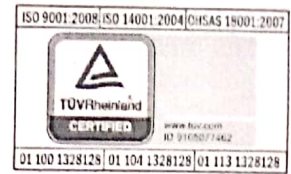




CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)



No. CWC/FD- Taxation/GST/2017-18

Dated: 9th October, 2019

GST CIRCULAR-17

Sub: Modification in GST related clauses in Tenders/ RFPs/ EOIs

Based on feedback received from Regional Offices/ Divisions of CO, with the approval of Competent Authority the following modifications are suggested in GST related clauses to be incorporated in all the future tenders/RFPs/ EOIs of the Corporation.

S.No.	Existing clauses	Modified clauses
1.	Copy of valid GST registration	Copy of valid GST registration
2.	GST or any other tax on input material or services used by contractor in respect of this contract shall be payable by the contractor and Central Warehousing Corporation will not entertain any claim whatsoever in this respect.	GST or any other tax on input material or services used by contractor in respect of this contract shall be payable by the contractor and Central Warehousing Corporation will not entertain any claim whatsoever in this respect.
3.	Prices quoted are inclusive of all applicable taxes except GST. GST shall be paid extra at applicable rates subject to submission of tax invoice as per rules under GST Law.	Prices quoted are inclusive of all applicable taxes except GST. GST shall be paid extra at applicable rates subject to submission of tax invoice as per rules under GST Law.
4.	CWC shall deduct GST at source at applicable rates in case transactions under this contract are liable to GST deduction at source. Under GST regime, the contractor is required to correctly and timely disclose the details of output supplies to CWC as per GST rules in his GST returns. Non-compliance would result in mis-matching of claims and denial of input tax credit to CWC. Notwithstanding anything contained in agreement/contract, in case of such default by the	CWC shall deduct GST at source at applicable rates in case transactions under this contract are liable to GST deduction at source. Under GST regime, the contractor is required to correctly and timely disclose the details of output supplies to CWC as per GST rules in his GST returns. Non-compliance would result in mis-matching of claims and denial of input tax credit to CWC. Notwithstanding anything contained anywhere in the Agreement, in the event that the input tax credit of the GST charged by the contractor/vendor is denied by the tax authorities to

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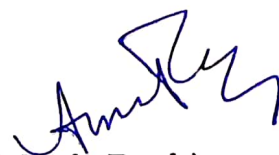
contractor the amount of Input tax credit denied in GST along with interest and penalty shall be recovered from the contractor.	CWC for reasons attributable to contractor/vendor, CWC shall be entitled to recover such amount from the contractor/vendor by way of adjustment from the next invoice. In addition to the amount of GST, CWC shall also be entitled to recover interest at the rate prescribed under GST Act and penalty, in case any penalty is imposed by the tax authorities on CWC
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Additional GST related clauses to be included at appropriate place:

- a. Reference of Excise Duty, Service Tax, VAT, Sales Tax, Entry Tax or any other form of indirect tax except of GST mentioned in the bidding document shall be ignored.
- b. "GST" shall mean Goods and Services Tax charged on the supply of material(s) and services. The terms "GST" shall be construed to include the Integrated Goods and Services Tax (hereinafter referred to as 'IGST') or Central Goods and Services Tax (hereinafter referred to as "CGST") or State Goods and Services Tax (hereinafter referred to as "SGST) or Union Territory Goods and Services Tax (hereinafter referred to as "UTGST") depending upon the import/interstate or intrastate supplies, as the case may be. It shall also mean GST compensation Cess, if applicable.
- c. Bidder should also mention the **Harmonised System of Nomenclature (HSN)** and **Service Accounting Codes (SAC)** at the designated place in **SOR**.
- d. It is the responsibility of the bidder to quote the correct GST rate. The classification of goods/services as per GST (Goods & Service Tax) Act should be correctly done by the contractor to ensure that input tax credit of GST is not lost to the CWC on account of any error on the part of the contractor.
- e. Contractor/vendor shall be required to issue tax invoice/**Debit note/Credit note** in accordance with GST Act and/or Rules so that input credit can be availed by CWC. In the event that the contractor/vendor fails to provide the invoice in the form and manner prescribed under the GST Act read with GST invoicing Rules thereunder, CWC shall not be liable to make any payment on account of GST against such invoice.
- f. Further, it is the responsibility of the bidders to make all possible effort to make their accounting/IT system GST compliant in order to ensure availability of Input Tax Credit (ITC) to CWC.
- g. In case contractor/Vendor is not required to obtain GST Registration, in such a case, contractor/vendor shall intimate CWC via declaration regarding non-requirement of registration under the GST Act.
- h. In case the unregistered contractor/Vendor obtains the GST Registration after the start of agreement, he shall intimate CWC within 15 days of such registration.
- i. In case of any movement of any goods by contractor/vendor, he shall ensure compliance of e-way provisions under GST law. Any liability due to non-compliance by way of confiscation/interest/penalty or in any other manner shall be borne by the contractor/vendor himself.

- j. GST payable under reverse charge mechanism for specified services or goods under GST act or rules, if any, shall be not paid to the contractor/vendor but will be directly deposited to the government by CWC.
- k. Where CWC has the obligation to discharge GST liability under reverse charge mechanism and CWC has paid or is/liable to pay GST to the Government on which interest or penalties becomes payable as per GST laws for any reason which is not attributable to CWC or Input Tax Credit with respect to such payments is not available to CWC for any reason which is not attributable to CWC, then CWC shall be entitled to deduct/set off/recover such amounts against any amounts paid or payable by CWC to contractor/vendor.

All the concerned are advised to ensure that future tenders/RFPs/EOIs are floated after incorporating the above clauses in the interest of the Corporation.



(Amit Puri)

General Manager(Tax & CA)

Distribution to:

1. All the Regional Managers of CWC
2. All the AGMs / Managers / (Sr.) Asstt. Manager(Accts.) In-charge of Finance & Accounts Wings of all Regional Offices

Copies for information to:

1. Sr. PA to Managing Director, SAM to Dir(Fin), CWC, Sr. PA to Dir(Pers.) CO, New Delhi
2. PS to CVO / PPS to GM(Finance), CWC, CO, New Delhi
3. All HODs at CWC, Corporate Office, New Delhi
4. All DGMs/AGMs/Managers in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi
5. PPS to GM(Systems), CWC, CO, New Delhi with a request to place this Circular on CWC's Website
6. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.