

**THE AUTHORITY ON ADVANCE RULINGS  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU - 560 009**

**Advance Ruling No. KAR ADRG 41/ 2019**

**Dated : 16th September, 2019**

Present:

1. Sri. Harish Dharnia,  
Additional Commissioner of Central Tax, . . . . Member (Central Tax)
2. Dr. Ravi Prasad M.P.  
Joint Commissioner of Commercial Taxes . . . . Member (State Tax)

1.	Name and address of the applicant	M/s P.S.Electricals, 76, CH-01, 8th Cross, 4th Main, Jayanagar, Mysore - 570014.
2.	GSTIN or User ID	29ADQPP5361C1Z8
3.	Date of filing of Form GST ARA-01	28-05-2018
4.	Represented by	Sri Vaidyanathan, Chartered Accountant
5.	Jurisdictional Authority - Centre	Principal Commissioner of Central tax, Mysuru.
6.	Jurisdictional Authority - State	LGSTO-195 Mysore (Jurisdictional Office)
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- each under KGST /CGST Acts vide CIN ICIC18052900290948 dated 23-05-2018.

**ORDER UNDER SUB-SECTION (4) OF SECTION 98 OF CENTRAL GOODS AND SERVICES TAX ACT, 2017 AND UNDER SUB-SECTION (4) OF SECTION 98 OF KARNATAKA GOODS AND SERVICES TAX ACT, 2017**

1. M/s P.S. Electricals, 76, CH-01, 8th Cross, 4th Main, Jayanagar, Mysore - 570014, having GSTIN number 29ADQPP5361C1Z8, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017, KGST Act, 2017 read with Rule 104 of CGST Rules 2017 & KGST Rules 2017, in form GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The Applicant is a Proprietary concern and is registered under the Goods and Services Act, 2017. The applicant has sought advance ruling in respect of the following question:

1. *What is rate of tax applicable to the composite supply of works contract as defined in clause (119) of Section 2 of Central Goods and Services Act, 2017 (The Act), undertaken by the supplier (applicant) ie., whether the GST rate 18% or 12% is to be charged by the supplier?*





2. If the GST rate 18% (9% CGST+ 9% SGST) as prescribed in serial no. 3, against heading no. 9954 (construction services), specified in **Notification No. 11/2017-Central Tax (Rate) dated 28<sup>th</sup> June 2017**, is the rate applicable to the nature of works contract undertaken by the applicant, kindly clarify the following related aspects also:

The Notification No. 11/2017-Central Tax (Rate) dated 28<sup>th</sup> June 2017 has been amended by:

- i. Notification No. 20/2017-Central Tax (Rate), dated 22nd August, 2017 - cannot applicable
  - ii. Notification No. 31/2017-Central Tax (Rate), dated 13th October, 2017
  - iii. Notification No. 1/2018-Central Tax (Rate), dated 25th January, 2018
- Wherein the GST rate of 12% (6% CGST + 6% SGST) has been notified in respect of works contract as defined in clause (119) of Section 2 of The Act.

If so, whether it would be in order for the applicant (supplier) to charge GST at the rate of 12% (6% CGST+6% SGST) or is the GST rate 18%(9% CGST+ 9% SGST) applicable to the nature of works contract undertaken by the applicant?

3. The applicant furnishes some facts relevant to the stated activity:

- a. The applicant is engaged in works contract such as design, erection, testing, commissioning, including pre-commissioning activities in relation to or incidental to installation of transformer of all kinds of capacity and supply of electrical equipments and electrical transformers.
- b. The applicant undertook turnkey projects for supply, erection, testing, commissioning of transmission towers and terminals within the state of Karnataka and also outside the state.
- c. Further the applicant entered into subcontract agreement with M/s Mega Engineering and Infrastructures Limited (herein after called "Principal Contractor") for design, testing, commissioning of transmission of towers and was awarded the following subcontract works by the Principal Contractor on 12-10-2018 to execute the substation and terminal bay works and the details are as under.
  - 1) WO: MEIL/Chimmalagi/Lis HTLINE/143/2016-17 Dated 05-05-2016.
  - 2) WO: MEIL/KOPPAL LIS/CODE 3076/49/2016-17 dated 20-04-2016
  - 3) WO: MEIL/Chimmalagi/LIS/251/2013-14 dated 26.07.2013.
  - 4) WO: MEIL/KOLAR LIS/536/2017-18 dated 23.06.2017 (Lift -01 K & C Valley).
  - 5) WO: MEIL/38/YETTINAHOLE PACKAGE-05/2017-18 dated 06-04-2017
  - 6) WO: MEIL/38/ YETTINAHOLE PACKAGE-05/2017-18 dated 06.04.2017





