

KERALA STATE ELECTRICITY BOARD

ABSTRACT

Service Tax – Directorate of Central Excise Intelligence, Bangalore – deputing officials/Adv. S. Raghu – Sanctioned – Orders issued.

CORPORATE OFFICE (FINANCE WING)

B.O. No. (MF) No.3243/08(POP/Service Tax/08-09 Dated, Tvm 30.12.2008.

Read: (1) Letter No. F.No.DGCEI/VA/20/2007-08/BZU/3677 dated 6.11.2008 from the Joint Director, Central Excise, Bangalore Zonal Unit.
(2).Note No.Fin/POP/Ser.Tax/08-09/251 dated 20.05.2008 of Financial Adviser to the Member (Finance)
(3) Note No.Fin/POP/Ser.Tax/detils/08-09 dated 15.11.08 of Financial Adviser submitted to the Member (Finance), KSE Board.
(4) Letter No.601/2008 dated 21.11.2008 of Adv. S. Raghu.
(5) Note continued dated 15.12.2008.

ORDER

The Joint Director, Central Excise Intelligence, Zonal Unit, Bangalore vide paper read as 1 has requested to depute a person to his office who is well conversant in the service tax matters to explain the details relating to the claim of service tax within ten days of receipt of the communication (received on 12.11.2008 in the office of the Secretary, KSE Board handed over to the Office of the Financial Adviser) failing which the requisite details particulars are stated to be recovered under summons proceedings.

The issue of service tax was raised earlier from the office of Central Excise, Bangalore in August 8/07. Board while furnishing the required details/documents on 22.09.2007 had reiterated that during the period from 7/03 to 3/07 no 'wheeling charges/transmission charges' were collected but some amounts were booked as receivables under the head "wheeling charges recoveries" (61.8 group) categorising and describing the nature of each items and contending that none of the charges described above is related to rendering services coming under the ambit of 'Business Auxiliary Service', hence service tax is not payable for those charges.

The Central Excise Department vide letter dated 5.11.07 had requested to depute a person who is well conversant in this matter to the Bangalore Zonal Unit office of the Central Excise Intelligence to explain the details wherein Board has decided to depute Adv. S. Raghu from Bangalore for this purpose.

Further, vide paper read as (2) above Board had issued orders for initiating steps through Law Section for filing appeal through Adv.S. Raghu against the order issued from the Central Excise and Customs Department Thiruvananthapuram raising demand of the service tax for Rs.4.61 crores for the period from 7/03 to 3/07 excluding penalty charged for an equivalent amount.

Vide paper read as (3) above Financial Adviser has brought all these matters to the attention of the Board and to comply with the requirement of Central Excise Department in paper read as (1). It was requested (through the Law Section) to depute Adv. S. Raghu from Bangalore to the office of the Joint Director, Central Excise Bangalore considering the status of the Appeal already filed through Adv.S. Raghu. Sanction was also requested to incur the expenses in this regard.

Having considered the matter in detail and the opinion of the Financial Adviser sanction was accorded to

- (1) Depute Adv. S. Raghu to the Office of the Additional Director, General Office, Directorate of Central Excise Intelligence Bangalore to explain the details on wheeling charges.
- (2) Incur legal fees and other charges applicable in this regard.

But Adv. Raghu vide paper read as (4) has intimated that the role of any Advocate will commensurate only when adjudication proceedings are initiated and the details are to be furnished by a personnel of K.S.E. Board, however he has extended his help in this matter. Meanwhile, Board requested for time extension upto 30.12.2008 to the Joint Director, Central Excise Bangalore.

Vide paper read as (5) the Financial Adviser has brought the status to the notice of the Board and requested sanction for deputing a person from the office of the Chief Engineer, System Operation, Kalamassery preferably an Executive Engineer or an Assistant Executive Engineer, to explain the technical aspects and Sri. Biju. R, Assistance Finance Officer, Annual Accounts Section, O/o Financial Adviser to explain the accounting matters of the issue.

Having considered the matter in detail and recommendation of the Financial Adviser sanction is hereby accorded to depute Sri. Biju. R, Assistant Finance Officer, Annual Accounts, office of the Financial Adviser and an officer from the O/o the Chief Engineer, System Operation, Kalamassery preferably an Executive Engineer or an Assistant Executive Engineer to explain the financial and technical matters respectively before the Joint Director, Central Excise Intelligence, Bangalore with the assistance of Adv. S. Raghu. Sanction is also hereby accorded to incur legal fees and other charges applicable in this regard.

By Order of the Board

Sd/-
(M. Subair)
SECRETARY)

To

1. The Financial Adviser, K.S.E. Board
2. The Chief Engineer (System Operation), Kalamassery.

Copy to:

The Chief Internal Auditor.
TA to Chairman / Member (Distribution) / Member (Transmission),
PA to Member (Finance) /Secretary.
The Director MIS & SPIO
The Joint Director (MIS) by E-mail
EDP Section / F.C. Supdt. / Stock File.

Forwarded / By Order

Sd/-
Senior Finance Officer