

**HIGH COURT AT CALCUTTA**  
**In the Circuit Bench At Jalpaiguri**  
**CONSTITUTIONAL WRIT JURISDICTION**

**Present:**

**THE HON'BLE JUSTICE AJAY KUMAR GUPTA**

**WPA 2459 of 2023**

**Bimal Roy**

**Versus**

**The State of West Bengal & Ors.**

**For the Petitioner** : Mr. Himangshu Kumar Ray,  
Mr. Abhilash Mittal,  
Mr. Prosenjit Das,  
...Advocates

**For the State** : Mr. Pretom Das  
...Advocate

**Heard on** : 17.10.2023

**Judgment on** : 19.10.2023

**AJAY KUMAR GUPTA, J.:**

1. The instant writ petition has been filed by the petitioner under Article 226 of the Constitution of India praying for order or direction on the respondent nos. 1, 4, 5, 6, 7, 8, 9, 10,, 11 and 12 to pay the liability of GST

incurred on works contract executed and completed after 1<sup>st</sup> July, 2017 wherein the contracts were awarded in the pre-GST regime or post-GST regime and therefore it was impossible on part of the petitioner as well as the respondent nos. 4, 5, 6, 7, 8, 9, 10, 11 and 12 to include the component of GST in the value of contract awarded prior to GST legislation coming into force or post-GST contracts, ongoing projects and the petitioner is also challenging the impugned summary of show cause notice dated 22.09.2023 under Section 74 of the Central Goods and Services Tax Act, 2017 and of the West Bengal Goods and Services Tax Act, 2017 (hereinafter referred to as "GST Act") for the period 2017-2018 & 2018-2019 and subsequent notices of the GST Act, issued by the respondent no. 3.

**2.** It is the contention of the petitioner that the petitioner carries on business under the name and style Bimal Roy as proprietorship business thereof dealing with business of Works Contractor.

**3.** It is further contended by the petitioner that during the period 2017-2018 petitioner received several work orders from the Government contractee during the pre-GST and post-GST regime to do several constructions and the process of estimating and tendering was started in pre-GST regime and work order issued and work started by the petitioner in pre-GST regime and continue it also in post-GST regime. On 10.04.2018, 03.05.2018 and other dates the petitioner received payment certificate issued by the Government concerned without payment of GST tax as per the notification and statute.

**4.** It is further submitted that on 18.02.2021, the petitioner voluntary paid tax CGST Rs. 22, 80,751/- and SGST Rs. 22, 80,751/- and total Rs. 45,61,502/- vide FORM GST DRC-03. On 14.07.2023, the respondent no. 3 issued notice under Rule 56(18) of the GST Rules with attachment to the petitioner and directed to submit some documents. Thereafter on 28.07.2023, the respondent no. 3 issued reminder letter with in connection to notice dated 14.07.2023 to the petitioner and directed to submit reply with relevant documents. Again on 19.08.2023, the respondent no. 3 issued reminder letter in connection to notice dated 14.07.2023 to the petitioner and directed to submit reply with relevant documents.

**5.** After receiving such show cause notice and reminders, petitioners immediately submitted letters to the Government contractee on 27.08.2023 and 28.08.2023 requesting to pay the petitioners GST tax with interest as applicable under the GST Act. As the GST is an indirect tax which is to be collected by the supplier from the recipient and paid to the concerned authorities. Petitioners are entitled to receive GST Tax as applicable on the works contract services executed by the petitioner during the GST regime from Government Contractee.

**6.** It is further submitted that on 29.08.2023 the respondent no. 3 issued notice in Form GST DRC-01A under Section 74(5) of the GST Act along with annexure for the F.Y. 2017-2018 & 2018-2019 to the petitioner stating that there is suppression of taxable turnover in comparison to GSTR3B with Income Tax Form 26AS u/s 192C i.e. payments to contractors 7 Sub-contractors & Fees for professional or Technical Services u/s 194J,

leading to non-payment /evasion of GST during the F.Y. 2017-2018 & F.Y. 2018-2019.

**7.** It is further submitted that on 22.09.2023, the respondent no. 3 issued summary of show cause notice in FORM GST DRC-01 with annexure to the petitioner for the period 2017-2018 & 2018-2019. The said notice issued by imposing tax Rs. 3,95,91,218/-, interest Rs. 1,97,48,528/-, penalty Rs. 3,95,91,218/- and total Rs. 9,89,30,964/- to the petitioner. The respondent no. 3 issued this notice by violating Rule 26(3) of the GST Rules, as the said notice was neither signed digitally nor manually.

