

**GIB/UK/NHPC/22.10.2018/AAR-254**

**Advance Ruling Category :** Time of Supply

**State :** Uttarakhand

**Order No.:** GIB/UK/NHPC/22.10.2018/AAR-254

**Name of Entry :**  
NHPC Ltd.

**Date :** 22-10-2018

**Breif Issue :**

**Facts & Issue Of The Case :**

NHPC Ltd. Is a covered under definition of “Government Entity” in as much as the promoter of NHPC Ltd is the president of India and it is under the control of the ministry of power (Govt. of India). They are seeking advance ruling for the following reasons :

- A. Whether they are required to pay GST under reverse charge in terms of Notification No. I31 2017 dated 28.06,2017 while making payment to PWD, Uttarakhand for construction of road?
- B. What is the time of supply when advance payment is released to PWD Uttarakhand?
- C. Whether the amount deposited with Central Fund i.e Uttaranchal CAMPA and reimbursed by MEA considering as part cost of the road is liable for GST?

The work allotted to the applicant is related to “construction of road” which involves both supply of goods as well as services but when we go through the notification no. 32/2017 of Central Tax (rate) , we came to know that this kind of service is exempted. The service is received by the Ministry of External Affairs, Govt. of India.

GST rate on the work contract is 12% or 5% then sub-contractor is also liable to discharge his GST liability @ 12% or 5%, Similarly if the contractor is providing an exempt works contract Service to Government and in such case if works contract is partially or wholly sub-contracted then the sub-contractor would also be exempt from payment of GST. The nominee of this entity holds 100% equity shares of the company .

**Decision of Advance Ruling Authority :**

**Decision :**

In terms of notification No. 12/2017- Central Tax (Rate) dated 28.06.2018 (as amended time to time) the activity falls under exempted services, therefore no GST is applicable on this.

No provisions of GST is applicable on said issues of time of supply and applicability of GST on reimbursement as supply of services in this application falls under exempted service.