



KERALA WATER AUTHORITY

(Set up under the Kerala Water Supply and Sewerage Act, 1984)

No.0023/2011/Dy-AM/FIN/KWA

JALA THIRUVA,
VELLAIPAMBALAM,
MIRUVANANTHAPURAM - 686 032
Kerala, INDIA
10-06-2017

CIRCULAR - GST/002/17

Sub: - Kerala Water Authority - Goods and Service Tax - Works Tenders
before 30-06-2017 and started after 01-07-2017 - Differential tax -
Clarification - Reg.

Ref: - 1) The Goods and Service Tax.
2) CI/24614/16/CI/ E-Office-11137/17 Dated 18-07-2017

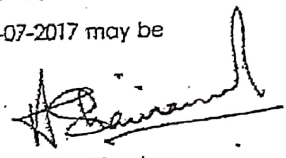
Government has implemented G.S.T with effect from 01-07-2017. Accordingly there is change in the indirect tax regime and the tax rates. State taxes/Central taxes which are subsumed within the G.S.T include Central Excise Duty, State VAT, Central Sales Tax, Purchase Tax, etc. Head office is receiving enquiries seeking clarification on the taxes that is applicable pursuant to the changes in the tax rates as per G.S.T over the tax rates applicable up to 30-06-2017.

A. Notice Inviting Tender (NIT) clause No.8.15 deals with the rate to be quoted by the tenderers. As per clause 8.15 of NIT, the tenderers are required to quote lump sum amount for the work and that the lump sum amount so quoted shall be inclusive of sales tax /VAT or any other statutory levies and duties by Central or State Government or any Authority which may be paid or become payable on the completed work within the scope of this tender. Excise duty considered by the tenderer in quoting for the work shall be specifically mentioned in their quote. Any excess in taxes and duties within the original contract period shall be borne by the Authority and any reduction in taxes and duties within the period shall be deducted from the contractor's bills, on proof of remittance. Hence, it is hereby clarified that the difference between GST paid and the sum of all the taxes subsumed under GST applicable at the time of bidding shall be absorbed by Kerala Water Authority on production of payment receipt of GST towards the

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Goods and Services on the respective item executed under the tender. The rate/taxes difference absorption mechanism requires additional payment or recovery as the case may be.

B. For the matters relating to tax to be deducted for the works completed before 30-06-2017 and payments made subsequently the instructions contained in advisory-3 issued by the Commissioner of Kerala Goods & Service Taxes Department vide CI/24614/16/CT/ E-Office 11137/17 Dated 18-07-2017 may be followed.


Managing Director

To
All Account Rendering Units
Kerala Water Authority

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