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मुख्यालय
नई दिल्ली
Headquarters
New Delhi



FOOD
CORPORATION
OF INDIA

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Dated: 11.09.2017

No.HQ/Engg./Circulars/2016-17/100

Circular No.05/2017

In continuation to Circular No.04/2017 dated 25.08.2017 on implementation of GST, wherein a reference was made to get reduced quote rates from existing contractors to derive out rates exclusive of taxes subsumed after implementation of GST. Further to this, in light of "Anti-Profiteering Measures" of Central Goods and services Act 2017, competent authority has approved the reference reduced rates on existing quoted rates @ (-) 11.84% for arriving at rates exclusive of taxes subsumed in the GST. These reduced rates have been implemented on account of abolishing of VAT and Excise Duty in the basic price of the individual items of DSR 2016. The calculation of the Cost Index has been based on Cost Index parameters of CPWD Plinth Area Rates.

Henceforth it has been approved to reduce the rates on existing contracts @ (-) 11.84% to arrive at rates exclusive of taxes subsumed in the GST. Since the VAT rate varies from State to State, the said Cost Index may be considered as reference to arrive at most probable justified rates exclusive of taxes subsumed in the GST. Engineer-In-charge of works will make adjustment in referring reduced rates after recording valid reasons and logic in respect of each individual case to finalize the reduced quote rates.

In addition to this while preparing the detailed estimates, a deduction of 11.84% is to be made from DSR rates to exclude the various tax components already included in the DSR rates to arrive at rates exclusive of taxes subsumed in the GST and for further processing the case for approval of NIT.

This issues with the approval of the Competent Authority.

(Govind Chawatt)
General Manager (Engg.)
11/9/17
D/C