



RAHUL & CO
CHARTERED ACCOUNTANTS

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Ref.-Oct/GST/01

Date: 04/10/2018

To,
GST CELL,
HQ, FA & CAO Office
G.M. Building
West Central Railway
Jabalpur (MP)

Subject: Applicable rate of GST
Ref : WHQ/Br/rep of steel girder/2014/21 dated 28.09.2018

Dear Sir,

On the basis of the name of work, mentioned in the documents provided by you it appears to be a work contract although no detailed information regarding the nature of work and type of is available.
work

Further to your query, as per Entry No.(v) of Notification No. 11/2017 dated 28th June 2017 as amended from time to time, "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, or installation of original works pertaining to railways" is taxable at the rate of 12%. It may be observed from the said entry that construction, erection, commissioning, or installation of original works may be taxed @ 12%.

Also, as per Entry No.(vi) of Notifications no. 11/2017 dated 28th June 2017 as amended from time to time, "Composite supply of works contract" as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, provided to the Central Government, State Government, Union Territory, a local authority, a Governmental Authority or a Government Entity by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession is taxable at the rate of 12%. Hence it may be observed from the said entry that construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works supposed to be used primarily for other than for commerce or business may be taxed @12%.

If , the said work cannot be classified as above, applicable rate of GST on other works contract services shall be applicable and may be taxed @ 18%.

Therefore applicability of rate of GST on works contract shall be concluded upon the nature of work, if the work can be categorized as 'original work' and whether the work pertains to repairs / maintenance or otherwise.

Thanks and regards
For, Rahul & Co.
Chartered Accountants


Dhawal Shrivastava
(Authorised Signatory)