



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4thFloor, Singareni Bhavan, Red Hills, Hyderabad 500004

WEDNESDAY, THE TWENTY SEVENTH DAY OF JULY
TWO THOUSAND AND TWENTY TWO

:Present:

Justice C.V. Nagarjuna Reddy, Chairman
Sri P. Rajagopal Reddy, Member
Sri Thakur Rama Singh, Member

Re:

Suo Motu Proceedings against -

1. The Anakapalli Rural Electric Co-operative Society Limited,
Kasimkota,-531031 (RESCO) , represented by its Managing Director-Sri
M.V.Ramakrishnam Raju.
- 2.Sri M.V.Ramakrishnam Raju, Managing Director, The Anakapalli Rural
Electric Co-operative Society Limited, Kasimkota,-531031.
3. The Andhra Pradesh Eastern Power Distribution Company Limited
(APEPDCL), represented by its Chairman and Managing Director,
Visakhapatnam, A.P.

... Respondents.

ORDER:

Sri V.V.N.Narayana Rao, learned counsel, representing respondents 1 and
2, is present along with respondent No.2.

On behalf of respondent No.3, Sri P. Shiva Rao, learned Standing
Counsel, is present along with Sri Chandram Dandagala, Director (Finance) of
respondent No.3.

The Director (Finance) of respondent No.3 has produced an affidavit of the Chairman and Managing Director of respondent No.3, wherein it is, *inter alia*, stated that in pursuance of the orders dated 13-7-2022 and 20-7-2022, steps were taken for restoration of normalcy in both the RESCOs (i.e., Anakapally and Cheepurupalli) and bills to the consumers in the areas, which were hitherto held by the RESCOs, will be issued by respondent No.3 henceforth and the amounts collected are remitted to respondent No.3 by the RESCOs. He has further stated that the revenue collections amount from June, 2022 to 25-7-2022 to the tune of Rs.12,37,95,260/- (Rupees Twelve crores, thirty seven lakhs, ninety five thousand, two hundred and sixty only) has been remitted to the APEPDCL Bank Account by Kasimkota REC (Anakapally) on 26-7-2022; and the revenue collections amount from 01-6-2022 to 24-7-2022 to the tune of Rs.2,43,37,686/- (Rupees two crores, forty three lakhs, thirty seven thousand, six hundred and eighty six only) has been remitted to the APEPDCL Bank Account on 26-7-2022 by REC, Cheepurupalli. The Bank statement to that effect was passed on by the Director (Finance) of respondent No.3 at the hearing. It is also evident from the said affidavit that a sum of Rs.5,16,90,332/- (Rupees five crores, sixteen lakhs, ninety thousand, three hundred and thirty two only) has been withheld by the Kasimkota (Anakapally) Society purportedly towards staff salaries and repayment of DDUGJY loan.

At the hearing, respondent No.2 has admitted that the staff salaries, including his salary also, for the month of June, 2022 were paid from the Revenue Collections made by them. It is an admitted fact that since the taking over of the activities of Kasimkota (Anakapally) RESCO on 1-9-2021 by respondent No.3, respondent No.2 is not being paid salaries as per the direction of this Commission, since, in the absence of an exemption from this Commission, he is not entitled to claim salaries; and if he is to be continued as the Managing Director of respondent No.1, he can only draw salary from his parent department i.e., Co-operative Department. While the same position continued even till today, withholding of salary for the month of June, 2022 by respondent No.2 is patently illegal. Having realised this, during the hearing, respondent No.2 has agreed to remit the salary he has drawn for the month of June, 2022 to the APEPDCL account by 10-30 am tomorrow.

Though respondent No.2 tried to pass on an affidavit, the averments of which, *ex facie*, appear to be antithesis to law, his counsel has taken back that affidavit with liberty to file a fresh affidavit by tomorrow.

The Director (Finance) of respondent No.3 has passed on a copy of Letter Roc.No.12/APECS/KSK/MD/ESTT/2022-23, dated 26-7-2022, addressed by respondent No.2 to the Chairman & Managing Director of respondent No.3, wherein he has, *inter alia*, stated that in obedience to the instructions issued by

this Commission on 20-7-2022 and the orders dated 21-7-2022 passed by this Commission, respondent No.3 has requested respondent No.2 to remit the CC Charges collected from the consumers; and that, accordingly, he has remitted the amounts. A similar letter addressed by the Managing Director, Cheepurupalli RESCO, evincing remittance of Rs.2,43,37,686/- (Rupees two crores, forty three lakhs, thirty seven thousand, six hundred and eighty six only) to the APEPDCL account, representing the amounts collected from the consumers, has been placed before us by the Director (Finance) of APEPDCL.

In the affidavit dated 27-7-2022, which, the learned counsel for respondents 1 and 2, was taken back to file a better affidavit, respondent No.2 has categorically stated that in view of the orders dated 20-7-2022 passed by this Commission he is not going to interfere with the activity of distribution and retail sale of electricity and recovery of CC charges to be carried on by respondent No.3, till their application for exemption is decided by this Commission. During the hearing, respondent No.2 has reaffirmed this statement.

The Director (Finance) is directed to take complete control of the activities of respondent No.1 and that of the Cheepurupalli RESCO relating to distribution and supply and also disbursement of salaries to the staff, who are deployed for attending to various duties in the area of operation of the said two

Societies. Depending upon the full compliance of this Commission's earlier orders, the Commission will decide whether to initiate prosecution against respondent No.2 or not.

The Director (Finance) has filed an affidavit seeking exemption of the presence of the Chairman and Managing Director of respondent No.3 in view of the visit of the Honourable Chief Minister to flood affected areas and the Review meeting held by him. Considering his plea, the presence of the Chairman and the Managing Director of respondent No.3 is dispensed with for today's hearing.

Call on 10-8-2022.

By the next date of hearing, the Chairman and the Managing Director of respondent No.3 shall not only file his fresh affidavit reporting compliance of the directions contained in the previous orders and also in the present order, but also on the aspect of proper and due accounting of the expenditure by respondent No.2 in respect of the amount of Rs.5,16,90,332/- (Rupees five crores, sixteen lakhs, ninety thousand, three hundred and thirty two only) recovered by them upto 25-7-2022. The Chairman and the Managing Director of respondent No.3 is also directed to examine whether proper accounts are rendered by the Cheepurupalli Society and take complete charge of the activities relating to the area of operation of the Cheepurupalli Society, as was being done

till the month of May, 2022, until further orders. The CMD and Director (Finance) shall also be personally present on the next date of hearing.

Sd/-
Thakur Rama Singh
Member

Sd/-
Justice C.V. Nagarjuna Reddy
Chairman

Sd/-
P. Rajagopal Reddy
Member

(By order of the Commission)


Secretary I/c.