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Appeal Petition No. P/039/2026
(Present A. Chandrakumaran Nair)
Dated: 16-09-2026

Appellant	:	Sri. George V James 2 A, Kautileeyam, Rubber Park, Valayanchirangara P.O, Ernakulam (Dt)- 683556.
Respondent	:	The Assistant Executive Engineer, Electrical Sub Division, KSE Board Ltd, Pathanapuram, Kollam (Dt).

ORDER

Background of the case

The Appellant Shri. George V James is the Managing Director of M/s Rubber Park India (P) Ltd (RPIPL) which is a joint venture company formed by Rubber Board and KINFRA. This is established for developing the Industrial Infrastructure for rubber and rubber wood based industries. The RPIPL has developed its first park at Irapuram, Ernakulam and second park at Piravanthoor, Kollam district. The RPIPL is a power distribution Licensee approved by the Kerala Electricity Regulatory Commission. The RPIPL is a consumer of the Licensee KSEBL receiving power from the KSEBL and distributing the same to the Industrial units of the park. In Piravanthoor the appellant had entrusted the work of power distribution network and street lighting to the Licensee and deposited an amount of Rs.92,34,384/- on 09/09/2021 as per the estimate prepared by the Licensee. The work would have been completed within a period of 8 months. The KSEBL has completed the work only on 10/05/2023 which resulted to the delay of around one year. Though the work has been completed the Licensee has not submitted the details of the cost inspite of repeated reminders. KSEBL has intimated that only 5,38,542/- is refundable to the appellant. Based on the detailed reconciliations, calculations made by the appellant, they claimed to get a refund of Rs.20,25,433/. The KSEBL has under taken an additional work amounting to Rs.3,58,956/- and then adjusting this amount the balance refundable is Rs.16,66,477/- but as per the KSEBL statements the refundable amount was only 2,57,843/-. The appellant had filed the petition to CGRF (Southern Region) which was numbered as OP/60/25-26 and the order has been issued by the CGRF on completing the procedures on

22/06/2026. Aggrieved with the decision of CGRF, the appellant had filed this appeal petition to this Authority.

Arguments of the Appellant

RPIPL entrusted KSEB Ltd. With the execution of the internal HT, LT and street lighting distribution system, including installation of distribution transformers, on a work deposit basis. Pursuant to the demand notice dated 19.07.2021, RPIPL remitted a work deposit of ₹92,34,384/- (inclusive of GST) on 09.09.2021 for execution of the work. Under the applicable KSERC (Standards of Performance) Regulations, the work was required to be completed within eight months. However, despite repeated requests and review meetings, KSEB Ltd. completed the work only on 10.05.2023, resulting in a delay of nearly one year. Immediately after completion of the work, RPIPL repeatedly requested KSEB Ltd. to furnish the memorandum of cost, close the deposit work account and refund the unutilized balance amount. Instead of providing a detailed final settlement, KSEB Ltd. initially issued a utilization certificate showing an expenditure of ₹90,56,646.82. As KSEBL had only provided a consolidated statement, RPIPL requested details of the expenditure including a breakup of the actual works, along with copies of the work orders issued to various contractors and the Bill of Quantities (BOQ). Subsequently, against the request for details from RPIPL, the expenditure was revised by KSEBL to ₹72,87,207.20, and KSEB Ltd. stated that only ₹5,38,542/- was refundable. Upon verification of the details furnished by KSEB Ltd., RPIPL identified significant discrepancies in the computation of the refundable amount. It was noticed that the deposited amount had been considered exclusive of GST, whereas the executed amount had been considered inclusive of GST. KSEB Ltd. also referred to flood cess in its calculations, although no flood cess had actually been collected as evidenced by the GST invoice. Based on a detailed reconciliation, RPIPL calculated that the actual original refundable amount was ₹20,25,433/-. During the subsequent period, RPIPL requested KSEB Ltd. to adjust the cost of certain additional works, including fault rectification works and shifting of electric poles, against the refundable deposit amount. RPIPL requested utilisation of the excess amount lying with KSEBL for subsequent works only as a last resort and purely to mitigate its financial exposure, since KSEBL had failed to refund the excess amount despite repeated requests. The total additional works subsequently undertaken by KSEBL amounts to ₹3,58,956/- resulting in a refundable amount of ₹16,66,477/-. However, the refundable amount as per the statement of KSEBL was only ₹2,57,843/-. Even after such adjustments, KSEB Ltd. failed to prepare the final settlement statement, furnish complete account for the value of recovered scrap materials, or refund the balance amount. Several reminders were issued by RPIPL between 2023 and 2026 requesting final settlement of the deposit work account and refund of the excess amount, but no final decision was taken by KSEB Ltd.

Aggrieved by the prolonged delay in settlement of the deposit work account, the absence of transparency in accounting, the inconsistent expenditure statements, the failure to refund the excess deposit, and the continued withholding of the refundable amount despite repeated representations, RPIPL approached the Consumer Grievance Redressal Forum (Southern Region), Kottarakkara seeking appropriate relief. Before the CGRF, RPIPL prayed for directions to KSEB Ltd. To refund the excess deposit amount, furnish a detailed statement of expenditure and final settlement account, award interest on the delayed refund, grant compensation for the inordinate delay in completion of the work and settlement of accounts, and grant such other consequential reliefs as deemed fit in the interests of justice.

The learned Consumer Grievance Redressal Forum committed a serious error in holding that the grievance relating to the GST component falls outside its jurisdiction and that the Appellant should approach another forum for redressal. The dispute raised by the Appellant before the CGRF was not a dispute regarding levy, assessment or collection of GST under the Goods and Services Tax laws. The Appellant has never questioned the legality of the GST rate, the validity of the tax invoice, or the tax remitted by KSEB Ltd. To the Government. The grievance relates solely to the final settlement of the work deposit maintained by KSEB Ltd. And the determination of the correct refundable amount payable to the Appellant after completion of the deposit work. The amount collected from the Appellant constituted a composite work deposit towards execution of the deposit work. Once the work was completed, KSEB Ltd. became legally bound to prepare the final accounts, determine the actual expenditure incurred, and refund the excess amount collected. While arriving at such final settlement, every component of the deposit, including the GST component collected from the Appellant, necessarily forms part of the financial reconciliation. The Appellant specifically demonstrated before the Forum that KSEB Ltd. had adopted an inconsistent accounting methodology by comparing the deposit amount exclusive of GST with the expenditure inclusive of GST, thereby materially reducing the refundable amount. The Appellant further demonstrated that certain assumptions relating to flood cess were factually incorrect and that the refundable GST component required proper recalculation on the basis of the actual expenditure incurred.

