



1

WP-5512-2021

IN THE HIGH COURT OF MADHYA PRADESH
AT JABALPUR

BEFORE

HON'BLE SHRI JUSTICE VIVEK RUSIA

&

HON'BLE SHRI JUSTICE DEEPAK KHOT

ON THE 21st OF JANUARY, 2026WRIT PETITION No. 5512 of 2021*M/S TRISHUL CONSTRUCTION A PARTNERSHIP FRIM**Versus**UNION OF INDIA AND OTHERS*

.....
Appearance:

*Shri Rajesh Maindiretta - Advocate for the petitioner.**Shri Sunil Kumar Jain - Additional Solicitor General (through VC)
for respondent/UOI.**Shri Ashish Agrawal - Advocate for respondent No.2 and 3.*
.....

"Heard on : 07.01.2026.

Pronounced on : 21.01.2026."

ORDER*Per. Justice Deepak Khot*

The present petition under Article 226 of the Constitution of India has been filed by the petitioner being aggrieved by the communication dated 05.02.2021 (Annexure P/9) issued by respondent No.3; whereby claim of the petitioner for GST neutralization has been denied by the respondents on the ground that the claim cannot be entertained after passing of the final bill and submission of no claim certificate by the petitioner.

2. Brief facts of the case are that the petitioner firm is engaged in the



business of Government Contractorship and was awarded earthwork in embankment and construction of minor bridges and other ancillary works in connection with Panna-Satna of Lalitpur-Singrauli New BG rail line project vide letter dated 01.09.2017 (Annexure P/1). Since the GST was made applicable with effect from July, 2017, the petitioner deposited consolidated GST of the works executed in the office at Jabalpur. Thus, as per the petitioner, the petitioner/firm is entitled for reimbursement of the GST amount of Rs.2,34,69,436.62/- from the respondents. The petitioner vide letter dated 09.04.2019 (Annexure P/2) requested the respondents for payment of the amount of GST paid by the petitioner. As the contract work was completed on 29.06.2019, a completion certificate was issued by the respondent No.3 on 26.08.2019 (Annexure P/3). The petitioner vide letter dated 12.08.2020 (Annexure P/4) again requested the respondent No.3 for payment of the GST amount, however, the same was not paid. Thereafter, respondent No.3 vide communication dated 24.08.2020 (Annexure P/5) wrote to the Assistant Commissioner, GST Government of Madhya Pradesh, Jabalpur thereby enquiring as to whether the petitioner has deposited the required amount of GST with the GST Department. The office of Assistant Commissioner, GST, Jabalpur vide communication dated 22.12.2020 (Annexure P/6) gave the entire details of the GST paid by the petitioner. The respondent No.3 vide letter dated 20.01.2021 (Annexure P/7) wrote to the Accounts Department of the West Central Railway seeking instructions stating that the tender was awarded to the petitioner prior to implementation of GST and the GST has been paid by the petitioner and



reimbursement whereof has been sought by the petitioner. It was also stated that the petitioner has submitted no claim certificate and final bill has also been passed. In pursuance of the letter, the Accounts Department vide communication dated 01.02.2021 (Annexure P/8) instructed that the claim of GST neutralization amount cannot be admitted after passing of the final bill and submission of no claim certificate by the Contractor. Eventually, respondent No.3 vide communication dated 05.02.2021 (Annexure P/9) has informed the petitioner that the claim of the petitioner for GST neutralization amount cannot be admitted after passing of the final bill and submission of no claim certificate, against which the petitioner has filed the present petition.

3. It is submitted by counsel for the petitioner that the petitioner submitted the claim for GST reimbursement prior to the completion of the project vide letter dated 09.04.2019. The petitioner vide letter dated 12.08.2020 (Annexure P/4) has again requested the respondent No.3 for payment of the GST neutralization amount. It is submitted that merely on the basis that the petitioner has completed the documentation formality after payment of the final bill would not disentitle the petitioner from its claim of GST neutralization amount. It is undisputed that the GST amount has been paid by the petitioner, which is duly certified by the Assistant Commissioner, GST, Jabalpur. It is also submitted that the petitioner has satisfactorily completed the work and after completion of the same has submitted the final bill and the same has also been paid to the petitioner, however, the claim for GST reimbursement has been denied by the respondent No.3 only on the



ground that the GST neutralization amount cannot be paid after passing of the final bill and submission of no claim certificate. It is submitted that the action of the respondents is arbitrary & illegal and deserves to be set-aside. It is further submitted that in similar circumstances, the SEC Railway, Nainpur and SEC Railway Chhindwara has accepted the GST neutralisation claim of the petitioner after issuance of certificate of completion, which are marked as annexure P/14 and P/15 and completion certificate and GST neutralisation dated 18.8.2022, annexures P/16 and P/17.

