ग्रामीण कार्य विभाग
बिहार, पटना

पत्रांकः– RWD/GST CLAIM/2024-25/396 - 2782313 पटना / दिनांकः–01/10/2024

प्रेषक,

मनोज कुमार, भा०आ०नि०से०
अपर मुख्य कार्यपालक
पदाधिकारी–सह–सचिव, ब्राडा।

सेवा में,

अधीक्षण अभियंता
ग्रामीण कार्य विभाग,
कार्य अंचल–नालंदा।

विषय : NABARD योजनान्तर्गत Construction of Bridge Muhane River on Road from NH-31 Kharuara to Village Gosaibigha Road Year 2015-16 में जी०एस०टी० दावा की स्वीकृति के संबंध में।

प्रसंग– आपका पत्रांक–828 अनु0, दिनांक–10.08.2023

महाशय,

उपर्युक्त विषयक प्रासंगिक पत्र के माध्यम से विषयांकित पथ में GST अंतर राशि का दावा की जॉच हेतु संवेदक द्वारा अभिलेख समर्पित किया गया है जिसके आधार पर विभागीय GST परामर्शी फर्म M/s SKKSS & Co. द्वारा उक्त दावो की जाँच की गई तथा राशि रू 60,415/– मात्र दावे के योग्य पाया गया है।

GST परामर्शी फर्म के प्रतिवेदन के आधार पर विभागीय GST समिति की अनुशंसा एवं परामर्शी के प्रतिवेदन अग्रेतर कार्रवाई हेतु प्रेषित की जा रही है।

अनु0– यथोक्त।

विश्वासभाजन

अपर मुख्य कार्यपालक
पदाधिकारी–सह–सचिव, ब्राडा

ज्ञापांक– RWD/GST CLAIM/2024-25/396 –2782 पटना / दिनांकः–01/10/2024

प्रतिलिपिः– कार्यपालक अभियंता, ग्रामीण कार्य विभाग, कार्य प्रमण्डल–हरनौत को सूचनार्थ।

अपर मुख्य कार्यपालक
पदाधिकारी–सह–सचिव, ब्राडा

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(815)

ग्रामीण कार्य विभाग, बिहार, पटना।

GST Claim के निष्पादन हेतु ग्रामीण कार्य विभाग द्वारा गठित समिति की दिनांक – 18/9/24...... को आहूत बैठक की कार्यवाही

विषय :– **Nabard योजनान्तर्गत** Construction of Bridge "Muhane River on Road from NH-31 Kharuara to Village Gosaibigha Road" Year 2015-16. **एकरारनामा संख्या 70/SBD/2015-16** में जी॰एस॰टी॰ दावा की स्वीकृति के संबंध में।

प्रसंग :– कार्य अंचल, नालंदा का पत्रांक 828 अनु॰ दिनांक 10.08.2023

उपर्युक्त प्रासंगिक पत्र के आलोक में अधिक्षण अभियंता, ग्रामीण कार्य विभाग, कार्य अंचल, नालंदा द्वारा विषयांकित पथ में रु० **20,49,915/-** की जी॰एस॰टी॰ अंतर राशि का दावा जाँच हेतु समर्पित किया गया है। विभागीय पत्रांक 43/2023–761, दिनांक 23.03.2023 के आलोक में विभागीय जी॰एस॰टी॰ Consultant M/s SKKSS & Co. द्वारा दावे की जाँच की गई तथा रु॰ **60,415/-** मात्र की राशि के दावे के योग्य पाया गया है।

तदालोक में एकरारनामा **70/SBD/2015-16** विषयांकित काय Construction of Bridge "Muhane River on Road from NH-31 Kharuara to Village Gosaibigha Road" Year 2015-16 के लिए दावे की राशि रु॰ **60,415/–** रुपये मात्र संवेदक **उदय सिंह को** भुगतान की अनुशंसा की जाती है।

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Shweta Singh 18/09/24	18.09.24	Prabhu Kumar 18/09/24	18/9/24
विभागीय GST Consultant	वित्त प्रबंधक (Taxation)	वित्त प्रबंधक	GST नोडल पदाधिकारी

KKSS & Co

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02.09.2024

To,
The Additional Chief Executive Officer,
Bihar Rural Road Development Agency
Rural Works Department
Government of Bihar

Re: Submission of GST Impact Report of M/s Uday Singh vide agreement number 70/SBD/2015-16

Ref: Our appointment as GST Consultant by Rural Works Department, vide agreement number BRRDA/01/GST Consultancy dated 24.02.2023 and SE, Nalanda, RWD letter no.828 dated 10.08.2023.

