

GOVERNMENT OF TELANGANA  
FINANCE (WP) DEPARTMENT

Memo No.33/WP/A2/2017

Dated:07-07-2017

Sub:- Public Works- Works Contracts- Tax under VAT – Goods and Service Tax –  
Switching over to new regime of GST from 01-07-2017- Certain  
instructions – Reg.

Ref:- Lr No.DWA/TS/Hyd/Sn.I/A1/2017-18/152, dt.20.06.2017 of the  
DOWA, Hyd.

With reference to the letter cited, the Director of Works Accounts, Telangana State is informed that the newly launched GST regime have a system of Input Tax Credit that allow the suppliers / service providers / sellers to claim the tax already paid, due to which the final liability on the end consumer/user would decrease and cannot assessed at this stage. Also, the works contracts are covered under new GST law and no exemption has been provided in relation to works contracts.

In the above circumstances, the impact of GST on works contracts which are earlier with different indirect taxes and exemptions, cannot be gauged at this juncture.

Hence, the Director of Works Accounts, Telangana State is instructed to direct the PAOs to admit those work bills uploaded in BMS before 1.7.2017, by taking following measures till a standard mechanism is determined and appropriate instructions are issued.

1. In case of those agencies who have opted VAT composition scheme earlier, the PAOs may not consider adding and deducting VAT from the work bills.
2. In case of agencies who have opted for non-composition scheme under earlier VAT, recovery may be proposed @ 3.5% and to kept in PAO Deposits until further instructions.

In respect of bills uploaded in BMS on or after 1-7-2017, the provisions of GST shall be applied. However, it may be noted that TDS and TCS are to be deferred, pending bringing into force of Sections 51 and 52 of the GST Act, as per the decision of the empowered committee.

Further instructions would follow in due course.

K.RAMAKRISHNA RAO  
PRINCIPAL SECRETARY TO GOVT.

To  
The Director of Works Accounts,  
Telangana State,  
Hyderabad.

//FORWARDED BY ORDER//

R.Naga Jyothi  
SECTION OFFICER

Endt.No.DWA/Hyd/Sn.I/A1/2017-18/ 173

Dt: 07 -07-2017

Copy to all PAOs/APAOs for information and necessary action. They are requested regulate the expenditure as per the memo, For amounts kept in deposits, a separate register with details of agency, DDO and Voucher No with date should be maintained.

To  
All PAOs/APAOs.  
Copy to JDWA, Hyderabad & Karimnagar.

Sd/-  
DIRECTOR OF WORKS ACCOUNTS,  
TELANGANA STATE, HYDERABAD.

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

JOINT DIRECTOR OF WORKS ACCOUNTS  
O/o DIRECTOR OF WORKS ACCOUNTS,  
TELANGANA STATE, HYDERABAD.