



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated Under the Companies Act, 1956 (No.1/1956))

Corporate Identity No.U40100KL2011SGCO27424

Vydyuthi Bhavanam, Pattom, Thiruvananthapuram- 695004, India,

Ph:+91-471-2446853,Fax:+91-471-2447246,

E-mail: [cescm@kseb.in](mailto:cescm@kseb.in)

### ABSTRACT

Enhancing limit of pre-check audit of contract bills to Rs. 10 lakhs - Sanctioned - Orders issued.

### **CORPORATE OFFICE (SCM)**

B.O.(DB)No.557/2019 (SCM/Tender Conditions/2017-18) Thiruvananthapuram, Dated 18/07/2019

- Read: 1) B.O.(FTD)No.2474/2016 (SCM/Tender Conditions/16-17) dated 23/08/2016.  
 2) Note No. SCM/Tender Conditions/2017-18/1624 dated 28.05.2019 of the Chairman & Managing Director, KSEBL, to the Board of Directors.  
 3) Proceedings of the 47<sup>th</sup> meeting of the Board of Directors held on 29.06.2019 in Agenda No. 13-06/2019

It was decided vide B.O. read above that the following proposals regarding pre-check audit of contract bills be placed in Full Board.

1. Bills upto Rs. Ten lakhs are exempted from pre-check for all categories.
2. 75% of payment to be released without waiting for pre-check in 45/60 days as the case may be, the balance amount shall be released only after pre-check.
3. Pre-check shall be completed within three days. Pre-check observations shall be cleared within ten days falling which it should be brought to the Corporate Office. However, the pre-check observations and their clearance shall be completed and payment made within a maximum period of ten days over and above the 45/60 days as applicable.

The Vigilance Wing of KSEB Limited has conducted a fact finding enquiry on the allegation against the enhancement of ceiling limit for pre-check.

The Enquiry Officers, Vigilance Wing, KSEB Limited, in their Enquiry Report dated 19.11.2018 have pointed out that considering money value, works upto Rs.10 Lakh are mostly minor works and hence Board's decision to exempt such bills from pre-check seems to be right for the speedy processing of bills. But in the B.O. read as 1<sup>st</sup> paper above, the

limit on pre-check is based on value of individual bills. Hence even a major work amounting to Rs.40 Lakh need not face pre-check if the individual part bills are prepared below 10 Lakhs. In order to avoid such a situation, it will be better to impose pre-check on final bills of all works above 10 Lakhs or a suitable amount fixed in consultation with the RCA Officer.

After examining the above, the Chief Engineer (SCM) has recommended as follows.

1. If the PAC of a work is Rs. Ten lakhs or less, the bills of the work shall be exempted from pre-check.
2. 75% of payment shall be released without waiting for pre-check in 45/60 days as the case may be and the balance amount shall be released only after pre-check.
3. Pre-check shall be completed within three days. Pre-check observations shall be cleared within ten days failing which it should be brought to the notice of the Corporate Office. However, the pre-check observations and their clearance shall be completed and payment made within a maximum period of ten days over and above the 45/60 days as applicable.

The matter was placed before the Director Board meeting held on 29.06.2019, vide note read above.

Having considered the matter in detail, the Board of Directors, Resolved to accord sanction for the following.

1. If the PAC of a work is Rs. Ten lakhs or less, the bills of the work shall be exempted from pre-check.
2. 75% of payment shall be released without waiting for pre-check in 45/60 days as the case may be and the balance amount shall be released only after pre-check.
3. The pre-check shall be completed within three days. The pre-check observations shall be cleared within ten days failing which it should be brought to the notice of the Corporate Office. However, the pre-check observations and their clearance shall be completed and payment made within a maximum period of ten days over and above the 45/60 days as applicable.

Orders are issued accordingly.

**By order of the Director Board**

**Sd/-**

**LEKHA.G  
COMPANY SECRETARY (In charge)**

3

To

All Chief Engineers (Ele/Civil)

- Copy to:
1. The Chief Engineer (IT & CR)
  2. The Chief Internal Auditor
  3. TA to Chairman and Managing Director
  4. TA to Director (Distribution & IT)
  5. TA to Director (CP, G-E, SCM & S)
  6. TA to Director (T&SO)
  7. PA to Director (Finance)
  8. Sr. CA to Company Secretary
  9. Sr. CA to Secretary (Administration)
  10. Fair copy Superintendent
  11. The Library, KSEB
  12. Stock File

Forwarded by order

SAU

Asst. Exe. Engineer