

DG CL

**DAKSHIN GUJARAT VIJ COMPANY LIMITED
F&A DEPARTMENT, CORPORATE OFFICE, SURAT**

OFFICE NOTE

DATE: 16.08.2017

Sub : Guidelines for Implementation of Goods and Service Tax (GST) in DGVCL.

- Ref : 1) MoM held on 09.08.17 of the GST Committee Members at GUVNL, Vadodara.
2) Meeting held on 11.08.17 with Finance & Pro. Head of DGVCL with GST Committee.
3) ED(F&A) GUVNL letter no. ACCTTS/ED(F&A)/GST/426 dated 05.08.2017

We enclose here with the copy of ED(F&A), GUVNL, letter dated 05.08.2017 vide which they have issued directives relating to Payment to suppliers/contractors pursuant to the Purchase Order / Work Order which is reiterated herewith :

"It has been decided by the competent authority of GUVNL that we may withheld and retain only 5% payment (Out of 20% against SR Note) in case of supply of materials and 15% of payment against SR Note may be released on submission of the revised undertaking as per the following format:

UNDERTAKING TO BE SUBMITTED ON LETTER HEAD

- We, the supplier/contractor of GUVNL/Or subsidiary company hereby agree as per mutually agreeable mechanism to transfer the amount as determined as the benefit available to us in the form of higher input tax credit due to introduction of GST law.
- We hereby agree that GUVNL/or subsidiary company shall recover the net amount so determined from payment payable by GUVNL/or subsidiary company by way of clause no. _____ of Statutory Variation and Clause No. _____ of excise duty of our AT/WO/PO which has been agreed to and accepted by us.

We also request a reference to our O.N. no. 1072 dated 14.07.2017 vide which we have stated that "all pending tenders will have to be put on hold till receipt of final set of guidelines from GUVNL".

The final set of guidelines are still pending to be received from GUVNL. However, considering the issues raised by field offices of DGVCL and considering deliberation held in the Meeting held on 11.08.2017 with Finance head & Pro. Head of DGVCL with GST committee, it is decided that such Tender (which is put on hold) is to be processed & uploaded (only in case of any urgent tenders which are to be processed immediately) after modification of terms & condition of Tender relating to (i) Tender Fees (ii) Price Evaluation (iii) Prices (iv) Statutory Variation & (v) Taxes i.e. Service Tax, VAT, CST, Excise Duty considering GST provisions as per attached Annexure - "A" till final set of guidelines from GST committee / GUVNL / our tax consultants.

Further to the above, copy of Certificate to be obtained from Chartered Accountants of various Suppliers of DGVCL is also enclosed. It is requested that the same may be obtained from each supplier for further necessary action.

This is for your kind information and necessary action please.

Encls:

GM(F&A)

- 1) MoM dated 09.08.17
- 2) Annexure – "A"
- 3) C. A. Certificate

To,
CE(O&M) / ACE(P) / SE(SD&P) / SE(IT)

Copy to:
Com. Sec. / AGM(HR)

CFWCs to:
H'ble M.D. - For kind information please.

ANNEXURE - "A"

(CLAUSES ARE INDICATIVE ONLY & NOT EXHAUSTIVE AND EXCLUSIVE)

1) TENDER FEE:

Tender fee (Non-refundable) plus GST as applicable notified in the tender notice should invariably be paid by way of Demand Draft/ Bankers Cheque; otherwise offer will be ignored out rightly. Indian Postal Orders (IPO's) & Cheques are not acceptable. Demand Draft/ Bankers Cheque should be in the "Name of Company.", Payable at_____.

The Tender Fees is Non-refundable under normal circumstances. However, if purchaser company decides to scrap/ cancel the tender, by one or another reason, in which bidders are not responsible for cancellation/ scrap of tender, in such case tender fee may be refunded to bidder(s), at sole discretion of the purchaser company.

2) PRICE EVALUATION:

No price preference shall be given on any account. All Tenders shall be evaluated on firm Price End Cost (with GST and Cess as applicable) basis unless otherwise mentioned in the Tender documents.

If the Tender is invited with Total Owning Cost (TOC) Clause, the evaluation shall be done accordingly. For the same, the Bidders have to give the detailed breakup of the End Cost.

3) PRICES:

Prices quoted should be FIRM and on F.O.R. Destination basis (i.e. any of the stores of COMPANY in Gujarat). However, the Tenderer should indicate in the Schedule- "B" (i.e. Price Bid), the break-up of Total Unit F.O.R. Destination Prices and Total Unit End Cost with GST and Cess as applicable stating the Unit Ex-works price, freight, packing & forwarding charges, Insurance Charges, GST and Cess as applicable separately in price bid, which is a must.

