

AUTHORITY FOR ADVANCE RULING, TAMILNADU
DOOR NO.32, INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX
5TH FLOOR, ROOM NO. 503, ELEPHANT GATE BRIDGE ROAD,
CHENNAI -600 003.

PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE
GOODS AND SERVICES TAX ACT, 2017.

Members present are:

1. Shri B. Senthilvelavan, I.R.S., Additional Commissioner/Member,
Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -34
2. Thiru Kurinji Selvaan V.S., M.Sc., (Agri.), M.B.A., Joint Commissioner (ST)/ Member,
Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-6.

ORDER No.08/ARA/2021 Dated: 25 .03.2021

GSTIN Number, if any / User id	33AAGFP2483E1ZF	
Legal Name of Applicant	PSK Engineering Construction & Co.	
Trade Name of the Applicant	PSK Engineering Construction & Co.	
Registered Address / Address provided while obtaining user id	2/72, Kollihills, Naducombai, Namakkal-637404	
Details of Application	Form GST ARA - 001 Application Sl.No.06/2020/ARA dated 16.03.2020	
Concerned Officer	Centre: Salem Commissionerate Division: Salem II State: State Tax Officer, Attur (Rural)	
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Service Provision.
B	Description (in brief)	The applicant is engaged in construction activities including retro fitting, restoration etc. of civil structures predominantly for Government, Public Sector Undertakings and Government entities.
Issue/s on which advance ruling required	Applicability of notification issued under the provisions of this act	

Question(s) on which advance ruling is required	<ol style="list-style-type: none">1. What is the rate of GST to be charged on providing works contract services to TANGEDCO for carrying out retrofitting work for strengthening the NPKRR Maaligai against seismic and wind effect and modification of elevation in TNEB headquarters building at Chennai.2. Whether the entry in Sl.No.3 item (vi) of the Notification no.11/2017-Central Tax (Rate) dated 28.06.2017 as amended is applicable to the applicant in instant case.
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Note: Any appeal against the Advance Ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

PSK Engineering Construction & Co, 2/72, Kollihills, Naducombai, Namakkal-637404 (hereinafter called the 'Applicant') is registered under the GST Vide GSTIN 33AAGFP2483E1ZF. The applicant is engaged in construction activities including retro fitting, restoration etc. of civil structures predominantly for Government, Public Sector Undertakings and Government entities. They have sought Advance Ruling on the following questions:

1. What is the rate of GST to be charged on providing works contract services to TANGEDCO for carrying out retrofitting work for strengthening the NPKRR Maaligai against seismic and wind effect and modification of elevation in TNEB headquarters building at Chennai.
2. Whether the entry in Sl.No.3 item (vi) of the Notification no.11/2017-Central Tax (Rate) dated 28.06.2017 as amended is applicable to the applicant in instant case.

The Applicant has submitted the copy of application in Form GST ARA - 01 and also submitted a copy of Challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017.

2.1 The Applicant has stated that they have been awarded the contract to carry out Retrofitting works for strengthening the NPKRR Maaligai against Seismic & wind effect and Modification of Elevation of the said building in TNEB Headquarters complex, Chennai-600002 vide Lump Sum Agreement No. SE/Civil/Dist/No. 08/2017-18. They have also submitted the letter of Tamilnadu Generation and Distribution Corporation Limited (Accounts Branch) Lr. No. CFC/GL/FC/ACCTS/DFC/AO/TAX/F.GST/D.No.22/2019 dt.25.04.2019 regarding the clarification received from Government of Tamilnadu and the guidelines issued to avail concession on new works contract. Vide the cited letter it has been informed that TANGEDCO qualifies to be treated as "Government Entity" in view of the control exercised by Government of Tamilnadu through TNEB Ltd and that the applicable rate of tax is 12% GST as per entry Sl. No. 3(vi) of Notification No. 11/2017-C.T.(Rate) as amended

2.2 The applicant has stated that they provide works contract services to Tamilnadu Generation and Distribution Company Ltd (TANGEDCO), a Government entity; that TANGEDCO is a public utility service provider to the people in state of Tamilnadu and is a wholly owned subsidiary of Tamilnadu Electricity Board (TNEB) limited, a company wholly owned by Government of Tamilnadu; that the Electricity Act 2003 mandates unbundling of State Electricity Boards under Section 131; that the Government of Tamilnadu had accorded in principal approval in G.O Ms.No.114 Energy (B2) Department dated 08.10.2008 for the reorganisation of TNEB by the establishment of a holding company, by the name TNEB Ltd and two subsidiary companies, namely Tamilnadu Transmission Corporation Limited (TANTRANSCO) and Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) with the stipulation that the aforementioned companies shall be fully owned by Government; that TANGEDCO operates under the guidelines of Government of Tamilnadu by providing power supply to the entire state.

