Hearing on the petition

6. Hearing on the petition was held on 21.03.2024 at Conference Hall of RPIPL at Piravanthoor, near Punalur. Shri. George V James, Managing Director, RPIPL presented the petition on behalf of the petitioner. Shri. Rajesh, R, Asst: Executive Engineer presented the comments of KSEBL. The summary of the hearing held on 20.03.2024 is given below.

- (1) The petitioner M/s RPIPL during the hearing submitted that,
- (i) **Rubber Park India (P) Ltd (RPIPL)** is a joint venture Company, established between the KINFRA and the Rubber Board, with both entities contributing equally, Rs. 10 Crore each as equity. **RPIPL** was incorporated in 1997 under the Companies Act 1956 to develop industrial parks exclusively for rubber and rubber wood-based industries, providing world-class infrastructure facilities such as power, water, and a Common Effluent Treatment Plant (CETP). The **first industrial park** was

established on a 110-acre site in Irapuram village, located within the Kunnathunadu Taluk, near Perumbavoor in Ernakulam District.

- (ii) The **second Rubber Park** was set up on a 20-acre plot in Piravanthoor, within the Pathanapuram Taluk, near Punalur in Kollam District, to further support the growth of rubber-based industries.
- (iii) In 2012, the **Government of Kerala** accorded sanction for the utilization of **51 acres of land** in Piravanthoor, which was in the possession of KINFRA, for industrial park development. The Ministry of Environment and Forest, **Government of India**, declared the proposed land at Piravanthoor as an **Ecologically Sensitive Area (ESA)** in 2013.
- (iv) 88th Board meeting of Rubber Park in 2017 decided to develop second park at Piravanthoor in 20 acres of land to house 15-20 rubber based industrial units.
- (v) The **land at Piravanthoor** was officially declared an industrial area by the **State Government** on **23.05.2011**, under the name "The Kerala Industrial Infrastructure Development Corporation Industrial Park, Piravanthoor Single Window Clearance Board". The industrial park of M/s RPIPL is established within the KINFRA land.
- (vi) The park is being developed on **19.93 acres of land**, with **10.58 acres** designated as **leasable area**. Allotment of land to industrial units has already commenced. The park is equipped with basic common physical infrastructure and facilities.
- (vii) Hassle free electricity is ensured through a dedicated 11kV feeder originating from 110/11kV substation of KSEBL at Punalur to KINFRA park at Piravanthoor and further extended to Rubber Park via 11 kV ABC conductors.
- (viii) 11kV power distribution network with 2 x 500kVA, 11kV/415V & 2 x 250kVA, 11kV/415 V distribution transformer were established within the park for catering LT power requirements of various units. The internal power distribution and feeder extension works for the Rubber Park at Piravanthoor were carried out as a deposit work with the State utility KSEBL.
- (ix) The total capital investment incurred by M/s RPIPL for developing the park is given below.

Sl. No.	Particulars	Amount	(% of the total cost)
		(Rs. in Lakhs)	
1	Land Cost	1291.32	55.1%
2	Land Development and general infrastructure	914.53	39.0%
3	Internal Power distribution & Dedicated feeder	138.03	5.9%
4	Street Light	0.52	0.0%
Total		2344.4	100.0%

- (x) The details of the cost incurred for creating the electricity distribution system within the park at Piravanthoor is given below.

Sl. No.	Particulars	Amount
		(Rs. in Lakhs)
1	Internal power distribution network and feeder extension (Deposit work by KSEBL)	90.57
2	Dedicated 11 kV Feeder (50% cost to KINFRA)	47.46
Total		138.03

- (xi) The details of the source of funds for the capital investment made by M/s RPIPL is given below.

Sl. No.	Particulars	ASIDE Grant (Rs. in Lakhs)	Own Fund (Rs. in Lakhs)	Total (Rs. in Lakhs)
1	Land Development and general infrastructure	890.68	23.85	914.53
2	Land Cost	0.00	1291.32	1291.32
3	Street Light	0.52	0.00	0.52
4	Power distribution network	0.00	138.03	138.03
Total		891.20	1453.20	2344.40

- (xii) On 27th March 2023, the Kollam District Industries Centre conducted the first allotment of land for two industries. One of the allotments was withdrawn due to financial difficulties encountered by the applicant. The second industries started their operations partially.