These issues arise directly from the preparation and settlement of the deposit work account and do not involve adjudication of any question under the GST enactments. Having accepted jurisdiction to examine the correctness of the expenditure statement, the refundable amount and the scrap value, the Forum could not have declined jurisdiction in respect of one component of the very same financial settlement merely because it related to GST. The determination of the refundable amount cannot be artificially divide into separate components. The learned Forum, having entered upon the adjudication of the dispute relating to settlement of the deposit work account, ought to have examined whether the methodology adopted by KSEB Ltd. in calculating the refundable amount, including the treatment of the GST component, was correct, transparent and in accordance with law. The finding that the Appellant should approach another forum has resulted in fragmentation of the dispute, compelling the Appellant to pursue multiple proceedings in respect of a single cause of action arising out of one deposit work account. Such an approach defeats the very object of the grievance redressal mechanism established under the Electricity Act, 2003, namely, to provide an effective, inexpensive and comprehensive remedy against grievances arising from the acts and omissions of the distribution licensee.

The actual amount to be refunded by KSEBL is detailed below.

Sl. No.	Particulars	Total Amount (Rs.)
01	Deposited Amount by RPIPL	92,34,383
02	Final bill Amount as per utilisation certificate of KSEBL dated 21.03.2024	72,08,950
03	**Refundable amount (02-01)**	**20,25,433**
04	Subsequent Additional works by KSEB Ltd	
05	Supply restoration works	64,162
06	Line shifting works	2,94,793.88
07	**Total Additional works by KSEB Ltd (05+06)**	**3,58,955.88**
08	Actual refundable Amount	16,66,477
09	KSEB refunded Amount on 20.04.2026	2,57,843
10	Balance Amount to be refunded (8-9)	14,08,634

It is therefore respectfully submitted that the finding contained in Direction No.4 of the impugned order is legally unsustainable and liable to be set aside. This Hon'ble Electricity Ombudsman may be pleased to adjudicate the issue relating to the GST component as an integral part of the final settlement of the deposit work account and direct KSEB Ltd. to refund the entire amount found due, including the refundable GST component, in accordance with law.

The learned Consumer Grievance Redressal Forum erred in accepting the explanation offered by KSEB Ltd. that the delay in execution of the deposit work was attributable to the constraints arising out of the COVID-19 pandemic. The said finding is contrary to the material available on record an dis unsupported by any documentary evidence. The work deposit amount was remitted by the Appellant on 09.09.2021. The execution of the work was therefore required to commence only thereafter. By September 2021, the restrictions imposed due to the COVID-19 pandemic had substantially eased, economic activities had resumed, and government departments, public sector undertakings and contractors had recommenced normal operations. KSEB Ltd. has not produced any material whatsoever to establish that the execution of the subject work was prevented by any Government restriction, force majeure event or statutory prohibition arising out of the pandemic. On the contrary, the records clearly establish that the delay was solely attributable to the inaction and administrative lapses on the part of KSEB Ltd. The major component of the work, namely the HT line extension through Aerial Bunched Cable, was tendered only after an unexplained delay of 276 days from the date of remittance of the work deposit. Such delay occurred long after the restoration of normal functioning and cannot, by any stretch of imagination, be attributed to the COVID-19 pandemic. Further, Regulation

85(2) of the Kerala Electricity Supply Code, 2014 prescribes the maximum time limits for execution of such works. The installation of a new distribution transformer is to be completed within two months; HT line works are to be completed within three months for the first kilometre with an additional one month for every subsequent kilometre; and LT line works are to be completed within forty-five days for the first kilometre with an additional fifteen days for every subsequent kilometre. Even considering the nature of the work and permitting simultaneous execution of different components, the entire work ought to have been completed well within eight months from the date of remittance. However, the work was completed only on 10.05.2023, nearly one year beyond the prescribed period. The delay was therefore not the result of any unavoidable circumstance but solely due to the failure of KSEB Ltd. to initiate timely tender proceedings, finalise the contract and execute the work due diligence. The learned Forum failed to appreciate that an administrative inability to attract bidders or delays in tendering are internal matters of the licensee and cannot be transferred to the consumer who had already discharged its entire financial obligation by remitting the work deposit. A distribution licensee cannot avoid its statutory obligations by relying upon deficiencies in its own procurement process.

The learned Consumer Grievance Redressal Forum failed to appreciate that the Appellant became entitled to refund of the unutilised work deposit immediately upon completion and finalisation of the deposit work. Despite completion of the work on 10.05.2023, KSEB Ltd. failed to prepare the final accounts and refund the excess amount within a reasonable time. Instead, the Appellant was compelled to pursue the matter through repeated representations over a period of nearly three years before approaching the4 Consumer Grievance Redressal Forum. The impugned order itself records that there was prolonged delay in setting the deposit work account and further observes negligence on the part of the officials of KSEB Ltd. Despite recording such findings, the Forum declined to grant any consequential monetary relief to the Appellant.

The prolonged retention of the excess work deposit beyond the period reasonably required for settlement of the deposit work account is also inconsistent with the principles governing the acceptance and retention of monies by companies under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, which discourage indefinite retention of monies without legal authority. Although the work deposit is not a “deposit” within the meaning of the said provisions, the underlying legislative principle reinforces that monies belonging to another person cannot be retained indefinitely without lawful justification. In these circumstances, the Appellant is entitled to interest on the refundable amount from the date on which the refund became due till the date of actual payment, together with appropriate compensation for the prolonged delay, financial prejudice and deprivation occasioned by the arbitrary and unjustified retention of the Appellant’s funds by KSEB Ltd. The finding of the Consumer Grievance Redressal Forum declining such relief is therefore liable to be set aside.

Confirm and uphold the directions issued by the Consumer Grievance Redressal Forum directing KSEB Ltd.

- to recalculate the refundable amount by duly considering the objections and calculations submitted by the Appellant.
- issue a detailed and clarified expenditure statement for the entire deposit work.
- reassess the value of scrap materials recovered during execution of the work and account for the same while finalising the deposit work account.

Direct KSEB Ltd. to complete the above exercise within a time limit to be fixed by this Hon'ble Ombudsman, preferably within 30 days, and refund the balance amount found due together with a revised final settlement statement. Hold that the Appellant is entitled to interest on the refundable amount with effect from 10.06.2023, being the date on which the refund became due after allowing a reasonable period of thirty days from completion of the deposit work, till the date of actual payment, in view of the prolonged, unexplained and unjustified delay on the part of KSEB Ltd. in setting the deposit work account and refunding the excess amount.

Set aside the finding of the Consumer Grievance Redressal Forum that the claim relating to the GST component is outside its jurisdiction, and adjudicate the issue or issue appropriate directions to KSEB Ltd. regarding the actual refundable amount, after examining the legality of its retention and adjustment. Set aside the finding that the Forum is not competent to grant compensation, and award appropriate compensation for the inordinate delay in completion of the deposit work, delay in settlement of the work deposit account, and prolonged withholding of the refundable amount, or grant such other appropriate relief as may be permissible under law. Award the costs of these proceedings. Pass such other or further orders as this Hon'ble Electricity Ombudsman may deem fit and proper in the interests of justice.