Respected Sir,

We are appointed to recommend payment of Impact arising on account of roll out of GST and change in taxation structure by analysing claim of contractors as per Scope of Work.

GST Impact Summary			
Agreement No.	**Type of Supply**	**GST Impact in Rupees (Construction)**	**GST Impact in Rupees (Maintenance)**
70/SBD/2015-16	Construction of Bridge "Muhane River on Road from NH-31 Kharuara to Village Gosaibigha Road" under Nabard Year 2015-16	**60,415** (ANNEXURE- I)	-

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We are therefore pleased to make our submission of GST Impact Report of M/s. Uday Singh for the following project with reference to the Construction of Bridge "Muhane River on Road from NH-31 Kharuara to Village Gosaibigha Road" under Nabard Year 2015-16.

With this letter, we would like to draw your attention towards the following facts: -

1) That the above impact is determined considering Work Order Value inclusive of Excise Duty & VAT, Entry Tax (as applicable) and all other applicable taxes in force as on 30.06.2017.

2) That the above impact has taken into cognizance that any additional benefit that the contractor is being entitled to due to enactment of GST is passed onto Rural Works Department in terms of anti-profiteering clause in the GST law;

3) We have gone through the submission made by the Contractor-claimant, and have observed that the contractor has been awarded the contract for construction on (14th November 2015), wherein taxes such as VAT and Excise duty was leviable and has been accordingly considered at the time of preparation of estimates for which agreement has been signed between the contractor-claimant and the department.

4) From the rate analysis enclosed it has been observed that taxes namely Excise duty has been considered in the material component only, and VAT @ 4% has been considered in overhead component based on the RCD SOR Guidelines.

5) Now with effect from 01.07.2017, GST was introduced and the said contract was ongoing as on 01.07.2017. Now due to introduction of GST, the taxation structure of works contract underwent a significant change, wherein tax which was previously levied on material component only, now with the introduction of

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GST, the GST @ 12% has become leviable on the entire value of supply, the payment of which is being made after 01.07.2017.

6) Hence, the contractor-claimant has raised GST claim of Rs.20,49,915, due to such change in taxation structure which has resulted in increase of tax burden on the contractor-claimant.

7) The impact being given is from **RA Bill 01 to RA Bill 09.** GST impact in later RA bills have to be verified and audited on submission of bill by M/s Uday Singh.

   a. **That we have charged fees for entire contract and therefore as and when the new RA bills are submitted, the same should be sent to our office and sent via email to BRRDA for needful action. That a flat percentage cannot be applied for payment of future claims on RA bills and remaining amount of contract as the material & services components differs on every milestone of payment.**

   b. In our capacity as Indirect Consultant to you we therefore request you not to pay any adhoc GST reimbursement in future RA bills submitted as the same may cause loss to public exchequer, if the same is paid without proper analysis and auditing of records. Kindly forward all communication with respect to GST for proper analysis and needful action from our end.

8) That the above GST impact has been prepared (as a reference) based on the guidelines given by different governmental organization such as CPWD in the circular dated 09.03.2020 has laid down principles for computing the GST compensation by eliminating previous erstwhile taxes and adding current taxes in the work order value. The same principle has also been taken up in other governmental department of other states like in the case of Maharashtra, CIDCO vide their letter no. CIDCO/SE(HQ)/EE(NM)/CIR/2018/29 dated 22.11.2018, issued the guidelines for works contract which were ongoing as on 01.07.2017 and their treatment with taxes after enactment of GST.

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9) Likewise, the Government of Odisha and Telangana, Bihar through RCD, NRRDA and MORTH issued the advisory/circulars in respect of the modus of calculation of GST impact to be included in the work order, if any.

10) The Hon'ble High Court, Patna has also ruled in the favour of the contractor seeking GST Impact for ongoing contracts as on 01.07.2017.

