



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956) CIN: U40100KL2011SGC027424

Registered Office: Vidyuthi Bhavanam, Pattom, Thiruvananthapuram-695004 Website: www.kseb.in

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Abstract

Renovation of Sengulam Pumhouse at Pallivasal - Contract with M/s. SSIPL-FML Consortium - Input Tax Credit of bought out items - finalization - entrusting officers to examine and make recommendations - Orders issued.

Corporate Office (SBU-G/E)

B.O (FTD)No. 121 /2021 (No. 197/AE6/2013/CE(PED)) Thiruvananthapuram. Dated: 10 - 02 - 2021

- Read:-
1. Letter No. 197/AE6/2013/CE(PED)/551 dated 13-08-2020 of the Chief Engineer (Generation & PED)
 2. Note No. D(GE)/G2/Ren-seng/2020-21 dated 20-08-2020 of the Director (GE&SCM) to the Director (F).
 3. Note No.197/AE6/2013/CEPED/718 dated 23-09-2020 of the Chief Engineer (Generation & PED) to the Full Time Directors.
 4. Letter No. No. AB/GCM/GST/2021/1022 dated 07-01-2021 of the Deputy Chief Engineer, Generation Circle, Meencut:
 5. Note No. 197/AE6/2013/CE(PED)/1572 dated 29-01-2021 of the Chief Engineer (Generation & PED) to the Full Time Directors (Agenda No. 11/2/21).

ORDER

The contract for the renovation works of Sengulam Pump house was awarded to M/s. SSIPL-FML Consortium vide B.O (DB) No. 1149/2016(D(GE)/G2/Ren-Seng/2016-17) dated 15-04-2016 at an amount of Rs.20,38,98,642/- (Supply Order - Rs. 14,39,72,409/-, Work Order for E&M equipment & Penstock - Rs.99,10,496/- and Work Order for Civil works of Pump house building & Penstock - Rs.5,00,15,737/-). The agreement was executed by the Chief Engineer (Projects - Electrical Designs).

The Chief Engineer (Generation & PED) has reported that while inviting the tender, GST was not effected and the contractor has quoted CST/VAT and excise duty as nil. Consequent to the introduction of GST, the contractor had requested for amendment to the Order. The Financial Adviser had remarked that for the supply items, the direction in the Circular No.PA/Tax Cell/under taking – ITC/2017-18 dated 26-09-2017 shall be complied before replacing taxes and duties in the supply order with the respective GST rate. Subsequently amended schedule of Supply Order and Work Order was issued on 23-02-2018, with the conditions in the original orders remaining the same.

Subsequently, M/s. SSIPL had informed that as per the recovery statement dated 05.03.2019 of Deputy Chief Engineer, Generation Circle, Meencut, while passing the bill for payment, KSEBL has deducted 14% towards the erstwhile taxes instead of 13% and further deducted 18% GST of all part bill passed so far. This is because they have quoted 7% as WCT and 6% as service tax in the schedule of work orders. They requested to pass the bills by deducting 13% from the basic price and adding 18% as GST. As directed, the matter was taken up with Financial Adviser and Chief Internal Auditor and based on the remarks, the contractor was directed to inform the amount due to KSEBL on account of abolition of excise duty in respect of bought out items consequent to the implementation of GST, regarding supply order.

Consequently, the contractor had offered a rebate of 2.25% of ex works price on bought out items and fabrication items of supply order towards excise duty abolition. Again the matter was taken up with Financial Adviser and Chief Internal Auditor for remarks. Based on the remarks of the Chief

Internal Auditor, the contractor was directed to offer more rebate on the items and the contractor offered additional rebate of 1% of ex works values of supply order totalling the amount to Rs. 45,51,513/-, which is 3.25% of ex works value of supply order.

Considering the clarifications and opinion from Financial Adviser and Chief Internal Auditor, the Chief Engineer(Generation &PED) has recommended to consider the above rebate of Rs. 45,51,513/- and requested sanction for revising the supply order. The matter was referred to the Director (Finance) and subsequently, as directed, the remarks of the Deputy Chief Engineer, Generation Circle, Meencut were obtained.

It is reported that decision on the rebate offered by the contractor due to input tax credit is urgently required as the work is nearing completion and the recovery on account of rebate offered needs to be effected at the earliest.

The matter was placed before the Full Time Directors as per Note read as 5th above. Having considered the matter, the Full Time Directors in the meeting held on 04-02-2021 resolved to entrust Sri. Rajan S, Deputy Chief Engineer (PED), Sri. Satheesan E.N, Assistant Finance Officer, Tax Cell and Sri. Alphonse R.J., Finance Officer, O/o the Director (Finance) to examine the matter and make recommendations.

Orders are issued accordingly.

By Order of the Full Time Directors,

Sd/-

Lekha G

Company Secretary (In charge)

To

The Chief Engineer (Generation & PED), Moolamattom.
The Deputy Chief Engineer (Projects-Electrical Designs).
Members of Committee.

Copy to:

The Financial Advisor/ The Chief Internal Auditor/The Company Secretary.
The Chief Engineer (IT)/ The RCAO/The RAO.
The TA to Chairman & MD/ Director (GE&SCM)/ Director(GC)/ Director (Trans.&SO)/ Director (D,IT&HRM) /Director (Planning, Safety& REES).
The PA to Director (Finance).

Forwarded / By Order

Sunil Kumar
Asst. Exe. Engineer

DESPATCHED

NO. 375

DATE 11/02/2021