

THE STATE ELECTRICITY OMBUDSMAN

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Appeal Petition No. P/076/2025 (Present A. Chandrakumaran Nair) Dated: 24-02-2026

Appellant : Sri. P. R. Gireesan, Director,
M/s. New Woodlands Hotel,
M.G. Road, Ernakulam 682011

Respondent : 1. The Special Officer (Revenue)
Vydyuthibhavanam,
KSEBL, Pattom,
Thiruvananthapuram dt.- 695004
2. The Deputy Chief Engineer,
Electrical Circle, KSEBL,
Ernakulam, Ernakulam dt.

ORDER

Background of the case

The appellant Sri. P. R. Gireesan is the Director of M/s. Woodlands Hotel, Ernakulam and this firm is an HT Consumer (LCN 9/820) of the licensee KSEBL under the College Electrical Section, Ernakulam with contract demand 100kVA and connected load 130.106kW. The Security deposit with the licensee is Rs.4,51,540/-. The petitioner had sold the premises on 18/11/2022 to Sri. Gopalakrishnan and S. L. Shibu. The appellant had requested to the Licensee to terminate the HT agreement and to refund the security deposit. There is a case filed by the appellant to Hon'ble High Court of Kerala Challenging the electricity duty charged by the Licensee @10% instead of 10 paise per unit on WP©/30977/2010. The arrear on the account of electricity duty on dispute is Rs.6,84,830/-. The appellant is praying for the release 'Security Deposit and the interest @18% per annum w.e.f 1/2023 till date. The new owner has applied for transferring the connection to them. The petition has been filed to CGRF which was accepted on file OP/47/25-26. The CGRF had issued order on 16/10/2025 after completing the procedural formalities. Aggrieved with the decision of CGRF, this appeal petition is filed to this authority.

Arguments of the Appellant

We humbly request your intervention and support to have KSEB return/refund our Security Deposit along with Interest and costs for pursuing this matter. Despite all submissions, records available and communicated further during the hearing, the Honourable CGRF has not provided us any relief. In the Honourable CGRF order, conveyed in two parts

- a) Directing KSEB to issue notices in line with Regulation 41.
- b) Directing that the refund of the Security Deposit will be subject to the outcome of the Kerala High Court Case WPC 30977/2010

The Honourable CGRF completely omitted to state anything about the interest we are entitled to receive in the order.

As far as part (a) of the order. KSEB is yet to issue any notice to us. Further based on the materials and submissions on record any further action or document submissions from our side to KSEB is immaterial and unnecessary, as all the information that KSEB requires and actions that KSEB needs. As far as part (b) directing KSEB to refund the security Deposit only post conclusion of the Kerala High Court Case WPC No 30977/2010 without citing any statutory body order, Regulation, and reasons for the same as well as ignoring similar matter orders of the Honourable Ombudsman, is not correct and is a grievous injustice to us.

Further linking the refund of our security Deposit to the new owner remitting the security deposit and signing a new agreement, is totally against the regulations itself. Considering Regulation 71, New Woodlands is a partnership firm and was a Tenant of the premises, and was never the owner of the premises. Thus post sale of the property on 18 Nov 2022, we ceased to be a tenant as there is no agreement between us and the new owner of the premises. We had issued both a disconnection request as well as termination request to KSEB, and hence are fully entitled to obtaining the refund with interest. Since all KSEB directly owned and receivable dues are cleared by us and there are no dues, (in fact we have huge credit with KSEB, which is under dispute), KSEB retaining the security deposit and not refunding the same to us, is untenable and gross injustice to us.

KSEB has been providing Interest on the cash Security Deposit to other consumers who are also part of the Kerala High Court Case relating the Disputed Electricity duty, but has been denying the same to us, despite our repeated requests stating that Interest credits will be considered post conclusion of the Kerala High Court case relating to Disputed Electricity Duty. This is totally discriminatory and unlawful. Even when we were in financial difficulty, our request to reduce the Security Deposit amount, based on our 6-month consumption, was not granted, resulting in our needing to pay 18% interest on our arrears. The principal amount of the arrears would have been lower, had KSEB granted us the reduced Security Deposit request as well as provided us

the Interest on Security Deposit, and adjusted the excess amounts towards our arrears.

