

Himachal Pradesh
Public Works Department

No. PW/CTR/GST/
To

14827-926

Dated:- 25/8/22

All the Chief Engineers,
in HPPWD.

All the Superintending Engineers,
in HPPWD.

Subject :- Increase in GST rate of work contracts for central Government, State Government, Union Territory and a Local Authority —Clarification regarding multiplying factor for working out the amount of Preliminary estimate and Detailed estimate w.e.f. 18.7.2022.

The department has adopted CPWD works Manual and other publications of CPWD w.e.f. 01.10.2020 as per approval conveyed in this regard by the Govt. vide letter No. PBW (B)A(3)1/2020 dated 22.7.2020. The aforesaid approval also provides that as and when any relevant document is modified by the CPWD, the same shall also be adopted simultaneously in HPPWD.

The Govt. of India, Ministry of Finance (Department of Revenue) vide notification No. 03/2022-Central Tax (Rate) dated 13th July, 2022 has made amendments to notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 regarding revised rate of GST for Central, State Govt., Union Territory and a Local Authority with effect from 18.7.2022. Accordingly, the revised rate of GST @ 18% is applicable on works contract. The HPSR-2020 was formulated with provision of GST rate of 12% applicable for works and multiplying factor of 0.1405 was taken in the analysis of rates for various items similar to DSR on CPWD pattern.

In this context, the copy of the CPWD Office Memorandum No. 158/SE(TAS)/GST/2022/331-dated 10.8.2022 is enclosed vide which a multiplying factor of 1.0633 has been fixed along with multiplying factor calculation table for working out the amount of Preliminary estimate and Detailed estimate with effect from 18.7.2022.

You are, therefore, requested to adhere to the instructions contained in the aforesaid CPWD publication regarding Multiplying factor; estimated cost put to tender in the NITs in future. The instructions may also be issued to all the field offices under the control of your respective jurisdiction. The revised Preliminary estimates may be sent to the Client department in case A/A & E/S is not yet received.

Encl. As above

Engineer-in-Chief,
HPPWD Shimla-2

Copy to :-

- (i) The Principal Secretary (PW) to the Govt. of HP for information.
- (ii) All the Executive Engineers in HPPWD through e-mail for information and compliance.
- (iii) The Executive Engineer (IT) in this office with the direction to upload the same on the department website.

F.A.
Chakraborty
22/07/27/2
upload on official
website.
JE(IT)

Engineer-in-Chief,
HPPWD Shimla-2



भारत सरकार

केंद्रीय लोक निर्माण विभाग

तकनीकी अनुप्रयोग एवं मानक एकाई

कमरा सं० 418 ए-विंग, निर्माण भवन, नई दिल्ली।

टेलीफोन-011-23062339 ईमेल-delsetascsq.cpwd@nic.in



संख्या: 158 /SE(TAS)/GST/ 2022/ 331-11

दिनांक: 10 /08/2022

कार्यालय ज्ञापन

(No. SE/TAS/GST/20)

Sub: Increase in GST rate of Works Contracts for Central Government, State Government, Union Territory and a Local Authority.

1. The Government of India, Ministry of Finance (Department of Revenue) vide Notification No. 03/2022- Central Tax (Rate) dated 13 July, 2022 has made amendments to notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 by omitting entries against serial number 3, in column (3) (a) items (iii), (iv), (v), (va), (vi) and (ix) and the corresponding entries relating thereto in column (4) and (5) in the original notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, thereby the existing concessional rate of GST@12% for Central Government, State Government, Union Territory and a Local Authority has been withdrawn and now the applicable rate of GST is 9 (CGST) + 9 (SGST) =18% on construction services covered under S. No.3 (i f) at page No. 6 and under S. No.3 (xii) at page No. 15 of Notification No.11/2017-Central Tax (Rate) dt 28 June, 2017 for Central Govt., State Govt., Union Territory and a Local Authority with effect from 18th July, 2022

2. The Delhi Schedule of rates 2021 was formulated with the concessional GST rate of 12% applicable for works provided to Central Government, State Government, Union Territory, a local authority, Governmental Authority or a Governmental Entity.