Arguments of the Respondent

At the outset, the respondents respectfully submit that the present appeal is wholly misconceived, devoid of legal basis is liable to be dismissed in limine. The appellant has attempted to convert a contractual deposit work dispute, involving execution of internal electrical infrastructure, accounting procedures and GST-related issues, into a consumer grievance alleging deficiency in service. The principal grievance raised by the appellant regarding refund of GST and the alleged loss of Input Tax Credit (ITC) necessarily involves interpretation and application of the provisions of the Central Goods and Services Tax Act, 2017 and the Rules framed thereunder. Such issues fall exclusively within the jurisdiction of the authorities constituted under the GST enactments and are wholly outside the jurisdiction of the Consumer Grievance Redressal Forum and the Hon'ble Electricity Ombudsman constituted under the Electricity Act, 2003. Consequently, the relief sought by the appellant in relation to GST is not maintainable before this Hon'ble Ombudsman. It is submitted that the entire claim of the appellant proceeds on an erroneous assumption that the respondents were under a statutory obligation to complete the work within a prescribed period applicable to normal electricity supply obligations. The said assumption is fundamentally incorrect and contrary to the records. The work in question was not a statutory obligation undertaken by the respondents for providing electricity connection or supply to a consumer. The same was a deposit work undertaken at the specific request and for the exclusive benefit of the appellant for creation of internal electrical infrastructure within Rubber Park, Piravanthoor. In respect of such deposit works, the relationship between the parties is governed by the terms and conditions applicable to deposit works, administrative sanctions, estimates, financial procedures and applicable regulations governing execution of such works. The appellant cannot seek to invoke provisions applicable to statutory consumer services for claiming compensation or interest. Therefore, the very foundation of the appeal is legally unsustainable and the appeal is liable to be dismissed at the threshold.

The entire case of the appellant proceeds on the assumption that it was legally entitled to avail Input Tax Credit in respect of the deposit work. Whether the services rendered by KSEBL under the present deposit work qualify for Input Tax Credit, or whether such credit is restricted under Section 17(5) of the Central Goods and Services Tax Act, 2017, are questions falling exclusively within the domain of the competent GST authorities. It is submitted that the principal monetary claim raised by the appellant relates to refund of GST amounting to Rs.14,08,634/- and alleged loss of Input Tax Credit. Such claims necessarily involve interpretation and application of the provisions of the Central Goods and Services Tax Act, 2017 and the Rules framed thereunder.

The question whether:

a) GST was correctly levied and collected;

b) the appellant was entitled to avail Input Tax Credit;

c) Input Tax Credit was restricted under any provision of the GST enactments;

d) any procedural lapse occurred in availing such credit; or

e) any consequential relief is available under the GST enactments,

are matters exclusively falling within the jurisdiction of the statutory authorities constituted under the GST laws. This Hon'ble Electricity Ombudsman constituted under Section 42(6) of the Electricity Act, 2003 has no jurisdiction or authority to adjudicate upon disputed questions arising under the GST enactments or grant reliefs which are exclusively governed by another statutory mechanism. The Appellant cannot indirectly seek adjudication of GST disputes by incorporating the same into proceedings arising under the Electricity Act, 2003. Therefore, the claim relating to refund of GST and alleged loss of Input Tax Credit is liable to be rejected solely on the ground of want of jurisdiction.

It is submitted that the GST component collected from the appellant was not retained by KSEBL as income or deposit. The same was collected strictly in accordance with the provisions of the GST enactments and was duly remitted to the Government. Upon remittance of GST to the Government, the respondents ceased to have any beneficial interest, control or authority over such amount. The appellant is seeking a direction against the respondents to refund an amount which is no longer available with the respondents and has already been discharged towards statutory tax liability. Such a direction would amount to compelling the respondents to act contrary to statutory provisions and impose a liability which is neither contemplated under the Electricity Act, 2003 nor under the GST enactments. Hence, the claim for refund of GST against KSEBL is legally untenable and liable to be rejected.

The appellant cannot claim the status of a consumer in respect of the deposit work in question. The work was undertaken exclusively at the request and for the benefit of the appellant for creation of internal HT/LT infrastructure within its premises. The respondents were not rendering a statutory service of supply of electricity to the appellant while executing the said work.

The appellant, Rubber Park Industries Private Ltd. (RPIPL), Piravanthoor, situated in Pathanapuram Taluk, falls within the territorial jurisdiction of the respondents, Kerala State Electricity Board Limited (KSEBL), Electrical Section, Piravanthoor, and all matters relating to the subject electrical works are being dealt with by the said Section in accordance with the applicable rules and regulations. On 12/07/2021, administrative sanction was accorded for providing an internal power distribution system within Rubber Park for effecting power to rubber based industrial units for an estimated amount of Rs.93,12,641/- towards the cost of the following:

a) Stringing 810 mtr 11KV ABC from KINFRA 4 Pole to Rubber Park through existing 11KV OH line
b) Stringing 600 mtr fresh 11 KV OH line
c) Constructing 1.1 Km LT 3 ph 4 wire Line.
d) Stringing 1.1 Km LT additional conductor.
e) Constructing 0.24 Km LT Sph 2 wire line and 50 mtr LT ABC 3ph.
f) Installation of 4 nos. Distribution transformers.

The estimated amount is inclusive of applicable GST, but exclusive of flood cess. Subsequently, on 10/09/2021, M/s. Rubber Park India (P) Ltd had remitted an amount of Rs.92,34,383/- (Rupees Ninety-Two Lakhs Thirty-Four Thousand Three Hundred and Eighty-Three only) before the KSEBL towards the execution of HT and LT distribution system in their Rubber Park at Piravanthoor, which was at the relevant time, in a stage of initial development. In the interregnum, the Deputy Chief Engineer, Electrical Circle, Kottarakkara accorded sanction for execution of HT ABC works for Rubber Park Piravanthoor under deposit work scheme under Electrical Section, Piravanthoor on Turnkey basis. It is submitted that, owing to the magnitude of the project and for ensuring administrative efficiency, economy and better execution, the work was divided into two independent components:

i. pole insertion and establishment of the HT and LT distribution network; and

ii. supply, stringing, testing and commissioning of 11 kV HT Aerial Bunched Cable.