Thus in line with the order under Appeal No 057/2025 of the Honourable Ombudsman, we are entitled to

- a) Interest at 18% p.a on the yearly Interest credit of the cash security deposit, for every year period, where in KSEB has not credited us the Interest on cash security deposit.
- b) Refund of the full Cash Security Deposit, with Interest at 18% pa wef 01 Jan 2023.

Since we had to pursue various forums to get even a response, or some relief, and incur costs for the same, we are entitled for recovery of costs also, and compensation, which may please be granted.

In summary, request the following reliefs be provided to us.

- a) Refund of Cash Security Deposit of Rs 4,51,540/-
- b) Interest at 18% p.a on the Cash Security Deposit of Rs 4,51,540/- w.e.f 01 Jan 2023 till date of payment.
- c) Interest at 18% p.a on the yearly interest credits on the Cash Security Deposit of Rs 4,51,540/- starting from year 2012 onwards.
- d) Costs and compensation for pursuing this matter.

Arguments of the Respondent

The petitioner's firm. M/s. Woodlands Hotel, Ernakulam (LCN 9/820) is a High Tension consumer in the Electrical Section College, under the jurisdiction of the Deputy Chief Engineer, Electrical Circle, Ernakulam. The tariff purpose of the consumer was HT IV (B) Commercial. The contract demand of the consumer is 100 KVA and the connected load is 130.106 kW. Sri PR Gireesan, partner of Woodland hotel requested via letter dated 12/06/2025 for the refund of their security deposit based on the Ombudsman order issued in the case of Woody's hotel Pvt Ltd (LCN 32/3539) V/s KSEBL, a dismantled connection that the concerned court has not taken any decision on the disputed Electricity duty amount and such any amount attributed to disputed electricity duty, cannot be treated as outstanding for which KSEB can withhold the security deposit amount. Hon'ble Ombudsman's order No. AP No. P/07/2025 dated 28.03.2025 has mentioned only about the expired bank guarantee.

As per regulation 71 (1) of Electricity supply code, the security deposit shall be refunded to the consumer only on termination of the agreement within thirty days after the settlement of all dues payable to the licensee Since the consumer is a live one and this rule is not applicable in this case. At the same time, as per regulation 73, on review of security deposit during the first quarter of this financial year, the security deposit available with us is more than required. As disputed arrears are outstanding, the same was not adjusted against the bills M/s Woodland Hotel requested to temporarily disconnect their service connection vide letter dated 30/11/2022 addressed to the Deputy Chief

Engineer electrical circle, Ernakulam. Later vide letter dated 27/12/2022 addressed to Assistant Executive Engineer, it was informed that the premise of M/s Woodland hotel has been sold to new owners (Shri Shibu & Shri P B Gopalakrishnan) and vide sale deed dated 18/11/2022 and requested to disconnect the supply of electricity. Meanwhile Sri P.B Gopalakrishnan, one of the buyer of the premise of M/s Woodlands Hotel filed WP(C). No 1364/2023 before the Hon'ble High Court of Kerala for relieving him from liabilities of premises of M/s Woodlands Hotel prior to 18/11/2022 (duty arrear) and against the disconnection of service connection. This case is still pending before the Hon'ble High Court of Kerala.

As per KSEBL system Energize details, the petitioner consumer possesses electricity duty arrears for Rs. 6,84,830/- (Principal amount only) which is under dispute before the Hon'ble High Court Of Kerala, involved in WP (C) No.30977/2010. The petitioner consumer's firm is a hotel and having electricity duty dispute pending before the Hon'ble High Court of Kerala against State of Kerala and KSEBL, vide WP (C) No.30977/2010 filed by them in associated with the Association of Approved and Classified Hotels. The petitioner is one of the many consumers who is part of the above mentioned duty case, who started to remit duty @ 10 paise per unit instead of 10% of Energy Charge. The W.P (C) No.30977/2010 is still pending before the Hon'ble High Court of Kerala as per the website details of the High Court. The last hearing in this case was held on 16.12.2024.