- (xiii) To attract a greater number of investors, five meetings have already been conducted within Kerala to engage with local industries and stakeholders. Additionally, plans are underway to invite industries from outside Kerala, expanding the scope for potential investments and enhancing the overall attractiveness of the park to a wider audience. During a meeting held in Punalur,

around 17 industries participated and expressed willingness to purchase land in the park, indicating a positive level of interest in the area. However, the classification of the area as an Ecologically Sensitive Area has created significant challenges, particularly in regard to setting up a Common Effluent Treatment Plant (CETP), which is a necessary infrastructure element for industries in such parks. Due to ESA restrictions, the establishment of such a facility has been hindered, causing some industries to hesitate or refrain from committing to the project.

- (xiv) The anticipated energy requirement at the park is as given below.

Year	Anticipated energy consumption (MU)
2024-25	0.50
2025-26	1.00
2026-27	2.00
2027-28	4.54
2028-29	5.67

- (xv) Minimum staff structure proposed by RPIPL for managing the distribution licensee business at Piravanthoor park is given below.

Position	Minimum Qualification	Number of Persons
Electrical Engineer cum Safety Officer	Degree in Electrical Engineering with at least five years experience in operation and maintenance of electrical installations or a Diploma in Electrical Engineering with at least ten years experience in operation and maintenance of electrical installations. (R-5 :CEA Safety Regulations 2023)	1
Sub Engineer	Diploma in Electrical Engineering with at least five years experience in operation and maintenance of electrical installations. (R-8: CEA Safety Regulations 2023)	1
Lineman/ Technician	ITI in Electrician trade with at least two years of experience in electrical installations.	2
Junior Accountant	Bachelor of commerce with at least one year of experience (Part time).	1
	Total	5

- (2) KSEBL submitted the following during the hearing.
- (i) The application of M/s RPIPL for extending the license area at Piravanthoor can be treated only as a subsequent license in accordance with the 6th proviso to Section 14 of Electricity Act 2003, in the area where KSEBL is already a deemed licensee.

- (ii) As per the 6th proviso to Section 14 of the EA 2003, the appropriate Commission may grant a license to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the condition that the applicant comply with the additional requirements as may be prescribed by the Central Government.
- (iii) The minimum area of supply as per the "Distribution of Electricity Licence Rules 2005" and its amendment has to be either a municipal corporation or three adjoining revenue district or a smaller area as may be notified by the Appropriate Government. The petitioner has not satisfied the minimum area of supply conditions prescribed by the Central Government.
- (iv) The petitioner has also not satisfied the 'capital expenditure and credit worthiness' criteria as per the Judgment of the Hon'ble APTEL dated 6th April 2011 in Appeal No. 7 of 2010.
- (v) Small distribution licensees in the State has been meeting the entire electricity requirement from KSEBL. Most of the substation and assets created by the small licensees are under utilised which may cause additional burden to the consumers of the State.
- (vi) KSEBL has been directly supplying electricity to the nearby KINFRA park at Piravanthoor. So far, there is no issue in providing electricity within the KINFRA park. Except few parks, KSEBL has been directly supplying electricity to more than 25 parks developed by KINFRA at various locations in the State.
- (vii) The anticipated electricity consumption of the park is very small. At present, three industrial units only purchased land for the project and the total annual energy consumption within the park is less than 10,000 units (1/100th of one MU). The operation and maintenance of the distribution system including billing and collection etc with five (5) number of staffs including one electrical engineer with Degree, one sub engineer with diploma etc may cause huge burden to the consumers.
- (viii) In order to provide electricity within the park, either RPIPL can permit KSEBL to directly provide electricity supply to the industrial units within the park. Alternatively, RPIPL can avail single point supply from KSEBL as per the provisions of the Kerala Electricity Supply Code, 2014.

KSEBL prayed before the Commission to reject the petition, and permit KSEBL to provide electricity to the industrial units of the Piravanthoor park to the satisfaction of RPIPL and its consumers, so that unnecessary manpower and O&M cost for maintaining the distribution system by RPIPL can be avoided.

