



GOVERNMENT OF KERALA

Finance (Industries & Public Works.B) Department

C I R C U L A R

No90/2017/Fin.

Dated,.Thiruvananthapuram, 14/12/2017

- Sub:- Applicability of GST on procurement of Goods, Services, Works by Government Departments and agencies.  
Ref:- Minutes of Plan Review Meeting held by Chief Secretary with Department Secretaries on 6<sup>th</sup> November,2017.

Goods and Services Tax (GST) notified by Government of India has come into affect from 1<sup>st</sup> July 2017. GST is applicable on all Goods, Services and Works procured by any Government Department or Government agency. The following guidelines are issued in respect of all Goods, Services and Works or any combination thereof, which are to be procured or tendered by any Government department or agency henceforth.

- 1) All estimates for Goods, Services and Works which are prepared by any Government department or agency should be exclusive of GST. However for the purposes of issuing Administrative Sanction, the total amount for approval should indicate separately, the estimate and applicable GST.
- 2) In the tender documents, the rates quoted by contractors should be exclusive of GST; but inclusive of all taxes, duties, welfare fund contribution etc. However, the contractor should indicate separately applicable GST in his tender documents.

- 3) For the purpose of determining L1, the rates quoted by contractors exclusive of GST, should be taken into consideration .
- 4) When the bills for any Goods, Services or Works procured by any Government department or agency are processed the payment has to be made to the contractor for total value of work plus the applicable GST.
- 5) In case of change in the rate of GST between the dates of invoice, supply or payment, the applicable rate of GST will be reckoned as per Sections 12 and 13 of the GST Act.

**Dr. Sharmila Mary Joseph IAS**  
**Secretary (Finance Expenditure)**

To

The Principal Accountant General (A&E), Kerala,  
Thiruvananthapuram.  
The Principal Accountant General (G&SSA) Kerala,  
Thiruvananthapuram.  
The Principal Accountant General (E&RSA) Kerala,  
Thiruvananthapuram.  
All Heads of Departments and Offices  
The Secretary to Governor  
The Private Secretary to Chief Minister  
All Private Secretaries to Ministers  
The Private Secretary to the Leader of Opposition  
All Secretaries to Government  
The Registrar, High Court of Kerala, Ernakulam  
The Registrar, University of Kerala/Cochin/Kozhikode (with C.L)  
The Nodal Officer, [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in).  
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Section Officer