2.3 The applicant has stated that the Notification no.11/2017 dated 28.06.2017 applies when works contract services provided to Government entities by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of

a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;

and to attract the said rate of 6% the following two conditions, have to be met:

1. The service recipient must be a Government entity
2. The works contract service provided must be towards a civil structure or any other original works meant predominantly for use other than for commerce, industry or any other business or profession.

2.4 They have stated that TANGEDCO is a Government entity; that as per the said notification "Government Entity" means an authority or a board or any other body including a society, trust, corporation

- i) Set up by an Act of Parliament or State Legislature; or
- ii) Established by any Government,

with 90 per cent or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority; that TANGEDCO was formed as a company by the Government of Tamilnadu wholly owned by the Government through its holding company TNEB limited to carry out functions entrusted by the State Government; that the board of Directors are also appointed by the Government of Tamilnadu thereby exercising total control over the entity; that hence it qualifies as a Government Entity. Further, they have stated that TANGEDCO is a public utility company operating without any commercial basis. The functions of TANGEDCO in general is duty of promoting the coordinated development of Generation and Distribution of electricity within the state in most efficient and economical manner.

2.5 The applicant has stated that Rural Electrification is one of the services provided by TANGEDCO and 100% Rural Electrification has been completed. They have also furnished the details of operating cost and realization in paise per unit. Further, regarding the determination of tariff, they have stated that Section 61 of the Electricity Act 2003 (EA 2003) stipulates the guiding principles for determination of tariff by the commission and mandates that the tariff should 'progressively reflect cost of supply of electricity', 'reduce cross subsidy' 'safeguard consumer interest' and 'recover the cost of electricity in a reasonable manner'. Section 62(1) of EA 2003 states as follows: The Appropriate Commission shall

determine the tariff in accordance with provisions of this Act for: a. supply of electricity by a generating company to a distribution licensee; b. transmission of electricity; c. wheeling of electricity; d. retail sale of electricity. The applicant has also stated that a perusal of the balance sheet, Profit and Loss account as available on the website will clearly reveal that TANGEDCO has been operating in public interest without any surplus being generated through its operations. They have stated that as on 31.03.2018 it had a deficit of Rs.70,99,188/- and had a deficit of Rs. 7,76,078/- for the year 2017-18 and Rs.4,34,876/- for the year 2016-17. They have also submitted a copy of balance sheet, Profit and loss account of TANGEDCO downloaded from its website. Hence, the applicant has stated that the above facts conclusively prove that TANGEDCO is not working on commercial lines and hence satisfies the condition stipulated in Notification 11/2017 C T(Rate) dated 28.06.2017.

2.6 In view of the aforementioned facts, the applicant has viewed that the service provided by them satisfies both the conditions mentioned in Notification 11/2017-CT (Rate) and will attract 12 % GST.

3.1 Due to the prevailing PANDEMIC situation and in order not to delay the proceedings, the appellant was addressed through the Email Address mentioned in the application to seek their willingness to participate in a virtual Personal Hearing in Digital media vide e-mail dated 06.07.2020. The applicant consented and the hearing was held on 13.08.2020. The authorised representative participated in the hearing. He stated that the applicant seeks ruling with respect of the works contract undertaken for TANGEDCO. The applicant was asked to furnish a write up on entire activities of works contract with relevant supporting documents as in the bid/agreement documents. The central tax officer also appeared for the hearing and stated that they have furnished a written submission.

3.2 The applicant vide their letter dated 24.08.2020 received on 11.09.2020/15.09.2020, submitted the following documents:

- i. Letter Lr.No.CE/CD/SE/C/Distn/E2/A1/F.Retro/Acceptance No.28/D.48/2017 dated 28.02.2017 Award of work/acceptance- for carrying out Retrofitting works for Strengthening the NPKRR Maaligai against Seismic & Wind effect and Modification of Elevation of NPKRR Maaligai in TNEB Headquarters Complex, Chennai — 2 (only the first page).

