

GIB/AP/KPC Projects/25.11.2019/AAR-365

Advance Ruling Category : Rate

State : Andhra Pradesh

Order No.: GIB/AP/KPC Projects/25.11.2019/AAR-365

Name of Entry :
KPC Projects Limited

Date : 25-11-2019

Breif Issue :

Facts & Issue Of The Case :

M/s KPC Project Limited, 31-15-19, Katuri Vari Street, Machavaram Down, vijayawada (hereinafter referred to as Applicant), a company incorporated under the companies Act, 1956 with main object of providing works contract services, executes and conducts general contracting business, submits tenders and undertakes all sort of contracts for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract as per Sec 2(119) of GST Act.

The application has been sought on the following Issues –

1. Applicability of GST Rate for construction of Millennium tower at Madhurawada, Visakhapatnam for information Technology and Communication Department, Government of Andhra Pradesh and through Nodal Agency APIIC clarification is requested for the applicable Rate of GST under works contract service.
2. If GST should be payable @12%, whether a claim for refund be submitted in RFD-01.

Decision of Advance Ruling Authority :

Decision :

The activity of the applicant under the said agreement with M/s APIIC is a Composite Supply of Works Contract as defined in clause 119 of Section z of Central Goods and Services Act, 2017.

M/s APIIC is a Government Entity within the meaning of para 4 of clause (x) of Notification No. 11/2017 - CT (Rate) dated 28.06.2017 as amended by Notification No.31/2017 - CT (Rate) dated 13.10.2017.

As the purpose of the construction / building is meant for accommodating Small and Medium Enterprises (SMEs) and Startups, which are not other than for commerce, industry, or any other business or profession, the concessional rate of 12% under Notification No.24/2017-Central Tax (Rate) dated 21.09.2017 read with Notification No.31/2017- central Tax (Rate) dated 13.10.2017 is not available to the applicant.

The activities under the agreement referred by the applicant are classifiable under SAC heading No. 9954 under construction services, which fall under entry no (ii) of serial No.3 of notification no. 11/2017 Central Tax (Rate) dated 28.06.2017 and the applicable rate of tax is 18% (9% Central Tax plus 9% State Tax).