- (3) Based on the deliberations during the hearing, the Commission has directed the petitioner to comply the following;
- (i) M/s RPIPL may create awareness among the potential investors about the benefits of the single-window clearance system, availability of raw materials, reduced transportation costs, etc.
 - (ii) The Commission suggested that, reasonable amount may be collected as upfront charges from the investors.
 - (iii) Commission noted that, the internal distribution network within the park is created through KSEBL as deposit work. The assets so created is now physically owned by KSEBL and is claiming O&M cost for the same in their ARR.
 - (iv) There is no clarity on whether the land allocated to M/s RPIPL is included in the land notified as industrial area of KINFRA at Piravanthoor.
 - (v) The Commission also directed the RPIPL to clarify, whether they are agreeable for distributing electricity through KSEBL until the park is fully developed and the consumption reaches upto 2 to 3 MU annually.

7. M/s RPIPL vide the submission dated 02.04.2024 submitted the following comments on the counter affidavit filed by the respondent and the clarifications to the queries raised by the Commission during the hearing;

(1) Clarifications on the Single window clearance notification

- The 20 acres of land allotted by KINFRA for the Rubber Park is part of the 63 acres of land already in possession of KINFRA, for which the single window clearance order was issued by the GoK in 2011. Hence, the land allotted by KINFRA to Rubber Park at Piravanthoor is already encompassed within the industrial township area. Hence, no separate single window clearance notification is required for the Rubber Park, Piravanthoor.

Further, the single window formation order issued by the GoK did not specify the survey numbers of the land covered in the notified area. Hence M/s RPIPL had requested to the State Government through KINFRA to issue clarification on the same. RPIPL submitted that, they are expecting to receive the clarifications from the Government within two months.

(2) Eligibility for additional license area

- The eligibility criteria for granting licenses in the State of Kerala are governed by the KSERC (Licensing) Regulations, 2006. As per the

Sub Regulation 2 of the Regulation 3 of the KSERC (Licensing) Regulations, 2006, the Area of Supply for distribution license shall not be less than a Panchayath, Municipality or Corporation and exemption may be granted by the Commission in the case of service providers such as Technoparks, Industrial Parks, Special Economic Zones, Export Zones, etc.

As the area for which the additional license is requested by RPIPL is an industrial park exclusively for rubber and rubber wood industries and is already situated within the notified industrial area by the GoK, M/s RPIPL fulfils the minimum area of supply criteria set forth by the Commission for the grant of a license.

8. Subsequently, M/s RPIPL vide the letter dated 26th November 2024, has submitted the copy of the notification GO (P) No. 43/2024/ID dated 19th November 2024, wherein the survey numbers of the industrial area in possession of the KINFRA at KINFRA Industrial Park at Pirvanthoor also included in the notification namely 'The Kerala Industrial Infrastructure Development Corporation Industrial Park, Piravanthoor Single Window Clearance Board'.

M/s RPIPL further submitted that, the industrial park of Rubber Park at Piravanthoor is established in 20 acres of land in Survey No. 688/1, which is explicitly listed under the updated notification.

Hence, RPIPL request to accord approval for the inclusion of Rubber Park at Piravanthoor as an additional license area for the distribution of electricity.

Analysis and Decision

7. The Commission having examined in detail the petition filed by M/s RPIPL for the inclusion of the industrial park at Piravanthoor as part of its distribution license area, the counter affidavit of KSEB Ltd, other details, documents and oral submissions made during the hearings of the subject petition, as per the provisions of the Electricity Act, 2003, KSERC (Licensing) Regulations, 2006 and all other Rules and Regulations in force and decides as follows:
8. The instant petition filed by M/s RPIPL is for the inclusion of the Rubber Park at Piravanthoor as part of its distribution license area under Section 18 of the Electricity Act, 2003 and under Section 19 of Kerala State Electricity (Licensing) Regulations, 2006.
9. The Commission has examined the petition filed by M/s RPIPL in detail and noted the following.
 - (1) M/s Rubber Park India (P) Ltd (RPIPL) is a joint venture of KINFRA and Rubber Board. The company was incorporated in the Year 1997, for establishing industrial parks exclusively for rubber and rubber wood based industries. The first park of the petitioner was established in 110 acres of land in Irapuram village, near Perumbavoor, Ernakulam

District. The land developed in the park is allocated to 51 industrial units, and which are under fully operational.

RPIPL is holding license to distribute electricity within the park. Entire electricity requirement of the RPIPL is being met by purchasing power from KSEBL at the bulk supply tariff (BST) approved by the Commission from time to time.

The annual energy consumption of the RPIPL is about 32 MU only.

