

Government of West Bengal
Finance Department
Audit Branch

No.6943-F(Y)

Dated, the 13th November, 2017

MEMORANDUM

The Finance Department has earlier issued Notification No. 5050-F(Y) dated 16.08.2017 regarding issues pertaining to contracts awarded by the State Government departments/Local Authorities/Statutory Bodies/PSUs under Government of West Bengal due to introduction of GST.

However, upward revision of value/price of goods as agreed upon in the pre-GST regime may become necessary in the following cases:-

- (i) **Case 1:** Exclusive contract for supply of goods where the vendor on purchase of those goods was eligible for any conditional exemption from duty of Central Excise but the GST rate of which is either now 18% or 28%;
- (ii) **Case 2:** Supply of goods in the execution of works contract, now coming within the purview of composite supply of works contract as defined in clause (119) of section 2 of the West Bengal Goods and Services Tax Act, 2017, and where the contractor on purchase of those goods was eligible for any conditional exemption from duty of Central Excise but the GST rate of which is either now 18% or 28%;

After careful consideration of the overall aspect of availability of input tax credit under GST to a vendor/contractor in each of the two cases as mentioned above, in the interest of public service the value/price as agreed upon in the contract with respect to the supply of goods in the above referred cases may be enhanced by such percentage as given in column (3) of the Table below:-

Sl.	Case as referred to above	Enhanced percentage as applicable
(1)	(2)	(3)
1	Case 1	11% on the value of goods as agreed upon in the contract.
2	Case 2	9.5% on the value of goods as agreed upon in the contract.

It may further be stated that the enhanced percentage will be applicable subject to the condition that general applicable rate of Central Excise Duty on such goods was 12.5% but was exempted in the above cases. In case the general rate of duty was lower than 12.5%, then the enhanced rate, as discussed in column (3) of the Table, will be proportionately reduced from the rate specified in Column (3). Furthermore in case 2, if the GST rate on Works Contract is 5% (instead of 12%), then also the enhanced rate will get reduced proportionately.

This order is issued in partial modification to Para 3(iv) of FD Notification No. 5050-F(Y) dated 16.08.2017.

Sd/- H.K. Dwivedi
Principal Secretary to the
Government of West Bengal

Copy forwarded for information and necessary action to:

1. Principal Accountant General (A&E), West Bengal, Treasury Buildings, 2, Government Place West, Kolkata – 700001.
2. Principal Accountant General (Audit), West Bengal, Treasury Buildings, 2, Government Place West, Kolkata – 700001.
3. Accountant General (Receipt Works & Local Bodies Audit), West Bengal, CGO Complex, 3rd MSO Building, 5th Floor, Block DF, Sector I, Salt Lake, Kolkata – 700064.
4. Additional Chief Secretary / Principal Secretary / Secretary, _____ Department. **He is requested to circulate the same to all Autonomous and statutory bodies / Local Bodies/PSUs/parastatals, etc under his administrative control.**
5. Special Secretary/Additional Secretary/Commissioner/Joint Secretary/Deputy Secretary, Finance Department.
6. Financial Advisor, _____ Department.
7. Commissioner, _____ Division, _____
8. Director, _____
9. Director of Treasuries & Accounts, West Bengal, Mitra Building, 8, Lyons Range, 3rd Floor, Kolkata – 700001.
10. District Magistrate / District Judge / Commissioner of Police / Superintendent of Police _____
11. Sub-Divisional Officer, _____
12. Block Development Officer, _____.
13. Pay & Accounts Officer, Kolkata Pay & Accounts Office-I, 81/2/2, Phears Lane, Kolkata – 700012.
14. Pay & Accounts Officer, Kolkata Pay & Accounts Office-II, P-1, Hyde Lane, Kolkata – 700073.
15. Pay & Accounts Officer, Kolkata Pay & Accounts Office-III, IB Market, 1st Floor, Block IB, Sector III, Salt Lake, Kolkata – 700106.
16. Treasury Officer, _____
17. Group ____ / _____ Branch, Finance Department.
18. Sri Sumit Mitra, Network Administrator, Finance (Budget) Department. He is requested to upload copy of this order in the website of Finance Department.



Assistant Secretary to the
Government of West Bengal