Immediately after completing the necessary administrative formalities, the respondents invited e-tenders on 27/12/2021 for the major component of the work, namely erection of poles and establishment of the HT/LT distribution network. This itself demonstrates that the respondents acted with due promptitude and there was no delay in initiating execution of the sanctioned work. While so, on 10/06/2022, the Deputy Chief Engineer, Electrical Circle, Kottarakkara convened an online review meeting with M/s. RPIPL and KSEB officials, and directed for the urgent completion of the said work on or before 30/07/2022. Even before the commencement of the work deposit itself, there was a distribution system owned by KSEBL for meeting the energy requirements of RPIPL. The additional work of stringing 810 m of HT ABC is mainly for extending the dedicated feeder in the premises of the Rubber Park. The work deposit was executed in such a way that the preliminary work of laying poles and associated structures and erection of transformers are to be done initially before the commencement of the work of stringing HT ABC. It is respectfully submitted that Part I of the work, comprising the insertion of poles and establishment of the 11 kV and LT distribution network, was successfully completed on 29/09/2022. However, the execution of Part II, namely the supply, stringing, testing and commissioning of the 11 kV High Tension Aerial Bunched Cable (HT ABC), encountered exceptional practical and administrative difficulties beyond the control of the Respondents. Despite repeated invitations for e-tenders, extension of the tender period on more than five occasions, and re-tendering on three separate occasions, no eligible bidders came forward to undertake the work for a considerable period. The tender process was significantly hampered by the lingering effects of the COVID-19 pandemic, including disruptions in procurement and supply chains, scarcity of essential materials, and a severe shortage of qualified contractors willing to execute the work. These circumstances, which were entirely beyond the control of KSEBL, inevitably resulted in delay in the execution of the second phase of the work, notwithstanding the earnest and continuous efforts made by the Respondents to complete the project at the earliest opportunity.

It is respectfully submitted that the delay, if any, in the execution of the second phase of the work was occasioned by circumstances constituting force majeure, arising out of the unprecedented COVID-19 pandemic and the restrictions imposed by the Central and State Governments for its containment. The pandemic severely disrupted public procurement processes, availability of materials, logistics, movement of labour, and participation of contractors in Government tenders, thereby adversely affecting the timely execution of infrastructure projects across the country. The respondents, being a Government undertaking, were bound to carry out the work strictly in accordance with the prescribed public procurement procedures and could not bypass the statutory tender process.

It is further submitted that the Ministry of Finance, Government of India, recognising the extraordinary circumstances arising from the COVID-19 pandemic, issued Office Memorandum No. F.18/4/2020-PPD dated 19/02/2020, clarifying the applicability of the Force Majeure Clause in Government procurement contracts. The said Office Memorandum acknowledges that where the performance of contractual obligations is prevented or delayed by a force majeure event, including the COVID-19 pandemic, the parties are entitled to invoke the force majeure provisions in accordance with the terms of the contract and the applicable procurement guidelines.

It is further submitted that, considering the urgency and public importance of completing the work pertaining to setting up internal system at Rubber Park, the Deputy Chief Engineer, Electrical Circle, Kottarakkara, vide letter dated 18/04/2023, accorded approval to award the work to the lowest bidder at the negotiated rate of 16% above the estimate, taking a pragmatic and lenient view in the larger interest of ensuring timely completion of the project.

The time consumed in completing these mandatory statutory and financial formalities cannot, by any stretch of imagination, be construed as negligence, inaction or deficiency in service on the part of the respondents. Consequently, the allegation that the respondents deliberately delayed issuance of the Memorandum of Cost or the refund of the excess amount is wholly unfounded and is liable to be rejected. It is respectfully submitted that, upon completion of the physical execution of the work, the respondents promptly initiated the financial closure of the work deposit account. The audit of the contractor's bill was completed on 17/08/2023, and payment was effected thereafter in the ordinary course of business. Upon completion of the audit and reconciliation process, the Utilisation Certificate based on the actual expenditure incurred against the sanctioned estimate was issued for an amount of Rs.90,56,646.82/-.

It is respectfully submitted that, out of the total amount of Rs.92,34,383/- remitted by the appellant on 10/09/2021, a sum of Rs.78,25,749/- alone constituted the work deposit available with KSEBL for execution of the deposit work. The balance amount comprising CGST of Rs.7,04,317/- and SGST of Rs.7,04,317/-, aggregating to Rs.14,08,634/-, was collected by KSEBL in accordance with the provisions of the Goods and Services Tax enactments and remitted to the Government pursuant to the GST Invoice (B2B) dated 10/09/2021 issued by the Assistant Engineer, Electrical Section, Piravanthoor, in the name of M/s. Rubber Park India (P) Ltd. bearing GSTIN 32AABCR7840R1ZW. Consequently, only the work deposit amount of Rs.78,25,749/- formed part of the work deposit account maintained by KSEBL, whereas the GST component stood remitted to the Government and ceased to be available with the respondents. The appellant, being a registered taxable person, is entitled to avail such statutory benefits as are permissible under the GST laws. It is further submitted that, while settling the contractor's bill in respect of Phase II of the work, KSEBL also remitted GST amounting to Rs.1,61,737/- to the contractor in accordance with the applicable GST provisions. Since the principal activity of KSEBL, namely distribution and supply of electricity, is outside the purview of GST, KSEBL is not eligible to avail Input Tax Credit in respect of the GST paid on such works contract. Consequently, the GST paid forms part of the actual expenditure incurred by the respondents in execution of the work.

Upon finalisation of the expenditure statement and determination of the provisional refundable balance, the respondents initiated the process for refund in accordance with the applicable financial delegation. Accordingly, the Deputy Chief Engineer, Electrical Circle, Kottarakkara, vide letter dated 06/07/2024, forwarded the proposal seeking sanction for refund of Rs.6,16,799/- to the competent authority. While the refund proposal was under consideration, a subsequent event intervened. On 07/11/2024, a tree was felled during the land-levelling activities undertaken by the appellant within the Rubber Park premises, causing damage to the High Tension line and other electrical infrastructure belonging to KSEBL, thereby necessitating urgent restoration works. On the very next day, the appellant requested the Assistant Engineer, Piravanthoor for deduction of fault rectification charges from refundable deposit. In view of the said request, the refund proceedings were necessarily kept in abeyance pending determination of the revised refundable balance. It is respectfully submitted that the delay, if any, in finalising the refund thereafter was occasioned solely by the own request of the appellant for adjustment of subsequent liabilities against the refundable amount.

