



राष्ट्रीय ग्रामीण अवसंरचना विकास एजेंसी  
(ग्रामीण विकास मंत्रालय, भारत सरकार)

**National Rural Infrastructure Development Agency**  
(Ministry of Rural Development, Govt. of India)

5<sup>th</sup> Floor, 15-NBCC Tower, Bhikaji Cama Place, New Delhi-110066

NRRDA-Go21(17)/3/2017-FA

Date: 12.04.2022

To,  
The ACS/ Principal Secretary/ Secretary of Nodal Departments of PMGSY/ RCPLWEA of all States/UTs.

**Subject: Implementation of Goods and Service tax in Works Contracts of PMGSY/ RCPLWEA.**

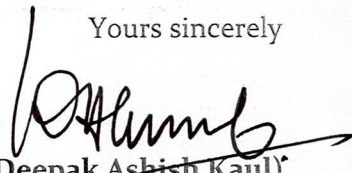
Sir/ Madam,

Please refer to this office OM No NRRDA-Go21(17)/32017-FA.dated 06.06.2018 (copy attached) on the aforesaid subject whereby comprehensive guidelines to enable the States to calculate the additional tax implication, if any, on account of application of GST regime were circulated. On the basis of information collected in NRIDA from various States/UTs it has been observed that **only very few States have reported any additional financial liability on account of implementation of GST in PMGSY works, which leads to a conclusion that there might not be any additional liability on account of GST.** Therefore, in this regard, the following guidelines are reiterated to be followed strictly by States/UTs (**especially those reporting additional liability for GST**) while processing GST related claims /payments.

- i. As per para A (viii) of NRIDA's circular dated 06.06.2018. "Once the value of work sanctioned and GST taxes are arrived, employer may enter into supplemental agreement with revised agreement value..... ". It may be ensured that the SRRDA's enters into supplemental agreement with revised agreement value before making any additional payment on account of GST.
- ii. Para A (vii) of the circular stipulates that, "The assessment of subsumed tax shall be submitted by the contractor along with copies of invoices and statement of input taxes duly certified by the Chartered Accountant. It is responsibility of the contractor to furnish correct details of the subsumed taxes". SRRDAs to ensure that this may be obtained from the contractor and duly verified by SRRDA/PIUs. It should be ensured that ITC for inputs purchased for PMGSY project should be applied/ calculated in respect of such project, and not for any other business/ project of the contractor.

Accordingly, the State/UT shall work out the impact of GST for all the works individually for all categories of works indicated in the OM dated 06.06.2018. Any cost escalation, after adjusting the project saving that may be required, shall be borne by MoRD and the state in the existing fund sharing pattern of PMGSY, as may be applicable to the state. States/UTs are requested to take action in this matter keeping in mind the above said instructions.

Yours sincerely

  
(Deepak Ashish Kaul)  
Director (F&A)

Copy to:

1. PPS to AS (RD) & DG, NRIDA, Krishi Bhawan, New Delhi.
2. CEO/CE/Financial Controllers of Nodal Departments of PMGSY/RCPLWEA of all States/UTs.

12/4/2022