

Ref.-June/GST/09

Date: 27/06/2018

To,  
GST CELL,  
Office of PFA, HQ  
G.M. Building  
West Central Railway  
Jabalpur (MP)

*Subject: - Meaning of Works Contract as per GST*

Sir,

It came to our notice that, various services being procured by the Indian Railways which are in the nature of 'Service Contract' are being classified as 'Works Contract' under GST and applicable rate of 'Works Contract' as per CGST Act, 2017 are being considered. Please avoid such wrong classification and take note that:-

**As per clause(119) of Section 2 of CGST Act, 2017 - "works contract"** means a contract 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;

Thanks and Regards  
For, Rahul & Co.  
Chartered Accountants



Dhawal Shrivastava  
(Authorized Signatory)