



कार्यालय, रक्षा लेखा नियंत्रक  
उदयन विहार, नारंगी, गुवाहाटी-७८११७१  
OFFICE OF CONTROLLER OF DEFENCE ACCOUNTS,  
UDAYAN VIHAR, NARANGI, GUWAHATI-781171  
ई-मेल/ email: [cdaguwaccounts.dad@hub.nic.in](mailto:cdaguwaccounts.dad@hub.nic.in)



Speed Post/Email / *TJB*

No. A/IV/65/Rev Sc/Vol-XXIV

Date: 13/12/2022

To

The Officer-in-Charge

- 1). Area Accounts Office, Shillong
- 2). PAO ARC, Shillong
- 3). PAO GTC, Shillong
- 4). All AOs GE/AGEs
- 5). All Audit Sections of M.O. CDA Guwahati

**Subject: GST on Works Contracts.**

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Please find enclosed a copy of E-in-C Branch letter bearing No. 66546/Manual/GST/46/E8 Dated 23.11.2022 on the above subject for your information, guidance, and necessary action.

Encl: As Above

*sd/*  
Sr. AO (A/Cs)

Copy to:

Oi/C

*✓* IT&SW (Local):

With a request to upload it on CDA Guwahati website.

*H. H. H.*  
Sr. AO (A/Cs)

Tele: 23019154

REGD BY POST

Engineer-in-Chief's Branch  
Military Engineer Services  
Dte of Contract Management  
Kashmir House, Rajaji Marg  
New Delhi -110 011

66546/Manual/GST/ 46 /E8

23 Nov 2022

List 'A'  
List 'B'

GST ON WORKS CONTRACTS

1. Reference this HQ letter No 66546/Manual/GST/29/E8 dated 07 Sep 2022.
2. Various MES formations have requested to issue Model calculation for working out reimbursement to contractors on account of change in GST rates from 12% to 18% w.e.f 18 Jul 2022 on Works Contracts after issue of Gov. Min of Finance (Deptt of Revenue) notification No 03/2022-Central Tax (Rate) dated 13 Jul 2022.
3. The guidelines for implementation in respect of ongoing works having Bid Submission End date before 18 Jul 2022 are detailed below:-
  - (a) In cases where services have been provided in works contracts before the change in GST rates i.e. before 18 Jul 2022:-
    - (i) Where either the RAR bills have been raised or payment has been received by the contractor before the change in GST rate, the old rate i.e. 12% shall be applicable.
    - (ii) Where RAR bills have been raised after the change in GST rate and the payment is also received by the contractor after the change in GST rate, the new rate i.e. 18% shall be applicable.
  - (b) In cases where services have been supplied on or after the change in GST rate i.e. 18 Jul 2020, the new rate 18% shall be applicable.
4. Following model calculation may be adopted wherever applicable as per Contract conditions:-
  - (a) The amount payable to contractor as per items of the agreement inclusive of GST @ R1 % for contract drawn on or before the prescribed date = W
  - (b) Hence, amount (excluding GST component)  $W1 = W/(1+R1/100)$
  - (c) Now, adjustable amount on account of change in rate of GST from rate R1 % to R2% =  $(R2-R1)\%$  of W1.

Illustration:

Prescribed Date = 17.07.22

Prevailing GST rate as on prescribed date, R1% = 12%

Revised GST rate after prescribed date, R2% = 18%

Amount paid to contractor after prescribed date (on agreement rates) = Rs 100.00

Contd.. 2-

Hence, amount (excluding GST component) =  $100/1.12 = \text{Rs } 89.29$

GST component = Rs 10.71

Now, adjustable amount on account of change in rate of GST  
from 12% to 18% = 6% of 89.29 = Rs 5.36

5. The above model calculation is specific to the increase in GST rates, consequent to GOI Min of Fin notification dated 13 Jul 2022 referred in Para 2 above only and subject to submission of GST Return/GST Invoice indicating GST liability @ 18%.

6. The contractor shall submit following undertaking on Rs 100/- non-judicial stamp paper duly notarized along with his claim for adjustment of GST for payments made to him on agreement rates:-

*"I hereby certify that I have paid GST on the output on works contracts @ \_\_\_\_\_ (fill in revised rate of GST on works here) for the amount on which additional GST has been claimed for adjustment in the work of ..... (Name of work with Agreement Number). In case, my claim of adjustment of additional liability of the difference due to change in GST rate is found to be incorrect, I shall return forthwith full or any additional amount paid to me along with simple interest @ 10% per annum as demanded by the GE/AGE (I) and I shall also be liable for disciplinary action for debarment from taking up work in MES for a minimum period of six months. Decision of the Accepting Officer in this regard shall be final and binding upon me/us".*

7. Suitable instructions may be issued to the concerned formations upto JE level under your jurisdiction.

8. This has the approval of Director General Works



(Bhavesh Gupta)  
Director (Contracts)  
for Engineer-in-Chief

**Copy to:-**

Controller General of Defence Accounts  
Ullan Batar Road, Delhi Cantt – 110010

- w.r.t. MES BAI New Delhi letter No. MBI/E-in-C/84/2022 dt 02 Nov 22. It is requested to issue suitable directions to all PCDA/CDA for reimbursement of GST of the contractors on account of increase in GST rate from 12% to 18% vide GOI Notification No. 03/2022-Central Tax(Rate) dated 13 Jul 2022 to avoid financial hardship to the Builders.

MES Builders Association of India  
807-808, Sahyog 58, Nehru Place,  
New Delhi - 110019

- For info please.