

**GOVERNMENT OF TELANGANA
FINANCE (WP) DEPARTMENT**

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Circular Memo No.1823205-A/231/A1/WP/2022, dated: 29.12.2022

Sub: Works - Revision of Goods and Services Tax (GST) Rates – Reg.

- Ref:
1. G.O.Ms.No.67, I&CAD (Reforms) Department, Dt: 04.07.2018
 2. Government of India Notification No.15/2021, Central Tax (Rate), dated: 18.11.2021.
 3. Government of India Notification No.22/2021, Central Tax (Rate), dated: 31.12.2021.
 4. Government of India Notification No.3/2022, Central Tax (Rate), dated:13-7-2022.
 5. From the Engineer-in-Chief (General), Hyderabad, Letter No.ENC(G)/SE(P&M)/DCE/DEE8/AEE22/KPH/GST/F-67, dated:09.11.2022.

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Government in the reference 1st cited, have issued guidelines for implementation of Goods and Services Tax (GST) for ongoing and future works contracts with effect from 01.07.2017 for regulating work bills for all Engineering Departments.

2. The Government of India in the references 2nd to 4th cited have issued following notifications making certain amendments inter-alia revising the Goods and Services Tax (GST) rates on works contracts.

- i. Government of India vide Notification No.15/2021, dated: 18.11.2021 and notification No.22/2021 dated: 31.12.2021 have amended the master Notification No.11/2017 dated: 28.06.2017 to be effective from 01.01.2022 and the effect of the amendment is that the Government Authority and Government Entity are excluded from the list of specified recipients of the supply of services at concessional rates i.e 5%, 12% and nil rate.
- ii. Government of India vide Notification No.03/2022 dated:13.07.2022 have amended the master Notification No.11/2017 dated:28.06.2017 as per which with effect from 18.07.2022, GST is applicable @18% on all works contracts and @12% for the works contracts provided to Government and Local Authorities, having predominantly earth work.

3. In the reference 5th read above, the Engineer-in-Chief(General),Hyderabad has submitted the proposal for amending G.O.Ms.No.67, Irrigation & CAD (Reforms) Department, dated: 04.07.2018, in accordance with GoI Notification 03/2022 dated:13.07.2022 and GoI Notification No.15/2021 dated 18.11.2021 read with Notification No.22/2021 dated:31.12.2021.

4. Government after careful examination of the matter, direct that GST shall be implemented in accordance with Department of Revenue, Ministry of Finance, Govt. of India Notification No.03/2022-Central Tax (Rate), Dated: 13.07.2022 and Notification No.15/2021 dated 18.11.2021 read with Notification No.22/2021 dated: 31.12.2021 as tabulated below.

S.No.	Description of Service	Existing GST Rate (CGST+SGST)	Revised GST Rate (CGST+SGST)	With effect from
1	2	3	4	5
1	Construction services to Government Entity or Government Authority as per the Notification No.15/2021, dated: 18.11.2021 read with Notification No.22/2021, dated: 31.12.2021.	12%	18%	01.01.2022
2	Construction services to Government Entity or Government Authority involving predominantly earth work (more than 75 % value of work) as per the Notification No.15/2021, dt.18.11.2021 read with Notification No.22/2021, dated: 31.12.2021.	5%	18%	01.01.2022
3	Construction services to Central Government or State Government or Union Territory or Local authority as per the Notification No.03/2022 dated: 13.07.2022.	12%	18%	18.07.2022

4	Construction services to Central Government or State Government or Union Territory or Local Authority involving predominantly earth work (more than 75% of value of work) per the Notification No.03/2022 dated: 13.07.2022.	5%	12%	18.07.2022
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5. a) For Works Estimates sanctioned on or after cut off dated mentioned in column(5) of the above table, the provision for GST payable shall be made in PART-B of Estimate at the rate of 18% or 12% as the case may be.
- b) For ongoing works, GST shall be paid as per the provisions of the GST Act at the above rates duly providing for the same in variation/ revised estimates.
- c) The concerned agencies of works contracts are responsible to discharge their liability as per GST Act and provisions and to file their returns accordingly.

6. The Irrigation & CAD, Panchayat Raj & Rural Development, Transport, Roads & Buildings and Municipal Administration & Urban Development Departments are requested to take necessary further action in the matter, accordingly.

7. The Director of Works and Accounts, Telangana, Hyderabad shall issue necessary instructions to all the concerned for adhering the above instructions.

K.RAMAKRISHNA RAO,
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Irrigation & CAD Department, Telangana Secretariat, Hyderabad.
The Panchayat Raj & Rural Development Department,
Telangana Secretariat, Hyderabad.
The Transport, Roads & Buildings Department,
Telangana Secretariat, Hyderabad.
The Municipal Administration & Urban Development Department,
Telangana Secretariat, Hyderabad.
The Director of Works and Accounts, Telangana, Hyderabad.