



North Central Railway

Office of the PFA  
NCR Headquarters  
Subedarganj,  
Prayagraj- 211015

No. NCR/A/Cs/HQ/GST/ Neutralization/1/2022

Dt-15.09.2022

CE/G

N.C.Rly. Prayagraj.

Sub :- Payment for increase in applicable GST rate in Existing Work Contracts  
w.e.f 18.07.2022.

Ref:- CE/C/Central Letter no. NCR/Const./GST/2022 dt. 31.08.2022.

Instructions for payment of increase in applicable GST rates in existing Works  
Contract w.e.f 18<sup>th</sup> July, 2022 issued by the Construction Organization/NCR are enclosed.  
These instructions shall apply mutatis mutandis on all units on N.C.Rly.

DA-As above.

*CE*  
15/9/2022  
Dy.FA&CAO/W&GST

*9/2/22*

**NORTH CENTRAL RAILWAY**  
(Construction Organization)  
Prayagraj

No. NCR/Const./GST/2022

Dated: 30/08/2022

31

All HODs/Construction

**Sub: - Payment for increase in applicable GST rate in Existing Work Contracts w.e.f. 18 July, 2022**

1. As per guidelines given in Railway Board Letter No.2017/AC-II/1/6/GST/Main/Vol.III dated 05-07-2022 (RBA 33/2022) & 22-07-2022 (RBA 36/2022), GST rate applicable on Works Contracts has increased from 12% to 18% and for works involving predominantly Earthwork from 5% to 12% w.e.f. 18-07-2022.
2. As per Clause 37 of Part II of GCC 2018, GCC 2019, GCC 2020 and GCC 2022, "if rates of existing GST or cess on GST for Works Contract is increased or any new tax /cess on Works Contract is imposed by Statute **after the date of opening of tender but within the original date of completion/date of completion extended under clause 17 & 17A** and the Contractor thereupon properly pays such taxes/cess, the Contractor shall be reimbursed the amount so paid."
3. Also, Clause 46A.3 of GCC says "Rates accepted by Railway Administration shall hold good till completion of work and no additional individual claim shall be admissible except:
  - a) Payment/recovery for increase/decrease in GST on works contract or imposition/removal of any tax/cess on Works Contract as per Clause 37,
  - b) Payment/recovery for overall market situation as per Price Variation Clause given hereunder."
4. Hence, in compliance of above conditions in GCC, payment for increase in GST Rate shall be admissible only in those Work Contracts which satisfy both the conditions as given below:
  - a) Date of Tender opening is on or before **17-07-2022** and;
  - b) Date of increase in GST rate i.e. **18-07-2022** falls within the original date of completion of contract/date of completion of contract extended under clause 17 & 17A of GCC.
5. Supplementary Agreement to be signed for Contracts eligible for payment as per clause 4 above
6. Further, following must be ensured as suggested by GST consultant of NCR before payment:
  - a) Contractor must submit an anti-profiteering certificate declaring that "benefit on account of additional Benefit/Input Tax Credit accrued due to change in GST rate on Works Contracts w.e.f. 18-07-2022 has not been retained by the contractor and same has been passed on to the Railways in compliance of Section 171(1) of CGST Act, 2017."
  - b) Contractor must submit copy of GSTR 1 Return already filed by the contractor for the GST Invoice No. against which payment of previous bill was passed in the same contract along with self certificate that "GST amount in the previous Bill has been duly transferred to GST department and the GSTR 1 Return for the instant GST Invoice No. shall also be filed in due time."

**All units must prepare bills adhering to above guidelines. This is issued with finance concurrence and approval of CAO/C subject to any further instructions by Railway Board or NCR HQ.**

*(Signature)*  
30/08/2022  
**(Saurabh Singh Patel)**  
CE/C/Central