

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

Memo.No.139-A/WP/A1/2020

Date: 24.07.2020

Sub: Public Works – GST – Clarification on the value of supply in works contracts for addition of GST and memo of payment for work bills in GST regime – Issued – Reg.

- Ref:**
- 1) Govt. of TS, Fin. (WP) Dept., Memo.No.139-A/03/WP/A1/2020, dated 29.01.2020.
 - 2) Lr.No.DWA/TS/Hyd/Sn.I/A-1/2020-21/535 of DOWA, TS, Hyd., dated 04.03.2020 addressed to CCT, TS, Hyd.
 - 3) CCT's Ref. No.A(1)/64/2018, dt.21.03.2020 of Commissioner of Commercial Taxes, Hyd.
 - 4) Lr.No.DWA/TS/Hyd/Sn-I/A-1/2020-21/5 of DOWA, TS, Hyd., dated:13.05.2020.

The Director of Works Account vide letter 4th cited, submitted that he has addressed the Commissioner of Commercial Taxes, Hyderabad for clarification regarding the value of supply in works contracts for the purpose of calculating and adding the applicable percentage of GST and deduction at source. The Commissioner of Commercial Taxes has clarified vide reference 2nd cited that;

"as per Section 15(2)(a) of TGST Act, 2017, value of supply shall include any taxes, duties, cesses, fees and charges levied under any Law for the time being in force other than GST. Hence, the value of supply in works contracts service shall include all the items including tender premium quoted by the agency, price variation during the period of bill, Cesses and Charges like Seigniorage charge and Labour Cess etc., except GST taxes (CGST/SGST/TGST/Cess). Also, GST TDS is applicable on the total value of supply i.e., Amount arrived before deduction of any amount."

The Director of Works Accounts has accordingly proposed a model memo of payment for uniform implementation in all Works/Engineering Departments.

In the circumstances submitted by the Director of Works Accounts and keeping in view the clarification obtained from the Commissioner of Commercial Taxes, the Director of Works Accounts is directed to take necessary action for adoption of the model memo as proposed by him, in all works and Engineering Departments duly communicating the same to the HODs of the Engineering Departments.

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



Model Memo of Payment

		Bill-1	Bill-2	Bill-3	Bill-4
	Value of work done (inclusive of Tender premium, Price variation and excluding Embedded taxes, if applicable)	10000	20000	30000	50000
	ADD				
	S.Charges	1000	2000	3000	4000
	DMF	100	200	300	400
	SMET	20	40	60	80
	Cess	100	200	300	500
	NAC	10	20	30	50
	Total	11230	22460	33690	55030
	GST 12%	1348	2695	4043	6604
1	Total	12578	25155	37733	61634
2	WITH HELD				
	FSD 7.5%	842	1685	2527	0
	With held for QC	0	0	100	0
3	Balance upto date	11736	23470	35106	61634
	DEDUCT				
4	Previous payment	0	11736	23470	35106
5	Payment to be made	11736	11734	11636	26528
a	Amounts creditable to same work				
	(i) QCR	0	-23	0	0
		11736	11711	11636	26528
b	Amounts creditable to other Heads of Account				
	(i) S.C	1000	1000	1000	1000
	(ii) Cess	100	100	100	200
	(iii) NAC	10	10	10	20
	(iv) DMF	100	100	100	100
	(v) SMET	20	20	20	20
	(vi) IT	225	224	225	427
	(vii) V&E	0	120	0	0
	(viii) GST TDS 2%	225	225	225	427
	(ix) FSD 2.5%	0	0	0	1376
	Total recoveries	1680	1799	1680	2194
c	Net by cheque	10056	9912	9956	24334

