



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

RMU works of Poringalkuthu (4x8MW to 4 x 9MW) HEP - Execution of E&M works - Differential Customs Duty - No objection certificate - Sanctioned - Orders issued.

Corporate Office (SBU-G/E)

B.O. (FTD)No. 542 /2020 (8/AEE4/2020/CE(PED) Thiruvananthapuram. Dated: 21 - 08 - 2020

- Read:-
1. Note No. LDV/Customs Duty/Poringalkuthu/2020 dated 17-02-2020 of the LA&DEO to the Chief Engineer (Gen.&PED).
 2. Note No. LDV/Customs Duty/Poringalkuthu/2020 dated 13-04-2020 of the Senior Law Officer to the Chief Engineer (Gen.&PED).
 3. Note No. D(GE)/G2/PGL-RMU/2020-21/11 dated 20-04-2020 of the Director (Gen. Ele. &SCM).
 4. Letter No. 8/AE4/2019/CE(PED)/85 dated 24-04-2020 and No. 320 dated 22-06-2020 of the Chief Engineer (Gen.&PED) to M/s. SSIPL.
 5. Letter No. SSIPL/CNI/KSEB/PGL/356/2020 dated 18-06-2020 of M/s. SSIPL addressed to Chairman and Managing Director, KSEBL.
 6. Email No. SSIPL/CNI/KSEB/PGL/358/2020 dated 23-07-2020 from M/s. SSIPL.
 7. Note No. 8/AEE4/2020/CE(PED)/515 dated 04-08-2020 of the Chief Engineer (Generation &PED) to the Full Time Directors (Agenda Item No. 24/8/20).

ORDER

The Chief Engineer (Gen.&PED) has reported that for the RMU works of Poringalkuthu (4x8MW to 4 x 9MW) HEP, the Customs Department had demanded Differential Customs duty of Rs. 63,42,006/- with surcharges and penal charges and KSEBL had taken responsibility and given an appeal against it and had failed to persuade the Customs. Based on the advice of the LA&DEO, as directed as per Note read as 3rd above, the contractor was directed to remit the differential Customs duty of Rs. 63,42,006/- with surcharge and penal charges if any, including all the expenses already incurred by KSEBL in the subject matter. However, M/s. SSIPL did not respond to the above and subsequently, as per letter read as 5th above, M/s. SSIPL had requested for issuing No Objection Certificate, for preferring further appeal to Customs appellate Tribunal.

It is reported that the Senior Law Officer had also commented on this subject that the right to legal remedy is a fundamental Right and KSEBL cannot curtail that Right of the Contractor. Hence, based on the same, as directed the matter was taken up for issuing No objection certificate for conducting appeal at Customs appellate authority by M/s. SSIPL at their own risk and expense.

It is also pointed out that an amount of Rs. 4,75,650/- had already been remitted by KSEBL as pre-deposit amount for filing the Appeal before the Customs Department. M/s. SSIPL as per letter read as 6th above has agreed to remit the amount of Rs. 4,75,650/-, with applicable interest to KSEBL and also had given an undertaking through email that in the event of not winning the case against the Appeal, they shall pay the additional Customs duty along with interest as demanded by the Customs Department.

It is further reported that the Customs Department had asked KSEBL to remit the differential customs duty and KSEBL is responsible to collect and remit the amount to Customs. Hence before issuing the Non-objection certificate, BG equivalent to the present liability or any other form of Guarantee must be arranged from M/s. SSIPL for revenue recovery if M/s. SSIPL fails to make payment after the final verdict.

The matter was placed before the Full Time Directors as per Note read as 7th above. Having considered the matter in detail, the Full Time Directors in the meeting held on 12-08-2020, resolved to accord sanction for the following.

1. To issue a No objection Certificate to M/s. Shri Saravana Industries Private Limited in the given format for filing appeal against differential Customs Duty under Customs Appellate Authority at their own risk and expense, if they remit Rs. 4,75,650/- which had already been remitted by the KSEBL as pre-deposit amount for filing the Appeal before the Customs Department, with applicable interest to the O/o the Chief Engineer (Gen.&PED) and by furnishing an original Letter of Undertaking to the O/o the Chief Engineer (Gen.&PED), for that in the event of not winning the case against the Appeal, they shall pay the additional Customs Duty along with interest and other charges as demanded by the Customs Department.
2. To instruct M/s. Shri Saravana Industries Private Limited to produce a Bank Guarantee equivalent to the present liability of Rs. 63,42,006/- minus pre-deposit amount and with applicable surcharges and penal charges in advance for next one year for recovery of liability from M/s. Shri Saravana Industries Private Limited, if needed and M/s. SSIPL fail to remit the differential Customs Duty as demanded by the Customs Department in this subject after final verdict.
3. To insist on an advance top up of applicable surcharges and penal charges in the Bank Guarantee every year and as and when required and included in the original Letter of Undertaking by M/s. Shri Saravana Industries Private Limited.

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).

Copy to:

The Financial Advisor/ The Chief Internal Auditor/The Company Secretary.
The Deputy 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).
The PA to Director (Finance).

Forwarded / By Order

Sunil Kumar
Asst. Exe. Engineer

DESPATCHED

No. 125

Date 24.08.20