

**GOVERNMENT OF TELANGANA
ROADS & BUILDINGS DEPARTMENT**

**Office of Engineer-in-Chief (R&B), Buildings & NH
Errummanzil, Hyderabad-500022.**

Proc.No. ENC (R&B)/EE(B)/DEE2/AEE10/2019-20, Dt. 12 .07.2019

Sub:-I & CAD Dept, Finalization of issues related to GST and Works Contract -Implementation of Goods and Services Tax (GST) for ongoing and future Works Contracts w.e.f 01-07-2017- Guidelines on implementation of Goods and Services Tax (GST) for regulating work bills for all Engineering Departments - GO Ms No 67 I&CAD (Reforms) dept dated 04.07.2018 Quantification of Embedded Tax rates for the previous SoRs prior to 2017-18 Directed by the Government - Board of Chief Engineers meeting held on 23.03.2019- Minutes of BOCES meeting held on 23.03.2019 -Embedded tax rates of previous SoRs i.e, 2014-15, 2015-16 & 2016-17 on implementation of GST for ongoing works** as on 01.07.2017- Approval - Communicated -Regarding.**

- Ref:-**1. G.O.M.SNo. 67 I & CAD (Reforms) Dept dated 04.07.2018
2. Chairman, BOCES proceeding dated 9-4-2019 on communication of embedded taxes for SoRs 2009-10 to 2016-17
3. Engineer -in-Chief (R&B) Blds& NH Memo dated 15.06.2019 communicating BOCES minutes dated 23-03-2019.
4. E.IN.C ,SR & CRN Proc.No. ENC R&B)/DCE(R)/EE(R)/DEE1 /AEE1/ 2019, Dt.06.07.2019 communicating embedded tax rates of material pertaining to Part -II of SSR's of R&B(Roads & Bridges)

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As per the directions of Government under G.O 1st cited and subsequent recommendations of Board of Chief Engineers meeting held on 20.08.2018, the embedded tax rates of previous SoRs (pertaining to Irrigation) from 2009-10 to 2016-17 was approved by the Chairman, BOCES vide their proceedings dated 27-08-2018 and the same are published in I&CAD Dept web site for its implementation.

Further, as per the plea of BAI, Telangana before the Board of Chief Engineers meeting on 23.03.2019, the embedded tax rates of common materials like Bricks, Fine & Coarse aggregate was also examined and discussed by the BOCES.

After detailed deliberations in the matter, the BOCEs have recommended as below.

"The Board of Chief Engineers has deliberated the issue in detail and after comprehensive discussions in the matter, the BOCEs has recommended to keep the same hire charges of machinery as adopted in pre-GST regime in the post-GST regime also for all the ongoing works as on 01.07.2017. In this regard, BOCEs observed that by keeping the same machinery hire charges in post-GST regime, the machinery lead/conveyance charges will not be affected and hence recommended to keep the same machinery lead/conveyance charges in post-GST regime for all the ongoing works as on 01.07.2017.

Further, BOCEs also examined the embedded tax rates of common materials like Fine & Coarse aggregate, Bricks etc., in pre-GST regime and after detailed deliberations of BOCEs, it was recommended for exemption of bricks (except factory made aerated bricks like Aerocon etc.,) and Coarse aggregate (crusher by product) from the purview of embedded taxes and to retain the same rates in post-GST regime as that of pre-GST regime for all the ongoing works as on 01.07.2017. This is because most of the dealers/suppliers come under exempted category."

In view of the above BOCEs recommendations, the embedded tax rates of previous SoRs (pertaining to Irrigation) from 2009-10 to 2016-17 is revised and approved accordingly duly superseding all the earlier approvals of BOCEs on Quantification of Embedded Tax rates . The revised embedded tax rates of previous SoRs (pertaining to Irrigation) from 2009-10 to 2016-17 are uploaded in I&CAD Dept web site for its implementation by all Engineering Departments accordingly.

In this context, the BOCE's has issued the revised guidelines on implementation of GST for the ongoing works as on 01.07.2017 in working out the embedded tax component to all the HODs of all Engineering Depts &

members of Board of Chief Engineers for information and directed to take necessary action accordingly.

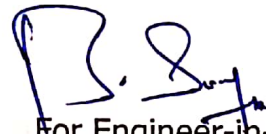
- 1. Same hire charges of machinery are to be kept as adopted in pre-GST regime in the post-GST regime for all the ongoing works as on 01.07.2017.**
- 2. Same machinery lead/conveyance charges are to be kept as adopted in pre-GST regime in post-GST regime for all the ongoing works as on 01.07.2017 and**
- 3. In respect of common materials like Bricks (except factory made aerated bricks like Aerocon etc.,) and Coarse aggregate (crusher by product) same rates are to be retained as adopted in pre-GST regime in post-GST regime for all the ongoing works as on 01.07.2017**

Keeping the above BoCE's recommendations in view, the embedded tax rates of material pertaining to **Building & Electrical items** of SSRs of R&B for the years 2014-15 , 2015-16 & 2016-17 are approved by E-In-C (R&B)Buildings & N.H and the same are uploaded in the official web site of Roads and Buildings Department. If any work falls prior to 2014-15, the embedded tax rates published by Government of A.P holds good, since works are carried out in the same tax structure with erstwhile A.P, SSR rates.

Further the model calculation for embedded tax in respect of variation items are approved by all the E-In-Cs/CEs of R&B and the same are uploaded in the official web site of Roads and Bridges Department vide reference 4th cited. The same methodology to be followed for Building items.

It is also informed that the model calculation are given for the guidance of SEs/EEs only. However, while arriving at the embedded taxes any discrepancies are found in the above finalized embedded tax rates, the same may be brought to the notice of the undersigned for issuing necessary corrigendum/addendum.

- Encl:** 1) Soft copies of revised embedded tax rates
of previous SoRs i.e. 2014-15, 2015-16 & 2016-17
2) Copy of Minutes of BOCE dated 23.03.2019



For Engineer-in-Chief (R&B)

Buildings & N.H

1. Copy communicated to the Commissioner (State Taxes), commercial Tax Dept., Nampally, Hyd for information.
2. Copy communicated to all the SE's /EE's dealing with Building works.