



ABSTRACT

JICA – Grant in Aid – Out-patient facility for Institute of Child Health & Hospital for Children with JICA assistance - Reimbursement of levies, Central taxes of Rs.6,51,98,753/- paid by M/s. Fujita Corporation, Japan towards construction of "Out Patient facility " at Institute of Child Health & Hospital for Children, Chennai – Sanction of funds - Orders – Issued.

HEALTH AND FAMILY WELFARE (EAPI-1) DEPARTMENT

G.O.(Ms).No. 186

Dated: 18.05.2018
Thiruvalluvar Aandu – 2049
Vilambi, Vaikasi – 4

Read :

1. G.O.(Ms).No.41, Health and Family Welfare (EAP1/1) Department, dated: 20.02.2017.
 2. G.O.(Ms).No.216 Health and Family Welfare (EAP1/1) Department, dated: 13.06.2017
 3. Representation from M/s. Fujita Corporation, Japan
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ORDER:

An Exchange Note was signed on 25th January 2014 between Government of India and Government of Japan followed by the Grant Agreement between Government of India and Japan International Co-operation Agency (JICA) on 7th February 2014. Article 10 of the above Grant Agreement reads as follows:

“ Obligations of the Government of India clause (d) “ to ensure that customs duties, internal taxes and other fiscal levies which may be imposed in India with respect to the purchase of the products and the services referred to in Article 3 be exempted or be borne by the Authority without using the Grant ” agreement.

2. The Fujita Corporation, Japan, has emerged as the successful bidder for the construction of Out - patient facility. An agreement was entered into by M/s. Fujita Corporation with the Health and Family Welfare Department, Government of Tamil Nadu for construction of "Out-patient facility" at the Institute of Child Health and Hospitals for Children, Chennai and the entire cost of the activities i.e., Rs.31,62,64,163.25 (Yen – 546,300,000) will be funded by Japan International Co-operation Agency (JICA).

3. The clause 7.3, of the Contract agreement signed between the Health and Family Welfare Department, Government of Tamil Nadu and Fujitha Corporation, states that " The Client shall in conformity with the Grant Agreement take necessary measures to exempt the Contractor from customs duties, internal taxes and other fiscal levies which may be imposed in India with respect to the supply of the products, services and equipment or shall bear, without using the Grant, customs duties, internal taxes and other fiscal levies which may be imposed in India with respect to the supply of the products, services and equipment". As per the provisions in the grant agreement the State Government have reimbursed all the State taxes paid by the Fujitha Corporation amounting of Rs. 2,80,10,914/- (Rupees Two crore eighty lakhs ten thousand nine hundred and fourteen only). vide Government Order first and second read above.

4. Fujita Corporation has requested for the reimbursement of levies, Central tax of Rs.6,51,98,753/- (Rupees Six crore fifty one lakh ninety eight thousand seven hundred and fifty three only) paid by them. The Government of India have been addressed in this regard.

5. The Department of Economic Affairs in letter dated: 20.07.2016 has pointed out as per the Article 10 (d) of the Grant agreement the fiscal levies imposed in India will either be exempted or borne by the authority. i.e., Government of India or designated authority. In this case the grant-in-aid has been received by the State of Tamil Nadu and the Government of India has only signed the agreement as the assistance from a foreign agency cannot be taken by the States directly. Therefore in real terms the " authority" is the beneficiary i.e., the State Government. The Secretary, Ministry of Finance has also been addressed in this regard in letter dated: 29.08.2016 & 29.09.2016. In the recent communication received from Government of India also, they have reiterated their earlier stand only.

6. The Government after careful examination of the representation of M/s. Fujita Corporation, Japan in detail, accord sanction for a sum of Rs. 6,51,98,753/- (Rupees Six crore fifty one lakh ninety eight thousand seven hundred and fifty three only) being the reimbursement of levies, Central tax paid by M/s. Fujita Corporation in connection with the construction of Out Patient block building at Institute of Child Health and Hospital for Children, Egmore, Chennai.

7. The amount sanctioned in paragraph 6 above shall be debited under the following head of account:

" 2210 Medical and Public Health 01 Urban Health Services –
Allopathy 110 – Hospitals and Dispensaries – States expenditure AO
– Institute of Child Health and Hospital for Children, Chennai -06
Rent, Rates and Taxes 05 others
(DPC 2210 -01- 110 – AO – 0653)

8. The Director of Medical Education is authorized to draw and disburse the amount sanctioned in para 6 above to M/s. Fujita Corporation, No.3, 1st Floor, 3rd East Street, Kamaraj Nagar, Thiruvanmiyur, Chennai-600 041, Tamil Nadu.

9. Necessary funds will be provided in the RE/FMA 2018-2019. Pending provision of such funds in RE/FMA 2018-2019, the Director of Medical Education is authorized to draw and disburse the amount sanctioned in para 6 above. However, this expenditure shall be brought to the notice of the legislature by Specific inclusion in the Supplementary Estimates 2018-2019. The Director of Medical Education is also requested to include this expenditure while sending the budget proposals for RE/FMA 2018-2019 and draft explanatory notes for Supplementary Estimates 2018-2019 to Government in Finance (Health-II) Department without fail.

10. This order issues with the concurrence Finance Department vide U.O.No.044/DS(B)/Fin(Health-II)18, dated: 18.05.2018 and ASL No. 305 (Three hundred and five)

(BY ORDER OF THE GOVERNOR)

**J.RADHAKRISHNAN
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Director of Medical Education, Chennai-10.

The Director and Superintendent, Institute of Child Health and Hospital for Children, Egmore, Chennai- 600008.

The Manager, International Business Division, Fujita Corporation, 4-25-2 Sendagaya, Shibuya-ku, Tokyo, Japan.

M/s. Fujitha Corporation No.3, 1st Floor, 3rd East Street, Kamaraj Nagar, Thiruvanmiyur, Chennai - 41.

The Principal Accountant General (A&E), Chennai-18.

The Principal Accountant General, Chennai – 35.

The Pay and Accounts Officer, Chennai – 600 001/35.

Copy to:-

The Secretary to Government of India, Ministry of Health and Family Welfare Department, New Delhi

The Secretary to Government of India, Ministry of Finance and Department of Economic Affairs, New Delhi

The Hon'ble Chief Minister's Office, Chennai – 9.

The Senior Private Secretary to Hon'ble Minister (Finance and P& AR) Chennai-9

The Senior Private Secretary to Hon'ble Minister (Health and Family Welfare) Chennai-9

The Finance (Health-II/BG-I/BG-II) Department, Chennai-9

The Health and Family Welfare (Data Cell) Department, Chennai-9 SF/SC.

//FORWARDED BY ORDER //

B. Jayathir
SECTION OFFICER