

(17)

DELHI JAL BOARD: GNCT OF DELHI
OFFICE OF THE DIRECTOR (FINANCE & AUDIT)
VARUNALAYA PH-II KAROL BAGH NEW DELHI

M. No. - 1174/14

(23) 33 520

No. DJB/Dir (F&A) /2012/ 69980

27 June 2012

Subject: Instructional Order regarding exemption from Service tax in DJB

1. Delhi Jal Board is constituted under an Act of the Legislative Assembly and is a Governmental Authority discharging the functions of water supply, sewerage and sewage disposal, drainage, and matters connected therewith within the National Capital Territory of Delhi. The Department of Revenue, Minister of Finance, Government of India has vide Notification No. 25/2012-Service Tax dated 20th June, 2012 notified exemption of service tax on services provided to a governmental authority by way of carrying out any activity in relation to any function ordinarily entrusted to DJB. The order will be effective from 1st July, 2012. In view of the above, service tax would be inadmissible on most of services outsourced by DJB to its Contractors.
2. Further, even under current dispensation, a number of contracts that are currently in force are exempt from service tax.
3. Hence, for all cases, including the current/ existing contracts, where claims of service tax reimbursement are forwarded by our Contractors, payment may not be released without the explicit concurrence of the Director (F&A). The contractors may also be advised to take legal opinion about admissibility and amount of service tax due against DJB contracts before depositing the same. The Contractors would also need to submit a certificate from their Chartered Accountant about amount paid against each specific DJB work before claiming the same. DJB will not be bound to reimburse any inadmissible or excess service tax paid by Contractors.
4. For all future tenders, the following clause may also be inserted in the tender documents:

"In terms of Notification No. 25/2012-Service Tax dated 20 June 2012, issued by the Department of Revenue, Ministry of Finance, Government of India, the services provided by a Contractor/ Operator to DJB in context of carrying out any activity in relation to any function ordinarily entrusted to DJB is exempt from service tax. This is, however, subject to any further amendments/ clarifications issued by the Government of India or any decision/ruling of the Court, in this regard.

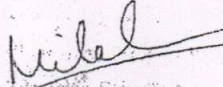
[Signature]
17/9/14
Asstt. Eng. (E&M) Vign
Delhi Jal Board
Govt. of NCT of Delhi

Attested
[Signature]
12/12/14
Asstt. Eng. (E&M) Vign
Govt. of NCT of Delhi
R.R.N. S.

34 519

The Contractor/ Operator may accordingly obtain an independent legal opinion on the applicability and quantum of service tax on the activities under this contract. Service tax, if applicable, shall be reimbursed by the DJB to the Contractor/ Operator against a statement from Contractor's/ Operator's Chartered Accountant as to the amount of service tax paid against the awarded work. DJB, however, reserves the right to get an independent legal opinion on the applicability and valuation of service tax, at its own cost, so as to ascertain the correctness of the Contractor's/ Operator's claim for service tax reimbursement. In the event where DJB is of the considered opinion that service tax is not applicable or paid in excess, DJB may reject the claim to that extent. Further, in case where DJB has already reimbursed service tax erroneously, DJB reserves the right to claim back the amount of service tax reimbursed beyond admissible limits."

This issues with the approval of the CEO.

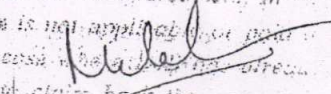

(NILA MOHANAN)
Director (Finance & Accounts)

Director (Finance & Accounts)

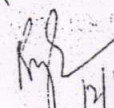
(E&M) WC-1
499
7/12
All DDOs

Copy for kind information to:

1. CEO, DJB
2. Member (F)/(WS)/(Dr)
3. All CEs/SEs/ Secy, DJB
4. All Directors
5. All AOs/AOs
6. All Contractors Associations/


Director (Finance & Accounts)

17/9/14
Tejpal Singh
17/9/14

Attested

17/9/14