- (2) The second park of the M/s RPIPL is established at Piravanthoor, Pathanpuram, near Punalur, Kollam District, in the 20 acres of land in possession of KINFRA at its Industrial Park at Piravanthoor. The park is intended to house about 15 to 20 rubber based industries within the park.
- (3) The land in possession of KINFRA at Piravanthoor is notified as Ecologically Sensitive Area by Ministry of Environment, Forest and Climate Change vide its notification dated 13.11.2013. Hence, there is restriction to construct buildings with builtup area more than 20,000 sq.m within the area.
- (4) KINFRA has already established an industrial park at Piravanthoor at about 35 acres of land in possession of KINFRA. About 10 LT consumers and one HT consumers are presently functioning at KINFRA park. For the supply of electricity within the park, KINFRA had already established a dedicated feeder from the 110/11kV substation of KSEBL at Punalur. KSEBL is directly supplying electricity to the consumers within the KINFRA park. The operation, maintenance, billing, revenue collection etc of the consumers of KINFRA park is being done by KSEBL through its electrical section office at Piravanthoor.
- (5) RPIL ensures hassle free electricity at its park at Piravanthoor by extending the dedicated 11kV feeder, which is presently upto KINFRA park, which is adjacent to the park of the RPIPL, by sharing an amount of Rs 47.46 lakh (50% of the cost with KINFRA).
- (6) The internal distribution network with the park of RPIPL is done as deposit work through KSEBL at a total cost of Rs 90.57 lakh. The works is already completed and the assets so created is presently under the possession of KSEBL, and accounted as part of the asset of the incumbent licensee. KSEBL also maintaining the assets and claiming O&M cost through the ARR.
- (7) Though RPIPL had taken various steps to attract the investors, only three industrial consumers had established industrial units within the park. Since the land is declared as 'Ecologically Sensitive Area (ESA)' by MoEFCC of the GoI, there is constraints in establishing big industries.

- (8) At present, KSEBL has been directly supplying electricity to these consumers and also to RPIPL's administrative building at Piravanthoor.
- (9) KSEBL is also directly supplying electricity to various parks developed by KINFRA, which was declared as industrial area by the State Government as per the provisions of 'Kerala Industrial Single Window Clearance Board & Industrial Township Area Development Act, 1999.
- (10) As per the details submitted by the RPIPL, the anticipated electricity requirement of the park is about 3 MVA only and the annual energy consumption of the park once the park is fully in operational will be 5 MU only. Accordingly, the electricity requirement of the Piravanthoor park is just that of an HT consumer of KSEBL only.

As per the details presented during the deliberations, the present average monthly electricity consumption at the park is about 800 units only, and thus the annual consumption would be 9600 units (0.0096MU). The total connected load is less than 10kW only.

- (11) RPIPL has proposed one Electrical Engineer with Degree and five years' experience, one Sub Engineer with Diploma and five years' experience, 2 lineman and one Junior Account as minimum staff required for looking after the electricity distribution business within the park.
- (12) KSEBL during the deliberations of the subject petition submitted that, they are supplying electricity to the nearby industrial park developed by KINFRA. Similarly, KSEBL has been directly supplying electricity to more than 25 small industrial parks developed by KINFRA. KSEBL can directly supply electricity to the consumers within the park developed by RPIPL at Piravanthoor also, without any additional manpower and cost. This would result in avoiding unnecessary staff cost and R&M cost for maintaining the distribution assets within the park of RPIPL.
- (13) The proposed location of the park at Piravanthoor is at a distance of about 150kM away from the headquarters of M/s RPIPL at Irapuram, Valayanchirangara.

10. The Commission has examined the submission of the petitioner M/s RPIPL and the respondent KSEBL in detail. The main prayer of the petitioner is to include the Industrial Park at Piravanthoor as additional distribution license area of M/s RPIPL. The Commission has examined the provisions of the Electricity Act, 2003, and the Rules and Regulations in force for amendment of the existing area a distribution licensee. The details are discussed below.

- (1) Provisions of the Electricity Act, 2003

" Section 18 of the EA-2003.

18. Amendment of Licence (1) Where in its opinion the public interest so permits, the Appropriate Commission, may, on the application of the licensee

or otherwise, make such alterations and amendments in the terms and conditions of a licence as it thinks fit:

Provided that no such alterations or amendments shall be made except with the consent of the licensee unless such consent has, in the opinion of the Appropriate Commission, been unreasonably withheld.