3. Now the revised rate of GST @ 18% is applicable on works contract for Central Government, State Government, Union Territory, a local authority, Governmental Authority or a Governmental Entity. Hence, a multiplying factor of 1.0633 on the estimated amount worked out based on PAR 2021/DSR 2021 shall be applicable for working out the amount of Preliminary Estimate and Detailed Estimate with effect from 18th July 2022. The calculation table is as under.

Multiplying factor Calculation Table			
A. Calculation detail when applicable rate of GST was 12% in DSR 2021			
1.	Bare rate (without GST) of material, Labour, Sundries, POL and T&P etc.	A	
2.	Add 1% water charges on "A"	0.01A	
3.	Sum after adding water charges @ 1% on "A"	1.01A	
4.	12% GST on works contract by reverse calculation method (multiplying factor 0.1405)	0.1419A	May refer OM No. SE/TAS/GST/07 dt 08.11.2017
5.	Sum after adding GST	1.1519A	
6.	15% CP & OH on "1.1519A"	0.1728A	
7.	Sum after adding 15% CP & OH	1.3247A	
8.	Labour cess @ 1% on "1.3247A"	0.0132A	
9.	Gross Total after adding 1% labour cess, Total (W1) =	1.3379A	



CENTRAL PUBLIC WORKS DEPARTMENT

OFFICE MEMORANDUM

SE/TAS/GST/ 07

ISSUED BY AUTHORITY OF DIRECTOR GENERAL, CPWD

NIRMAN BHAWAN, NEW DELHI

DATED :

08.11.2017

Sub:- Clarification of GST -Regarding

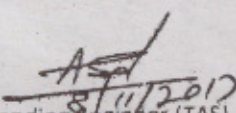
Considering the various representations made by the Builder Associations of different regions with a view to mitigate the problems faced by contractors, it has been decided to adopt the following guidelines due to imposition of Goods and Services Tax (GST) with effect from 01.07.2017. This is in supersession to this office O.M. No SE/TAS/GST/05 Dated 27/09/2017:-

S.No.	Work Position	Action to be taken																											
1.	Method of calculation of market rates (wherever applicable) for extra items/substitute items /deviation items beyond the permissible limit, Justifications etc executed after the commencement of GST with effect from 01/07/2017	<p>The agency will submit the details of statement along with Analysis of rates as per model calculation sheet along with necessary authenticated documentary proofs to Engineer in Charge.</p> <p>Model Calculation Sheet</p> <table> <tr> <td>1.</td><td>Bare rate (without GST) of Material, Labour, Sundries POL and T&P etc.</td><td>"W"</td></tr> <tr> <td>2.</td><td>Add 1% water charges on "W"</td><td>"A"</td></tr> <tr> <td>3.</td><td>Sum after adding Water Charges @1% on "W"</td><td>"WC" = (W+A)</td></tr> <tr> <td>4.</td><td>Add 12% GST applicable on work contract, by reversible method (multiplying factor 0.1405)</td><td>"B" = (0.1405*WC)</td></tr> <tr> <td>5.</td><td>Sum after adding GST</td><td>"X" = (WC+B)</td></tr> <tr> <td>6.</td><td>Add 15% CP & OH on "X"</td><td>"C"</td></tr> <tr> <td></td><td>Sum after adding 15% CP&OH</td><td>"Y" = (X+C)</td></tr> <tr> <td>7.</td><td>Add labour cess @1% on "Y"</td><td>"D"</td></tr> <tr> <td>8.</td><td>Gross total after adding 1% labour cess</td><td>"Z" = (Y+D)</td></tr> </table>	1.	Bare rate (without GST) of Material, Labour, Sundries POL and T&P etc.	"W"	2.	Add 1% water charges on "W"	"A"	3.	Sum after adding Water Charges @1% on "W"	"WC" = (W+A)	4.	Add 12% GST applicable on work contract, by reversible method (multiplying factor 0.1405)	"B" = (0.1405*WC)	5.	Sum after adding GST	"X" = (WC+B)	6.	Add 15% CP & OH on "X"	"C"		Sum after adding 15% CP&OH	"Y" = (X+C)	7.	Add labour cess @1% on "Y"	"D"	8.	Gross total after adding 1% labour cess	"Z" = (Y+D)
1.	Bare rate (without GST) of Material, Labour, Sundries POL and T&P etc.	"W"																											
2.	Add 1% water charges on "W"	"A"																											
3.	Sum after adding Water Charges @1% on "W"	"WC" = (W+A)																											
4.	Add 12% GST applicable on work contract, by reversible method (multiplying factor 0.1405)	"B" = (0.1405*WC)																											
5.	Sum after adding GST	"X" = (WC+B)																											
6.	Add 15% CP & OH on "X"	"C"																											
	Sum after adding 15% CP&OH	"Y" = (X+C)																											
7.	Add labour cess @1% on "Y"	"D"																											
8.	Gross total after adding 1% labour cess	"Z" = (Y+D)																											

