

ADVANCE RULING No. KER/ 14 /2018 Dt.26.09.2018

The applicant is a contractor of Government projects. Many of the works are undertaken by way of sub contracts. The sub contractors have raised doubts regarding the applicable tax rate. Accordingly the applicant sought for advance ruling on GST rate for the following contracts:

Sl.No	Name of Project	Employer
1.	Construction of Hospital Block buildings in Government Medical College with civil structural, internal and external finishing, plumbing and sanitary arrangements, electrical, HVAC, lifts and fire fighting installations, including testing, commissioning and handover as turnkey work.	SE, PWD, SC-ST District Officer, Special Officer Govt. Medical College, Palakkad
2	Construction of Non science building for various departments at Central University of Kerala, Kasargod.	Central University of Kerala represented by RITES Ltd.
3	Construction of Biotech lab and administrative block at Life Science Park, Trivandrum.	HLL Infra Tech Services Ltd.

The authorized representative of the firm was heard and he reiterated the points already given along with application. The issue was examined in detail. As per the amendment to notification No.8/2017 vide notification No.39/2017 dated 13.10.2017, composite supply of works contract as defined in clause (119) of section 2 of the GST Act, supplied to the Central Government, State Government, Union Territory, a local authority, a Governmental Authority or a Governmental Entity by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration is taxable @12% GST and others attract 18% GST.

The work awarded by Government is subsequently given as sub-contract, by the principal contractor. The composite supply of works contract provided by a sub-contractor is also taxable @12% GST.

The ruling sought for in the 1st case is that, the supply of works awarded by Public Works Department/SC-ST District Officer/Special Officer, Government Medical College being line departments of State Government, the civil structural, internal and external finishing, plumbing and sanitary arrangements, electrical, HVAC, lifts and fire fighting installations, including testing, commissioning attracts @12% GST.

Government Authority means any authority or a board or any other body set up by an Act of Parliament or State Legislature or established by any Government with 90% or more participation by way of equity control. The Central University of Kerala established under the Central University Act. Hence the supply work relating to the construction of non-science building for various departments at Central University of Kerala, is also taxable @12% GST. Even if the work is executed through RITES Ltd, the applicable tax rate is 12% GST.

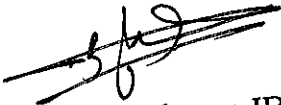
Life Sciences Park, Trivandrum is an initiative of Kerala State Industrial Development Corporation Ltd. for providing basic infrastructural facilities to

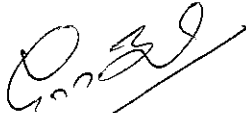
research institutions, science and technology academia and companies working in the field of Bio-Technology, Nano-Technology and Life Sciences. Therefore, it is evident that the Life Sciences Park, Trivandrum is a commercial venture of the KSIDC Ltd., a State Public Sector Undertaking and accordingly the works contract services in respect of construction of Biotech lab and administrative block at Life Science Park, Trivandrum is covered under Sl No. 3 (xii) - Heading 9954 of Notification No. 11/2017 - Central Tax (Rate) dated 28.06.2017 attracting GST at the rate of 18%.

For the supply of works contract awarded by Government, the tax rate applicable is 12% GST, sub contracts, if any, awarded also attract 12% GST

In view of the observations stated above, the following rulings are issued:

- i) Supply of works contracts awarded by Government attracts 12% GST.
- ii) Supply of works contracts awarded by the Central University of Kerala attracts 12% GST.
- iii) Supply of work awarded by M/s. HLL Infra Tech Services Ltd. for the construction of Biotech lab and administrative block at Life Science Park, Trivandrum attracts 18% GST.


B.G. Krishnan IRS
Joint Commissioner of Central Tax
MEMBER


B.S. Thyagarajababu, B.Sc, LL.M
Joint Commissioner of State Tax
MEMBER

To
M/s. Mary Matha Construction Company.
XVI/272A, Mary Matha Square, Arakkuzha Road,
Muvattupuzha, Ernakulam 686661.