11) That the impact report is calculated on **analysing data and verification of records and not on an ad-hoc percentage basis, as arriving a flat percentage will be squarely wrong for giving impact as all cases have different figures of data,** applicability of taxes and the modus adopted by respective contractor to pay VAT taxes and currently GST and corresponding purchase pattern of inputs required for project at differential prices. The GST impact is only payable on the net tax liability increased on account of implementation of GST. This requires careful investigation of all data and records, so as to arrive at the net increase in tax liability due to new tax structure.

12) **That the GST Impact calculation is made on the following premise:**

a) That the above work is Construction of Bridge "Muhane River on Road from NH-31 Kharuara to Village Gosaibigha Road" under Nabard Year 2015-16.

b) The above said impact is derived by considering the contract as Works Contract as defined U/s 2(119) of the Central Goods and Services Act, 2017 taxable @12% (Heading 9954 (vi): Construction service - Composite supply of works contract as defined in clause (119) of

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NALA ROAD, PATNA - 800004

section 2 of the Central Goods and Services Tax Act, 2017 other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above, provided to the Central Government, State Government, Union Territory or a local authority by way of construction, erection, commissioning installation, completion, fitting out, repair, maintenance, renovation or alteration of – (a) civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;

c) The above calculation has been done considering total impact arising on account of changes in rate awarded at the time of tender.

d) Therefore, suitable adjustment should be made if there is any amendment in law till the payment is settled under this contract or if there is any departure in the premise mentioned above must be brought to our notice as it may bring deviation in the GST Impact to be passed on to the contractor.

e) That GST impact is calculated on the basis of all documents and records produced by Contractor and duly verified & audited by us as per our scope of work.

f) The effect of anti-profiteering as per sec 171 of GST Act has not been computed and the same has not been passed on to BRRDA, RWD.

13) That the GST Impact amount indicated in the table above is derived on the basis of the RA Bills submitted before us. Therefore, in any case no excess payment can be made over and above the amount mentioned in the Annexure attached with this letter for completing the project.

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14) That the GST claim amount submitted for approval by the Contractor was **Rs. 20,49,915/-**, while as per our calculation the GST claim amount shall be **Rs. 60,415/-** which result in savings of **Rs. 19,89,500/-**

15) That at any later stage if it is brought to our notice that any fact/figures/calculation which was provided to us the basis of which has been our calculation, is mis-represented and which has a material effect on the above GST Claim amount, then the GST claim amount shall be void ab initio.

For any query or clarification, please contact the undersigned at earliest.

Therefore, kindly do the needful in this regard.

For and on behalf of
SKKSS & Co.

Shweta Singh
02/09/24

Authorized Signatory

SKKSS & Co. * CA PATNA * Chartered Accountants

Enclosed: -

1. **GST claim computation**

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ANNEXURE-I

GST Impact Assessment of M/s Uday Singh

Agreement No: 70/SBD/2015-16

PROJECT NAME: Construction of High Level R.C.C.Bridge over Muhane River on road from NH31 to village Gosaibigha road under Harnaut block in the disstt. of Nalanda

Particulars	work value in which OH @ 10% and CP @ 10% has been considered (after 0.77% below)	work value in which OH @ 25% and CP @ 10% has been considered (after 0.77% below)	Total
Work done till date (RA 9) (Pg.No-637)	35,22,276	1,83,80,874	2,19,03,150
Work done in Pre-GST period	-	-	-
Work done in GST period (RA 09)	35,22,276	1,83,80,874	2,19,03,150
Less: Rate Analysis incomplete	1,05,440	13,04,209	14,09,649
Work Value on which GST is assessed (A)	34,16,836	1,70,76,665	2,04,93,501
Less: VAT (Annexure-II,Annexure-III)	0	0	-
Less: Excise Duty (Annexure-II,Annexure-III)	41,108	13,86,181	14,27,289
Less: VAT in OH (Annexure-IV,Annexure-V)	1,22,754	5,02,095	6,24,849
Taxable Value	32,52,974	1,51,88,389	1,84,41,363
Add: i)GST @ 12%	3,90,356.93	18,22,606.64	22,12,964
ii) GST Paid as per GSTR-3B (Pg.No-185)			21,12,553
Lower of (i) and (ii) of above			21,12,553
Revised work value (B)	36,43,331	1,70,10,995	2,05,53,916
GST Claim (B - A)	**2,26,495**	**-65,669**	60,415

