

Intl Memo no. 912/103 - Construction

Date: 16.07.2018

Subject: Provision of GST in advice for payment.

Advice for payment is being generated weekly by sites from the attendance database. On account payments are generally made without adding GST. However, department payment and job work payment from GST registered contractors should also include GST amount. Hereafter, in the advice for payment enter GST amount under 'Other Deductions Description', that are related to job work and department payment. Note that if GST payable is Rs. 450/- (18% on payment of Rs. 2,500/-) then enter the figure as (-) 450/- in the advice for payment.

Note that GST is payable only for registered contractors producing pacca GST bill.

Same procedure to be followed for payment of GST in advice of payment for hire charges.

Soham Modi.