4. Per contra, learned counsel for the respondents submits that as per the policy, respondents have not deducted any amount of GST from the petitioner's bill. The averment of the petitioner that they have deposited consolidated GST of the works executed, need to be proved by the petitioner. Also, the averment of the petitioner that they are entitled for the reimbursement of the GST amount of Rs. 2,34,69,436.62 from the answering respondents is denied. The petitioner is not entitled to any claim whatsoever with respect to the GST neutralization as the petitioner was required to comply with Clause 11 of Joint Procedural Order (JPO) date 25.01.2018. As per Clause 11 of JPO, the petitioner cannot claim compensation after GST neutralization once final bill is passed and contractor submits No Claim Certificate. In the instant case final bill has already been passed and completion certificate dated 26.08.2019 (Annexure P/3) has already been issued. It is further submitted that the petitioner is not entitled to any kind of claim for GST neutralization as the petitioner has not submitted its claim along with several other documents as mentioned in JPO dated 25.01.2018



before passing of the final bill and before submission of no claim certificate by the petitioner.

5. It is further submitted that the Railway Board after taking into consideration the concerns raised, decided to make existing works contracts awarded before implementation of GST as GST neutral and in furtherance of its decision issued policy dated 27.10.2017. As per the JPO dated 25.01.2018 and policy dated 27.10.2017, a supplementary agreement is required to be entered into by the contractor and the executive. The objective of the supplementary agreement is to assess the difference between pre-GST and post-GST net tax liability. The supplementary agreement not only enables the contractors to get reimbursed for the increased tax liability but it also enables the Railways to recover from the contractors after GST neutralization. Apart from the supplementary agreement, documentary evidence for tax remittance (payment receipt), invoices, worksheet of tax liability pre-GST and post-GST, GSTR-1, GSTR-2, GSTR-3, GSTR-3B etc. was made necessary to be attached along with the claim/request/representation for GST neutralization. Further, clause 11 of the JPO bars any claim after passing of the final bill and after submission of no claim certificate. The supplementary agreement, filed by the petitioner along with the claim, was supposed to be executed by both the parties, has only been signed by the petitioner and not by the Railways. Since the supplementary agreement has not been entered into by both the parties and since it has been brought into light when the principal contract has already attained finality, the claim of the petitioner for reimbursement cannot be



entertained.

6. Heard learned counsel for the parties and perused the record.

7. From perusal of record it is evident that the petitioner firm was awarded a contract for the earthwork in embankment and contraction of minor bridges, RUB between Ch 43000 m to 60000 m & other ancillary works in connection with Panna - Satna section of Lalitpur - Singrauli New BG rail line project, and the contract was entered into between the petitioner and the respondents vide contract agreement dated 1.9.2017. The petitioner firm successfully completed the terms of contract which is evident from completion certificate issued by the respondents on 26.8.2019. It is also admitted fact that the petitioner has deposited consolidated GST of the works executed by it with the GST Office at Jabalpur and the respondents have not deducted any amount of GST from the petitioner's bill. The petitioner requested for payment of GST to the respondents vide its letter dated 9.4.2019 and representation dated 12.8.2020. However, the respondent no.3 vide impugned communication dated 5.2.2021 denied the claim of the petitioner on the ground that GST neutralization cannot be admitted after passing of final bill and submission of no claim certificate.

8. The petitioner has initially made request for GST neutralisation vide letter dated 9.4.2019, i.e. much prior to completion of work. The payment of GST by the petitioner was verified by the respondent no.3 from the office of Assistant Commissioner, GST and only thereafter sought instructions from the office of Accounts Department. However, the Accounts Department merely on the ground that final bill is passed and no claim certificate is also



issued, has denied the claim of the petitioner. From perusal of record it is evident that the payment of GST by the petitioner is duly verified by the respondent no.3 from the GST department and there is no dispute that the same was deposited by the petitioner. Therefore, there was no occasion for the respondents to deny the claim of the petitioner on mere technicalities. The supplementary agreement which was submitted by the petitioner was also forwarded by the respondent no.3 to the accounts department. The only plea that has been raised by the respondents in the reply is that the claim of the petitioner for GST neutralisation cannot be admitted after passing of final bill and submission of no claim certificate. Admittedly, the GST amount has to be paid by the respondents which in the instant case was paid by the petitioner as was confirmed by the GST Department. Respondent Department could not point out any legal ground due to which the petitioner should be denied his claim of GST neutralisation.

9. So far as the contention of the respondents that supplementary agreement is to be entered by the Executive with the Contractor is concerned, it is apparent from record that the supplementary agreement was presented by the petitioner with due signature but the same was not signed or executed by the respondents Department, a copy whereof is enclosed along with annexure P/4, therefore, it cannot be said that there was fault on the part of the petitioner.

10. Thus, in view of the foregoing discussion, the petitioner is entitled for reimbursement of the GST amount paid by him. Moreover, in view of the fact that in identical situation, the SEC Railway, Nainpur and



SEC Railway Chhindwara has accepted the GST neutralisation claim of the petitioner after issuance of certificate of completion, which are marked as annexure P/14 and P/15 and completion certificate and GST neutralisation dated 18.8.2022, annexures P/16 and P/17, the petitioner in the instant case is also liable to get the GST reimbursement from the respondent/Department.

11. Thus, the petition is allowed and the respondent Department is directed to accept the GST neutralisation claim of the petitioner and reimburse the amount as per his entitlement.

(VIVEK RUSIA)
JUDGE

(DEEPAK KHOT)
JUDGE

anand