



Government of Goa  
Department of Finance (Revenue & Control)  
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No. 38/5/2022-Fin(R&C) | 961

Dated: 04<sup>th</sup> November, 2022

- Read: 1) Notification No. 11/2017-Central Tax (Rate) dated 28/06/2017  
2) Notification No. 38/1/2017-Fin(R&C)(11/2017-Rate) dated 30/06/2017.  
3) O.M. No. 38/5/2018-Fin (R & C)/1493 dated 11/09/2018.  
4) Notification No. 03/2022-Central Tax (Rate) dated 13/07/2022  
5) Notification No. 38/1/2017-Fin(R&C)(03/2022-Rate) dated 16/07/2022.

C I R C U L A R

The GST laws have been implemented since 1<sup>st</sup> July, 2017 and vide notification referred at Sr. No. 1 & 2 above, rate of most of the construction services were fixed at 12% (CGST 6% and SGST 6%). Accordingly, instructions were issued vide above referred O.M. at Sr. 3 on the subject "*Measures to be taken by various State Government Authorities for ensuring compliance to GST by taxpayers/contractors/suppliers, etc.*"

Now, the Government vide notification referred at Sr. 4 & 5 has omitted certain entries relating to Construction services in respective notification. Thereby the existing concessional rate of GST @ 12 % on construction services supplied to Central Government, State Government, Union Territory or local Authority stands withdrawn.

Thus the rate of GST applicable on most of the Government works contracts has been increased to 18% (CGST 9% and SGST 9%). The said rate is applicable w.e.f. 18/07/2022.

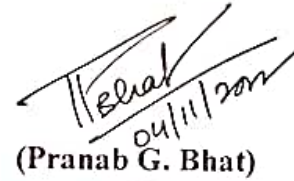
Now considering the said changes, the following instructions are being issued.

- a) **Estimates of New Works :-**The new estimates of work shall be prepared as per the rules and instructions issued by appropriate Authorities and new GST rate of 18% on Construction Services shall be considered as per above mentioned notifications.
- b) **Payment of ongoing works:-** the payments for ongoing works for which tenders had been called excluding GST and payment of such works is

made by calculating 12% GST. Now the payment of such contract should be passed as per the revised 18% GST subject to tender terms and conditions.

Also while making the payments of works for which tenders have been invited including Goods and services tax, necessary action should be taken as per the terms and conditions of the tender taking into account the changed 18% Goods and services Tax.

- c) **Strict Compliance with All Instructions/ Circulars/ O.M. issued by Authorities:** The GST Authorities have identified instances where Contractors have not paid GST by filing returns on the GST portal. Hence all the concerned authorities are once again directed to adhere to the instructions issued under O. M. referred above at Sr. No. 3.
- d) For all ongoing contracts, due to 18% GST implications, revised expenditure sanction will not be required for such cases and this condition will be applicable only for additional GST component of 6% and concerned HoD will ensure compliance.

  
04/11/2020  
(Pranab G. Bhat)

Under Secretary, Finance (R&C)

To,

1. All Head of Departments/Head of Offices.

Copy to:

1. All Secretaries to the Government, Secretariat, Porvorim, Goa
2. Secretary to Hon'ble Governor of Goa, Raj Bhavan, Dona Paula.
3. P.S. to Chief Secretary, Secretariat, Porvorim – Goa
4. The Commissioner of State Tax, Goa Rajya Kar Bhavan, Altinho, Panaji.
5. The Director, Directorate of Accounts, Panaji.
6. The Jt. Director of Accounts, South Branch, Margao.
7. The Dy. Accountant General, Audit Bhavan, Pilerne, Goa.
8. Guard file;
9. Office file.