M/s Woodlands Hotel have a security deposit of Rs 451540/- in cash. The interest on security deposit as regulation 72, not adjusted in the energy bills of the consumer as disputed arrears are outstanding. The connection is still in the name of Petitioner(Sri PR Gireesan) and the petitioner has to pay Rs 6,84,830/- towards electricity duty. (Principal amount only) KSEB is not in a position to release SD Additionally since there are no other outstanding dues apart from the disputed amount which is subject to the decision of a pending court case, the supply was not disconnected in accordance with regulation 146 of the Kerala Electricity supply Code, 2014 which described below:-

Regulation 146. *Supply of electricity not to be disconnected when utilised and paid for by a lawful occupier of the premises:- in case of consumer request for disconnection of supply or for dismantling of service, while the supply is being utilised and paid for by a lawful occupier of the premises, the supply shall not be disconnected and service shall not be dismantled.*

This case is already considered under OP No. 47/2025-26 and disposed vide order OP No.47/2025-26/242 dated 16/10/2025 by Consumer Grievance Redressal Forum Central Region Ernakulam by issuing an order to refund the petitioner's security deposit only after the completion of ownership transfer, execution of a new HT agreement by the new owner, and subject to the outcome of the pending writ petitions before the Hon'ble W.P(C) No.30977/2010. In compliance with the above said order of CGRF, direction was issued to the

Agreement Authority for taking further action on this matter. The above facts may be considered and the Representation No. P076/2025 may be dismissed.

Counter Arguments filed by the Appellant

The submission that Regulation 71 (1) is not being applicable, as they consider us as the consumer, is totally incorrect and unsustainable. We are not the consumers since Nov 2022. There is no rule or regulation, which entitles them to withhold security deposit interest against Disputed Electricity Duty, especially when the court has clearly stated what the liability is against the claim made by KSEB towards Electricity Duty.

The Honourable CGRF in their order against compliant No. 116/2024-25 has clearly stated that the matter even to correct or determine the Principal amount of Disputed Electricity duty cannot be done or determined, as there is a case pending before the Honourable High Court regarding Electricity Duty. Thus, the very contention there is a realistic or potentially realizable amount towards Electricity Duty, is a pure wishful and imaginary amount by KSEB. They have not explained why other parties who are also part of the Disputed Electricity Duty case, we given Interest on Security Deposit, but not us. They have not explained, why despite issuance of notice to the new owner of the premises in Dec 2022 and Jan 2023, and despite not having a new agreement signed till date and that too even after the Honourable CGRF order, they still consider the current occupier as valid occupier and determined who their new consumer is and why no fresh security deposit has been obtained/sought from the new owner.

The Honourable CGRF has in its order already stated we are not the consumer with effect from 30 Nov 2022. The contention that the refund of the security deposit is dependent of the new owner signing a fresh agreement is completing against Regulation 41 (11) especially after they have issued a notice in Jan 2023 itself. KSEB has been charging the Disputed Electricity Duty Principal amount when ever they feel like, on 03 Nov 22, the amount was Rs 9,36,716/-, on 03 Dec 2022, it became Rs 9,40,076/-, on 17 Dec 2022, it became Rs 9,79,683, on 05 Jan 23 it became Rs 45,669/- on 12 Sep 25, it became Rs 6,84,830/- and our requests to provide the breakup and details of how this has been arrived, has not be responded to, while they acknowledge that they retain a security deposit of Rs 4,51,450/- for which they have not being crediting interest since 2012.

In summary, we maintain our submissions and requests for refund of the security deposit and interest for all the years as well as costs for pursuing this matter, as covered in our appeal on this matter.

Analysis and findings

The hearing of this appeal petition was conducted on 13/02/2026 at 11:00 a.m. in the O/o State Electricity Ombudsman. The hearing was attended by the appellant Sri. P. R. Gireesan and the respondents Smt. Renjinie M. R. (SS, Office of SOR) and Suresh Kumar S (Suprentent, Office of SOR) Trivandrum (Dist.), and Smt. Mollyja Lucy Xavier, AEE, ESD, College, Ernakulam.

The appellant's firm M/s. Woodlands Hotel, Ernakulam is an HT Consumer with Consumer number LCN/9/820 with a contract demand of 130.106kW. The tariff applicable for this connection was HT IV B. The appellant had sold the property on 18/11/2022 to Sri. P. B. Gopalakrishnan and Sri. Shibu. The appellant had requested the licensee to terminate the HT agreement and to refund the security deposit. In this case the new owner has applied for the transfer of the connection to their name. The transfer is seen to be not effected till date. CGRF had directed the licensee to issue notices to both the appellant and the new owner to complete the transfer formalities. The licensee had issued the notices to the new owner but he had not submitted the proper application to effect the transfer.

