

**GOVERNMENT OF TELANGANA
OFFICE OF THE DIRECTOR OF WORKS ACCOUNTS**

Memo No.DWATS/HYD/Sn.I/Admn.I/2018-19/A1/265 Date:07.08-2018.

Sub:- Implementation of GST - Guidelines issued by Government – Reg.

Ref:- 1.G.O.Ms.No.67, Irrigation and CAD (Reforms) dept. Dated 04.07.2018.

2.Govt. Memo No 33/WP/A2/2017 Finance (WP) E3pt dated 02.08.2018.

3. Govt. Memo No 33/WP/A2/2017 Finance (WP) E3pt dated 08.08.2018.

<><>

Government have issued guidelines on the implementation mechanism of GST for various works contracts vide reference 1st cited.

In the light of the orders issued, the following instructions are issued to enable PAOs/APAOs to process work bills with regard to GST.

1. For the agreements concluded with estimates prepared with SOR 2017-18 (excluding embedded taxes in the rates), GST may be allowed as per provisions made in Part B of the estimates at the following rates, as per Para 5 (b) (i) and 5(f) of the G.O 1st cited.
 - a. GST @ 18% for the work done during the period 1.7.2017 to 21.08.2017 and @12% from 22.08.2017 onwards.
 - b. GST @ 5% for the works involving more than 75% earth work from 13.10.2017.
2. For ongoing works which are based on SOR prior to 2017-18 (in which taxes are included), the value of work done prior to 1.7.2017 and after 1.7.2017 have to be arrived at separately.
 - a. For the value of work done prior to 1.7.2017, the standard practice with regard to deduction of VAT will continue as per instructions issued vide Government Memo 2nd cited (including final bills).
 - b. For the value of work done after 1.7.2017, the net GST payable to the contractors is at 5%, 12%, or 18% as may be applicable on the amount of work bill after deducting embedded taxes (Para 5(d) of G O 1st cited). The taxes embedded in the estimates are to be worked out by the estimate sanctioning authorities and communicated to the Agreement authorities who will approve the difference to be adjusted. The Board of Chief Engineers are to quantify the embedded taxes in various components of works.

Till such exercise is completed, the PAOs/APAOs may follow the instructions issued vide ref 3rd cited, with regard to intermediate payments. Instructions may be awaited with regard to Final Bills (for ongoing works for which estimates are based on SORs prior to 1.7.2017).

3. PAOs /APAOs may note that GST is to be allowed in respect of the agencies who have furnished their GSTIN from the date of Registration. GST component @ 5% or other applicable percentages as per G.O. 1st cited, shall be allowed and updated for contractors who are registered under GST linked with their IT PANs. If GSTIN is not updated GST shall not be allowed, inspite of provisions in estimates.
4. GST component shall be added work bill wise only but not cumulatively.
5. If an agency updates GST at a later date, GST component shall be allowed and updated only after GSTIN updation.
6. PAOs /APAOs are instructed to maintain and furnish the details of GST paid to the agencies by the 5th of succeeding month in the following format. (Account type wise) .

Sl.No	Name of the Agency	GSTN	DDO	TOKEN NO	VOUCHER No. & DATE	CHEQUE NO & AMOUNT	GROSS AMOUNT OF BILL	GST ALLOWED (for the present bill only)
-------	--------------------	------	-----	----------	--------------------	--------------------	----------------------	---

Encl:- As above.

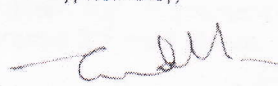
Sd/-

Director of Works Accounts,
Telangana State, Hyderabad.

To

All the JDWAs/PAOs/APAOs.

//T.C.F.B.O//


Joint Director of Works Accounts (FA)
O/o Director of Works Accounts,
Telangana State, Hyderabad.

O/o JDWA/Works/ Karimnagar.

Order no. JDWA/K/U-I/Co-ordn/2018-19/161, Dt. -8-2018

Copy Communicated to all the PAOs/APAOs for information and to take appropriate action. further they are instructed to maintain and furnish the details of GST Paid to the agencies by 5th of succeeding month in the above format. (Account type wise).

//t.c.f.b.o//

Sd/-
Joint Director of Works Accounts
Works & Project, KARIMNAGAR

V.R. Lakshmi
Superintendent