

Government of West Bengal
Finance Department
Audit Branch, Group T
(File No.333279)

No. 3731- F(Y)

Dated, 7th June, 2023

MEMORANDUM

The issue of treatment of the value of works contracts awarded by the State Government Departments/Local Authorities/Statutory Bodies/PSUs under Government of West Bengal due to enhancement of GST rate on works contract from 12% to 18% with effect from 18.07.2022 in terms of CGST Rate Notification No. 03/2022 - Central Tax (Rate) dated 13th July, 2022 and WBGST Rate Notification No. 1393-FT dated 23rd August, 2022 was explained in Memorandum No. 4691- F(Y) dated 22nd November, 2022.

However, queries have been raised by various Departments on the issue of 'cost of inversion' as referred to in the Memo No. *ibid*. It is hereby clarified that **if any enhancement of the value of the contract is required due to change of GST rate from 12% to 18% with effect from 18.07.2022, the respective authority may ask for a self-declaration from the concerned contractor separately for each contract in the proforma as annexed herewith and take action accordingly.**

Such enhancement will be applicable on that value of the contract for which Tax Invoice or any Receipt Voucher [under GST Act, 2017 read with Rule 46 and Rule 50 of the CGST/WBGST Rules, 2017] is raised by the contractor on or after 18.07.2022 upon execution of the works or upon receipt of any advance.



Addl. Chief Secretary to the
Government of West Bengal

Annexure

Proforma of Self-declaration to be made by the Contractor in respect of application for enhancement of value of contract on occasion of enhancement of GST rate on works contract from 12% to 18% with effect from 18.07.2022

To,

.....
.....
.....

Declaration by the contractor

I do hereby state that the details of the contract for which enhancement of value has been applied due to enhancement of GST rate on works contract from 12% to 18% with effect from 18.07.2022 are as follows:

Nature of the contract for which value enhancement applied for	Work Order No. and Date	Value of Contract awarded (Rs.)	Tax Invoice / Receipt Voucher No. and date	Taxable Value of Tax Invoice / Receipt Voucher
[1]	[2]	[3]	[4]	[5]
Total taxable value of Invoice/ Receipt Voucher on which enhancement is sought for:				

In this context, I hereby most solemnly declare that:

[strike-off whichever is not applicable]

- i. I did not have any cost of inversion when the contract was awarded to me prior to enhancement of GST rate on works contract from 12% to 18% with effect from 18.07.2022. Hence, I am submitting that an enhancement of 6% is required on the value of the contract as stated in col. [5] of the Table above.
- ii. I had a cost of inversion of% prior to enhancement of GST rate on works contract from 12% to 18% with effect from 18.07.2022 but I did not consider such cost of inversion at the time quoting the price for the said contract. Hence, I am submitting that an enhancement of 6% is required on the value of the contract as stated in col. [5] of the Table above.
- iii. I had a cost of inversion of% prior to enhancement of GST rate on works contract from 12% to 18% with effect from 18.07.2022 out of which I had considered% being the cost of inversion at the time quoting the price for the said contract. Hence, I am submitting that an enhancement of $(6\% - \dots\%) = \dots\%$ is required on the value of the contract as stated in col. [5] of the Table above.

In this context, I also declare that the above statements are true and correct and in consonance with the Books of Accounts of the said Financial Year(s). The Department holds every right to take actions against me in case of any incorrect or false representation made in this regard.

Date:

Place:

Office Seal and stamp of the contractor (if any):

Signature of the Authorised Signatory with seal and stamp (if any):

Name of the Contractor:

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.
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. Pay & Accounts Officer, Kolkata Pay & Accounts Office-I, 81/2/2, Phears Lane, Kolkata – 700012.
11. Pay & Accounts Officer, Kolkata Pay & Accounts Office-II, P-1, Hyde Lane, Kolkata – 700073.
12. Pay & Accounts Officer, Kolkata Pay & Accounts Office-III, Suvanna, SGO Complex, Sector I, Bidhannagar, Kolkata – 700064.
13. District Magistrate / District Judge / Commissioner of Police / Superintendent of Police _____
14. Sub-Divisional Officer, _____
15. Treasury Officer, _____
16. Block Development Officer, _____.
17. Sri Sumit Mitra, Network Administrator, Finance (Budget) Department. He is requested to upload copy of this order in the website of Finance Department.



Deputy Secretary to the
Government of West Bengal