**8.** It is further submitted that in paragraphs 3(iii)(d) and 4(i) of notification no. 5050-F(Y) dated 16.08.2017 clearly clarifies that post GST contracts or ongoing projects where estimates have been approved before 1<sup>st</sup> July, 2017 i.e. those work orders given/to be given for supply of goods or services or both (work contracts), GST rates will be applicable. In other word, the supplier of goods/services/both has to pay WBGST and CGST on all taxable goods/services. The State respondents cannot sit tight over the issue of payment of GST tax and interest as applicable. It is manifestly arbitrary, irrational and beyond the purview of statute. The Government Contractee cannot deny and avoid the WBGST and CGST rates of tax which is applicable in view of notification issued by the Finance Department vide Notification no. 5050-F(Y) dated 16.08.2017. In spite of notification and the provision of the GST is crystal clear, the Government of West Bengal particularly the Government Contractee is avoiding to pay the applicable tax with interest as demanded by the GST authorities. Several representations

submitted requesting for payment of tax and interest as applicable but the concerned respondent did not consider the same.

**9.** On the other hand, the GST authority has issued the impugned DRC-01A dated 29.07.2023 under Section 74 (5) of the GST appending annexures for the financial year 2017-2018 and 2018-2019 to the petitioner stating that there is suppression of taxable turnover in comparison to GSTR3B with Income Tax Form 26AS u/s 192C i.e. payments to contractors 7 Sub-contractors & Fees for professional or Technical Services u/s 194J, leading to non-payment /evasion of GST during the F.Y. 2017-2018 & F.Y. 2018-2019.

**10.** Learned advocate further referred some decisions of Supreme Court and High courts to support his contention that the Government contractees are liable to pay tax and interest thereof. He prays for passing similar order passed by this court. So the petitioner should not be deprived and penalised for inaction of the Government of West Bengal particularly the Government contractees. Those decisions are as follows:

- i. Order passed by Co-ordinate Bench in WPA 21957 of 2023 - Bikramjit Paul Vs. The State of West Bengal & Ors.
- ii. Order passed by Co-ordinate Bench in WPA 20584 of 2018 - Subimal Kumar Majhi & Ors.
- iii. 2023 (7) TMI 1292, M/s. Techno Electric and Engineering Company Limited vs. The State of Jharkhand, Jharkhand Bijli Vitran Nigam Limited, Finance Controller, JBVNL and Others.

iv. Contempt Application (Civil) No.- 4357 of 2020, M/s Maa Vindhya Vasini Constructions Vs. Sujit Kumar C.E.O., U.P. Rural Road Development Authority and three Others.

**11.** On the other hand, learned advocate appearing on behalf of the respondents submitted that the petitioner is liable to pay the tax and interest thereof in view of Section 73 of the GST Act. Petitioner is registered under GST Act, who is responsible person to collect the tax from recipient and paid the same to the concerned authorities as such writ petition has no merit. Therefore, this instant writ petition should be dismissed. In alternatively, the learned advocate on his usual fairness submitted that the similar order may be passed as passed earlier by this Court for interest of justice.

**12.** Heard the submissions advanced by the parties and on perusal of the writ petition as well as the annexure thereto and referred judgements, it appears the respondent authorities concerned have to bear the additional tax liability for execution of subsisting Government contract either awarded to the petitioner during pre-GST regime or in post-GST regime without updating the Schedule of Rates (SOR) incorporating the applicable GST while preparing Bill for payment. The petitioner has also prayed for relief of issuance of direction upon the respondent authorities concerned to neutralise the impact of unforeseen additional tax burden on the Government contracts after introduction of GST with effect from 1<sup>st</sup> July, 2017 for outgoing contract awarded before the said date and to update the

State SOR incorporating applicable GST in lieu of inapplicable West Bengal VAT henceforth.

**13.** Considering the submissions of the parties, this writ petition is disposed of by giving liberty to the petitioner to file appropriate representations stating all the facts and provision as referred in preceding paragraph of this judgment, before the Additional Chief Secretary, Finance Department, Government of West Bengal within four weeks from date. On receipt of such representations the Additional Chief Secretary, Finance Department shall take a final decision within four months from the date of receipt of such representations after consulting with all other relevant departments concerned.

**14.** It is needless to mention that such representations shall be considered and final decision will be taken up by the Additional Secretary, after giving an opportunity being heard to the petitioner or his authorized representatives. Till the final decision is taken by the Additional Chief Secretary, no coercive action shall be taken against the petitioner by the respondents concerned. In case of default in making representations within the time framed herein this order will not have any force.

**15.** It is also recorded that the Additional Chief Secretary, while taking decision on the representations to be filed by the petitioner shall act in accordance with law and pass a reasoned and speaking order on merit and after considering all the judgments of different Supreme Court and High Courts upon which petitioners intends to rely.

**16.** With these observations and directions, the writ petition being **WPA 2459 of 2023** is disposed of.

**17.** There shall be no order as to costs.

**18.** Urgent photostat certified copies of this judgment may be delivered to the learned Advocates for the parties, if applied for, upon compliance of all formalities.

**19.** All parties shall act on server copy of this order downloaded from the official website of this Court.

**(Ajay Kumar Gupta, J.)**

**P. Adak**