- 7) WO: MEIL/ YETTINAHOLE WEIR-05/1061/2017-18 dated 15-09-2017  
8) WO: MEIL/MULWAD LIS(Pkg-03)/1168-2014-15 Dated 29-01-2015  
9) WO: MEIL/Mamasapura LIS /794/16-17 Dated 06-10-2016

The above said works were mainly awarded to the Principal Contractor by the state government entities such as Krishna Bhagya Jala Nigam Limited, Karnataka Neeravari Nigam Limited and Karnataka Power Transmission Corporation Limited. The said works has been awarded prior to GST but the same have been amended during the post GST period.

- d. The applicant's argument is that the said works are mainly awarded to the principal contractor by state government entities such as Krishna Bhagya Jala Nigam Limited, Karnataka Neeravari Nigam Limited and Karnataka Power Transmission Corporation Limited. In turn few of the contracts have been awarded to the applicant on sub contractor basis by the Principal Contractor. Hence the supply of services is covered under entry number 3 of Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017 vide HSN code 9954 and hence attracts CGST at the rate of 9 percent. Similarly the SGST is also attracted at 9%. Based on the said notifications, the applicant has charged the tax component and collected and discharged the same.
- e. Subsequently, the Notification No. 11/2017-Central Tax (Rate) dated 28th June 2017 was amended by the following notifications:
- i. Notification No. 20/2017-Central Tax (Rate), dated 22nd August, 2017
  - ii. Notification No. 31/2017-Central Tax (Rate), dated 13th October, 2017
  - iii. Notification No. 1/2018-Central Tax (Rate), dated 25th January, 2018

Based on aforesaid notification the applicant has charged CGST at the rate of six percent. Similarly the SGST was also charged at the rate of six percent.

#### **PERSONAL HEARING: / PROCEEDINGS HELD ON 28-06-2018**

6. Sri N. Vaidyanathan Chartered Accountant appeared on behalf of the applicant, before the Authority for Advance Ruling on 28-06-2018 and was heard.

6.1 The DAR argued that the applicant undertook turnkey projects for supply, erection, testing, commissioning of transmission of towers and terminals at required subcontract works awarded by the principal contractor wherein the applicant had to supply, design, erection, transmission and commissioning of different capacity of transformers of 220 KV, 110 KV, 66 KV, 33 KV, & 11 KV lines and industrial electrification works, Net working & Automation Apartments /complex, Electrical works and allied services.

P.S. Electricals





6.3 He further submitted that as a result of amendment to the Notification No. 11/2017-Central Tax (Rate) dated 28th June 2017 by the following notifications

- a) Notification No. 20/2017-Central Tax (Rate), dated 22nd August, 2017
- b) Notification No. 31/2017-Central Tax (Rate), dated 13th October, 2017
- c) Notification No. 1/2018-Central Tax (Rate), dated 25th January, 2018

the rate of tax on turnkey projects, which is subcontracted to the applicant by principal contractor which in turn was awarded to him by the state government entities such as Krishna Bhagya Jala Nigam Limited, Karnataka Neeravari Nigam Limited and Karnataka Power Transmission Corporation Limited, attracts CGST and SGST at six percent each.

## 7. FINDINGS & DISCUSSION:

7.1 We have considered the submissions made by the applicant in their application for advance ruling as well as the additional submissions made by Sri N.Vaidyanathan, Chartered Accountant, during the personal hearing. We also considered the issues involved on which advance ruling is sought by the applicant and relevant facts.

7.2 At the outset, we would like to state that the provisions of both the CGST Act and the KGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the KGST Act.

7.3 The applicant has been awarded the sub contract works of supply, design, erection, transmission and commissioning of transformers of different capacities like 220 KV, 110 KV, 66 KV, 33 KV & 11 KV lines and industrial electrification works, Networking & Automation Apartments /complex, Electrical works and allied service by the principal contractor. This, in turn was the contract awarded to the principal contractor by the state government entities.

