

Himachal Pradesh
Jal Shakti Vibhag

No:- IPH-CTR-GST/2018-/2023-24- 3062 - 68 Dated:- 20/09/2023
To

All the Chief Engineers,
Jal Shakti Vibhag in H.P.

Subject:- Regarding payment of increased Rate of GST on work contract w.e.f. 17.07.2022.

It has come to notice of undersigned from the representations received from contractors executing works in different divisions of the state that the rates of GST effective from 18.07.2022 (12% to 18%) are not being followed while settling the claims of Contractors. As you are well aware that contractors claims are to be settled in view of the conditions of the contract agreement executed between the Engineer-in charge and the contractor. The concerned Executive Engineers are fully responsible for settlement of the statutory claims of the contractor as per the clause of agreement after proper verification of the GST return filed by the contractor. The reimbursement claims be settled for the work executed during the contract period including the justified period extended under the provisions of relevant clause of the contract agreement. The increase should not be attributable to delay in the execution of the contract within the control of the contractor. In this regard, the Director General CPWD on 30.09.2022 has also issued model calculation for working out additional payment on account of change in GST rate on of works contract effective from the date prescribed by the GST authority in agreement drawn on or before the prescribed date which is also available on the website of Director General CPWD (**copy enclosed at annexure "A"**).

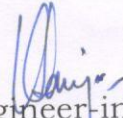
Furthermore, the department has adopted CPWD works manual and other publications of CPWD so as and when any relevant document is modified by the CPWD the same shall be adopted simultaneously in Jal Shakti Vibhag. The Govt. of India, Ministry of

Finance (Department of Revenue) vide notification No 03/2022 Central Tax (Rate dated 13 July, 2022 has made amendments to notification No. 11/2017-Central Tax (Rate) date 25. 06 .2017 regarding revised rate of GST for Central, State Govt. Union Territory and a Local Authority with effect from 18.7.2022 Accordingly, the revised rate of GST 18% is applicable on works contract. In this context, the copy of the CPWD Office Memorandum No. 158/SE(TAS)/GST/2022/331- dated 10.08.2022 is **enclosed at annexure "B"** vide which multiplying factor of 1.0633 has been fixed along with multiplying factor calculation table for working out the amount of Preliminary estimate and Detailed estimate with effect from 18. 7.2022.


You are, therefore, directed to issue directions to the filed offices under your control to adhere to the instructions contained in the aforesaid CPWD publications in letter and spirit and settle the claims as per the provision of the contract agreement.

DA:- As above

Endst.No.As above: -


Engineer-in-Chief,
Jal Shakti Vibhag,
Tutikandi, Shimla-05.
Dated:-

Copy forwarded to the Principal Secretary (JS) to the Govt. of Himachal Pradesh Shimla-5 for information please.


Engineer-in-Chief,
Jal Shakti Vibhag,
Tutikandi, Shimla-05.