

GIB/KA/SKILLTECH/21.03.18/AAR-08

Advance Ruling Category : Work Contract

State : Karnataka

Order No.: GIB/KA/SKILLTECH/21.03.18/AAR-08

Name of Entry :

SKILLTECH ENGINEERS & CONTRACTORS PRIVATE LIMITED

Date : 21-03-2018

Product/ Service Involve :

Civil works contract ie construction of power lines, erection of transmission towers and transformers.

Breif Issue :

1. Whether the contract, executed by them for KPTCL, is a divisible contract [Supply of goods & Supply of Services] or a indivisible contract (works contract)?
2. Whether the tax rate of 12% [CGST-6% + SGST-6%] is applicable to the above contract, in pursuance of Notification No.24/2017 central Tax (Rate) dated 21.09,2017?.

Decision of Advance Ruling Authority :

1. The contract entered by the applicant is of the nature of Indivisible and squarely falls under the works contract, which is a service.
2. A statutory body, corporation or an authority created by the Parliament or a State Legislature is neither Government nor a 'local authority' so the Applicant is not entitled for the benefit of concessional rate of GST @ 12% in terms of Notification No.24/2017 -Central Tax (Rate) dated 21.09.2017