The procedure to be followed for the transfer of service connection is described in the regulation 41 of the Electricity Supply Code 2014.

41. Transfer of service connection and continuance of supply of electricity to the premises with arrears of electricity charges.-

(3) If the consumer intimates his willingness to transfer the connection to the proposed transferee, the licensee shall within three days from the date of receipt of such intimation, issue a notice to the consumer demanding him to pay before the date of proposed transfer, all dues as per the terms of the agreement and directing him in the alternative to submit within seven days, the consent of the proposed transferee for availing the service connection with arrears of electricity charges and other liabilities if any payable by the consumer

(4) The licensee shall also issue a notice to the proposed transferee requesting him to intimate within seven days of the date of notice, his readiness to get the service connection of the consumer transferred to him and intimating him the particulars of:-

- a) the amount of arrears of electricity charges and other liabilities if any;*
- b) agreement to be executed by him and the security deposit to be furnished by him: Provided that the licensee may give any further information relating to the service connection agreement and the liability thereunder, on the request of the transferee, if the consumer has given his consent in this regard in the application submitted under sub regulation (2) above.*

(5) If the consumer has paid all electricity charges and other liabilities if any till the proposed date of transfer and has conveyed his willingness to transfer the service connection to the transferee, the licensee may transfer the service connection to the transferee and get necessary agreement executed by the transferee after obtaining necessary security deposit.

(6) If the consumer has conveyed in writing, his willingness to transfer the service connection to the transferee along with the security deposit as well as the liability

of arrears of electricity charges and other liabilities if any, till the proposed date of transfer, and if the transferee has conveyed in writing his willingness to take over the service connection along with such security deposit as well as the arrears of electricity charges and other liabilities; the licensee may, after obtaining additional security deposit, if any required; transfer the service connection to the transferee and get executed by the transferee, the necessary agreement incorporating among other things, the terms and conditions to ensure that the transferee shall be liable for the arrears of electricity charges and other liabilities if any due from the consumer.

(11) If the consumer does not intimate his willingness to transfer the connection to the proposed transferee along with the consent of such transferee for availing the connection transferred in his favour, as specified in sub regulation (2) above or if the proposed transferee does not convey his willingness as specified in sub regulation (6) above, the licensee shall disconnect the supply of electricity and dismantle the connection with effect from the date of such proposed transfer of the premises or such other earlier date as may be agreed upon by the consumer and shall terminate the agreement.

The regulation clearly states that the transferee has to submit his consent/willingness to avail the connection to complete the transfer formality. If the consumer is not agreed for transfer the connections along with the security deposit, the transferee has to make the new security deposit for transferring the connection. The consumer is requested for terminating his agreement and intimate the licensee that the property is sold to the new owner, the new owner would have submitted the applications for transfer. If the new owner is not ready to transfer the connection, the licensee have the authority to disconnect the power supply and dismantle the connection. The new owner had filed the petition to the Hon'ble High Court vide WP(C)/1364/2023 to exempt him from the previous dues.

The regulation 91 of supply code 2014 also detailed about the transfer of service connection

91. Transfer of service connection.-

(1) The consumer shall not, without prior consent in writing of the distribution licensee, assign, transfer or part with the benefit of the service connection agreement executed with the distribution licensee, or part with or create any partial or separate interest thereunder in any manner.

(3) The transferee shall pay the required security and execute a fresh service connection agreement.

The appellant had requested for the refund of security deposit and termination of the agreement. The regulation 71 states about the refund of security deposit.

71. Refund of security deposit.-

(1) The security deposit shall be refunded to the consumer on termination of the agreement within thirty days after the settlement of all dues payable to the licensee.

(2) *In the case of delay, interest at bank rate on the first of April of that year shall be payable to the consumer.*

(3) *The consumer is entitled to get an account closing statement relating to the security deposit.*

The security deposit is refundable on termination of the agreement and also settlement of all dues. Here in this case the appellant had filed a petition to the Hon'ble High Court of Kerala vide WP(C)/30977/2010 against the charging of electricity duty @10% by the licensee. The electricity duty payable by the consumer was @10% of energy charges except industrial consumer.