At the outset, the respondents respectfully submit that the principal grievance raised by the appellant regarding refund of GST and the alleged loss of Input Tax Credit (ITC) necessarily involves interpretation and application of the provisions of the Central Goods and Services Tax Act, 2017 and the Rules framed thereunder. Such issues fall exclusively within the jurisdiction of the authorities constituted under the GST enactments and are wholly outside the jurisdiction of the Consumer Grievance Redressal Forum and the Hon'ble Electricity Ombudsman constituted under the Electricity Act, 2003. Consequently, the relief sought by the appellant in relation to GST is not maintainable before this Hon'ble Ombudsman. The entire case of the appellant proceeds on the assumption that it was legally entitled to avail Input Tax Credit in respect of the deposit work. Whether the services rendered by KSEBL under the present deposit work qualify for Input Tax Credit, or whether such credit is restricted under Section 17(5) of the Central Goods and Services Tax Act, 2017, are questions falling exclusively within the domain of the competent GST authorities.

Without prejudice to the foregoing contentions, it is respectfully submitted that the respondents cannot be held liable for the alleged loss of Input Tax Credit. GST Invoice was issued on 10/09/2021 and the particulars thereof were duly uploaded in the GST portal in accordance with law. Consequently, the invoice would have been reflected in the electronic records maintained with the appellant, including GSTR-2A/GSTR-2B, during the relevant tax period. The appellant was therefore fully aware of the tax invoice as well as the statutory time limits prescribed under section 16(4) of the GST enactments for availing Input Tax Credit, namely up to 30/09/2022, which was subsequently extended to 30/11/2022 for invoices pertaining to the Financial Year 2021-2022. The GST collected from the appellant has been duly accounted for and remitted to the Government in accordance with the statutory provisions.

It is respectfully submitted that the allegation regarding non-accounting of the scrap value is wholly misconceived, factually incorrect and is therefore denied. The scrap generated during the execution of the deposit work was duly assessed, valued and accounted for strictly in accordance with the financial rules, accounting procedures and established practices governing deposit works in KSEBL. The corresponding value has been appropriately taken into account while finalising the expenditure statement and determining the refundable balance. There is neither any omission nor any irregularity in the accounting of the scrap value. It is further submitted that the appellant has taken mutually inconsistent and contradictory stands regarding the amount allegedly refundable. Before the Consumer Grievance Redressal Forum, the appellant claimed a refund of Rs.9,18,671.26/-. However, in the present appeal before this Hon'ble Ombudsman, the appellant has completely altered its claim by seeking a refund of Rs.20,25,433/-, which is thereafter modified to Rs.16,66,477/- and ultimately seeks refund of Rs.14,08,634/- after making deductions towards subsequent works. The appellant has arrived at these varying figures by adopting entirely different methodologies and assumptions at different stages of the proceedings, thereby demonstrating that the claim lacks consistency, certainty and any reliable factual basis.

In the above facts and circumstances, it is therefore most respectfully prayed that this Hon'ble State Electricity Ombudsman may be pleased to dismiss the appeal in limine and, in any event, dismiss the same as being devoid of merit, both on facts and in law, confirm the findings of the Consumer Grievance Redressal Forum to the extent they are in favour of the respondents, affirm the impugned Order passed by the Consumer Grievance Redressal Forum, Southern Region, in O.P. No. 60/2025-26. In execution of the work and finalisation of the refundable amount was occasioned by circumstances beyond the control of the respondents, including repeated failure of the tender process, post-pandemic procurement constraints, mandatory statutory accounting procedures and the own requests of the appellant for adjustment of subsequent works, and therefore no liability can be fastened upon the respondents, pass such other or further orders as this Hon'ble Ombudsman may deem fit and proper in the facts and circumstances of the case and in the interests of justice.

Counter arguments of the appellant

The Appellant, Rubber Park India (P) Ltd. (RPIPL), respectfully submits these brief Argument note pursuant to the hearing in the above matter. The present appeal arises from the prolonged delay on the part of KSEB Ltd. in execution of the deposit work, finalisation of the work deposit account, determination of the correct refundable amount and refund of the excess amount deposited by the Appellant. The Appellant had remitted the entire work deposit amount of Rs.92,34,383/- inclusive of GST for execution of the deposit work. The work was completed only after substantial delay, and even thereafter the final expenditure statement, Memorandum of Cost and refundable amount were not finalised within the period as per Regulations. The Appellant was therefore compelled to make repeated representations and ultimately approach the statutory grievance redressal mechanism. The principal dispute before this Hon. Ombudsman is not with respect to the levy, rate, assessment, applicability or validity of GST under the GST laws. The Appellant has not disputed the legality of the GST rate, the validity of the tax invoice, or the remittance of GST by KSEB Ltd. to the Government. The grievance of the Appellant is with the manner in which KSEB Ltd. has accounted for the work deposit, determined the actual expenditure incurred in execution of the deposit work and consequently arrived at the refundable amount. In particular, the Appellant has challenged the accounting methodology adopted by KSEB Ltd., including the treatment of the GST component while reconciling the amount deposited with the actual expenditure incurred.

During the hearing, KSEB Ltd. contended, inter alia, that the GST amount collected from RPIPL had already been remitted by KSEB Ltd. to the Government and that KSEB Ltd. could not therefore refund the said GST amount to RPIPL. At the outset, the Appellant respectfully submits that RPIPL has never challenged the levy of GST, the applicable rate of GST, the validity of the tax invoice or the remittance of GST by KSEB Ltd. to the Government. The grievance of the Appellant is with respect to the manner in which the work deposit, including the GST component collected thereon, was accounted for and subsequently reconciled by KSEB Ltd., and the consequential financial prejudice caused to the Appellant on account of the prolonged delay in execution and settlement of the deposit work. The Appellant further submits that, upon receipt of the work deposit from RPIPL, KSEB Ltd. ought to have adopted an appropriate accounting and invoicing mechanism whereby the tax liability was ultimately reconciled with the actual value of the works executed and the corresponding GST liability upon completion of the work. Upon completion of the deposit work, the final account and corresponding tax liability could then have been determined on the basis of the actual expenditure/value of the works executed. Such a mechanism would have enabled KSEB Ltd. to properly determine the actual cost of the works and the corresponding GST component upon completion of the work, rather than retaining and accounting for the GST component based upon the initial deposit for a prolonged period while the work itself remained incomplete. The Appellant respectfully submits that the prolonged and unexplained delay in execution of the deposit work and subsequent delay in finalisation of the deposit work account had direct financial consequences for RPIPL.

The Appellant had specifically pointed out that KSEB Ltd. had adopted an inconsistent methodology in arriving at the refundable amount, including the treatment of the deposit amount and expenditure with respect to GST. RPIPL had also pointed out the incorrect inclusion of flood cess in the calculation, although the relevant GST invoice did not establish collection of such flood cess. It is therefore respectfully submitted that the fact that KSEB Ltd. may have already remitted the GST amount to the Government does not, by itself, conclude the question of the correct financial settlement of the deposit work account. KSEB Ltd. is still required to properly reconcile the amount collected from RPIPL, the actual value/cost of the works executed, the corresponding GST component and all other legitimate adjustments, and thereafter determine the amount actually refundable to RPIPL. The Appellant had also promptly brought the GST issue to the notice of KSEB Ltd. immediately upon receipt of the communication regarding the memo of cost. RPIPL specifically informed KSEB Ltd. that, based on the information obtained by RPIPL from the GST Department, where excess GST had already been remitted, the person who had actually remitted the tax was required to take the appropriate steps for claiming any eligible refund.

