

GOVERNMENT OF TELANGANA  
FINANCE (ADMN.II) DEPARTMENT

Order No. 10346-111/WA/Admn.II/2017

Dated:13.10.2017

To: Establishment – Works Accounts Department – Applicability of GST on  
Hiring Charges – Clarification – Regarding.

Ref: 1. Cr.Memo.No.826/29/A2/DCM/2017, Finance (DCM) Department,  
dt.16.06.2017.

2. Lr.No.DWA/Hyd/Sn,I/Admn/EC.1/2017-18/No.133, dated:19.08.2017.

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The attention of Director of Works Accounts (FAC), Telangana, Hyderabad is  
drawn to the reference 2<sup>nd</sup> cited. He is informed that:

1. As per the instruction issued in the reference 1<sup>st</sup> cited under para 6 point (iii),  
it was clearly instructed that "the owner of the vehicle hired for Government  
work should produce all the valid documents like permit, fitness certificate,  
insurance, tax etc., for applying for hire".
2. As per the norms of the G.S.T., a turnover ceiling is fixed for levy of tax and if  
the agency crosses the turnover limit, they have to pay tax.
3. The responsibility of payment of GST including dues if any shall be borne by  
the agency after October, 2017 or as per the instructions thereon.
4. The agency giving vehicles to Government on hire have to pay all taxes as per  
the circular Memo issued in the reference 1<sup>st</sup> cited and the ceiling for hire  
charges are inclusive of all taxes.

The Director of Works Accounts (FAC), may take necessary action accordingly.

**K. DHARMAIAH**  
DEPUTY SECRETARY TO GOVERNMENT

The Director of Works Accounts (FAC),  
Telangana, Hyderabad.

Copy to:  
SFC

//FORWARDED BY ORDER//

*C.V. Lakshmi*  
SECTION OFFICER

OFFICE OF THE DIRECTOR OF WORKS ACCOUNTS

Memo No.DWA/TS/Hyd/Sn.II/A-1/2018-19/ 421

Date:09-11-2018.

Sub:- GST – Payment of Vehicle Hire Charges Bills – Instructions – Issued.

Ref:- Circular Memo No.826/29/A2/DCM/2017 dated.16-06-2017 of Finance (DCM) Department.

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It may be noted that as per GST Law, payments made under all Agreements costing above 2.5 Lakhs are taxable and thus they attract TDS. The Agreements for supply of Cars on Hire Charges falls in the same category.

Hence, the following instructions are issued to PAOs for guidance for processing claims towards car Hire Charges.

- (1) The Hire Charges of Rs.33000/- or Rs.34000/- Per Month, as the case may be, include all Taxes as per Government Memo No.10346/111/WA/Admn.II/ 2017 dated.13-10-2017.
- (2) If the claimant of bill does not have GSTIN then 5% applicable Tax amount shall be disallowed from the bill and no GST TDS shall be apply in such case.
- (3) If the claimant has GSTIN then the total amount of Rs.33000/- or Rs.34000/- Per Month as the case may be shall be allowed with 2% CGST &SGST or IGST as the case may be duly allowing 5% GST within the above amount.

Sd/-  
Director of Works Accounts,  
Telangana State, Hyderabad.

To  
The PAOs/APAOs.  
Copy to the JDWAs Hyderabad and Karimangar.

//T.C.F.B.O//