



भारत सरकार केंद्रीय लोक निर्माण विमाग महानिदे ॥लय तकनीकी अनुप्रयोग एवं मानक एकाई

कमरा सं0 418, ए-विंग, निर्माण भवन, नई दिल्ली।

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OFFICE MEMORANDUM

No. SE/TAS/GST/21

(Issued by Authority of Director General, CPWD)





Date: 30 /09/2022

Sub: Adjustment on account of change in the rate of GST effective from the date prescribed by the GST authority in agreements drawn on or before the date prescribed by the GST authority.

- According to the provisions under Clause 38 of GCC-2014 amended vide No. DG/CON/298 dated 29.09.2017 and DG/CON/299 dated 27.11.2017 or Clause 34 of GCC-2019 / GCC-2020/GCC-2022 for CPWD Works, the GST on output of works contract shall be adjusted (increase / decrease) for the effect of variation in rate of GST.
- 2. The change in the rate of GST is also adjustable on the amount of escalation paid under various clauses of the contract.
- 3. References have been received from field units for issue of model calculations for working out additional payment on account of change in GST rate on output of works contract. Accordingly, following model calculations are issued for reimbursement on account of change in the rate of GST on works contract effective from the date prescribed by GST authority in respect of agreements drawn on or before the date prescribed by the GST authority, wherever applicable as per contract.

S.	Type of	GST Calculations	
No.	contracts (For change in rate of GST w.e.f. the date prescribed by		
		authorities)	
		Payments based on Agreement rates	Payments based on Market Rates
		for Agreement drawn before	for Agreement drawn before
		prescribed date	prescribed date
(i)	Maintenance	The amount payable to contractor as	Not applicable
	contracts	per agreement items inclusive of GST	
		@ r ₁ % for contract drawn on or before	
		the prescribed date = W	
		Hence, amount (excluding GST	
1		component) = $W/(1+r_1/100)$	
/::\	Construction	Now, adjustable amount on account of	Market rate shall be worked out as
(ii)	works	change in rate of GST from rate $r_1\%$ to	per the GST rate prevalent as on
	contract	$r_2\% = (r_2 - r_1)\%$ of $(W/(1+r_1/100))$	the date of award of work and shall
(iii)	Works	1 1270 (12 11) 70 31 (11) (1 11) 133)	be adjusted as hereunder –
(111)	contract	Illustration:	The amount payable to contractor
	under EPC	Prescribed Date = 17.07.22	for market rate items inclusive of
1 -	mode	Prevailing GST rate as on prescribed	GST @ r ₁ % for contract drawn on
		date, $r_1\% = 12\%$	or before the prescribed date = W
		Revised GST rate after prescribed	
		date, $r_2\% = 18\%$	Hence, amount (excluding GST
	*	Amount paid to contractor after	component) = $W/(1+r_1/100)$
		prescribed date (on agreement rates)	N. P. Calla and a second as
		= Rs 100.00	Now, adjustable amount on account

amount (excluding **GST** of change in rate of GST from rate component) = 100/1.12 = Rs 89.29 $r_1\%$ to $r_2\% = (r_2 - r_1)\%$ of GST component = Rs 10.71 $(W/(1+r_1/100))$ Now, adjustable amount on account of changed in rate of GST from 12% to Illustration: 18% = 6% of 89.29 = Rs 5.36Prescribed Date = 17.07.22 Prevailing GST rate as prescribed date, r₁% = 12% Revised GST rate after prescribed date, $r_2\% = 18\%$ Amount paid to contractor after prescribed date (on market rates with r_1 % GST) = Rs 100.00 Hence, amount (excluding GST component) = 100/1.12 = Rs 89.29GST component = Rs 10.71 Now, adjustable amount on account of changed rate of GST from 12% to 18% = 6% of 89.29 = Rs 5.36

4. Notes:

(i) This is without prejudice to any other provisions of the contract.

(ii) TDS shall not be deducted from this adjustable amount. OM No. SE/TAS/GST/19 dated 30.05.2022 shall be followed for deduction on TDS under GST on works contract for tenders received on or before the date prescribed by the GST authority (copy enclosed).

(iii) The Executive Engineer shall assess the impact of increase in GST on overall cost and

submit RPE timely, wherever required.

This is issued with the approval of DG, CPWD.

Charge in this regard shall be final and binding upon me/us".

Encl. As above.

(Issued vide E-file No. 9139642)

(एस एन जायसवाल)

कार्यपालक अभियंता(टास)

सी.एस.क्यू, के.लो.नि.वि. नईदिल्ली

(के.लो.नि.वि. वेवसाइट के द्वारा)

सभी विशेश महानिदेशक / अपर महानिदेशक / मुख्य परियोजना प्रबन्धक / मुख्य अभियन्ता / उप महानिदेशक (उधान) / परियोजना प्रबन्धक / अधीक्षण अभियन्ता / कार्यपालक अभियन्ता के० लो० नि० वि० तथा लो० नि० वि० वि० विल्ली के सभी अधिकारियों को सूचना एवं आवश्यक कार्यवाही हेतु।





केंद्रीय लोक निर्माण विमाग महानिदे ।।लय तकनीकी अनुप्रयोग एवं मानक एकाई कमरा सं0 418, ए-दिंग, निर्माण मवन, नई दिल्ली।



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OFFICE MEMORANDUM

No. SE/TAS/GST/19

F. No. 158/SE(TAS)/GST/2022/207-180

Date: 30/05/2022

Sub: Deduction of TDS under GST on works contract - regarding.

- 'Standard Operating Procedure (SOP) on 'TDS' issued by CBIC (updated as on 18th February,2019) available on the CBIC Portal at the link https://www.cbic.gov.in/htdocscbec/gst/gst manual--SOP-TDS-AS-ON-18th Feb2019.pdf clarifies that " for the purpose of deduction of TDS, the value of supply shall exclude the taxes leviable under GST (i.e. 'Central tax', 'State tax', 'UT tax', 'Integrated tax' & Cess). Thus, no tax shall be deducted on 'Central tax', 'State tax', 'UT tax', 'Integrated tax' and cess component levied on supply.
- Therefore, if any value of contract includes tax component, the TDS has to be deducted on the value of work done excluding the GST.
- 3. Further, as per Para 2.4 of above said SOP on TDS issued by CBIC, composite supplies to Government/local authorities also covers works contract services such as road, bridge, building, development/renovation/repairing/maintenance services involving supplies of both goods and services.
- Since, the gross amount paid to contractors under works contract of CPWD includes the amount of GST. Therefore, 2% TDS under GST is to be deducted on taxable value i.e. Gross amount of work done (including GST) divided by 1.12.

Illustration:

Suppose, the Total value of gross work done (including GST) = A/1.12 = 'B'Hence, taxable value of work done (excluding GST) TDS for GST may be deducted on 'B' above

DDOs should submit the details of taxable value of work done (excluding GST) and GST component separately while submitting TDS details to GST authority.

कार्यपालक अभियता (टास

(के0लो0नि0वि0 बेवसाईट के माध्यम से)

कें0 लों0 नि0 वि0 तथा लों0 नि0 वि0 दिल्ली के सभी अधिकारियों को आवश्यक सूचना एवं कार्यवाही हेतु।