

**GIB/AP/GVS Projects/31.10.2019/AAR-380**

**Advance Ruling Category :** Rate

**State :** Andhra Pradesh

**Order No.:** GIB/AP/GVS Projects/31.10.2019/AAR-380

**Name of Entry :**

M/s GVS Projects Private Limited

**Date :** 31-10-2019

**Breif Issue :**

**Facts & Issue Of The Case :**

The applicant M/s GVS Projects Private Limited is engaged in electrification work.

- 1) The applicant entered in to contract with APEPDCL relating to “Supply and erection of 11No.s 33/11KV Indoor Sub stations and their connected lines at a cost of ? 36,75,05,848/- (including tax).
- 2) He entered in to contract with APEPDCL relating to Supply and Erection of 33KV Inter linking lines in at cost ? 42,57,43,955/-(including tax).
- 3) He entered in to contract with APSPDCL, relating to “System improvement project works for erection of 2 nos 33/11kv GIS indoor sub stations and 1 no. at 33/11kv GIS Indoor Sub-station at cost of ? 26,94,00,440/- (including tax).

The applicant, seeking an advance ruling in respect of :

1. Whether APSPDCL & APEPDCL is a Government authority/ Government Entity or not?
2. What is the applicable rate of GST on work agreement entered into with the APSPDCL & APEPDCL as mentioned in the Annexures.

The APSPDCL and AEPDCL are Government Companies i.e. wholly owned by the Government of Andhra Pradesh. When a copy of Audited Annual Accounts of M/s APSPDCL and APEPDCL are examined, it is evident from the schedule of Equity Share Capital of the Annual Statement that 100% share capital is held by the Government of Andhra Pradesh in the name of Honourable Governor of Andhra Pradesh.

**Decision of Advance Ruling Authority :****Decision :**

1. The government of Andhra Pradesh is having full control over the APSPDCL & APEPDCL and they covered under the definition of government entities.
2. The Applicant is not entitled for the benefit of concessional rate of GST @12% (6% under Central tax and 6% State tax) in terms of Notification No.24/2017-Central Tax (Rate) dated: 21.09.2017 read with Notification No.31/2017-Central Tax (Rate) dated:13.10.2017.

The applicable rate of tax is 18% (9% under Central tax and 9% State tax) for the services referred by the Applicant as per entry no. (ii) of S.No.3 of the table of Notification No. 11/2017 -Central Tax (Rate), Dated: 28th June 2017.

The value of materials recovered on cost recovery basis by the Contractees from the R.A. bills issued by the applicant is includible in the taxable value of supply in terms of Section 15(2)(b) of the CGST Act, 2017.