

Tel: 23015930

Engineer-in-Chief's Branch  
Military Engineer Services  
Dte of Contract Management  
Kashmir House, Rajaji Marg  
New Delhi – 110 011

No. 66546/Manual/ST/768 / E8

10 May 2018

All CEs Command

ADG (OF & DRDO)

All CEs Zone, CCEs

All CsWE, GEs (I), GEs, AGEs (I)

**REFUND OF SERVICE TAX CONSEQUENT TO UNION BUDGET 2016-17**

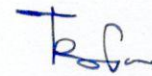
1. Reference this HQ letter No. 66546/Manual/720/E8 dated 10 Feb 2017.
2. The report received from various formations were forward to MoD with request for direct transfer of the refund from Service Tax authorities (MoF) to MoD.
3. MoD finance have agreed in principle to the proposal and have sent the case to the Deptt. of Revenue, MoF. Extract of the concerned note of MoD (Fin/Works-III) is enclosed.
4. In the meantime further cases have been received where-by refund requests by the contractors to the Service Tax authorities have not been agreed on various pretexts like party has not submitted copies of bills / invoices, amount of work shown in the refund claimed not tallying with Bank Statement submitted, delay in applying for refund by the party etc.
5. Till direct transfer of refund amount from MoF to MoD is completed, suitable actions are required to ensure that contractors who have received the refund, deposit the same to MES within 07 days of receipt as stipulated in Para 3(b) of this HQ letter No. 66546/Manual/659/E8 dated 17 Oct 2016.
6. Please ensure the following actions are taken:-
  - (a) Affidavits should be obtained from all contractors, where refunds are due, declaring that they have not received the refund from the Service Tax Deptt. This affidavit should be taken at least once in 03 months.

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Contd . . .2/-

(b) Quarterly report on the state of refund should be submitted duly compiled by CEs Zones to CEs Command and the CEs Command to this HQ. The first such report shall be received by this HQ by 10 Jun 2018 for Quarter Ending May 2018. CEs Command shall accordingly stipulate submission of report from CEs Zone in their AOR.

(c) Simultaneously, CEs should periodically refer the pending refund cases to the concerned offices of the Service Tax Deptt. with the status of refund as intimated by the contractors in their affidavits for verification/confirmation.



(Bhagirathi Pani )  
Dir (Contracts)  
for Engineer-in-Chief

Encls: As above

Copy to:-

MoD/D(Works-II)

**MINISTRY OF DEFENCE/ रक्षा मंत्रालय**

**Fin (Works-III)/ वित्त(निर्माण -3)**

Reference preceding note.

2. The proposal regarding "Refund of Service Tax Consequent to Union Budget 2016-17" has been examined in this division in consultation with Deptt of Revenue, Ministry of finance.

3. The relevant extracts have been retained by Deptt of Revenue, Ministry of Finance. The case would be processed in their service tax file.

*Palwe*

(AFA (Works-III))

सहायक वित्तीय सलाहकार (निर्माण-तृतीय)

D (Works-II) रक्षा (निर्माण - द्वितीय)

MoD (Fin) ID No 15 (2)/ 2016/(Fin/W-III) dated 24.01.2018.

*24/1/18*

SO (W/II)

In view of above the file is returned herewith for your retention.

*Ruehica*

2/2/2018.

E-in-C's Branch / E-8

*S. S. S.*  
08/2/18

Du (C)

*08/02/18*

S16/Fin/W-III/18

361/EG  
B/2/18