

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Water Resources Department – Permission to allow the Contractors Profit and Overheads on subsumed taxes committed earlier in VAT period i.e for all the ongoing works as on 01-07-2017 or thereafter for which agreements were concluded based on estimates sanctioned with subsumed tax element included -Accorded - Orders –Issued.

WATER RESOURCES (REFORMS) DEPARTMENT

G.O.MS.No. 9

Dated: 31-01-2019
Read the following.

1. G.O.Ms.No.58, Finance (WR.I) Department, dated: 08.05.2018.
2. From the Engineer-in-Chief (Admn) (FAC), Water Resources Department Lr.No.ENC/IW/SE(P&M)/EE.I/DEE.2/AEE(K)/POST-GST/Vol.2, dated:19.10.2018.
3. From the Engineer-in-Chief (Admn) (FAC), Water Resources Department Lr.No.ENC/IW/ (P&M)/ EE.I/DEE.2/AEE(K) / 10th BOCEs for the year, dated:20.12.2018.
4. From the Engineer-in-Chief (Admn) (FAC), Water Resources Department Lr.No. ENC/ IW/ P&M / EE.I/ DEE.2/ AEE(K) / 11th BOCEs for the year 2018/2, dated:08.01.2019.

ORDER

In the reference 1st read above, Government have issued orders regarding methodology of Goods and Service Tax (GST) implementation on work contracts since 1.7.2017.

2. In the reference 2nd read above, the Engineer-in-Chief (AW/IW) & Chairman, Board of Chief Engineers(BOCE) has requested the Government for allowing Contractor's profit and Overheads percent on subsumed taxes for ongoing works for which agreements were concluded prior to 1.7.2017.

3. On the advice of Government, the Engineer-in-Chief (Admn)(FAC), Water Resources Department have consulted all the concerned Chief Engineers and vide reference 3rd read above, have stated that by allowing Contractors Profit and Overhead charges on subsumed taxes there will be neither revenue loss to Government nor undue benefit to the contractor.

4. In the reference 4th read above, the Engineer-in-Chief (Admn)(FAC), Water Resources Department has requested the Government to accord approval " to allow the Contractors Profit and Overheads on subsumed taxes committed earlier in the VAT period i.e for all the ongoing works as on 01-07-2017 or thereafter for which agreements were concluded based on estimates sanctioned with subsumed tax element included".

5. In view of the circumstances explained by the Engineer-in-Chief (Admn) (FAC), Water Resources Department, Government, after careful examination of the matter, hereby accord approval "to allow the Contractors Profit and Overheads on subsumed taxes committed earlier in the VAT period i.e for all the ongoing works as on 01-07-2017 or thereafter for which agreements were concluded based on estimates sanctioned with subsumed tax element included" with a condition that there shall not be any loss to the State Exchequer and undue benefit to the agencies.

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6. These orders are applicable to the work contracts of all the Engineering Departments/Corporations /Agencies under Government of Andhra Pradesh.

7. These orders are issued with the concurrence of Finance Department vide their U.O.No.FMU ASD (WR-I)/2/2018, dated: 26.11.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHASHI BHUSHAN KUMAR
SECRETARY TO GOVERNMENT

To

All the Engineers-in-Chief, Water Resources Department, Andhra Pradesh.

All Chief Engineers, Water Resources Department, Andhra Pradesh.

The Engineer-in-Chief, Transport, Roads and Buildings Department.

The Engineer-in-Chief, Panchayat Raj & Rural Development Department.

The Engineer-in-chief, Municipal Administration & Urban Development Department

The Engineer-in-chief, Public Health Department.

The Engineer-in-chief, Rural Water Supply, Vijayawada.

Copy to:

Accountant General, Andhra Pradesh, Vijayawada.

The Director, works & Projects, Andhra Pradesh, Vijayawada.

The Private Secretary to Secretary to Hon'ble Chief Minister.

The Private Secretary to Hon'ble Minister, Finance Department.

The Private Secretary to Hon'ble Minister, Transport, Roads and Buildings Department.

The Private Secretary to Chief Secretary to Government of Andhra Pradesh.

The Private Secretary to Hon'ble Minister, Water Resources Department.

The Private Secretary to Special Chief Secretary to Government, Transport, Roads and Buildings Department.

The Private Secretary to Secretary to the Government, PR & RD Department.

The Private Secretary to Secretary to Government, MA & UD Department.

The Private Secretary to Secretary to Government, Water Resources Department.

The Finance(FMU-WR.1) Department.

All Projects Sections in Water Resources Department.

//FORWARDED::BY ORDER//

SECTION OFFICER.