



**KARNATAKA POWER TRANSMISSION CORPORATION LIMITED**  
CIN No. U40109KA1999SGC025521

Corporate Office  
Kaveri Bhavan, K.G Road,  
Bengaluru-560 009

KPTCL/B19/345/85-86

Date: 15.11.2022

**CIRCULAR**

**Sub:** Processing of Price Variation (PV) bills in respect of materials/equipment in direct procurement and Turnkey works - reg.

- Ref:**
1. GoK Order No. 791 Exp-12/2015, Bangalore Dtd: 26.02.2016.
  2. Proceedings of CPC meeting held on 27.05.2021 & 29.05.2021.
  3. Corporate Circular No. KPTCL/B19/345/85-86 Dtd: 26.10.2021.
  4. Proceedings of CPC meeting held on 16.07.2022.
  5. I.O. Note No. KPTCL/B37/CPC/33220/2022-23/679 Dtd: 14.09.2022.
  6. Note approved by MD, KPTCL on 08.11.2022

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Corporate Circular dated 26.10.2021 was issued in the subject matter wherein directions are issued for obtaining approval from the Competent Authority by all the Zonal Chief Engineers and their concerned Sub-ordinate Officers before issuing Official Memorandum according approval for Price Variations (PV). Further, it was directed that Price Variation shall not be admitted after original target date of completion as mentioned in LOI.

It has come to the notice of the Corporate office that due to some misinterpretations of the Circular dated 26.10.2021, the PV bills are not being admitted / processed for supplies made after target dates. In order to resolve the ambiguity in finalizing the PV bills at field level, the subject matter was placed before the Combined Central Purchase Committee (CPC) meeting held on 16.07.2022.

The Committee also noted that, as per the Corporate Circular dated 26.10.2021, approval from the Competent Authority shall be obtained by all the Zonal Chief Engineers and their concerned sub-ordinate Officers before issuing Official Memorandum according approval for Price Variations which is causing lot of delay in processing of PV bills.

..2)

ACEE  
KJ  
18/11/22

The issues related to processing of PV bills were debated by the Committee at length and after detailed discussions, it was resolved to issue necessary clarifications by means of Circular instructions.

In view of the above, henceforth following instructions shall be scrupulously followed for processing of Price Variation bills in respect of materials/equipment in direct procurement and Turnkey works:

- i. No Price Variation shall be admissible beyond the contractual date. Therefore in case of delayed supplies, Price Variation shall be admitted limiting up to the contractual delivery date only subject to the timeline in the approved activity chart. In case of delay in erection of material / completion of civil work, Price Variation shall be admitted limiting up to the contractual completion date only as per the approved activity chart.
- ii. The Executive Engineer shall have full powers for according approvals for Price Variation subject to condition that total amount of PV bill should not exceed Rs. 2.00 Crore (Rupees Two Crore) per project (for Works) / per Purchase Order (for Procurements). If Purchase Order covers more than one Division, then limit of Rs. 2.00 Crore (Rupees Two Crore) shall be applicable per Division and not for the entire Purchase Order. Whenever total amount of PV bill exceed Rs. 2.00 Crore (Rupees Two Crore), then it shall be placed before Central Purchase Committee (CPC).

This Circular shall come into effect immediately and supersedes the earlier Circular dated 26.10.2021.

Approved by  
Managing Director

  
General Manager (Tech)  
KPTCL

**To:**

1. All Chief Engineers/Financial Advisors, KPTCL.
2. All Superintending Engineers/Controllers, KPTCL.
3. All Executive Engineers/DCAs, KPTCL.
4. The Company Secretary, KPTCL, Kaveri Bhavan, Bengaluru.
5. SPS to Managing Director/ Director (Transmission) / Director (Finance) / Director (A&HR) KPTCL to place it before the Directors for kind information.

**Copy to:**

The Superintending Engineer (EI) (IT), KPTCL with a request to arrange to upload the Circular in KPTCL website.

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