



Government of West Bengal
Irrigation & Waterways Department
Jalasampad Bhavan, 3rd Floor, Western Block
Bidhannagar, Salt Lake City, Kolkata 700 091

Memo No. 255 (2) - IB
IW/O/IB-MISC-46/2017-18(Pt.)

Dated, 8th August, 2017

From: D. SenGupta
Joint Secretary to the
Government of West Bengal

To: 1. Sri Bejoy Kumar
Chief Commissioner, CGST
Central Excise and Customs
Custom House
15/1, Strand Road
Kolkata 700001

✓ 2. Ms. S Mahapatra
Commissioner
Commercial Tax, West Bengal
14, Beliaghata Road
Kolkata 700015

Sub: Workshop on GST Act/Laws.

~~Sir~~/Madam,

I am directed to state that the Drawing & Disbursing Officers (DDOs) of this Department, handling works contract are facing some difficulties in migrating into the regime of GST. Clarifications are required on a series of issues, regarding applicability of GST and roles as well as responsibilities of the DDOs handling such contracts.

2. It is proposed to organise two workshops, one for each at the headquarters of this Department at Jalasampad Bhavan, Bidhannagar, and at Siliguri, for general sensitization the DDOs of North Bengal and South Bengal respectively (total 82 numbers), also for clearing various doubts. The first one at Bidhannagar is proposed to be held on 18th August at 2.00 PM.

3. I am further directed to request you to kindly arrange to depute suitable officials for the workshop, as per date and time mentioned in Para 2. In case, some other date is suggested, kindly inform us.

4. A primary query sheet has been generated in this Department, and the same is submitted herewith for your kind perusal and to facilitate the officials nominated for the workshop, to get acquainted with the problems / doubts, being faced by the Departmental officials.

5. A line of confirmation will be highly appreciated.

Encl: As stated


(D. SenGupta)

Joint Secretary to the
Government of West Bengal
e-mail: jsworkswbiwd@gmail.com
Fax: 033 2337 2260

Memo No. 255 (2)/1(1)-IB

Dated, 8th August, 2017

Copy forwarded for kind information to:

Principal Secretary
Finance Department
NABANNA
325, Sarat Chatterjee Road
Howrah 711102

It is requested to kindly depute an official of the Finance (Audit) Department, Group-T, in the workshop.

sd/-
(D. SenGupta)
Joint Secretary to the
Government of West Bengal

**Contract for Works, Supply of Goods, Consultancy Services and Non
Consultancy Services normally executed with the agencies in the
Irrigation & Waterways Department**

Sl. No.	Description	Standard Contract Forms	Remarks
1.	Works		
1.1	Earthwork in excavation / reexcavation, with or without other structural works (e.g. lining, by cement concrete / boulders / bricks / geo-textile materials / structures such as regulators, falls, weirs, syphons, aqueducts including their electro-mechanical components, if any) relating to irrigation development in major / medium commercial irrigation projects, where some water rate is charged to the users of irrigation water.	W.B. Form No.2911	1. Works include original construction / reconstruction / maintenance & repair / special repair
1.2	Similar works stated in Sl. 1.1 above, for non commercial projects, where there is no water rate.	- do -	- do -
1.3	Flood Management Works including earthwork on embankments, reexcavation of drainage channels, armouring of embankments or side slopes of channels by cement concrete, boulders, bricks, bags of geo-synthetic materials, structures like pump houses, outfall sluices, inlets (including electro-mechanical components of such structures).	- do -	1. Same as above 2. A contract may either contain one of the items stated in the description or combination of many items.
1.4	Riverbank protection works using boulders, concrete blocks, bags of geo-synthetic materials, wooden bullas, bamboos, etc.	- do -	- do -
1.5	Emergent works executed for flood damage restoration of embankments using various materials.	- do -	- do -
1.6	Bridges on irrigation canal / drainage channels.	- do -	1. Same as above
1.7	Buildings or similar infrastructures	- do -	1. Same as above
1.8	Roads on canal banks or riverbanks / channel banks, either fair weather type moorum on brick flat soling or boulder consolidation or all weather type including bituminous / concrete made.	- do -	1. Same as above
1.9	Clearance of water hyacinth or garbages from canals / channels / rivers.	- do -	-
1.10	Painting Works	- do -	-
2.	Supplies		
2.1	Supply of goods including but not limited to machinery / equipments, fax / photocopier machines, office stationeries, furnitures, electrical gadgets, softwares, electro-mechanical and structural components for pumps, pump houses and other outdoor structures, office stationeries and consumables, flood fighting materials like empty sandbags, bricks, boulders, bullas, bamboos etc. (fitting, fixing, laying in position included in supply in many cases).	W.B. Form No.2911 or tailor-made form for item rate contracts, showing all the items of supply in the bill of quantities.	Supply means new supply or repair of existing goods.

