



2:

component of overhead charges includes Sales Tax/VAT. Hence, this component of Sales Tax/VAT shall be deducted in the overhead charges in the data but, shall be separated and shown in Part-B of the estimate. The VAT component so deducted should not be less than the reimbursable amount.

- (ii) A condition shall be included in the agreement that the VAT component loaded in the estimate shall be added in each bill of the contractors who opt for composition scheme and recovered.
- (iii) In respect of those contractors, who do not opt for composition scheme, the VAT component loaded in the estimate shall not be released to them with their bills and VAT, however, shall be recovered and for the recovery made, a deduction certificate shall be issued, based on which they have to claim adjustment through their returns submitted to their respective assessing authorities.

6. Government hereby also order to allow 5% tender premium on par with TR&B Department in second or subsequent tender calls only.

7. The price escalation orders issued vide reference 4th read above are also applicable to all the tender works including PMGSY.

8. The above orders shall be implemented subject to the following conditions.

- (i) These orders are applicable with prospective effect only.
- (ii) Already settled/closed cases shouldn't be reopened for applying the orders of this G.O.
- (iii) Price escalation clause should be allowed carefully duly ascertaining the fulfillment of all the aspects of quantity, quality and contractual obligations.
- (iv) No cases of revised administrative sanction will be entertained.
- (v) The concession given under this G.O. are not applicable to the works entrusted on nomination basis.

9. This order issues with the concurrence of Finance (Expdt. P.R. & RD) Department vide their U.O No 04947-A/88/A1/Expdt. P.R. & R.D./08, dt. 19.2.2008.

10. The Engineer-in-Chief (P.R.) shall take necessary action accordingly.

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

DR V.P. JAUHARI
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Engineer-in-Chief(P.R.), Hyderabad.
Copy to
Accountant General, A.P. Hyderabad
Finance (Expdt. P.R.) Department.
P.S. to M(P.R.)/SPLCS
SI/Sc.

//FORWARDED BY ORDER//

SECTION OFFICER