

RAHUL & CO
CHARTERED ACCOUNTANTS

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Ref.-OCT/GST/09

Date: 26/10/2018

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

Subject: M/s Competent Automobiles Bhopal
Ref: Letter No.JBL/K.V./GST/752 dated 24.10.2018

Sir,

As per Notification No. 20/2017-Central Tax (Rate), 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, excluding monorail and metro shall be taxable at the rate of 12%.

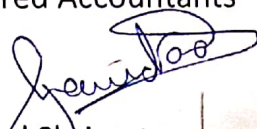
Meaning of Work Contract

As per section 2 (119) 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.

As per the telephonic conversation with concerned executive and as per the name of the contract, nature of subject work appears to be "Repairs and Maintenance service", hence such services may not be categorized as work contract services and are liable to be taxed at the rate of 18%.

As per our understanding of the work, it may be categorized under SAC 998714-Maintenance and repair services of transport machinery and equipment. However, it may also be categorized otherwise, if nature of work assumed by us is incorrect.

Thanks and regards
For, Rahul & Co.
Chartered Accountants


Dhawal Shrivastava
(Authorised Signator)