The Appellant therefore submits that the present proceedings do not require this Hon. Ombudsman to adjudicate any independent question relating to the levy, assessment or collection of GST. The GST component is relevant only as an integral part of the financial reconciliation of the deposit work account and for determining the actual amount refundable to RPIPL. The issue has arisen from the mistake committed by KSEB Ltd. in accounting for and reconciling the GST component while finalising the deposit work account of the project. The cause of action pleaded by the Appellant thus arises from the delay and deficiency in the execution and settlement of the deposit work, the failure to properly reconcile the deposit including the tax component with the actual works executed, and the consequential prolonged withholding of the Appellant's funds, and not from any allegation that the levy or remittance of GST itself was illegal. In view of the above, it is respectfully submitted that the contention of KSEB Ltd. that the GST component could not be refunded merely because the GST collected from RPIPL had already been remitted to the Government is not, by itself, sufficient to conclude the issue of proper reconciliation of the deposit work account. Where the amount collected from RPIPL was treated as an advance towards the proposed taxable supply, Section 31(3)(d) of the CGST Act, 2017 provides for issuance of a receipt voucher evidencing receipt of such advance, including the applicable tax particulars. Upon completion of the work, the advance and the corresponding GST component were required to be appropriately reconciled with the actual value of the taxable supply and the tax finally payable. Section 31(3)(e) further provides, in the specific circumstances where an advance has been received but subsequently no supply is made and no tax invoice is issued, for issuance of a refund voucher. Where the supply is ultimately made and a tax invoice is issued, any subsequent reduction in the taxable value or tax charged, subject to the statutory conditions, is capable of being dealt with through the credit-note mechanism under Section 34 of the CGST Act and the corresponding statutory adjustment of the supplier's tax liability. Where such a credit note is issued, the relevant details are required to be declared in the corresponding GSTR-1 return in accordance with the applicable provisions. Thus, the fact that KSEB Ltd. had initially collected and remitted the GST to the Government does not, by itself, make subsequent reconciliation or statutory adjustment of the GST component impossible. The GST law itself provides statutory mechanisms for dealing with advances, subsequent reduction in taxable value or tax charged, and corresponding adjustment of the supplier's tax liability, wherever the conditions prescribed under the Act are satisfied. Further, KSEB Ltd. has neither issued and reported the corresponding credit note in its GSTR-1 nor intimated the Appellant that any such credit note or corresponding GST adjustment had been made. Therefore, the mere fact that the GST had already been remitted to the Government cannot, by itself, constitute a valid justification for retaining the corresponding excess amount collected from RPIPL without completing the necessary reconciliation and adopting the applicable statutory mechanism under the CGST Act. RPIPL had no occasion to anticipate or identify the discrepancy before the detailed Memorandum of Cost was furnished by KSEB Ltd.; upon becoming aware of the discrepancy from the said Memorandum of Cost, RPIPL promptly brought the matter to the notice of KSEB Ltd. Therefore, the contention that RPIPL ought to have alerted KSEB Ltd. earlier regarding the possible impact on its input tax credit cannot be relied upon to shift to RPIPL the responsibility for proper reconciliation of the GST component by KSEB Ltd. or to justify the non-adjustment of the amount legitimately refundable upon finalisation of the deposit work.

The work deposit was remitted by RPIPL on 09.09.2021. Thus, from that date onwards, the execution of the work was within the control and responsibility of KSEB Ltd. The Appellant had already discharged its entire financial obligation. KSEB Ltd. sought to attribute the delay in execution of the work to the COVID-19 pandemic and associated difficulties. The Appellant respectfully submits that this explanation cannot account for the entire period of delay in the present case. Moreover, the development works of Rubber Park, Piravanthur entrusted by the Appellant to various contractors were being carried out during the relevant period without any delay attributable to COVID-19 restrictions. The work deposit itself was remitted only on 09.09.2021. By that time, the restrictions and disruptions associated with the initial phase of the COVID-19 pandemic had substantially eased and normal governmental and commercial activities had resumed. More importantly, the records disclose that the major component of the work, namely the HT line extension through Aerial Bunched Cable, was tendered only after an unexplained delay of approximately 276 days from the date of remittance of the work deposit. Such a prolonged delay in initiating the tender process is an internal administrative matter of KSEB Ltd. and cannot automatically be attributed to COVID-19. KSEB Ltd. also referred to difficulties in obtaining bidders/tender-related issues. Even if such difficulties existed, they are matters pertaining to the internal procurement and administrative process of the licensee. The consumer who has already remitted the entire work deposit cannot be made to bear the consequences of such internal administrative difficulties. Regulation 85(2) of the Kerala Electricity Supply Code, 2014 prescribes maximum time limits for execution of various categories of distribution works. The Appellant had already placed these requirements on record. The applicable time limits include two months for installation of a new distribution transformer, prescribed periods for HT line works and prescribed periods for LT line works.

The Appellant has consistently maintained a sequential reconciliation of the deposit amount, actual expenditure, subsequent works and amounts already refunded. The figures relied upon by the Appellant are:

Particulars	**Amount**
Deposit remitted by RPIPL	₹292,34,383/-
Expenditure considered for the original work	₹72,08,950/-
Original refundable amount	₹20,25,433/-
Subsequent works adjusted	₹3,58,956/-
Refundable amount after subsequent works	₹16,66,477/-
Amount refunded by KSEBL on 20.04.2026	₹2,57,843/-
Balance amount claimed	**₹14,08,634/-**

The above figures represent different stages of the reconciliation and are not contradictory claims. The Appellant submits that the utilisation of part of the excess deposit towards subsequent works was not a waiver of RPIPL's right to refund. RPIPL agreed to such adjustment only as a practical measure and as a last resort, after KSEB Ltd. had failed to refund the excess amount despite repeated requests. The subsequent works amounting to approximately 3,58,956/- were therefore adjusted against the refundable amount, leaving a balance of approximately 16,66,477/-, from which KSEB Ltd. subsequently refunded only ₹2,57,843/-on 20.04.2026. Accordingly, the balance presently claimed by RPIPL is ₹14,08,634/-.

