

No. REC /DDUGJY/SBD/16-17/686

Date: 30.06.2016

To,

All Project Implementing Agencies
RE-DDUGJY Projects

Subject: Clarifications on Statutory Tax Variations on introduction of GST.

Madam/Sir,

This has reference to WBSEDCL e-mail dated 21.06.2016 received from ED distribution seeking clarification on the query raised by M/s L&T ,regarding admissibility of statutory variation in Taxes in the event of introduction of proposed GST. As per SBD for Partial Turnkey Contracts, Clause 10.7of General Conditions of Contract (GCC) under heading Taxes & Duties is reproduced as hereunder:

"For the purpose of the Contract, it is agreed that the Contract Price specified in Article 2(Contract Price and Terms of Payment) of the Contract Agreement is based on the taxes, duties, levies and charges prevailing at the date seven (07) days prior to the last date of bid submission (hereinafter called "Tax" in this GCC Sub-clause 10.7). If any rates of Tax are increased or decreased, a new Tax is introduced, an existing Tax is abolished, or any change in interpretation or application of any Tax occurs in the course of the performance of the Contract, which was or will be assessed on the Contractor in connection with performance of the Contract, an equitable adjustment of the Contract price shall be made to fully take into account any such change by addition to the Contract price or deduction therefrom, as the case may be, in accordance with GCC Clause 31 (Changes in Laws and Regulations) hereof. However, these adjustments would be restricted to direct transactions between the Employer and the Contractor for which the taxes and duties are reimbursable by the Employer as per the Contract. These adjustments shall not be applicable on procurement of raw materials, intermediary components etc by the Contractor and also not applicable on the bought out items dispatched directly from sub-vendor's works to site".

Moreover the clause 31, of GCC of SBD under heading changes in Laws and Regulations is stated as hereunder:

Contd..

Zonal Offices	: Hyderabad, Kolkata, Mumbai , Panchkula & Lucknow
Project Offices	: Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Jaipur, Jammu, Patna, Ranchi , Shillong, Shimla, Thiruvananthapuram & Vadodara
Sub Offices	: Dehradun, Raipur
Training Centre	: Central Institute for Rural Electrification (CIRES), Hyderabad



