



AAI/CHQ/TAX CELL/GST-CIRCULAR/4/2017

Date: 03.08.2017

To

Regional Executive Director,
Airports Authority of India
Northern/Eastern/Western/Southern/North-eastern Region,
New Delhi/Kolkata/Mumbai/Chennai/Guwahati.

Airport Director,
Airports Authority of India
Kolkata Airport /Chennai Airport,
Kolkata/Chennai.

Subject: Introduction of GST – Impact on Tenders/Bids

Sir,

In continuation to our earlier circular no AAI/CHQ/TAX CELL/GST-Circular/2017, Dated 19.07.2017 the following modified guidelines are issued in respect of management of Tenders in accordance with GST Law introduced w.e.f 01.07.2017.

In view of the above the following procedure may be followed in respect of the Tenders already floated and yet to be floated including existing contracts:

A. New Tender floated on or after 01.07.2017

1. All Tendered rates should be inclusive of all taxes including GST. Wherever supplies/services involve imports, the same should be identified separately. Basic Custom Duty will be paid by AAI by utilizing EPCG license/duty scrip under SEI scheme of GoI. GST shall be paid to bidder for any taxable supply/services against a valid Tax Invoice.
2. The bidder is required to provide Tax type and Tax percentage in all bids other than that of civil works.
3. In case of composite works having component of SITC items, such as Electrical & Mechanical Installation, Airport System, Security, IT, Furniture etc should be identified separately with value of goods and services, Tax rate, amount of Tax so as to enable AAI to claim Input Tax Credit on such items.
4. In case of change in rate of Tax or any provision relating to levy of Tax resulting in increase in burden of Tax on the contractor, the contractor shall be entitled to receive any compensation for such increase in quantum of Tax payable by the contractor. Similarly recovery shall be made from the contractor on account of decrease of rate of Tax or any provision relating to levy of Tax.

B. Cases where financial bids have not been opened / technical evaluation is in progress

1. Cases where financial bids received but not opened till date, revised financial bids may be called from technically qualified bidders.
2. Tenders where technical evaluation is in progress a limited tender may be called from all the bidders who have qualified in PQ.

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C. Cases where financial bids opened but work not awarded till date,

L1 bidders may be asked to give impact of GST adjustment in Taxes. Bidders may also be asked to provide Indirect Taxes/Custom Duty if any, loaded ,Input Tax Credit proposed to be availed ,GST rates and the amount of GST wherever applicable.

D. Work awarded prior to 01.07.2017

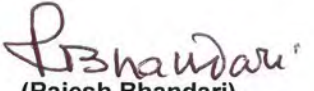
For award made in pre GST period and bill raised on or after 01.07.2017 the vendor should be asked to provide the details of loading for Indirect taxes subsumed in GST. Adjustment in the bills may be carried by taking out Indirect Taxes and loading with applicable GST rates. In this connection, vendor may also be asked to raise a proper Tax invoice mentioning their GSTIN, for availing ITC (Input Tax Credit) by AAI.

Following undertakings may be taken from the bidder in all the above cases

1. That the bidder is registered under GST and compliant of GST provision.
2. In case of non compliance of GST provisions and blockage of any input credit, the bidder shall be responsible to indemnify AAI.
3. That all input credits have been passed on to AAI by the bidder.

IT guidelines for handling the tenders during the transition phase are enclosed.

This issue with the approval of the competent authority.


(Rajesh Bhandari)
Executive Director (F&A)

Copy to:

1. OSD to Chairman/Member(Planning)/Member(Finance)/Member(HR) / Member(ANS)/ Member(Operation)
2. Executive Director (Engg.)-I/II/III/IV/V/CNS-P/CNS-OM/Airport System / IT/GSS-Equip/Tech/Security/JVC / Internal Audit
3. General Manager (F&A),AAI, NR/ER/WR/SR/NER/Chennai/Kolkata Airport.
4. Dy. General Manager (F&A), RAU, RC & DU, New Delhi.

Annexure A

IT Guidelines related to handling tenders in NIC-CPP portal for GST component during the transitional period

Case I Tenders where in Financial bid has not been opened.

- a. Technical qualification process completed.
 - i. A Limited tender as addendum may be called from technical qualified bidders who have already participated linking with original tender documents.
 - ii. Reverse Auction wherever applicable shall be initiated from L1 of financial bid inclusive of GST.
 - iii. Appropriate undertaking from bidder shall be obtained regarding unconditional acceptance of terms and conditions in accordance with the Original tender document (Tender ID) and other GST related undertaking as a part of technical documents of the Limited tender.
- b. Technical Evaluation is under process.
 - i. A limited tender may be called from all the bidders who have qualified in PQQ.
 - ii. If tender is floated with Item-wise template, GST rates with undertaking can be requested from the bidders through shortfall document and the financial bid can be evaluated on 'BA' column of the comparative statement.

Case II Tender where no opening has been done yet

- i. BOQ can be updated/modified if bid submission date and time is not started yet.
- ii. Tenders where the submission start date and time has started but opening date and time has not crossed, can be handled by issuing a corrigendum. E-tender Helpdesk can be contacted regarding help on issue of corrigendum.

Case III Provision of re-tendering where in tender is not coming under any of the above conditions.

In all cases as stated above the original tenders shall remain dormant after completion of the technical evaluation.