



PMC Cell – MM

Oil and Natural Gas Corporation Ltd

Corporate Materials Management

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Circular No. 30/2022

No: DLI/CORP-MM/2022/PMC/1017610

Dated: 17.08.2022

Sub: Changes in rate of GST relevant to ONGC.

Reference is invited to Circular No. 23/2022 dated 18.07.2022 vide which guidelines were issued with respect to increase in concessional rates of Tax/GST from 5% to 12% on import as well domestic procurement of specified goods under respective notifications. This enhancement in concessional rate of GST is applicable w.e.f. 18.07.2022.

Further, reference is also invited to clause 8.(ii) of General Terms and Conditions available on GeM portal (applicable before 07.08.2022), wherein inter-alia it is stipulated that statutory variation in the rate of GST, taking place between the date of award of contract and the original / re-fixed delivery period, shall be to the Buyer's account. As per this provision, statutory variation in GST rate after date of award of contract only will be on account of buyer. However, there is no provision regarding change in statutory variation of taxes between tender closing and the date of award of contract.

In order to have uniformity among the work centres for handling the situation of enhancement in concessional rate of GST from 5% to 12% in GeM tenders where techno-commercial bids were opened before 18.07.2022 and contracts not yet awarded or awarded after 18.07.2022, EPC in its meeting (18/2022) held on 17.08.2022 has approved following guidelines:

- i) GeM Contracts shall be awarded on L-1 bidder considering quoted concessional GST rate of 5%.
- ii) After award of GeM Contracts, in case supplier lodges any claim for increase in GST rate from 5% to 12%, supplier will be asked to bear the same in view of provision available in GeM GTC.
- iii) In case, supplier does not agree to bear the additional cost impact due to increase in GST rate from 5% to 12%, the issue is to be deliberated by Tender Committee as a post contract issue. Tender Committee to deliberate on whether to continue go ahead with award of contract or terminate the contract & invite fresh tender. Thereafter, a prudent decision is to be taken which is in the best interest of the organisation considering the following factors:
 - a. Urgency of requirement.
 - b. Possibility of increase or decrease in rates depending upon prevailing market conditions and considering the competition amongst vendors for that particular item.

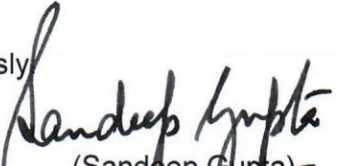
In case of termination of contract and re-invitation of tender, banning process using Incident Management Policy on GeM portal against the bidder, on whom contract was awarded, will not be initiated.

- iv) The Tender Committee recommendations need to be submitted to CPA for approval as per para 24.3.1 of IMM Manual. In case of placement of order, CPA shall be as per the

increased order value. For EPC level cases, approval of concerned Director needs to be obtained.

- v) For the cases, where additional cost on account of increase in concessional GST rate from 5% to 12% is to be borne by ONGC, undertaking regarding compliance to Anti-profiteering clause as per Annexure-1 is to be sought from supplier.

All concerned are advised to follow the above guidelines meticulously


(Sandeep Gupta)
ED-Chief MM Services
17/8/22

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

All concerned may download the circular from the site. Hard copies are not distributed separately.

Annexure-1

UNDERTAKING / DECLARATION (To be submitted on Letter head of Firm/Company)

I, -----, aged ----- years, Director/Proprietor/Partner of _____ (Name of Firm/Company and address) do solemnly affirm and declare as under:

1. That I am duly authorized to furnish this undertaking/declaration on behalf of _____ (Name of Firm/Company).
2. That _____ (Name of Firm/Company) has submitted its Bid No. _____ dated _____ against Tender No. _____ dated _____ for _____ (Item/Works).
3. That _____ (Name of Firm/Company) is fully aware of and in compliance with the provisions regarding anti-profiteering under The Central Goods & Services Tax Act, 2017.
4. That _____ (Name of Firm/Company) shall pass on the benefits/is passing on the benefits which it shall get/is getting on account of Input Tax Credit and/or due to any change in rate of tax or provisions under the GST/Custom Laws of India. The details and amounts being passed onto ONGC have been listed out and annexed herewith.
5. That _____ (Name of Firm/Company) is aware of the consequences of non-compliance of the provisions regarding anti-profiteering under The Central Goods & Services Tax Act, 2017.
6. That the above statements at Para 1 to 5 are true and correct to the best of my knowledge, information and belief.

(Authorized Signatory of the Bidder)