(ii) Letter Lr.No.CE/CD/SE/C/Dist./EE2/A1/F.Retro/D.259/2019 dated 24.06.2019 amending the awarded rates consequent to the implementation of GST.

(iii) Letter Lr.No.CE/CD/SE/C/Dist./EE2/A1/F.Retro/D.371/2019 dated 10.10.2019 enhancing the Face Value of the contract.

3.3 Further, the applicant, vide letter dated 19.11.2020 was asked to furnish the works contract undertaken with respect to TANGEDCO and the write up on entire activities of works contract with relevant documents in the Bid /agreement, which was asked to furnish in the hearing. The applicant submitted the following documents in response to the above cited letter :

i. Work order -1 Lr.No.CE/CD/SE/C/Distn/E2/A1/F.Retro/ Acceptance No.28/D.48/2017 dated 28.02.2017

ii. Work order-2 Lr.No.CE/CD/SE/C/Dist./EE2/A1/F.Retro/D.259/2019 dated 24.06.2019

iii. Work order -3 Lr.No.CE/CD/SE/C/Dist./EE/A1/F.Retro/D.371/2019 dated 10.10.2019

iv. Contract agreement -Tender Specification No.SE/C/Distn,/16/2016-17 - Contract Document -Lump Sum Agreement No.SE/Civil/Dist/No.08/2017-18

4. The central jurisdictional authority reported that there are no pending proceedings in the applicant's case on the issues raised by the applicant in the ARA application in their jurisdiction. They submitted the following comments in respect of the issue raised by the applicant in their application.

- As per Notification No.11/2017 Central Tax dated 28.06.2017, as amended the construction services rendered by the applicant is liable to be taxed under Entry No.3 (ix) and attracts (9% CGST + 9% SGST) 18% GST under SAC Heading 9954. The applicant has referred a particular entry under the Notification No.11/2017-Central Tax dated 28.06.2017 and has asked whether the said entry is applicable for them. The entry they have mentioned is Entry No.3 (vi) which attracts (6% CGST+ 6% SGST) - 12% GST.
- However, the said entry is for Composite Supply 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. The service provider is going to carry out retrofitting works for strengthening the NPKKR Maaligai against seismic and wind effect and Modification of elevation of TNEB headquarters building at Chennai.

- The applicant's contention is that they are going to do service to TANGEDCO and the unit is a subsidiary of TNEB limited. Hence, service made to Government company will attract GST @ 12% under entry 3(vi) of Notification 11/2017 C T(Rate). TNEB, which came in to existence from 1st July 1957 was reorganized into TNEB Limited as holding company and TANTRANSCO and TANGEDCO as subsidiary companies. TANTRANSCO was incorporated on 15.06.2009 with an authorized share capital of Rs. 5.00 Crores. TANGEDCO and TNEB Limited were incorporated on 01.12.2009 with an authorized share capital of Rs.5.00 Crores and paid-up capital of Rs 5.00 lakhs each for TANGEDCO and TNEB Limited. From the above it is clear that TANGEDCO is a profit-Making company and the contention of the applicant that TANGEDCO is a State Government entity is not correct.
- TANGEDCO (Accounts Branch) has issued a GST Circular Lr. No. CFC/GL/ FC/ACCTS/DFC/AO/TAX/F.GST-7/D.No.65/2017 dated 07.07.2017. In page 5, point no.3 of the circular with regard to works contract the following is mentioned:

"Works Contract: Clause (119) of Section 2 of CGST defines a works contract as a contract of building, construction, fabrication, completion, erection, maintenance, installation, fitting out, improvement, modification, repair, 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. Entry 6 of Schedule II to the CGST considers works contract under section 2 (119) as composite supply of services @ 18% GST. "

Hence, the Central Authority has submitted that the contention of the applicant that the service rendered to TANGEDCO at the rate 12 % is wrong. The service rendered attracts 18% as detailed above.

5. The State jurisdictional authority reported that there are no pending proceedings in the applicant's case on the issues raised by the applicant in the ARA application in their jurisdiction vide their letter Roc.253/2020/A1 dt 26.02.2021.

