

**GOVERNMENT OF TELANGANA  
WORKS ACCOUNTS DEPARTMENT**

From  
V. Phanibhushan Sharma,  
Director of Works Accounts(I/c),  
Telangana State,  
1<sup>st</sup> Floor, ENC(PH) Buildings,  
Kashana, A.C Guards,  
Hyderabad – 500004.

To  
The Engineers-in-Chief/Chief Engineers  
of All Departments.

Lr.No.DWA/TS/Hyd/Sn.I/A-1/2020-21/ 94,

Date: 30. - 07 - 2020.

Sir,

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 – Communication of Govt. Orders – Regarding.

Ref:- Govt. Memo.No.139-A/03/WP/A1/2020, dt:24-07-2020 of Finance (WP) Department.

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I am directed to communicate the Government Memo cited with regard to clarification on the value of supply in works contracts for the purpose of calculating and adding the applicable percentage of GST and deduction at source.

1. As per Section 15(2) (a) of TGST Act, 2017, in respect of works contracts, the value of supply shall include Part-B provisions of estimate that are added to the value of work as per agreement for considering /adding eligible GST.
2. The GST TDS is applicable on the total value of supply i.e., before deduction of any amount (even before Withholding amount in bills).

A memo of payment in respect of work bills executed in GST regime for the purpose of calculation of GST and GST TDS is herewith enclosed for guidance. This is for illustrative purpose only and admissibility of items/provisions mentioned therein is subject to eligibility or otherwise as per respective agreement conditions and estimate provisions.

I request to issue necessary instructions to all the Departmental Officers in this regard for uniform implementation of GST in work bills.

Encl: Copy of Ref.

Yours faithfully,

Sd/-

**Director of Works Accounts,  
Telangana State, Hyderabad.**

Copy to the JDWAs, PAOs and APAOs for information and necessary action.

  
For Director of Works Accounts,  
Telangana State, Hyderabad.

30/7/2020

GOVERNMENT OF TELANGANA  
FINANCE (WP) DEPARTMENT

Memo No:139-A/03/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.

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The Director of Works Account vide letter 4<sup>th</sup> 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 2<sup>nd</sup> 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 signiorage charge and labour cess etc., except GST taxes (CGST/SGST/IGST/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

To  
The Director of Works Accounts,  
Telangana State, Hyderabad.  
SF/SC.

//FORWARDED :: BY ORDER//

  
SECTION OFFICER [worksaccounts.com](http://worksaccounts.com)



### Model Memo of Payment

		Bill-1	Bill-2	Bill-3	Bill-4
	<b>Value of work done (Inclusive of Tender premium, Price variation and excluding Embedded taxes, if applicable)</b>				
		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
	<b>Total</b>	<b>11230</b>	<b>22460</b>	<b>33690</b>	<b>55030</b>
	<b>GST 12%</b>	<b>1348</b>	<b>2695</b>	<b>4043</b>	<b>6604</b>
<b>1</b>	<b>Total</b>	<b>12578</b>	<b>25155</b>	<b>37733</b>	<b>61634</b>
<b>2</b>	<b>WITH HELD</b>				
	FSD 7.5%	842	1685	2527	0
	With held for QC	0	0	100	0
<b>3</b>	<b>Balance upto date</b>	<b>11736</b>	<b>23470</b>	<b>35106</b>	<b>61634</b>
	DEDUCT				
<b>4</b>	<b>Previous payment</b>	<b>0</b>	<b>11736</b>	<b>23470</b>	<b>35106</b>
<b>5</b>	<b>Payment to be made</b>	<b>11736</b>	<b>11734</b>	<b>11636</b>	<b>26528</b>
<b>a</b>	Amounts creditable to same Work				
	(i)QCR	0	-23	0	0
		<b>11736</b>	<b>11711</b>	<b>11636</b>	<b>26528</b>
<b>b</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
<b>c</b>	<b>Net by cheque</b>	<b>10056</b>	<b>9912</b>	<b>9956</b>	<b>24334</b>