(2) Before any alterations or amendments in the licence are made under this section, the following provisions shall have effect, namely: -

(a) where the licensee has made an application under sub-section (1) proposing any alteration or modifications in his licence, the licensee shall publish a notice of such application with such particulars and in such manner as may be specified;

(b) in the case of an application proposing alterations or modifications in the area of supply comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission shall not make any alterations or modifications except with the consent of the Central Government;

(c) where any alterations or modifications in a licence are proposed to be made otherwise than on the application of the licensee, the Appropriate Commission shall publish the proposed alterations or modifications with such particulars and in such manner as may be specified;

(d) the Appropriate Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.”

- (2) Regulation 3 of the KSERC (Licensing) Regulations,2006 deals with the ‘Eligibility Conditions of persons requiring a License’. The relevant portions of the Regulation are extracted below;

“3. Eligibility Conditions of persons requiring a Licence.- (1) Any person requiring licence shall meet the respective qualifying requirements mentioned hereunder and shall be required to submit necessary evidence in support of its claim of meeting the qualifying requirements.

(2) Distribution Licence (a) The Area of Supply for distribution licence shall not be less than a Panchayath, Municipality or Corporation. Exemption may be granted by the Commission in the case of service providers such as Technoparks, Industrial Parks, Special Economic Zones, Export Zones, etc.

(b) Technical Requirement: The person requiring distribution licence shall have fifteen years experience in case of graduate electrical engineer or twenty years for diploma holders in electrical engineering in development, design, construction, operation and maintenance of distribution system. Provided that the above said technical experience shall not be insisted upon, if the applicant deploys personnel having requisite experience.

(c) Capital Adequacy: Net worth of the applicant shall not be less than the estimated annual charges of the assets in respect of which the application for grant of licence has been made.

(d) Multiple licence : Persons requiring distribution License pursuant to 6 th proviso to Section 14 shall also satisfy the conditions prescribed under the Government of India Notification G.S.R.188(E).”

- (3) Regulation 4 of the KSERC (Conditions of License for Existing Distribution Licensees) Regulations, 2006 deals with the 'Amendment of License'. The relevant portions of the Regulations are extracted below.

"4. Amendment of Licence. - (1) Where in its opinion the public interest so permits, the Commission may, on the application of the licensee or otherwise, make such alterations and amendments in the terms and conditions of licence as given in Form-I; provided that no such alterations or amendments shall be made except with the consent of the licensee unless such consent has, in the opinion of the Commission, been unreasonably withheld.

(2) Where a licensee has made an application proposing any alteration or modifications in his licence under Section 18 of the Act, the licensee shall, within seven days of making such application, publish a notice of such application in two English dailies and two Malayalam dailies circulating in the territory where the licence sought to be amended operates, giving the following particulars:

- a) Brief details of existing licence*
- b) Proposed amendments for existing licence and brief reasons for seeking the amendment.*

(3) All objections to an application for amendment pursuant to publication of notice as above, received within 30 days of the date of publication of the notice, shall be considered by the Commission.

(4) Where an amendment to a licence is proposed by the Commission suo motu, the Commission shall publish a notice of the same in two English dailies and two Malayalam dailies circulating in the area in which the licence proposed to be amended operates, giving such particulars as the Commission deems necessary. All objections to the proposed amendment shall be considered by the Commission if received within 30 days of the publication of the notice.

(5) Provisions relating to grant of licence shall, as far as may be practicable and necessary apply to consideration and disposal of application for amendment of licence.

(6) In the case of an application proposing alterations or modifications in the area of supply comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Central Government for Defence purposes, the Commission shall not make any alterations or modifications except with the consent of the Central Government."

- (4) The State Government vide the Gazette Ex. No. 770 dated 27.04.2000 notified the Kerala Industrial Single Window Clearance Board & Industrial Townships Area Development Act, 1999. Section 2(f) of the said Act defines an 'industrial area' as follows.

*(a) "Industrial Area" means any area in the State declared to be an industrial area by the Government **by notification in the Gazette** from time to time and includes industrial estates; development area, development plots, mini industrial estates, industrial parks and growth centres;*

Section 5 of the Kerala Industrial Single Window Clearance Board & Industrial Townships Area Development Act, 1999 is extracted below:.