Note:- (1) Multiplying factor 0.1405 considered for reversible calculation of GST so that 12% GST on gross amount excluding 1% labour cess is worked out.

(2) This model calculation is applicable only for GST @12% on Work contracts.

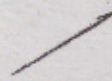
This issues with the approval of DG, CPWD.


 Superintending Engineer (TAS)
 CSQ, CPWD, Nirman Bhawan,
 New Delhi
 dated 8/11/2017

No158/GST/SE(TAS)/CPWD/2017/ 258-TH

Copy to:-

1. All the SDGs, all the ADGs, All the CEs CPWD/ E-In-C (PWD) GNCTD through CPWD web site for information please.


 Superintending Engineer (TAS)

(B) Calculation detail when 18 % GST is applicable w.e.f. 18 th July 2022			
1.	Bare rate (without GST) of material, Labour, Sundries, POL and T&P etc.	A	
2.	Add 1% water charges on "W"	0.01A	
3.	Sum after adding water charges @ 1% on "W"	1.01A	
4.	18% GST on works contract by reverse calculation method (multiplying factor 0.2127)	0.2148A	May refer OM No. SE/TAS/GST/16 dt 28.05.2018
5.	Sum after adding GST	1.2248A	
6.	15% CP & OH on "1.2248A"	0.1837A	
7.	Sum after adding 15% CP & OH	1.4085A	
8.	Labour cess @ 1% on "1.4085A"	0.0141A	
9.	Gross Total after adding 1% labour cess, Total (W2) =	1.4226A	
Hence, Multipling Factor = 1.4226A / 1.3379A = 1.0633			

Illustration :

If the estimated cost of P/E or D/E worked out based on PAR 2021 or DSR-2021 = W

Hence, amount of P/E and D/E with applicable rate of GST @ 18%

in place of 12% = $W \times 1.0633 = 1.0633 W$

Add applicable cost index (BCI) of the station, say 10% = 0.10633 W

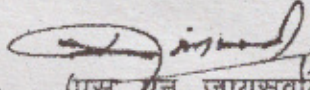
Grand Total = 1.16963W

The estimated cost put to tender in the NIT shall be worked out in the above manner combining with the cost of non-schedule items if any, worked out on market rate per OM No. SE/TAS/GST/16 dt 28.05.2018. (Copy enclosed)

The revised P/E may be sent to client department in case A/A& E/S is not received. The revised P/E may also be sent to client department for additional liability on account of GST for remaining work beyond 17th July 2022 where works are in progress.

This issue with the approval of competent authority.

Encl. As above


 (एस. एन. जायसवाल) 10/08/22
 कार्यपालक अभियन्ता (टास)
 सी.एस.क्यू. के.लो.नि.वि., नई दिल्ली

Issued from E-file No. 9137648)

के.लो.नि.वि. वेबसाइट के द्वारा)

सभी विशेष महानिदेशक/अपर महानिदेशक /मुख्य परियोजना प्रबन्धक/मुख्य अभियन्ता/परियोजना प्रबन्धक/ अधीक्षण अभियन्ता/कार्यपालक अभियन्ता को 10 10 10 वि० तथा 10 10 10 दिल्ली के सभी अधिकारियों को सूचना एवं आवश्यक कार्यवाही हेतु।