

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

**Memo.No.896215-A/185/A1/TFR/2020-1**

**Dated:07-01-2021**

**Sub:** COVID-19 Pandemic – Certain reliefs considered in works contracts in line with the reliefs considered by Government of India – Further instructions – Issued.

**Ref:** 1. Govt.Memo.No.896215-A/185/A1/TFR/2020 of Fin. Dept,  
dt.29-12-2020.  
2. The DOWA, TS Lr.No.DoWA, TS/A1/2020-21, dt.05-01-2021.

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In the reference 1<sup>st</sup> cited, certain reliefs were considered in respect of the works contracts in line with that considered by Government of India.

As per Para 6 of the reference 1<sup>st</sup> cited, in respect of all ongoing works, the FSD amounts shall be withheld from work bills @ 0.5% on the value of work done and the FSD in excess of 0.5% will be released whether in the shape of cash or retention money BGs.

The DoWA, TS vide reference 2<sup>nd</sup> cited has brought to notice that due to extending above relief in Running account bills, wherever liability towards GST is allowed at iterim 5% without actually deducting embedded taxes and where price de-escalations/ negative price variations are not considered up to pre final bills, there will be a possibility of insufficiency of final bill amount for keeping 0.5% FSD in Deposits (which has to be till the end of DLP) and also to cover the negative price variations if any at the time of final bills and may result in minus bills.

Hence, all HODs of works executing departments are informed that the instructions issued vide reference 1<sup>st</sup> cited do not absolve of the responsibilities of the concerned officers/ DDOs to take into account of all the negative variations in the work bills while considering these reliefs.

Where such situations demand necessary sanctions/ approvals from competent authorities, the reliefs in the RA bills may be considered wherever the value of work done is not more than 90% agreement value and the relief shall not be extended for further bills unless working out and deducting the negative variations including embedded taxes and the negative price variation amounts etc., in the bills.

The HODs of works executing departments are requested to issue necessary instructions to all concerned officers/ DDOs to strictly follow these instructions while processing the RA bills for retaining 0.5% FSD.

The DoWA is directed to instruct the APAOs/PAOs to keep in view of the above while admitting the bills.

**K. RAMAKRISHNA RAO  
PRINCIPAL SECRETARY TO GOVERNMENT**