Section 5 - Industrial Area Boards

(1) For the purpose of speedy issue of various licenses, clearances or certificates required under the various State enactments for setting up of small scale industrial undertakings or industrial undertakings in the Various Industrial areas of the State, the Government may, by notification constitute Single Window Clearance Boards for every industrial areas in the State to be called Industrial Area Single Window Clearance Board.

(2) Every Industrial area Single Window Clearance Board shall be a body corporate by name of the Industrial Area for which it is constituted, having perpetual succession and a common seal.

(3) Every Industrial Area Single Window Clearance Board shall consist of the following members, namely:-

(a) Principal Secretary to Government, Industries Department or his nominee;

(b) Collector of the District;

(c) Chief Executive of the Agency owning or managing the industrial area;

(d) Designated Authority of industrial area concerned;

(e) District Officer of the State Pollution Control Board;

(f) District Officer of the Electrical Inspectorate;

(g) District Officer of the Town Planning Department;

(h) District Medical Officer;

(i) Executive Engineer of the Kerala State Electricity Board;

(j) District Officer, Factories and Boilers

Inspectorate; (k) Divisional Fire Force Officer;

(l) Divisional Forest Officer;

(m) District Labor Officer;

(n) Deputy Commissioner, Sales Tax and Agricultural Income

Tax; (o) Executive Engineer, Kerala Water Authority;

(4) The Government may appoint one of the members of an Industrial Area Board not below the rank of District Collector to be its chairman and the

Designated Authority of the Industrial Area shall be the Convener of the Industrial Area Board.

(5) The Industrial Area Board shall meet at such time and place to be fixed by the chairman of the industrial Area Board and shall observe such procedure in regard to its trisection of business as may be made in the bye-laws.

(6) The Industrial Area Board may associate itself, in such manner and for such purposes as may be prescribed, with any person whose assistance or advice it may desire to have in the performance of any of its functions under the Act, and the person so associated shall have the right to take part in the meetings of the Industrial Area Board relating to that purpose as a special invitee and shall not be considered as a member of the Industrial Area Board.

- (5) The State Government, in exercise of the powers conferred on it by the clause (f) of section 2 and section 5 of the Kerala Industrial Single Window Clearance Board & Industrial Townships Area Development Act, 1999, (5 of 2000) vide the GO (P) No. 134/2011/ID dated 23.05.2011 notified as follows;

“ In exercise of the powers conferred by the clause (f) of section 2 and section 5 of the Kerala Industrial Single Window Clearance Boards and Industrial Township Area Development Act, 1999 (5 of 2000), the Government of Kerala hereby declare KINFRA Industrial Park, Piravanthoor, Kollam District to be an Industrial Area of the State and constitute a Single Window Clearance Board for the said area to be as “The Kerala Industrial Infrastructure Development Corporation Industrial Park, Piravanthoor Single Window Clearance Board” for the purpose of speedy issue of various licenses, clearances or certificates required under various state enactments for setting up of small scale industrial undertakings or industrial undertakings with the members mentioned in the Schedule below. Namely;-

- (1) The Secretary (Industrial Promotion), Industries Department.*
- (2) The District Collector, Kollam;*
- (3) The Managing Director, Kerala Industrial Infrastructure Development Corporation (KINFRA);*
- (4) The Project- in -charge of KINFRA, Industrial Park, Piravanthoor, Kollam.*
- (5) The District Officer, Kerala State Pollution Control Board, Kollam;*
- (6) The District Officer, Electrical Inspectorate, Kollam;*
- (7) The District Officer, Town Planning Department, Kollam;*
- (8) The District Medical Officer of Health, Kollam;*
- (9) **The Deputy Chief Engineer, Kerala State Electricity Board Limited, Kollam;***
- (10) The District Officer, Factories and Boilers Department, Kollam;*
- (11) Assistant Divisional Officer, Department of Fire and Rescue Service Kollam;*
- (12) The Divisional Forest Officer, Kollam;*
- (13) The Deputy Commissioner, Commercial Taxes Department, Kollam*
- (14) ; The Executive Engineer, Kerala Water Authority, Kollam;*
- (15) The District Labour Officer, Kollam”*

- (6) Subsequently, the State Government vide the notification GO (P) No. 43/2024/ID dated 19th November 2024, amended the notification issued under GO (P) No. 134/2011/ID dated 23.05.2011 and published as SRO No. 376/2022 in Kerala Gazette No. 25 dated 21st June 2011 with the 'survey numbers of the notified area. M/s RPIPL submitted that, the industrial park of Rubber Park at Piravanthoor is established in 20 acres of land in Survey No. 688/1, which is explicitly listed under the updated notification.

