

470/est/19



GOVERNMENT OF KERALA

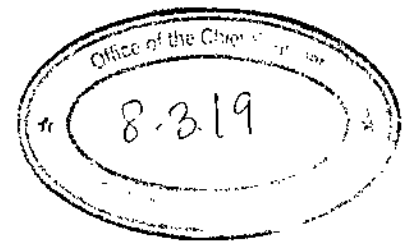
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No. Ind&PW-B2/41/2018-Fin

Finance (Ind&PW-B) Department
Thiruvananthapuram
Dated: 02.03.2019

3888
12/3/19

The Additional Chief Secretary,
Finance Department.



The Chief Engineer
Local Self Government Department
Thiruvananthapuram

Sir,

Sub:- GST – Modified Circular forwarding of – reg

Ref:- Circular No. 18/2019/Fin dated 01.03.2019.

Inviting attention to the reference cited, I am to forward herewith a copy of the Circular referred above for information.

Yours Faithfully,
AJITHAKUMARI. P
Under Secretary (Finance)
For Additional Chief Secretary (Finance).

Approved for issue

Section Officer

0731

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GOVERNMENT OF KERALA

FINANCE (INDUSTRIES & PUBLIC WORKS-B) DEPARTMENT

C I R C U L A R

No.18/2019/Fin.

Dated, Thiruvananthapuram, 01.03.2019

Sub:- Procurement of Goods or Services or both or works by Government Departments, Public Sector Undertakings / Autonomous bodies or any agency of Government of Kerala in the context of GST – Clarification issued

Ref:- 1) Government Circular No. 90/2017/Fin dated 14.12.2017.
2) Minutes of the meeting held by the Additional Chief Secretary (Finance) on 06.02.2019.

The Goods and Services Tax (GST) has come into effect in the State with effect from 1st July 2017. As per the Government Circular referred above, certain guidelines were issued regarding the applicability of GST on procurement of Goods, services and Public works arranged by various Government Departments and PSUs. Now, it has come to the notice of Government that certain points in the Circular require further elucidation to avoid ambiguity since the existing DSR and Cost Indices are inclusive of all taxes including VAT / GST and new SoR without tax component is yet to be published by CPWD.

In the meeting held on 06.02.2019, it was observed that the base estimate shall be prepared based on rates devoid of GST. The GST shall

be added to the above base value. Also, TDS should be deducted on the base value.

The Government after having examined the matter in detail, decided to issue following revised guidelines on GST for procurement of Goods and arrangement of services and public works by various Kerala Government Agencies, with immediate effect:-

1. In case of Public Works, for which estimates are prepared based on DSR (Delhi Schedule of Rates), the latest Cost of Indices published by PWD from time to time excluding the VAT / GST component is to be used for arriving estimate rates and it should be without GST Component(s) on the input/input services.
2. In the case of Non-DSR items also, the rate(s) taken for the input/input services should be exclusive of VAT/ GST Component.
3. The Public Works Department shall derive the applicable Cost Indices for various locations excluding the VAT/GST Component and upload in the PRICE software, in time.
4. All bidders for public works, goods and services should have valid GST Registration.
5. The rates quoted by the bidders shall include all taxes and duties Construction Workers Welfare Fund Contribution etc, except the GST.
6. While finalizing the procurement of Goods, Services or both or Public Works, the total amount of the estimates should be arrived exclusive of Goods and Service Tax (GST).
7. For the purpose of determining the lowest bidder (L1), the rates quoted by the bidders exclusive of GST amount should be taken into consideration.

8. For the purpose of issuing Administrative Sanction, the total amount for approval should indicate the estimate amount and GST applicable amounts separately.
9. When the bills for any goods, services or both or Public Works procured are processed, the payment has to be made to the contractor for the total value of the works at contract rates PLUS the applicable GST rate.
10. In case of change in the GST rate between the date of invoice and date of supply OR last date of submission of tender (in case of works), and the date of release of payment for works done, the prevailing GST Rate will be reckoned as per the GST laws of the Central and State Governments for payment.
11. Any variations in the tax rate of GST (increase or decrease) shall be adjusted at the time of bill processing i.e., deduction in the case of decrease in GST Rate or addition in case of increase in GST Rate shall be made at the time of settlement of bills.
12. The TDS and other deductions would be on payments made or credited to the supplier excluding GST.
13. The amount deducted as tax under the provisions of GST Act shall be paid into the Government by the deductor within *TEN* days after the end of month in which such deduction is made in the prescribed manner.
14. The deductor shall furnish to the deductee a certificate mentioning therein Contract value, rate of deduction, amount deducted, amount paid into Government in the prescribed manner.

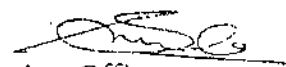
The Circular read above modified to the above extent.

MANOJ JOSHI IAS
Additional Chief Secretary (Finance)

To

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.
The Principal Accountant General (G&SSA) Kerala Thiruvananthapuram.
The Principal Accountant General (Audit) Kerala Thiruvananthapuram.
The Principal Accountant General (E&RSA) Kerala, Thiruvananthapuram.
All Heads of Departments and Offices
The Nodal Officer, www.finance.kerala.gov.in.
Stock file E-735548 / Office Copy

Forwarded/By Order


Section Officer