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Consultancy Services normally executed with the agencies in the
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Sl. No.	Description	Standard Contract Forms	Remarks
3.	Other Types		
3.1	Hiring of inspection vehicles, motor driven launches, generally for a period of 1 year.	W.B. Form No.2911 or any other suitable form.	
3.2	Annual maintenance contract / seasonal contract for supply of guards / support staff for guarding or upkeepment or operation of government assets.	- do -	
3.3	EPC contract for implementation of irrigation / flood management projects of special nature, after using transfer of technology, assets, modernization of existing electro-mechanical components etc.	EPC Contract Form approved by State Finance Department.	
3.4	Consultancy Services for preparation of project reports / designs / studies etc., Lump sum / Item Rate / Time Based	Tailor made Contract Form, approved by State Finance Department.	
3.5	Any type of work / services executed / procured under external Multilateral Financial Institution funding, e.g. World Bank, Asian Development Bank, Asian Infrastructure Investment Bank, etc.	Contract Form recommended by the said Institutions either FIDIC or similar type.	

Queries / Clarification sought on various pertinent issues on GST Laws

Sl. No.	Issue	Substance of the case	Queries
1.	Applicability of GST on contracts for works, supply of goods, consultancy or non consultancy services, normally executed in the Irrigation & Waterways Department.	Description of different types contracts handled in the Irrigation & Waterways Department has been shown in the enclosed Annexure. Works contract has been defined in Clause 119 of Section 2 of CGST Act. Activities to be treated as supply of goods or supply of services have been detailed in Section 7 and Schedule I & II of the said Act.	<p>Q1. Whether all contracts shown in Annexure are taxable under GST Laws.</p> <p>Q2. If so, whether it should be 18% for all categories, particularly for construction of bridges (1.6), hiring of vehicles (3.1), Annual Maintenance Contract /Seasonal Contract for supply of guards/support staff (3.2) and Consultancy Service (3.3)</p> <p>Q3. Considering the fact that Irrigation & Waterways Department renders service to the people in rural and urban area, without charging any taxes/rates/cess for irrigation and flood management works (other than commercial irrigation project), whether there would be there be some exemption in cases of such works contract.</p>
2.	Provisions for Tax Deduction at Source (TDS) by the DDOs	In terms of Section 51(1) of CGST Act and WBGST ordinance, total deduction amounting to 2% (1% for CGST and 1% for SGST) from payment to the supplier for taxable goods or services or both, where the total value of such supply, under a contract exceeds ₹ 2.50 lakh. State Finance Department advised not to make any deduction at this stage, until further order, till the system is fully operational.	<p>Q4. Whether there is any possibility of enforcing / effecting TDS, on all on-going contracts (executed before 1st July 2017) with retrospective effect i.e from 1st July 2017.</p> <p>Q5. What will be the procedures/ formats for updation of GSTIN in case of DDO originally acquiring the GSTIN, gets transferred.</p>
3.	Applicability of GST on works contract or supply of goods/services, commenced before enforcement of GST laws, and are still on-going.	There are instances, where parts of works have physically been completed / supply of some components has partially been made or services have partially been rendered before 1 st July 2017, but billing could not be done.	<p>Q6. Whether GST will be applicable on bills prepared and submitted after 1st July for such portions of ongoing works/ supply which have physically been completed before 1st July.</p> <p>Q7. If not, whether DDO is required to be issued a certificate to the effect that such portions of works have physically been completed before 1st July 2017, on the basis of recorded date of measurement in the Measurement Book, which is the basic instrument of P.W Accounts.</p>

Sl. No.	Issue	Substance of the case	Queries
4.	Mode of Payment of GST along with bills of works	It appears that GST @18% will generally be charged for all works contract. It has also been stated by the State Finance Department that tan invoice (1) needs to be issued by the supplier for raising claim under the contracts showing separately the tan charged in accordance with the provisions of GST Act 2017.	Q8. In case of contracts of on-going works, where the provision of GST was not considered in the estimate / contract, whether bills for payment on account of GST is to be made to the agency at the time of submission of bills of works to the treasuries or it may be subsequently reimbursed on receipt of claim/documentary evidence from the agency that such payment has already been made by him.
5.	Time of supply	In terms of Section 12(2), time of supply of services shall be the earliest of the following dates, namely:- a. the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under Sub-section (2) of Section 31, or date of receipt of payment whichever is earlier; or b. the date of provision of service, if the invoice is not issued within the period prescribed under Sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or c. the date on which the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply.	Q9. This may please by clarified by illustrative examples. Can time of supply be linked with completion of works as per Measurement Book?
6.	Time of supply under reserves charge	Reverse charge means the liability to pay tax is on the receipt of goods/ services, instead of the supplier.	Q10. Whether the reverse charge is applicable to the DDOs of Irrigation & Waterways Department for Works contract.
7.	General		Q11. Role, responsibilities and limitations of the DDO hardly contracts relating to works, supply of goods, consultancy or non consultancy services may be briefly stated, highlighting the key points. Q.12 Is generation and submission of tax invoice by the agencies to the DDOs mandatory for running contracts?