6. From the submissions, we find that the question raised before us is on the applicable rate for the work undertaken and the applicability of entry in Sl.No.3 item (vi) of the Notification no. 11/2017-Central Tax (Rate) dated 28.06.2017 as amended. The Questions raised are covered under Section 97 of the CGST/TNGST Act 2017 and therefore admissible before this authority for consideration and pronouncement of ruling.

7. We have carefully examined the statement of facts, supporting documents filed by the Applicant along with application, oral submissions made at the time of Virtual hearing and the comments of the Jurisdictional Authority. The applicant has stated that they provide works contract services to TANGEDCO for carrying out retrofitting works and strengthening the NPKRR Maaligai against seismic and wind effect and modification of elevation of NPKRR Maaligai in TNEB Headquarters complex, Chennai-02 as per the Tender Specification No.SE/C/Distn,/16/2016-17 for a sum of Rs.21,88,90,835/- (excluding Service Tax) vide the contract letter dated 28.02.2017. Consequent to the implementation of GST by the Government of India w.e.f 01.07.2017 the accepted rates of the subject contract have been reduced to the extent of WCT @2% and the total value of the contract was amended to Rs.25,06,44,733/- vide the contract letter dated 24.06.2019 , further the Board of TANGEDCO vide contract letter dated 10.10.2019 accorded approval for enhancement of face value of the subject contract from Rs.25,06,44,773/- to Rs.45,25,19,525/- including GST at 18% by extending the period of contract to 18 months for carrying out the excess quantity at the already accepted rates without prejudice to the rights of TANGEDCO for the levy of liquidated damages.The applicant has sought ruling on the following questions:

1. What is the rate of GST to be charged on providing works contract services to TANGEDCO for carrying out retrofitting work for strengthening the NPKRR Maaligai against seismic and wind effect and modification of elevation in TNEB headquarters building at Chennai.

2. Whether the entry in Sl.No.3 item (vi) of the Notification no. 11/2017-Central Tax (Rate) dated 28.06.2017 as amended is applicable to the applicant in instant case.

8.1 On the applicability of GST at 12% as per entry in Sl.No. 3(vi) of Notification No. 11 /2017-C.T.(Rate) dated 28.06.2017 (as amended) effective from 21.09.2017, the relevant extract of the said entry is as follows:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
3	Heading 9954 (Construction services)	<p>(vi) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above 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 -</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; or</p> <p>(c) a residential complex.</p> <p>Explanation. - For the</p>	6	<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, State Government, Union territory or local authority, as the case may be</p>

		purposes of this item, the term 'business' shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities		
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On applying the above notification to the facts in hand we find that the following conditions are required to be satisfied for the entry to be applicable:

- a) Supply must be a composite supply of works contract as defined in clause 119 of Section 2 CGST Act, 2017 (effective from 14.11.2017, when the words 'Services provided' stands amended as 'Composite supply of works contract as defined in Clause (119) of Section 2 of CGST Act ,2017 provided').
- b) Supplies must be provided to the Central Government or State Government or Union Territory, a local authority, a Governmental authority or a Government entity.
- c) Supply must be 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
- d) In the case of supplies to a Government Entity, there is a condition prescribed in proviso that the supplies should have been procured by the said 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.

The fact whether the above conditions are satisfied are analysed as under.

8.2 The definition of works contract under Section 2(119) of CGST Act, 2017 is as follows:

"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 scope of the contract it is seen that the work covered in the contract envisages detailed engineering, soil investigation and testing, preparation of design, drawing & submission to TANGEDCO for the approval and carrying out execution of foundation, structure, superstructure works for retrofitting strengthening of

structural members of NPKRR Maaligai against seismic, wind effect and modification of elevation of NPKRR Maaligai in TNEB Headquarters Complex including provision of glass cladding and aluminium composite panel works including all civil works viz. pile foundation, pile cap, columns, walls, beams, slab, shear wall etc. by supplying the goods involved and the related services, thereby is a composite supply of works contract. Further the works entrusted involves construction, fitting out, improvement etc of NPKRR Maaligai, the immovable property and there exists transfer of property in goods in the execution of the work. Therefore, it is observed that the works undertaken by the applicant are "Works contract" service as per Section 2(119) of CGST Act 2017 and the supply is a composite supply, thereby condition at 8.1 (a) above is satisfied.