11. Commission has examined the prayer of M/s RPIPL to include its industrial park at Piravanthoor as additional license area with the provisions of the Electricity Act, 2003 and other Rules and Regulations in force. M/s RPIPL already have the license to distribute electricity within the industrial park developed at 110 acres of land at Irapuram, near Perumbavur. The second park at Piravanthoor was already developed by the petitioner through grants and own fund, as detailed under paragraph 6(1) of this Order. Hence, M/s RPIPL is not required to separately satisfy the 'capital adequacy and credit worthiness' for the inclusion of the Piravanthoor park as its additional license area.

The State Government vide the notifications dated 23.05.2011 and 19.11.2024 has already notified the area of KINFRA Industrial Park at

Piravanthoor including the land of the RPIPL park at Piravanthoor as an 'industrial area'.

Hence, this Commission as per the powers conferred on it under Section 18 of the Electricity Act, 2003 and other Rules and Regulations in force as discussed under paragraph -10 above has the authority to include the Piravanthoor park of RPIPL as its additional license area.

12. However, the Commission has also examined, whether separate distribution licensee status is required for the infrastructure developer M/s RPIPL to provide hassle free electricity to the industrial consumers within the park. In this matter, the Commission has also noted the following aspects in detail.

- (1) As per the details submitted by the petitioner, the facilities within the park is just sufficient to house maximum 15 to 20 industries only.
- (2) The maximum power requirement of the park is just 2 to 3 MVA only, and the anticipated energy consumption once the park is fully occupied is 5 MU only.
- (3) Though the allocation of the land to the industries started in the Year 2023, just three industries only started operations within the park.
- (4) Since the Ministry of Environment, Forest and Climate Change (MoEFCC) vide notification F.No.1-4/2012-RE(Pt) dt. 13.11.2013 had declared the proposed land at Piravanthoor including the land in possession of KINFRA as an Ecologically Sensitive Area (ESA) in 2013. Hence, there is constraints in developing large industries within the State.
- (5) The present annual electricity consumption of the park is just 1/100th of an MU only.
- (6) As discussed in paragraph 6(1)(xv) and 8(7) above, RPIPL has proposed a staff pattern with one Electrical Engineer, one Sub Engineer, two lineman and one Junior Account for managing the distribution business within the Piravanthoor park.

With a minimum salary of Rs 60,000/- per month of Electrical Engineer, Rs 45,000/- per month for Sub Engineer and Rs 25000/- per month for others, the minimum annual salary cost alone for looking after the electricity distribution business within the park would be about Rs 21.60 lakh. On per unit basis, this would come to Rs 2.16/unit even when the consumption reaches to the level of 1 MU annually. However, the present annual consumption is less 1/100th of an MU.

In addition to the above, M/s RPILPL has to incur additional cost for maintaining the distribution assets within the park.

- (7) The proposed park at Piravanthoor, near Punalur is about 150 km away from the administrative head office of M/s RPIPL. Hence, the administrative overhead cost of maintaining the park is high.
- (8) It is also a fact that, the internal distribution infrastructure within the park is developed through KSEBL as deposit work with a total cost of Rs 90.57 lakh. As per the accounting practices followed for deposit works carried out by KSEBL on behalf of the consumers, the assets so created is accounted as part of its fixed assets of KSEBL and has been claiming O&M costs for the same. M/s RPIPL cannot claim O&M costs and depreciation etc for the same unless the assets is transferred from the books of accounts of KSEBL to that of RPIPL.

Considering the above, the per unit cost of distribution of electricity within the RPIPL park with the licensee status may increase exorbitantly. Accordingly, the Commission notes that with the present status of the park, the operation of a separate licensee to serve a few consumers is unviable.

13. The Commission has also noted that, the State Government vide the notifications dated 23.05.2011 and 19.11.2024 has notified the area of KINFRA Industrial Park at Piravanthoor including the land of the RPIPL park at Piravanthoor as an 'industrial area', of the State and constituted a Single Window Clearance Board for the said area to be known as 'The Kerala Industrial Infrastructure Development Corporation Industrial Park, Piravanthoor Single Window Clearance Board' for the purpose of speedy issue of various licences, clearances or certificates required under the various state enactments for setting up of small scale industrial undertakings or industrial undertakings.

