



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण  
(सड़क परिवहन और राजमार्ग मंत्रालय)  
**National Highways Authority of India**

(Ministry of Road Transport and Highways)  
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NHAI/F&A/GST-2017-18/SM

Dated 29<sup>th</sup> Sept., 2017

CIRCULAR (3.3.14)

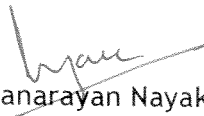
**Subject: - Clarification on Applicability of GST on Hybrid Annuity Projects, which are in bidding stage for uniformity- reg.**

In order to maintain uniformity in bid pricing by the prospective bidders, the following clarifications are issued on applicability of GST on HAM Projects:-

- I. **Bid Project Cost:** Shall be the **all-inclusive** cost as defined in cl. No 23.1, exclusive of GST applicable on the Annuities payments.
- II. **Payment of Bid Project Cost:** NHAI pays 40% of the bid project cost as defined in cl 23.3.1, to the Concessionaire in five equal installments of [8% (eight percent)] each during construction period. GST shall be applicable with 100% Input Tax Credit (ITC) on such portion of the value of work done. Hence, the impact of GST to this extent shall be considered by the Bidders to built-in their quotes.
- III. **Annuity Payments during Operation Period:** For completion cost remaining to be paid on COD through Annuities (Cl. 23.6.3), GST shall be applicable at the time of Annuities Payments at the applicable GST rate and it shall be paid by NHAI to the Concessionaire separately at the time of making Annuity payment. It may be assumed that no Input Tax Credit (ITC) will be availed by the Concessionaire. However, if any Input Tax Credit (ITC) is availed by the Concessionaire, the benefit of such ITC shall be passed on to NHAI. As GST shall be paid by NHAI in addition to the Annuities (as applicable), the GST portion shall not be included in Bid Project Cost quoted by the Bidders.
- IV. **GST shall be payable on Bonus for early completion** as per cl. 23.5 at the then applicable GST rate, without any Input Tax Credit and NHAI shall pay such GST. However, if any input tax credit is availed by the Concessionaire, the benefit of such ITC shall be passed on to NHAI.
- V. **First Year O&M** as per cl.23.7 shall be inclusive of GST at the applicable rate on works contract with 100% Input Tax Credit (ITC).

This circular is issued for the guidance of prospective bidders, in order to adopt a uniform bid pricing at the time of submission of bids, as far as GST implications are concerned.

This is issued with the approval of Competent Authority.

  
(Sibnarayan Nayak)  
CGM (FA)

Copy to:-

- (i) All NHAI HQ/ROs/PIUs
- (ii) PS to Chairman
- (iii) PS to all Members
- (iv) Web Admin for hosting on GST Portal
- (v) Library