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Annexure-II

M/s Uday Singh

Agreement No: 70/SBD/2015-16

DETAILS OF VAT / EXCISE COMPONENT CONSIDERED FOR Construction of High Level R.C.C.Bridge over Muhane River on road from NH31 to village Gosaibigha road under Harnaut block in the disstt. of Nalanda for work value in which OH @ 25% and CP @ 10% has been considered.

Sl. No.	Description of Direct Material (As per nature of Contract)	Unit	Rate considered as per rate analysis	Quantity from RA 01 to RA 09	Basic Value of Material incl. Excise duty and VAT	VAT	VAT Amount	Amount excluding VAT	EXCISE DUTY RATE as on 30.06.2017	Excise Duty
1	2	3	4	5	6 (4X5)	7	8 = 6/(100% + 7) x 7	9 = 6 - 8	10	11 = 9 /(100% + 10) x 10 [incase of cement, 5 x 10]
1	Sand bags	each	7.09	386.00	2,737		-	2,737		-
2	Cement	tonne	5462	400.85	21,89,425	.	-	21,89,425	INR 1000 per tonne	4,00,847
3	Coarse sand	cum	264.86	434.20	1,15,001		-	1,15,001		-
4	Aggregate 40mm	cum	437.19	137.39	60,066		-	60,066		-
5	Aggregate 20mm	cum	545.72	452.34	2,46,850		-	2,46,850		-
6	Aggregate 10mm	cum	608.32	278.66	1,69,515		-	1,69,515		-
7	Admixture	kg	158.02	512.57	80,996		-	80,996	12.5%	9,000
8	Sand	cum	116.09	396.99	46,087		-	46,087		-
9	HYSD Bars	tonne	42050	116.92	49,16,381		-	49,16,381	12.5%	5,46,265
10	Binding Wire	kg	56.6	716.42	40,549		-	40,549	12.5%	4,505
11	Bentonite	kg	3.34	12,833.33	42,863		-	42,863	12.5%	4,763
12	Filter media	cum	404.74	114.78	46,458		-	46,458	12.5%	5,162
13	Corrosion resistant structural steel	kg	44.94	50.40	2,265		-	2,265	12.5%	252
14	GI Pipe 100mm	metre	47.11	75.60	3,562		-	3,562	12.5%	396
15	GI Bolt 10mm	each	15.1	75.60	1,142		-	1,142	12.5%	127
16	Gavanised MS Flat champ	each	15.42	25.20	389		-	389	12.5%	43
17	strip seal expansion joint comprising	metre	8407.7	28.35	2,38,358		-	2,38,358	12.5%	26,484
18	Crushed stone agg 12.5mm	cum	636.49	1.13	716		-	716		-
19	Polymer modified bitumen	kg	46.22	116.25	5,373		-	5,373	12.5%	597
20	Galvanised structural steel plate 200mm	kg	44.9	169.50	7,611		-	7,611	12.5%	846
21	Water based paint	litre	118.98	500.00	59,490		-	59,490	12.5%	6,610
						TOTAL	0			10,05,895
						TOTAL (after CP,OH and LWC)	0			13,96,937
						TOTAL (after 0.77% below)	0			13,86,181

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Annexure-III

M/s Uday Singh

Agreement No: 70/SBD/2015-16

DETAILS OF VAT / EXCISE COMPONENT CONSIDERED FOR Construction of High Level R.C.C.Bridge over Muhane River on road from NH31 to village Gosaibigha road under Harnaut block in the disstt. of Nalanda for work value in which OH @ 10% and CP @ 10% has been considered.