The delay attributable to KSEB Ltd. in the present case is required to be considered in two distinct but connected stages: (i) the delay in execution and completion of the deposit work; and (ii) the subsequent delay in finalisation of the deposit work account and refund of the excess amount remaining with KSEB Ltd. The Appellant had remitted the entire work deposit on 09.09.2021. Under the applicable Standards of Performance, the work was required to be completed within eight months, and accordingly the work ought to have been completed on or before 09.05.2022. However, the work was actually completed only on 10.05.2023. Thus, there was a delay of 366 days beyond the prescribed completion date. The said delay is particularly significant because the Appellant had already discharged its entire financial obligation by remitting the work deposit. The execution of the work thereafter remained within the control and responsibility of KSEB Ltd.

The Appellant therefore submits that, for the purpose of determining the financial consequences of the delay, the period from 09.05.2022, being the date by which the work ought to have been completed as per the applicable eight-month Standards of Performance, up to the date of actual refund of the amount found due to RPIPL, is relevant.

The period of delay may accordingly be considered as follows:

Particulars	**Date / Period**
Date of remittance of work deposit	09.09.2021
Prescribed completion period	8 months
Date by which work ought to have been completed	09.05.2022
Actual date of completion	10.05.2023
Delay in completion beyond prescribed period	366 days
Period from prescribed completion date to actual completion	09.05.2022 - 10.05.2023
Period from actual completion to 28.08.2026	1,206 days
Total period of delay/deprivation up to 28.08.2026	1,572 days

The Appellant respectfully submits that the total period of 1,572 days represents the combined period comprising the delay in completion of the work beyond the prescribed completion date and the subsequent delay in refund of the excess amount after completion of the work, up to 28.08.2026.

The Appellant respectfully submits that the subsequent period from 10.05.2023 until 28.08.2026 is also required to be taken into consideration, since completion of the physical work did not by itself result in settlement of the deposit account. KSEB Ltd. continued to retain the excess deposit while the Appellant was required to pursue the matter for finalisation of the account and refund. The Appellant is not seeking an arbitrary or punitive rate of interest. The Appellant submits that interest may be awarded at the rate applicable under the Kerala Electricity Supply Code, 2014, including the applicable Bank Rate, or at such other reasonable rate as this Hon. Ombudsman may deem just and proper. The Appellant has presently considered 6.25% as the applicable Bank Rate for the purpose of its calculation. The claim for interest and the claim for compensation arise from the same continuing course of delay but operate on distinct principles. Interest is claimed to compensate RPIPL for the deprivation of the use of the amount which remained refundable, whereas compensation is sought for the 366-day delay in completion of the deposit work beyond the prescribed period, together with the consequential financial prejudice suffered by the Appellant.

The Appellant had to repeatedly approach KSEB Ltd. for finalisation of the account and refund of the excess amount, and even thereafter only part of the amount was refunded on 20.04.2026.

Analysis and findings

The hearing of the appeal petition was conducted on 20/08/2026 at 11:00 am in the O/o State Electricity Ombudsman. The hearing was attended by the appellant Sri. George V James and Sri. Anees T.M and on behalf of the respondent Assistant Executive Engineer, Electrical Sub Division, KSE Board Ltd, Pathanapuram, Kollam (Dt), Sri. Arun Chand, Advocate .

The Rubber Park India (P) Ltd, a joint venture between the Rubber Board and KINFRA had set an industrial park at Piravanthoor, Kollam district which is under the jurisdiction of Assistant Executive Engineer, Electrical Sub Division, Pathanapuram. The industrial park is developed for promoting industrial based on Rubber and Rubber wood. The industrial plots were marked and internal Road network, drainage etc have been completed. The power distribution network also have to provided by the developer. The work of power distribution network has been entrusted with the Licensee KSEBL and an amount of Rs.92,34,384/- have been deposited based on the estimate of the Licensee on 09.09.2021. The work includes HT & LT power distribution system, distribution transformers and street lightings. The completion time estimated was 8 months, but the work had been completed only on 10.05.2023, which results the delay of around one year. The reason for delay explained by the Licensee is about the impact of COVID-19. The COVID-19 restrictions in Kerala was relaxed by September - 21. The deposit for the work has been made by the appellant only after the COVID-19 restrictions. The tender for the HT ABC feeder cable work was first published by the Licensee only on 13/06/2022, which is after 9 months and this is highly unacceptable action. Though the work have been completed by 10/05/2023, the final amount of the work has been communicated to the appellant only on 21/03/2024 and the balance amount have been refunded only on 20/04/2026.

The respondent has challenged the maintainability of this petition as the appellant is not a “Consumer”. The Consumer is defined clearly in the section 2(15) of the Electricity Act -2023.

2. Definitions. -In these regulations, unless the context otherwise requires,-

> **(15)** *“Electricity Service” means in particular and without prejudice to the generality of the term, electricity supply, include metering, billing, maintenance of 5 supply, maintenance of distribution system and all other attendant subservices etc., which a licensee is required to provide pursuant to his licence or under any other law for the time being in force;*

The definition of person is given in the Section 2(49) of the Electricity Act. Here the person is the Rubber Park India (P) Ltd. as per definition and their premises is connected for the purpose of receiving Electricity with the works of the Licensee. Accordingly the appellant is a consumer and hence the petition is maintainable as such the objections of the respondent is rejected.

On examining this case there are many lapses happened from the side of the Licensee, they are

1) Substantial delay in executing the work.
2) Unnecessary holding the deposit amount.
3) Improper accounting of the GST.
4) Delay in settlement of the actual cost Vs estimate.
5) Improper accounting of scrap value.

1. Substantial delay in executing the work.

The RPIPL has been incorporated for the development of industrial parks in which the Rubber and Rubber wood based industries are promoted. This industrial units contribute to the GDP of the State as well as employment opportunities. The Appellant company has entrusted the work of power distribution system in the industrial park to the Licensee in expectation of timely completion, so that the industrial plots could be taken over the industrial units. The amount as estimate by the Licensee for Rs.92,34,384/- has been deposited by the appellant on 09/09/2021. The work has been actually completed at site only on 10/05/2023. The time required for the completion this work is estimated as maximum 8 months from the date of deposit of the amount as per the Regulation 85 of the Kerala Electricity Supply Code-2014. The work involved the supply and installation 4 Nos distribution transformer (500 kVA - 2 Nos & 250 kVA - 2 Nos), HT Cable less than 1.5 Km and LT Cable less than 1.5 Km.

85. Timelines for releasing and energising new connections. -

(1) *The overall timeline for releasing new electricity connection, from the date of receipt of completed application and all the payments as per the demand note, shall be as specified hereunder in the cases where supply can be provided without any extension or augmentation to the existing distribution system: -*

Sl.No.	***Particulars***	***Maximum time***
(i)	*Raising demand for consumers except for those under Regulation 36, 37 and 49(1) of the Code, who are submitting applications for service connection through online mode*	*Within 24 hours itself through electronic mode*
(ii)	*Inspection of the premises of the applicant and preparation of the cost estimates, and issuance of demand note including security deposit, for the consumers those under Regulation 36, 37 and 49(1) of the Code*	*15 days from the date of receipt of application form*
(iii)	*Giving the connection, where extension or augmentation of distribution system is not required*	*7 days from the date of receipt of application, in the case of application mentioned in Sl. no. (i) above.*
		One month from date of receipt of application for difficult areas and applications covered under Sl.no. (ii) above.