7.4 As per the Notification No.11/2017-CGST dated 28-06-2017 the entry in serial number 3 reads as under:

Sl.N o.	Chapter, Section, or Heading	Description of Services	Rate (per cent.)	Condition
3	Heading 9954 (Construction Services)	(i) Construction of a complex, building, civil structure, or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after the issuance of completion certificate, where required, by the competent authority	9	-



		or after its first occupation, which ever is earlier (Provisions of paragraph 2 of this notification shall apply for valuation of this service)		
		(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017	9	-
		(iii) construction services other than (i) and (ii) above	9	-

7.5 Subsequently the above notification was amended by Notification No.20/2017 – Central Tax (Rate) dated 22-08-2017 and the entry no.3 after amendment is as under:

Sl.N o.	Chapter, Section, or Heading	Description of Services	Rate (per cent.)	Condition
3	Heading 9954 (Construction Services)	(i) Construction of a complex, building, civil structure, or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after the issuance of completion certificate, where required, by the competent authority or after its first occupation, which ever is earlier (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	9	-
		(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017	9	-
		(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Government, a local authority or a Governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, - (a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958); (b) canal, dam or other irrigation works;	6	-



		(c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal		
		(iv) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,- (a) a road, bridge, tunnel, or terminal for road transportation for use by general public; (b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awaas Yojana; (c) a civil structure or any other original works pertaining to the "In-situ rehabilitation of existing slum dwellers using land as a resource through private participation" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers; (d) a civil structure or any other original works pertaining to the "Beneficiary led individual house construction / enhancement" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana; (e) a pollution control or effluent treatment plant, except located as a part of a factory; or (f) a structure meant for funeral, burial or cremation of deceased.	6	
		(v) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,- (a) railways, excluding monorail and metro; (b) a single residential unit otherwise than as a part of a residential complex; (c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership'		





		<p>framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;</p> <p>(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under-</p> <p>(1) the "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(2) any housing scheme of a State Government;</p> <p>(e) post-harvest storage infrastructure for agricultural produce including a cold storage for such purposes; or</p> <p>(f) mechanized food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages</p>		
		(vi) construction services other than (i), (ii), (iii), (iv) and (v) above	9	-

7.6 Later, the notification was amended by Notification No.24/2017 - Central Tax (Rate) dated 21-09-2017 and after the amendment, the entry No. 3 of the Notification No. 11/2017 - Central Tax (Rate) dated 28.06.2017 read as under

Sl.N o.	Chapter, Section, or Heading	Description of Services	Rate (per cent.)	Condition
3	Heading 9954 (Construction Services)	(i) Construction of a complex, building, civil structure, or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after the issuance of completion certificate, where required, by the competent authority or after its first occupation, which ever is earlier (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	9	-
		(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017	9	-
		(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Government, a local authority or	6	-



		<p>a Governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, -</p> <p>(a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958);</p> <p>(b) canal, dam or other irrigation works;</p> <p>(c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal</p>		
		<p>(iv) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,-</p> <p>(a) a road, bridge, tunnel, or terminal for road transportation for use by general public;</p> <p>(b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awaas Yojana;</p> <p>(c) a civil structure or any other original works pertaining to the "In-situ rehabilitation of existing slum dwellers using land as a resource through private participation" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers;</p> <p>(d) a civil structure or any other original works pertaining to the "Beneficiary led individual house construction / enhancement" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(e) a pollution control or effluent treatment plant, except located as a part of a factory; or</p> <p>(f) a structure meant for funeral, burial or cremation of deceased.</p>	6	
		<p>(v) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction,</p>		



		<p>erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,-</p> <p>(a) railways, excluding monorail and metro;</p> <p>(b) a single residential unit otherwise than as a part of a residential complex;</p> <p>(c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;</p> <p>(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under-</p> <p>(1) the "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(2) any housing scheme of a State Government;</p> <p>(e) post-harvest storage infrastructure for agricultural produce including a cold storage for such purposes; or</p> <p>(f) mechanized food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages</p>		
		<p>(vi) Services provided to the Central Government, State Government, Union Territory, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of -</p> <p>(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;</p> <p>(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or(iii) an art or cultural establishment; or</p> <p>(c) a residential complex predominantly meant for self-use or the use of their employees or</p>	6	





		other persons specified in paragraph 3 of the Schedule III of the Central Goods and Services Tax Act, 2017		
		(vii) construction services other than (i), (ii), (iii), (iv), (v) and (vi) above	9	-

7.7 Subsequently, the entry no.3 of the Notification No.11/2017 – Central Tax (Rate) dated 28.06.2017 was amended by Notification No. 31/2017- Central Tax (Rate) dated 13-10-2017 and after this amendment, the entry no.3 of the Notification reads as under.