SL No.	Description of Direct Material (As per nature of Contract)	Unit	Rate considered as per rate analysis	Quantity from RA 01 to RA 09	Basic Value of Material incl. Excise duty and VAT	VAT	VAT Amount	Amount excluding VAT	EXCISE DUTY RATE as on 30.06.2017	Excise Duty
1	2	3	4	5	6 (4X5)	7	8 = 6/(100% + 7) x 7	9 = 6 - 8	10	11 = 9 /(100% + 10) x 10 [incase of cement, 5 x 10]
1	GSB 53mm to 26.5mm	cum	454.14	378.98	1,72,109		-	1,72,109		-
2	GSB 26.5mm to 4.75mm	cum	495.21	231.43	1,14,607		-	1,14,607		-
3	GSB 2.36mm below	cum	184.95	102.86	19,024		-	19,024		-
4	Aggregate 63mm to 45mm	cum	423.96	198.98	84,358		-	84,358		-
5	Stone screening 13.2mm	cum	636.49	26.31	16,747		-	16,747		-
6	Binding material	cum	130.42	26.31	3,431		-	3,431	12.5%	381
7	Stone screening 11.2mm	cum	608.32	39.47	24,008		-	24,008		-
8	Bitumen emulsion	tonne	36850.7	1.75	64,586		-	64,586	14.0%	7,932
9	Bitumen	tonne	44436.7	4.69	2,08,338		-	2,08,338	14.0%	25,585
10	Crushed stone chipping 13.2mm to 5.6mm	cum	608.32	59.15	35,983		-	35,983		-
11	Crushed stone of 6.7mm	cum	405.22	13.15	5,328		-	5,328		-
						TOTAL	0			33,898
						TOTAL (after CP,OH and LWC)	0			41,427
						TOTAL (after 0.77% below)	0			41,108

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Annexure-IV

Computation of Embedded Tax in Overhead as per RCD Guideline

Agreement No: 70/SBD/2015-16

PROJECT NAME: Construction of High Level R.C.C.Bridge over Muhane River on road from NH31 to village Gosaibigha road under Harnaut block in the disstt. of Nalanda for work value in which OH @ 25% and CP @ 10% has been considered.

Particulars	Amount
Total Work done till date (RA 09-RA 04) [after 0.77% below]	1,83,80,874
Less: Pre-GST work done value	-
Balance work to be in GST period	1,83,80,874
Less: Work value for which rate analysis not found/Incomplete	13,04,209
Work value for which GST impact is calculated	1,70,76,665
Less: VAT Embedded	-
Less: Excise Duty Embedded	13,86,181
Work Value without taxes (A)	1,56,90,484
Less: LWC @ 1%	1,55,351
Work Value without taxes and LWC (B)	1,55,35,133
Less: OH @ 25% and CP @ 10% (B)/1.375 x 0.375	42,36,854
Work Value without taxes, OH and CP (C)	1,12,98,278
Embedded Taxes @ 4% on above (C) x 4% (D)	4,51,931
Contractor Profit on above embedded taxes computed (E)	45,193
LWC @ 1% on embedded taxes in CP and OH (F)	4,971
Total Embedded taxes on OH & CP & LWC (D + E + F)	**5,02,095**

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Annexure-V

Computation of Embedded Tax in Overhead as per RCD Guideline

Agreement No: 70/SBD/2015-16

PROJECT NAME: Construction of High Level R.C.C.Bridge over Muhane River on road from NH31 to village Gosaibigha road under Harnaut block in the disstt. of Nalanda for work value in which OH @ 10% and CP @ 10% has been considered.

Particulars	Amount
Total Work done till date (RA 09-RA 04) [after 0.77% below]	35,22,276
Less: Pre-GST work done value	-
Balance work to be in GST period	35,22,276
Less: Work value for which rate analysis not found/Incomplete	1,05,440
Work value for which GST impact is calculated	34,16,836
Less: VAT Embedded	-
Less: Excise Duty Embedded	41,108
Work Value without taxes (A)	33,75,728
Less: LWC @ 1%	33,423
Work Value without taxes and LWC (B)	33,42,305
Less: OH and CP @ 21% (B)/1.21 x 0.21	5,80,069
Work Value without taxes, OH and CP (C)	27,62,236
Embedded Taxes @ 4% on above (C) x 4% (D)	1,10,489
Contractor Profit on above embedded taxes computed (E)	11,049
LWC @ 1% on embedded taxes in CP and OH (F)	1,215
Total Embedded taxes on OH & CP & LWC (D + E + F)	**1,22,754**

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