Provided that the priority for releasing connections shall be fixed with reference to the date of remittance of required expenses and security deposits and submission of the required documents.

(1A) *Relaxation of Regulation 85.— Notwithstanding anything contained in clause (iii) to sub regulation (1) of Regulation 85 of the Code, for releasing new electricity connection in metropolitan areas, the licensee shall provide service connection within a period not exceeding 3 days, after the submission of* *application complete in all respects, where extension or augmentation of distribution system is not required.*

(2) *The overall timeline for releasing new electricity connection, from the date of receipt of completed application and all payments as per the demand note, shall be as specified hereunder in the cases where supply can be provided only after extension or augmentation of distribution system: -*

Particulars	***Maximum time***
LT line including conversion from single phase to three phase	*forty five days for the first one kilometre or part thereof and fifteen days for every additional kilometre or part thereof.*
HT line	*three months for the first one kilometre or part thereof and one month for every additional kilometre or part thereof*
66 kV/ 110 kV line	*one year for the first five kilometre or part thereof and three months for every additional kilometre or part thereof.*
220 kV line	*two years for the first five kilometre or part thereof and three months for every additional kilometre or part thereof.*
New distribution transformer and associated switchgear/ enhancement of transformer capacity and associated equipment.	*two months*

Provided that the licensee may, in exceptional cases where extension of distribution mains requires more time, apply to the Commission for enlargement of time with details of likely time of completion of works, under intimation to the applicant and obtain such enlargement of time as may be necessary for the completion of the works.

Then transformer is to be supplied and installed within two months. Then time required for the extension of HT Line could be 4 months, and LT Line could be two months. All these activities are parallel, which could be finished with 4 months. However the appellant also agreed that the reasonable time could be 8 months which is agreed to. Then the work would have been totally completed by 09/05/2022. But the work is actually completed only on 10/05/2023 which is one one year delay from the normal time of completion. Then the amount of Rs.92,34,384/- was with the Licensee till the completion. The Licensee has to take serious disciplinary action against the officials who is responsible for this delay.

2. Financial cost of the amount held by the Licensee.

The amount of the deposit Rs.92,34,384/- is held by the Licensee during the delayed period. One year was the delay in execution of the work. The appellant would have borrowed this capital for the completion of the project. This project is not completed in time and as such the appellant was not able to capitalize the project. If the Appellant would have deposited this amount after one year, they would have earned the interest for this amount. Here the interest was earned by the Licensee by holding the amount for a period of one year. Then the Appellant is eligible to get the interest at the bank rate for a period of one year as the compensation for delay.

3. Improper accounting of GST.

The estimated amount has been collected as an advance from the Appellant. The Licensee had issued a tax invoice dated 10/09/2021, which shows that the total tax as Rs.14,08,634/-. As per the Section 31(3)(d) of the GST Act 2017, mandates that a registered person must issue a receipt voucher upon receiving an advance payment for any supply of Goods or Services. This receipt voucher as a legal evidence that an advance payment was received. Then Section 31(3)(e) of the said Act allows a registered person to issue a refund voucher to a client if received an advance payment, issued a receipt voucher, but later did not supply the Goods or Services.

This is very clear that the appellant is liable to pay the GST for the work finally executed or as per the final invoice. The advance amount collected for the estimate of Rs.78,25,749/-and tax @ 18% works out to Rs.14,08,634/- total to Rs.92,34.383/-. Then as per actual execution, the expenditure for the work is Rs.70,47,212.74/-, then the tax applicable is 18% works out to 12,68,498/-, then the total amount would be 83,15,711/-. The excess amount collected from the appellant is Rs.92,34,383 - 83,15,711 which is Rs.9,18,671/-. The appellant is eligible to get a refund of Rs.9,18,671/- immediately after the completion of work which would be by June - 2023. Then the appellant has asked the Licensee to execute additional works for Rs.3,58,956/-. Then the amount to be refunded would be Rs.5,59,715/- (9,18,671 - 3,58,956). The amount refunded by the Licensee on 20/04/2026 is only Rs.2,57,843/-. Then balance to be refunded is Rs.3,01,872/-. The main contention of the appellant is that they could not claim the input credit of GST as the Licensee had failed to complete the work in time and duly raising the final invoice. This is not within jurisdiction of Electricity Ombudsman. However the Appellant is eligible to get the interest @ applicable bank for the amount outstanding with the Licensee.

4. Delay in setting of the advance deposit.

The Licensee had completed the work on 10/05/2023, but the settlement of the advance was made only on 20/04/2026. An additional work was executed during 11/2024. The Licensee was holding the amount of Rs.9,18,671/- from 05/2023 to 11/2024. The interest for this period is applicable. Balance amount after the additional work is Rs.5,59,715/- out of which Rs.2,57,843/- is refunded on 20/04/2026. The interest for this amount is applicable from 11/2024 to 04/2026. The balance amount refundable is Rs.3,01,872/- for which the interest is applicable till the amount is refunded from 11/2024 onwards.

5. Proper Accounting of scrap value.

The Appellant also contented that the assessment of scrap value was not done properly. This scrap material after execution of work was if any are to be properly accounted as per the standard procedure.

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 decision on refund of full GST paid is not taken as this not under the jurisdiction of Electricity Ombudsman.
2. The total amount eligible for refund on 10/05/2023 is Rs.9,18,671/-.
3. The Licensee shall be refund the interest for Rs.92,34,383/- for 366 days (for a period from 09/05/2022 to 10/05/2023) at the applicable bank rate as the compensation for delay.
4. The Licensee shall refund the interest at applicable bank rate as follows:
   a) For Rs.9,18,671/- for a period from 05/23 to 11/2024 (for 579 days).
   b) For Rs.2,57,843/- for a period from 11/24 to 04/2026 (for 540 days).
   c) For Rs.3,01,872/- for a period from 11/24 till the payment is made.
5. The scrap value assessed is to be reexamined if any excess is to be refunded the same also to be done.
6. No other costs ordered.

ELECTRICITY OMBUDSMAN

No. P/039/2026/ dated: 16.09.2026

Delivered to:

1. Sri. George V James 2 A, Kautileeyam, Rubber Park, Valayanchirangara P.O, Ernakulam (Dt), Pin-683556.
2. The Assistant Executive Engineer, Electrical Sub Division, KSE Board Ltd, Pathanapuram, Kollam (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.