



# KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Reg. Office Vidyuthi Bhavanam, Pattom, Thiruvananthapuram – 695 004, Kerala

Phone: +91 471 2447404, E-mail: [cerees@kseb.in](mailto:cerees@kseb.in)

Website: [www.kseb.in](http://www.kseb.in). CIN :U40100KL2011SGC027424

## ABSTRACT

Implementation of Filament Free Kerala (FFK)- Increase in the GST rate of LED bulbs w.e.f 18.07.2022- Rate revision- Sanction accorded- Orders issued.

### **Corporate Office (REES,S,N,S&W)**

B.O.(FTD)No. 694 /2022(CE(REES)/Filament Free Kerala/2019-20), Tvpm, dated 10.08.2022

- Read -
1. MoM convened by the Director (IT&HRM) on 06.11.2020
  2. Note No. FA/Tax Cell/ GST/ FFK/2984/ 110 dated 30.12.2020 of the Financial Adviser
  3. B.O (FTD) No. 769/2022 (CE(REES)/Filament Free Kerala/2019-20), dated 23.12.2020
  4. Decision of the 47th GST Council meeting
  5. Note No. FA-AT C –DA2/2022/57 dated 11.07.2022 of the Financial Advisor
  6. No. CE (REES)/Filament Free Kerala/2022-23/707 Dated 22.07.2022 of the Chief Engineer (REES) to the Full time Directors through the Director (REES, S, N, S &W) (Agenda-02/08/22)

## ORDER

The project “Filament Free Kerala” is a sub project under “Urja Kerala Mission” announced by the Government of Kerala with a vision to provide good quality LED lamps at a moderate rate for replacing the entire filament lamps in the state. The project is mooted by Energy Management Centre and implemented in mission mode with lead role played by KSEBL. EMC is responsible for collection and disposal of CFL/ICL.

The project envisaged to save approximately 250MW during peak hours whereby saving a considerable amount in terms of Power Purchase.

E-tender was invited and Purchase orders dated 28.10.2020 were placed with M/s Crompton Greaves Consumer Electrical Limited and M/s HQ Lamps Manufacturing Co. Pvt Ltd. in the ratio 70:30 respectively.

As per note read as 2<sup>nd</sup> above, the Financial Adviser had reported that since the selling price is fixed as Rs. 65/- per bulb, the selling price is adjusted as below:

SI No	Particulars	Amount(Rs)
1	Basic rate /unit of LED excluding GST	41.70
2	Safe disposal charges to EMC excluding GST	6.25
3	Distribution and Handling charges excluding GST	10.00
4	Total Cost excluding GST	<b>57.95</b>
5	CGST @ 6% (rounded to )	<b>3.50</b>
6	SGST @ 6% (rounded to )	<b>3.50</b>
7	Total selling price including GST	<b>65.00</b>

Consequently, CE (IT&CR) was directed to take necessary steps to issue GST Invoice as stated above through Orumanet.

As per note read as 5th above, it was intimated that, there is an increase in the GST rate by 6%, ie GST is revised as 18% from 12%. It was also reported that, since there is an increase in GST rate by 6%, a hike in the rate of LED bulb is required to ensure that no loss is suffered by KSEBL.

Subsequently, as per note read as 6<sup>th</sup> above, Chief Engineer (REES) has reported that , registration process was carried out through different phases (starting from 31.12.2020) and 17,10,661 consumers registered for the programme. Out of that only 2,38,804 consumers are remaining to purchase the LEDs. Total of 117.5Lakhs LED bulbs were procured for the implementation of the programme. The Supply of the bulbs by the contractor is already completed and only 5,27,079 bulbs are remaining across various section offices all over Kerala.

If the cost of the LED bulb is reworked with 18% GST the revised cost of LED bulb will be as follows

SI No	Particulars	Amount (Rs)
1	Basic rate /unit of LED excluding GST	41.70
2	Safe disposal charges to EMC excluding GST	6.25
3	Distribution and Handling charges excluding GST	10.00
4	Total Cost excluding GST	<b>57.95</b>
5	CGST @ 9% (rounded to )	<b>5.00</b>



6	SGST @ 9% (rounded to )	5.00
7	Total selling price including GST	68.00

There will be an increase of Rs. 3/- per bulb due to the GST revision.

The State level inauguration of the distribution of LED bulbs under FFK scheme which is a flagship project of Government of Kerala was carried out on 07.01.2021 and wide publicity was given for encouraging the Demand Side Management. In the brochure of the same it was advertised as the LED bulbs will be distributed at a rate of Rs. 65/- per bulb only.

Consequently, consumers had registered in this FFK programme for procurement of LED bulbs @ Rs. 65/- per bulb. In order to keep the commitment to the registered consumers, KSEBL is obliged to stick on to the present selling rate of Rs 65/-per bulb only.

The matter was placed before the Full Time Directors as per note read as 6<sup>th</sup> above for a decision.

Having considered the matter in detail, the Full Time Directors in its meeting held on 01.08.2022, resolved to accord sanction to fix the selling price at Rs. 65/- itself and to adjust GST invoice as shown in the table (Table 1) below.

Table 1:

SI No	Particulars	Amount(Rs)
1	Basic rate /unit of LED excluding GST	41.70
2	Safe disposal charges to EMÇ excluding GST	6.25
3	Distribution and Handling charges excluding GST	7.00
4	Total Cost excluding GST	54.95
5	CGST @ 9% (rounded to )	5.00
6	SGST @ 9% (rounded to )	5.00
7	Total selling price including GST	65.00

Orders are issued accordingly.

By Order of the Full Time Directors,

Sd/-  
Lekha G.  
Company Secretary

To :

1. The Chief Engineer (IT&CR) for compliance
2. The Financial Adviser for information and necessary action,

Copy to:

1. The Chief Internal Auditor, KSEBL
2. The Dy. Chief Engineer (IT)/ The RCAO/ RAO.
3. The TA to Chairman & MD/D(T,SO,P &S)/D(D&SCM)/D(G-E)/D(G-C)/D(F, IT & HRM) /D(REES,S,N, S&W)
4. The PA to Director (Finance, IT & H RM)/Company Secretary,
5. Fair Copy Superintendent/Library/Stock File.

Forwarded / By Order



Assistant Engineer