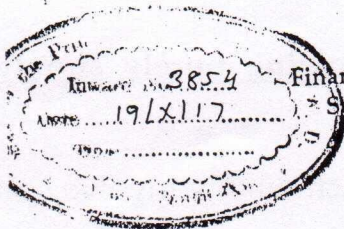


CIRCULAR

A copy of Order No. 38/5/2017 - Fin. (R&C) dated 12th October, 2017 from the Department of Finance (Revenue & Control) Department, Secretariat, Porvorim Goa, bearing this office entry No. 1314 dated 23/10/2017, is hereby forwarded for kind information and further needful.

(Anil S. Ringane)
Suptdg. Surveyor of Works
P.W.D.

- To,
1. The CE - I, CE - II & CE (NH & RB), PWD, Altinho, Panaji, Goa.
 2. The Suptdg. Engineer, Circle Office I to IX/ S.E. (Mon. & Eva.), PWD, Goa.
 3. The Executive Engineer, Works Div. I to XXV, PWD, Goa.
 4. T.A. (I.T.), Circle IX, PWD, to publish on PWD website.
 5. Concerned file
 6. Guard file



No. 38/5/2017 - Fin. (R&C)
Government of Goa,
Finance (Revenue & Control) Department,
Secretariat, Porvorim - Goa. 403 521

Date: 12/10/2017

OFFICE MEMORANDUM

Sub: Applicability of Goods and Services Tax (GST) on supplies of goods and services in Government Departments ... Instructions on billings, payments and rates reg. ...

The Goods and Services Tax (GST) has been made applicable w.e.f. 01st July, 2017 in terms of the provisions contained in the Central Goods and Services Tax Act, 2017, as well as, the Goa Goods and Services Tax Act, 2017. Upon implementation of GST, certain central taxes and duties (like Excise Duty, Service Tax, CST etc.) and certain state taxes (like VAT etc.) have been subsumed under one rate of tax for a particular type of goods or services. Thus these taxes which formed the basis of pricing a good or a service, has undergone a change and prices of a particular type of goods or services has either increased or decreased. Suppliers of goods or services are now able to derive benefits of Input Tax Credits (ITC) on the materials procured during the course of supply and installation of a particular product and providing services. Thus, any benefit of the new tax regime, availed by a supplier, in the course of supply of goods and services to Government Departments needs to be passed on to the Government and vice versa. Any resultant increase in rates or pricing on the supply of goods and services needs to be reimbursed to the supplier.

For the purpose of billing and certification of claims being made by the supplier of goods or services, before processing the claims for payment, each Drawing and Disbursing Officer (DDO) shall examine each claim, as per the following instructions:

- (a) In cases of pure services (e.g. labour contracts, consultancy, watch and ward services etc.) being provided, and where the service tax component was inclusive of the prices, than the claim of the supplier/contractor shall be reduced by the amount equivalent to that calculated on the basis of the erstwhile service tax rate, and thereafter the relevant incidence of GST shall be calculated.

O/o The Superintending Engineer
Circle Office IX (NH)
PWD, Altinho - Panaji
Entry No: 6499
Date: 8/11/17

Suptdg. Surveyor of Works
PWD Altinho, Panaji - Goa

Entry No: 1314
Date: 23/10/17

JDA/SSW

In the event, the prices were exclusive of service tax and the same was being charged separately than the relevant incidence of GST as claimed shall be verified and the payments made accordingly.

(b) *In cases of services involving supply of materials or in which materials / goods are being utilized (e.g. Operation and Maintenance services, sweeping and swabbing, housekeeping and sanitation etc.),* than the claim shall be reduced to such extent equivalent to the ITC availed by the supplier/contractor. For this purpose the DDO, shall either verify the documentary evidence of the ITC claimed by the supplier/contractor or shall seek a self declaration , stating therein the amount of ITC claimed or not having claimed in the transaction leading towards the supply of services, alongwith the copy of the relevant GST return filed.

The bills will then have to be processed as specified in para (2)(a) above, after reducing the amount of ITC claimed or declared.

(c) For supplies of goods and for contracts involving purely supply of materials:

In case of supply of goods and for contracts which wholly involve supply of materials and goods (*including fixtures, items involved in day to day requirement of operation and maintenance etc.*), the claims made by the supplier / contractor shall be analyzed and dealt with item wise as per the following sub-cases viz. —

(i) In case of Imported material: In such a case, the Countervailing Duty and / or Special Additional Duty (*which stands subsumed in GST*); shall be reduced and thereafter incidence of GST should be calculated.