Deputy Chief Engineer, KSEBL, Kollam is also a member of the said Board. Hence, KSEBL as the incumbent licensee also has the responsibility to provide hassle free electricity within the KINFRA Industrial Park notified by the State Government as 'industrial area'. Accordingly, shouldering the responsibility, KSEBL has been supplying electricity in the KINFRA Industrial Park at Piravanthoor.

The Piravanthoor park of M/s RPIPL falls within the Industrial Park notified by the State Government. Hence, though the park is developed by M/s RPIPL, there is no legal issues in distributing electricity through the incumbent licensee KSEBL within the industrial park at Piravanthoor developed by M/s RPIPL. KSEBL is also duty bound to provide electricity to any customers in the State as per provisions of the Electricity Act, 2003 and the Rules and Regulations inforce.

14. Considering the above facts and circumstances as explained in the preceding paragraphs as above, the Commission is of the considered view that, there is no urgent necessity to extend the Industrial Park at Piravnthoor as an additional license area of M/s Rubber Park Inida (P) Ltd (M/s RPIPL), and this will not create hurdle for the consumers of the RPIPL park in getting quality power.

The incumbent licensee KSEBL is authorised to distribute electricity within the industrial park in coordination with M/s RPIPL. KSEBL shall ensure to 24x7 hassle free electricity to the industrial units within the park and shall provide necessary support to the park developer M/s RPIPL in this regard.

However, if required, M/s RPIPL can approach the Commission for getting licensee status for this industrial area once the land in the Piravanthoor park is fully allotted to the industrial units, and the energy consumption within the park is enhanced to the MU scale, with all necessary and supporting details and documentary evidences for the requirements of licensee status for this area for the distribution of electricity.

Orders of the Commission

15. The Commission after examining the petition filed by M/s RPIPL, the counter affidavit of KSEB Ltd, other details, documents and oral submissions made during the hearing of the subject petition, as per the provisions of the Electricity Act, 2003, KSERC (Licensing) Regulations, 2006 and all other Rules and Regulations in force, Orders the following:
- (1) The prayer of M/s Rubber Park India (P) Ltd to include the 'rubber park at Piravanthoor' as additional license area, is rejected considering the reasons explained in paragraphs 12, 13 and 14 above.
 - (2) The incumbent licensee KSEBL shall ensure 24x7 hassle free electricity to the industrial units within the park at the retail tariff approved by the Commission from time to time.
 - (3) Once the land in the Piravanthoor park is fully allotted to the industrial units, and the energy consumption within the park is enhanced to the MU scale, M/s RPIPL can approach the Commission for getting distribution licensee status to this area, **if required**, with all necessary and supporting details and documentary evidences for the requirements of licensee status.

The petition disposed of. Ordered accordingly.

Sd/-
T K Jose
Chairman

Sd/-
Adv. A J Wilson
Member

Sd/-
B Pradeep
Member

Approved for issue

Sd/-

C.R Satheesh Chandran
Secretary

List of stakeholders participated in the public hearing held on 21.03.2024

1. Rajan M P Deputy Chief Engineer, TRAC
2. Ajith Kumar K N EE, TRAC, KSEBL
3. Rajesh R AEE, TRAC, KSEBL
4. Shan Balakrishnan AEE, TRAC, KSEBL
5. Saji Alex AEE, 220 kV Substation, Edamon
6. Renjith G S AEE, ELECTRICAL Sub division, Pathanapuram
7. Nishad A Accountant, KINFRA
8. Metilda K A AEE, Electrical Sub division, Punalur
9. Bindhu S B AE, Electrical Section, Punalur
10. Sarala S AE, Electrical Section, Piravanthoor
11. K Thomas Ex Ward member
12. Jessy Thomas Ward member, Mookadav
13. Anees T M Assistant Manager, Electrical, RPIL
14. George V James Managing Director, RPIL
15. Biju P Poullose Manager- Technical
16. M S Samuel C S CFO & Company Secretary
17. Akhil Raj Assistant Resident Engineer
18. Asha P S Accounts Officer
19. Rakesh Mahadevan Project Engineer
20. Nehela Beevi N Junior Accountant