As per the direction of Government of India, the state government also had taken a decision to consider Tourism Sector also as an industry. The hotels, resorts, etc are one of the important factor of tourism sector and as such the hotel consumers demanded that the duty applicable for them should be 10 Paise per unit as applicable to industrial consumers. The licensee has not agreed for the same and hence they have approached the Hon'ble High Court of Kerala (WP(C)/30977/2010). The High Court issued an interim order stating that the hotel consumers shall pay the bill with electricity duty @10 paise per unit till the final decision of the Court. The licensee regularly raised the bill with the electricity duty @10% of electricity charge and the consumers remitted the bill with duty @10 paise per unit. Here in this case the total arrears in lieu of duty was worked out to Rs. 6,84,830/-. The final decision is not taken by the Hon'ble High Court. If the court decides in favour of the licensee the appellant is liable to pay this amount. The licensee states that the security deposit is to be withheld till the final decision of the court. This is appears to be reasonable and justifiable. Further the new owner is not ready to take over the previous dues and he had filed the petition to Hon'ble High Court of Kerala.

The appellant also prayed for the release of the interest of the security deposit @18% p.a. with effect from 1/2023. The interest on security deposit of the consumer is payable as per the regulation 72 of the supply code 2014

72. Interest on security deposit.-

(1) *The licensee shall pay to the consumer, interest on the security deposit furnished by him at the bank rate prevailing on the first of April of that year and it shall be payable annually with effect from date of such deposit.*

(2) *The interest accrued during the financial year shall be adjusted in the energy bill of the consumer during the first quarter of the ensuing financial year.*

(3) *If the adjustment of interest is delayed, interest at 12% per annum based on the actual number of days of delay from due date, upto a period of 30 days and thereafter at the rate of 18% per annum for the entire period of default from due date.*

The interest payable at the bank rate prevailing on first of April of that year and the same shall be adjusted in the first quarter of the ensuring financial year. If the adjustment of interest is delayed, interest @12% per annum for a period of 30 days thereafter @18% per annum for the entire period. In this case the

appellant claimed that he is not getting the interest of SD since 1/2023, then the interest is delayed beyond 30 days. The licensee has not submitted the documents to prove that the interest is paid. Then the appellant is eligible for the interest at the rate of 18% per annum.

Decision

On verifying the documents submitted and hearing both the petitioner and respondent and also from the analysis as mentioned above, the following decision are hereby taken.

1. The licensee has to take necessary action to transfer the connection to the new owner within 15 days from the receipt of this order. If the transferee is not submitting the documents for transfer as per the regulation 41 of the Supply Code 2014, the licensee shall disconnect the power as per regulation 41(11), subject to Court Order if any in this regard.
2. The appellant also has to submit the documents required if any for the transfer of service connection.
3. The agreement between appellant and licensee is to be terminated on completion of transfer.
4. The security deposit is to be refunded to the appellant on termination of the agreement subject to the final order of the Hon'ble High Court of Kerala in the petition WP(C)/30977/2010.
5. The appellant is eligible for the interest of the security deposit as per regulation 72(3) @18% per annum as the interest payment is delayed. The interest is payable with effect from 1/2023. If any amount is paid as interest for these period, and the same is to be adjusted.
6. All the above decision are to be complied within 45 days of receipt of this order and the compliance report is to be forwarded.
7. No Other Costs ordered.

ELECTRICITY OMBUDSMAN

No. P/076/2025/ dated: 24.02.2026

Delivered to:

- 1) Sri. P. R. Gireesan, Director, M/s. New Woodlands Hotel, M.G. Road, Ernakulam 682011
- 2) The SOR, Vydyuthibhavanam, KSEB Ltd., Pattom, Thiruvananthapuram dt.
- 3) The Deputy Chief Engineer, Electrical Circle, KSE Board Ltd., Ernakulam, Ernakulam dt.

Copy to:

1. The Secretary, Kerala State Electricity Regulatory Commission, KPFC Bhavanam, Vellayambalam, Thiruvananthapuram-10.
2. The Secretary, KSE Board Limited, Vydhyuthi bhavanam, Pattom, Thiruvananthapuram-4.
3. The Chairperson, Consumer Grievance Redressal Forum, 220 kV substation compound, HMT Colony P.O, Kalamassery - 683503