In case of CST or VAT (*which also stands subsumed in GST*), was levied / leviable, the same should also be reduced before applying the relevant GST rate.

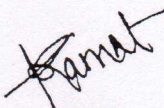
(ii) In case of material procured directly from the manufacturer: In such a case, the Excise Duty and / or VAT chargeable or CST (*in case of supplies from outside the state*) shall be reduced and thereafter incidence of GST shall be calculated.

(iii) In case of material procured from a supplier / trader (other than a manufacturer): In such a case, the Excise Duty which is in built in the cost of the material, will have to be verified and reduced accordingly, as also the CST and / or VAT chargeable. Thereafter, incidence of GST shall be calculated.

Note 1: In the event of combination of one or more of the above instances, than the incidence of GST will have to be calculated separately, for each case.

(iv) In case of ITC availed by the supplier : In case the supplier/contractor is eligible for availing or has availed ITC than amount equivalent to ITC claimed shall be deducted from the claim raised by the supplier/contractor.

3. All DDO's are advised to adhere to these instructions carefully and ensure that the claims for payments made by suppliers/contractors are correctly preferred to the Directorate of Accounts. The Directorate of Accounts is required to verify the claims made by DDO's and accordingly process them for payments. In the event of any difficulty being faced by the DDO's or the Directorate of Accounts (Head Quarters, Panaji) or the O/o Jt. Director of Accounts (South Branch, Margao); they may seek clarification on the applicability or incidence of the relevant rates of taxes from the O/o Addl. Commissioner of Commercial Taxes/State Taxes at Panaji or Margao.


(Sushama D. Kamat)
Under Secretary (Finance - R&C)

To
All Heads of Department / Heads of Offices.

Copy to,

1. All Secretaries to the Government, Secretariat, Porvorim - Goa.
2. Secretary to Hon'ble Governor of Goa, Raj Bhavan, Dona Paula.
3. O.S.D. to Hon'ble Chief Minister, Ministerial Block, Secretariat.
4. O.S.D. / P.S. to Hon'ble Ministers', Ministerial Block, Secretariat.
5. P.S. to Chief Secretary, Secretariat, Porvorim - Goa.
6. The Commissioner of Commercial Taxes/State Taxes, Panaji - Goa.
7. The Addl. Commissioner of Commercial Taxes/State Taxes, Panaji.
8. The Addl. Commissioner of Commercial Taxes/State Taxes, Margao.
9. The Director, Directorate of Accounts, Panaji - Goa... *for information and with a request to upload this O.M. on website www.accountsgoa.gov.in*
10. The Jt. Director of Accounts, South Branch, Margao - Goa.
11. The Dy. Accountant General, Audit Bhavan, Pilerne - Goa.
12. Guard file.
13. Office file.

In the event of termination of one or more of the above mentioned contracts, the balance of the contract shall be paid to the contractor by the Government of India. In case the contractor is not able to complete the work within the stipulated time, the Government of India shall be entitled to cancel the contract and to award the work to any other contractor.

All bills for the work shall be submitted to the Government of India for payment. The Government of India shall be liable to pay the bills within the stipulated time. In case the contractor is not able to submit the bills within the stipulated time, the Government of India shall be entitled to withhold the payment of the bills. The Government of India shall be entitled to cancel the contract and to award the work to any other contractor.

For the Government of India
Secretary, Ministry of Defence

All bills for the work shall be submitted to the Government of India for payment.

1. All bills for the work shall be submitted to the Government of India for payment.
2. The Government of India shall be liable to pay the bills within the stipulated time.
3. In case the contractor is not able to submit the bills within the stipulated time, the Government of India shall be entitled to withhold the payment of the bills.
4. The Government of India shall be entitled to cancel the contract and to award the work to any other contractor.
5. The Government of India shall be entitled to cancel the contract and to award the work to any other contractor.
6. The Government of India shall be entitled to cancel the contract and to award the work to any other contractor.
7. The Government of India shall be entitled to cancel the contract and to award the work to any other contractor.
8. The Government of India shall be entitled to cancel the contract and to award the work to any other contractor.
9. The Government of India shall be entitled to cancel the contract and to award the work to any other contractor.
10. The Government of India shall be entitled to cancel the contract and to award the work to any other contractor.

For the Government of India
Secretary, Ministry of Defence