If the Supplier/Contractor has opted for the Composition scheme of GST, the same must be clearly specified with valid Declaration & self-certified Certificate from Department. In the event of withdrawal/cessation of the Supplier from Composition scheme during the tenure of the contract, the rate (i.e. price) mentioned in the price bid shall be final and any additional GST will have to be borne by the tenderer himself. In no case additional amount towards GST or otherwise will be paid / reimbursed to supplier/contractor. Further Statutory Variation clause will not be applicable in case of Supplier / Contractor has opted for Composition Scheme under GST.

Also, please mention separate applicable HSN / SAC Code and rate of GST and Cess as applicable for each item of Goods/Service. If not specifically mentioned then COMPANY will have the option to take the prices as exclusive of taxes and duties at maximum higher slab rates for the evaluation of the tenders.

The offered prices to be indicated in online mode of tender in the format given (i.e. Schedule-B). The price bid submitted in physical mode shall not be considered.

The Tenderer should invariably indicate the total unit end cost price considering all their costs / calculations in the Price bid itself for each item and all sub-items if any. This is a must. Cost components hidden / furnished elsewhere will not be considered and will be ignored out rightly.

Every bidder shall inform their GSTIN No. of the registered place(s) wherefrom the bidder intends to supply the goods / services, meaning thereby the bidder has to supply the goods / services from the relevant declared / registered place of supply only.

4) Goods and Service Tax (GST) :

The F.O.R. Destination prices are excluding VAT/GST and Cess as applicable which will be paid extra on a given taxable goods and/or services within the original contractual delivery period. The amount of GST and Cess as applicable should clearly be indicated separately. (GST/Cess means all applicable Tax/Cess under GST Laws. GST Laws means IGST Act, GST(Compensation to the State for Loss of Revenue) Act, CGST Act, UTGST Act and SGST Act, 2017 and all related ancillary legislations).

You shall have to submit a C.A Certificate & duly authorized Signatory of successful bidder, certifying that you have not claimed Refund of any applicable GST and Cess, charged to DGVCL or shall not claim any such Refund, on a future date, from the concerned Authorities and if, any Refund, in respect of such GST/ and Cess, is claimed by you, it will be immediately passed on to the COMPANY, without /COMPANY making any specific Claim, for the same, either from the Department or from you.

The offers having price INCLUSIVE OF GST and Cess is likely to be rejected if the rate of GST and Cess is not mentioned clearly unless the bidder has opted for Composition Scheme under GST act which should be clearly indicated in the price bid. Company may at its discretion consider such offer with presumption of highest applicable rate of GST/Cess prevailing when the price quoted is inclusive of GST and Cess.

If the Supplier/Contractor has opted for the Composition scheme of GST, the same must be clearly specified with valid Declaration & Certificate from Department. In the event of withdrawal/cessation of the Supplier from Composition scheme during the tenure of the contract, the rate mentioned in the price bid shall be final and any additional GST will have to be borne by the tenderer. In no case additional amount towards tax or otherwise will be paid / reimbursed to supplier/contractor. Further Statutory Variation clause will not be applicable in case of Supplier / Contractor has opted for Composition Scheme under GST.

Supplier/Contractor should charge GST in Invoice at the rate as agreed to / mentioned in acceptance of tender only and any deviation in the same shall not be accepted. Further, any additional liability of GST (later on due to wrong mentioning of GST rate, mis-interpretation of HSN/SAC Code, etc.) over and above as charged in the invoice shall be borne by the Supplier/Contractor. However, any refund received by the supplier / contractor on account of GST charged from the company; such refund shall have to be passed on to the company, along with interest if any. Such refund along with interest needs to be passed on suo-moto by the supplier / contractor.

Further, the Company has a right to recover the amount of GST along with penal interest at the rate of 15% per annum if GST charged is not paid / short paid to the government or fail to upload the details or uploads inaccurate particulars on GSTIN portal by the Supplier / Contractor within the stipulated time limit.

In case, Govt. revises the rate of GST rate / Code during the tenure of the contract, the provision of GUVNL's statutory variation clause shall apply.

INPUT TAX CREDIT BENEFIT

In the event of any statutory increase in the rate of Input Tax Credit and / or due to inclusion of any other additional item of their inputs / input services under the ambit of the Input Tax Credit provisions under the GST Act, subsequent to the date of submission of the offer, the same should be passed on to COMPANY and you should inform such changes to COMPANY from time to time.

5) STATUTORY VARIATION:

Any statutory increase or decrease in the taxes and duties including GST and Cess as applicable or in the event of introduction of new tax/cess or cessation of existing tax/cess subsequent to suppliers offer if it takes place within the original contractual delivery date will be to COMPANY's account subject to the claim being supported by documentary evidence. However, if any decrease takes place after the contractual delivery date, the advantage will have to be passed on to company.

Statutory Variation clause shall not be applicable in case of Supplier / Contractor has opted for Composition Scheme under GST.