8.3 'Government Entity is defined vide Notification No. 31/2017-Central Tax (Rate) dated 13.10. 2017 (which amends Notification No. 11/2017 ibid) and vide Notification No. 32/2017- C.T(Rate) dated 13.10.2017 (which amends Notification No. 12/2017 ibid) as under:

"Government Entity" means an authority or a board or any other body including a society, trust, corporation,

- i) set up by an Act of Parliament or State Legislature; or
- ii) established by any Government,

with 90 per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority

It is seen that TANGEDCO Ltd is established by Government of Tamilnadu vide G.O. Ms.No.94 Energy (B2) Department dated 16.11.2009 with the primary object to function as generation and distribution utility in terms of the provisions of Electricity Act 2003. It is a public company wherein 99 percent shares are held by TNEB, the Holding Company, which is established by Government of Tamilnadu with more than 90 percent equity shares and control. The appointments of the directors to TANGEDCO are by the Government. Thus, TANGEDCO is a Public Limited Company established by Government of Tamilnadu with more than 90 percent control for the purposes of generation and distribution of electricity. Hence, TANGEDCO Ltd is a Government Entity. It is further pertinent to note that the Authority for Advance Ruling in the case of Tamil Nadu Generation and Distribution Corporation Limited vide

TN/14/AAR/2020 dt. 20.04.2020 has viewed that TANGEDCO is a Government Entity. Therefore, the condition at 8.1 (b) above is satisfied

8.4 The next condition to be satisfied is the works undertaken should be predominantly for use other than for commerce, industry or any other business or profession". It is imperative to refer to the definition of 'business' under Section 2(17) of the CGST Act, which is as follows:

business includes --

(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;

(b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);

(c) any activity or transaction in the nature of sub-clause (a), whether or not there is volume, frequency, continuity or regularity of such transaction;

(d)b; and

(i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities

As per the above definition, any trade, commerce or similar activity whether or not it is for pecuniary benefit itself is termed as business. TANGEDCO is involved in generation and distribution of electricity for which revenue is collected for the Energy consumed by the consumers. Revenue collection is based on tariff charged to different category of consumers. TANGEDCO as a state generation and distribution utility and deemed licensee is dependent on the collection of revenue for its operation, maintenance & investment for future growth. It is evident from the above facts that TANGEDCO is involved in the business of selling electricity to the consumers and collecting charges from them which is their predominant activity. The Profit & Loss Account of TANGEDCO specifies income generated as "Income from Sale of power" and the entity running without generating any surplus would not amount to their activities being of public interest without commercial implications. Thus, it is seen that TANGEDCO has been established on commercial principles in as much as Section 61 of the Electricity Act 2003 stipulates the guiding principles for determination of tariff by the Tamilnadu Electricity Regulatory Commission and mandates that the Tariff should progressively reflect cost of supply of electricity, reduce cross subsidy and recover the cost of electricity in a reasonable manner. Hence, the supply of works contract services as per the applicant's contract cannot be considered as that meant predominantly for use other than for commerce, industry, or any other business or professional purposes. In this connection, it is pertinent to note that in a similar case involving the works

undertaken for Kerala State Electricity Board, the Appellate Authority for Advance Ruling, Kerala in the case of **R. S. Development & Constructions Pvt Ltd.** Order No. AAR/08/2020 has observed as under:

"11. The concessional rate of GST of 12% under Sl. No. 3(vi)(a) of Notification No. 11/2017-Central Tax (Rate), dated 28-6-2017 is applicable only for composite supply of works contracts as defined in clause (119) of Section 2 of the CGST Act, 2017 supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, - (a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession. The concessional rate under this entry is not applicable for the works contract services provided as per the above work order as Kerala State Electricity Board Ltd. has been established for carrying out the business of generation, transmission and distribution of electricity in the State of Kerala on commercial principles as is evident from the provisions of Sections 61 and 62 of the Electricity Act, 2003 regarding tariff regulation and determination of tariff. Therefore, the supply of works contract services as per the above work order cannot be considered as meant predominantly for use other than for commerce, industry, or any other business or profession."

