Circular

Date: 19-09-2019

To

All AO GE

Subject: Recovery of 6% GST consequent to GST rate reductions from 18% to 12%.

Attention is invited to E-in-C branch letter bearing no. 66546/Manual/GST/130/E8 dated 23rd Nov 2017 and GOI MoF notification no 24/2017 dated 21st September 2017 wherein it has been directed that all the MES establishment will ensure adjustment of the amounts consequent to GST rate reductions for the types of contracts in GST notifications dated 22nd August 2017 and 21st September 2017 for tenders with end dates of bid submission as 22.08.2017 & 21.09.2019 respectively.

However, off late it has been noticed that recovery of 6% GST consequent to GST rate reductions from 18% to 12% is not being affected neither by the GE nor by the AO GE and ultimately the main office has to recover the amount by reducing the work done (deducting 6% of net work done i.e. excluding the GST). This practice is not in order as it is the prime duty of the executive authorities & AO GE to recover the GST in the first place. Further in order to monitor the recovery action, it is requested that the bid submission (End) date may be prominently written in the working sheet in all final bills.

In view of the above, the competent authority has desired that AO GE’s should be more careful in future and the recovery from the RAR/Final bill may be made without fail. In addition a list of contract agreements, GE wise, may be prepared whose end date of bid submission falls between 1st July 2017 to 21st September 2017 along with details of recovery of 6% GST. In case, recovery has not been made, the same may be ensured from future payment of the concerned contractor under intimation to main office. The list of contract agreements should be forwarded to this office on or before 31st October 2019.

GO (E) has seen.

Sr. Accounts Officer (E)