Sl.N o.	Chapter, Section, or Heading	Description of Services	Rate (per cent.)	Condition
3	Heading 9954 (Construction Services)	(i) Construction of a complex, building, civil structure, or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after the issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	9	-
		(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017	9	-
		(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Government, a local authority or a Governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, - (a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958); (b) canal, dam or other irrigation works; (c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal	6	-



	<p>(iv) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,-</p> <p>(a) a road, bridge, tunnel, or terminal for road transportation for use by general public;</p> <p>(b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awaas Yojana;</p> <p>(c) a civil structure or any other original works pertaining to the "In-situ rehabilitation of existing slum dwellers using land as a resource through private participation" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers;</p> <p>(d) a civil structure or any other original works pertaining to the "Beneficiary led individual house construction / enhancement" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(e) a pollution control or effluent treatment plant, except located as a part of a factory; or</p> <p>(f) a structure meant for funeral, burial or cremation of deceased.</p>	6	
	<p>(v) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,-</p> <p>(a) railways, excluding monorail and metro;</p> <p>(b) a single residential unit otherwise than as a part of a residential complex;</p> <p>(c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;</p>		



		<p>(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under-</p> <p>(1) the "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(2) any housing scheme of a State Government;</p> <p>(e) post-harvest storage infrastructure for agricultural produce including a cold storage for such purposes; or</p> <p>(f) mechanized food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages</p>		
		<p>(vi) Services provided to the Central Government, State Government, Union Territory, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of -</p> <p>(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;</p> <p>(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or(iii) an art or cultural establishment; or</p> <p>(c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in paragraph 3 of the Schedule III of the Central Goods and Services Tax Act, 2017</p>	6	
		<p>(vii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, involving predominantly earth work (that is, constituting more than 75per cent. of the value of the works provided to the Central Government, State Government, Union territory, local authority, a Governmental Authority or a Government Entity.</p>	2.5	<p>Provided that where the services are supplied to a Government entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government,</p>



				State Government, Union territory or local authority, as the case may be
		(viii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 and associated services, in respect of offshore works contract relating to oil and gas exploration and production (E&P) in the offshore area beyond 12 nautical miles from the nearest point of the appropriate base line	6	-
		(vii) construction services other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above	9	-

7.8 Later, the entry no.3 of the Notification No.11/2017 - Central Tax (Rate) dated 28.06.2017 was amended by Notification No. 1/2018- Central Tax (Rate) dated 25-01-2018 and after this amendment, the entry no.3 of the Notification reads as under.

Sl. No.	Chapter, Section, or Heading	Description of Services	Rate (per cent.)	Condition
3	Heading 9954 (Construction Services)	(i) Construction of a complex, building, civil structure, or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after the issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	9	-
		(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017	9	-
		(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Government, a local authority or a Governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or	6	-





	<p>alteration of, -</p> <p>(a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958);</p> <p>(b) canal, dam or other irrigation works;</p> <p>(c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal</p>		
	<p>(iv) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,-</p> <p>(a) a road, bridge, tunnel, or terminal for road transportation for use by general public;</p> <p>(b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awaas Yojana;</p> <p>(c) a civil structure or any other original works pertaining to the "In-situ rehabilitation of existing slum dwellers using land as a resource through private participation" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers;</p> <p>(d) a civil structure or any other original works pertaining to the "Beneficiary led individual house construction / enhancement" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(e) a pollution control or effluent treatment plant, except located as a part of a factory; or</p> <p>(f) a structure meant for funeral, burial or cremation of deceased.</p>	6	
	<p>(v) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,-</p>		

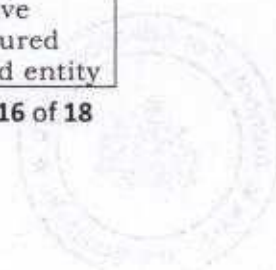




	<p>(a) railways, excluding monorail and metro;</p> <p>(b) a single residential unit otherwise than as a part of a residential complex;</p> <p>(c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;</p> <p>(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under-</p> <p>(1) the "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(2) any housing scheme of a State Government;</p> <p>(e) post-harvest storage infrastructure for agricultural produce including a cold storage for such purposes; or</p> <p>(f) mechanized food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages</p>		
	<p>(vi) Services provided to the Central Government, State Government, Union Territory, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of -</p> <p>(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;</p> <p>(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or(iii) an art or cultural establishment; or</p> <p>(c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in paragraph 3 of the Schedule III of the Central Goods and Services Tax Act,2017</p>	6	



