

KARNATAKA POWER TRANSMISSION CORPORATION LIMITED



Corporate Office
Kaveri Bhavan
Bengaluru-560 009

06 JAN 2015

Sub: Review of processing fee for formulation of Evacuation schemes in respect of Non-Conventional/Conventional Energy source based Power Projects.

Read: 1) Note dated: 26.11.2014 from FA(A&R).
2) Board order No. KPTCL/B28/4359/08-09 dated: 22.12.2012.
3) Circular No. FA(A&R)/KCO-20/6911/2013-14 dated 22.11.2014 of the Financial Adviser(A&R).

PREAMBLE:

Consequent to issue of major changes in service Tax provisions by the Department of Revenue, Ministry of Finance, Government of India with the introduction of 'Negative List Taxation Scheme w.e.f 1st July 2012.

A modified order was issued on 22.12.2012, wherein it was instructed to collect processing fee for formulation of evacuation scheme from Non-Conventional and Conventional energy based power projects without service tax.

The Service Tax Department (LTU) has conducted the Service Tax Audit of KPTCL and the Internal Audit party team(IAP-1) in their Audit Report pointed out that the amount collected from parties towards Processing Fee for finalization of evacuation approvals of NCE projects is taxable Service, as the same is not in the negative list. The stand taken by Service Tax Department is that from 01.07.2012, only activity of transmission or distribution of electricity by electricity transmission or distribution utility is listed in the Negative List under Section 66D(k). In view of the above, amount of Processing fee towards finalization of evacuation proposals of NCE project collected attracts Service Tax.

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Hence this modification to the order dated 22.12.2012.

Order No. KPTCL/B28/4359/08-09

Dated: 06.01.2015

Approval is hereby accorded for collection of processing fee pertaining to evacuation schemes in respect of Non-Conventional and Conventional energy based power projects **with service tax** as detailed below.

This is in supercession of circular vide reference(3).

1. Processing fee for formulation of evacuation scheme for new NCE projects shall be Rs. 50,000/- + Service Tax.
2. Processing fee for revision of existing evacuation schemes for NCE projects shall be Rs. 75,000/- + Service Tax.
3. Processing fee for formulation of evacuation schemes in respect of Conventional source based projects shall be Rs. 3,00,000/- + Service Tax.

The collection of charges indicated above **with service tax** shall come into effect immediately from **01.12.2014**. The other contents of the order remain unaltered.

Sudha 6/1/15
Deputy General Manager (Tech.)
KPTCL

To:

1. All the Chief Engineers, Electricity, KPTCL, Bengaluru.
2. All the Financial Advisors, KPTCL.
3. All the Superintending Engineers (Elec.), KPTCL.
4. All the Executive Engineers (Elec.), KPTCL.

Copy to:

1. The Director(RA & Company Secretary), KPTCL, Kaveri Bhavan, Bengaluru.
2. EA to Director (Transmission), KPTCL, Kaveri Bhavan, Bengaluru.
3. PS to Managing Director, Director (Transmission), Director (Finance), KPTCL, Bengaluru to place it before the Directors, KPTCL for kind information.
4. The Superintending Engineer Elec., IT&MIS, KPTCL with a request to arrange to upload this order in KPTCL website.