8.5 With respect to the condition prescribed in proviso that the supplies should have been procured by the said Government entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, it is observed that TANGEDCO, is a Government entity entrusted with the work of generation and distribution of electricity. In the case at hand, the work undertaken by the applicant is that of retrofitting for strengthening of the NPKKR Maaligai, against seismic & wind effect; Modification of elevation of TNEB Headquarters Building at Chennai. The said works are not of generation and distribution of electricity which is the entrusted work on TANGEDCO and therefore the applicant fails to satisfy the said condition.

8.6 Based on the above discussion, as the Applicant has not fulfilled the conditions at (c) and (d) of para 8.1 above, the entry 3(vi) of Notification no.11/2017 dt. 26.06.2017 is not applicable in the instant case.

9. The applicant has sought the rate of GST to be charged on providing such construction services to TANGEDCO by carrying out retrofitting work for strengthening the NPKRR Maaligai against seismic and wind effect and modification of elevation in TNEB headquarters building at Chennai. The SAC for the Construction Service is SAC 9954 and the applicable rates to the various types of

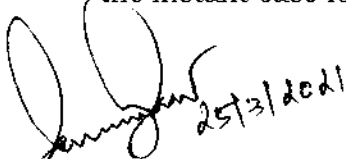
construction service are given under Sl.No.3 of Notification No. 11/2017-C.T.(Rate) as amended. It has been brought in Para 8 above, that the said service is not covered under entry 3(vi). On examining the other entries it is seen that the said service is covered under the residual sub-entry of entry 3, which is 3(iii) for the period from 01.07.2017 to 21.08.2017; 3(vi) from 22.08.2017 to 20.09.2017; 3(vii) from 21.09.2017 to 12.10.2017; 3(ix) from 13.10.2017 to 24.01.2018 and 3(xii) effective from 25.01.2018 and chargeable to 18% GST (9%CGST + 9% SGST). The said entry as amended and effective as on date is as under:

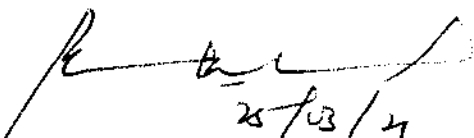
Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
3	Heading 9954 (Construction services)	(xii) Construction services other than (i), (ia), (ib), (ic), (id), (ie), (if), (iii), (iv), (v), (va), (vi), (vii), (viii), (ix), (x) and (xi) above	9	

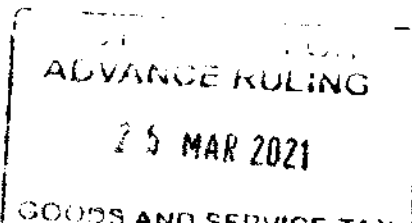
10. In view of the aforementioned facts, we rule as under:

RULING

1. The rate of GST to be charged on the services provided by the applicant to TANGEDCO for carrying out retrofitting work for strengthening the NPKRR Maaligai against seismic and wind effect and modification of elevation in TNEB headquarters building at Chennai is 18% ((9%CGST + 9% SGST) as per SL.No.3(xii) of Notification 11/2017 CT(Rate) dated 28.06.2017 as amended .
2. The entry in Sl.No.3 item (vi) of the notification 11/2017-Central Tax (Rate) dated 28.06.2017 as amended is not applicable to the applicant in the instant case for the reasons discussed in Para 8 above.


Shri Kurinji Selvaan
(Member SGST)


Shri B. Senthilvelavan
(Member CGST)



To

M/s PSK Engineering Construction & Co.

2/72, Kollihills, Naducombai,

Namakkal-637404

//By RPAD/pskenggco@gmail.com//

Copy Submitted to:

1. The Principal Chief Commissioner of GST & Central Excise,
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Additional Chief Secretary/Commissioner of Commercial Taxes,
II nd Floor, Ezhilagam, Chepauk, Chennai-600 005.

Copy to:

3. The Commissioner of GST & Central Excise, Salem Commissionarate,
No: 1, Foulkes compound Anaimedu, Salem 636 001.
4. The State Tax Officer (ST), Attur (Rural) Assessment Circle,
32/21, Gandhi Nagar, Near Railway Station, Attur- 636 102.
5. Master File/ Spare-2

