



KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Corporate Office, 'Kaveri Bhavan' Bangalore-560 009.
Bangalore : 080-22212343

KPTCL/B9/2013/07-08

dated 217 MAY 2016

CIRCULAR

Sub: - Building and Other Construction Workers Welfare Cess; further clarification- reg.

Ref: - 1. Corporate Order No. KPTCL/B9/2013/07-08 dated 25/06/2007.
2. Corporate Order No. KPTCL/B9/2013/07-08 dated 08/01/2015.

The Government Order No. LD/300 LET/2006 dated 18/01/2007 regarding collection of Cess under Building and Other Construction Workers Welfare Act, 1996 was implemented in KPTCL/ESCOMs by issue of Corporate order dated 25/06/2007 referred above.

Many Accounting Units sought clarification on several issues connected to the Cess viz., recovery of Cess on supply portion of turnkey contracts, recovery of Cess in respect of tenders submitted or finalized and work is entrusted to a contractor prior to 01/11/2006 etc.

An Amendment to sub para of Para (a) of the said Corporate Order dated 08/01/2007 was issued vide Order dated 08/01/2015 under ref (2) stating that "Where tender has been submitted or finalized and work is entrusted to a contractor prior to 01/11/2006, in such cases 1% Cess has to be paid by the concerned division to Board as mentioned supra".

After issue of the above Amendment, number of requests have been received from Agencies/ Contractors, as also KPTCL Accounting Units seeking clarification regarding the cutoff date to be considered for refund of Cess amount recovered in respect of tenders submitted or finalized and work is entrusted to a Contractor prior to 01/11/2006.


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30/5/2016

The issue is clarified as under after examining in detail Government Order, Corporate Order, Amendment issued to Corporate Order and the clarification issued by Labour Department.

When the above issue was referred to the Labour Department for clarification vide letter No. FA (A&R)/KCO-19/6886/08-09 dated 21/11/2011 of the Financial Adviser (A&R), KPTCL, the Secretary to Government of Karnataka, Labour Department vide his letter No. ಕಾಇ 338 ಎಲ್ ಇ ಟಿ 2011 dated 27/04/2012 has clarified as under.

“ಈ ಸರ್ಕಾರ ಆದೇಶದ ಪ್ರಕಾರ 01/11/2006 ಕ್ಕಿಂತ ಮುಂಚೆ ಗುತ್ತಿಗೆದಾರರಿಗೆ ಕಾಮಗಾರಿಯ ಗುತ್ತಿಗೆ ವಹಿಸಿಕೊಟ್ಟಲ್ಲಿ ಅವರ ಕಾಮಗಾರಿ ಜಲ್ಲಗಳಿಂದ ಸುಂಕದ ಮೊತ್ತವನ್ನು ಕಡಿತಗೊಳಿಸುವಂತಿಲ್ಲ. ಈ ಬೆಂಚರ್ ವಹಿಸಿಕೊಟ್ಟ ಇಲಾಖೆ / ನಿಗಮ / ಮಂಡಳಿಯೇ ಸುಂಕವನ್ನು ಪಾವತಿ ಮಾಡಬೇಕಾಗುತ್ತದೆ”.

In view of the above, it is hereby clarified that ‘work entrusted to the contractor prior to 01/11/2006’ is the ultimate criterion (cutoff date) for considering refund of Cess amount as per the Amendment issued on 18/01/2015. All the Accounting Units shall adhere to this clarification while considering the requests for refund of Cess amount by the Contractors.


Deputy General Manager (Tech)
KPTCL, Bengaluru.

Copy to:

1. All Chief Engineers, Electy., KPTCL.
2. All Financial Advisers, KPTCL.
3. All Superintending Engineers (Ele) / (Civil), KPTCL.
4. The Superintending Engineer (Ele), (IT&MIS) to publish in KPTCL website.
5. All Controllers of Accounts, KPTCL.
6. All Executive Engineers (Ele) / (Civil), KPTCL.
7. All Deputy Controller of Accounts, KPTCL.
8. All Accounts Officers, KPTCL.
9. All Managers, Corporate Office, KPTCL, Kaveri Bhavan, Bengaluru.
10. PS to Managing Director / Director (Finance) / Director (Transmission) / Director (A&HR) / Director & CS, KPTCL, Kaveri Bhavan, Bengaluru.
11. Sr. Assistant (Records), KPTCL, Kaveri Bhavan, Bengaluru.