	(vii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, involving predominantly earth work (that is, constituting more than 75per cent. of the value of the works provided to the Central Government, State Government, Union territory, local authority, a Governmental Authority or a Government Entity.	2.5	Provided that where the services are supplied to a Government entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be
	(viii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 and associated services, in respect of offshore works contract relating to oil and gas exploration and production (E&P) in the offshore area beyond 12 nautical miles from the nearest point of the appropriate base line	6	-
	(ix) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 provided by a sub-contractor to the main contractor providing services specified in item (iii) or item (vi) above to the Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity Attracts 6 percent tax under SGST/CGST Act 2017	6	Provided that where the services are supplied to a Government entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be
	(x) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 provided by a sub-contractor to the main contractor providing services specified in item (vii) above to the Central Government, State Government, Union territory, a	2.5	Provided that where the services are supplied to a Government entity, they should have been procured by the said entity





		local authority, a Governmental Authority or a Government Entity.		in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be
		(xi) Services by way of housekeeping, such as plumbing, carpentering, etc. where the person supplying such service through electronic commerce operator is not liable for registration under subsection (1) of section 22 of the Central Goods and Services Tax Act, 2017		Provided that credit of input tax charged on goods and services has not been taken [Please refer to Explanation no.(iv)]
		(xii) construction services other than (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x) and (xi) above	9	-

7.9 The nature of the contract between the applicant and the main contractor is verified. It is seen that the sub-contracts are covered under the item no. (ix) of Sl.No. 3 of the Notification No.11/2017 –Central Tax (Rate) dated 28.06.2017 and this is with effect from 25.01.2018. Earlier to this, the nature of the service provided by the applicant to the main contractor was covered under item no. (ii) of the Sl.No. 3 of the Notification No.11/2017 –Central Tax (Rate) dated 28.06.2017 taxable at 9% under CGST Act and 9% under SGST Act.

The item no. (ix), which governs the sub-contracts of the main contracts where the main contract is for provision of composite supply of works contract to the Government, is verified and found that for the sub-contract to get included in this item, the main contract between the principal contractor and the Government entity should relate to the supply of works contract services specified in item no. (iii) and (vi). The contract between the main contractor and the Government entity is for the supply, design, erection, transmission and commissioning of different capacity of transformers of 220 KV, 110 KV, 66 KV, 33 KV, & 11 KV lines and industrial electrification works, Networking & Automation Apartments /complex, Electrical works and allied services and this supply is neither covered under item (iii) or item (vi) and hence the supply of services by the applicant is not covered under item no. (ix) and hence gets covered only under item (ii) of the Sl.No. 3 of






the Notification No.11/2017 -Central Tax (Rate) dated 28.06.2017 taxable at 9% under CGST Act and 9% under SGST Act.

8. In view of the foregoing, we pass the following

**R U L I N G**


1. The rate of tax applicable to the composite supply of works contract as defined in clause (119) of Section 2 of the Central Goods and Services Tax Act undertaken by the applicant is to be charged at 9% under the CGST Act and 9% under the KGST Act.
2. The amendments to the Notification No.11/2017 - Central Tax (Rate) dated 28.06.2017 has no effect on the taxability of the transactions of the applicant as the transactions of the applicant are covered under item no. (ii) of Serial No. 3 of the Notification No.11/2017 - Central Tax (Rate) dated 28.06.2017 and as the transactions are not covered under item no. (ix) of the of Serial No. 3 of the said Notification.



  
**(Harish Dharnia)**  
**Member**

Place : Bengaluru,

Date : 16-09-2019

  
**(Dr. Ravi Prasad.M.P.)**  
**Member**

To,

The Applicant

Copy to :

The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.

The Commissioner of Commercial Taxes, Karnataka, Bengaluru.

The Principal Commissioner of Central Tax, Mysuru Commissionerate, Mysuru

The Asst. Commissioner, LGSTO-195 Mysore (Jurisdictional Office)  
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