

**AUTHORITY FOR ADVANCE RULING, TAMILNADU  
ROOM NO.206, 2<sup>ND</sup> FLOOR, PAPJM BUILDING,  
NO.1. GREAMS ROAD, CHENNAI -600 006.**

**PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING UNDER  
SECTION 98 OF THE GOODS AND SERVICES TAX ACT, 2017**

**Members present:**

Shri R.Gopalsamy, I.R.S., Additional Commissioner / Member, Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -600 034.	Smt N.Usha, Joint Commissioner (ST)/ Member, Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-600 006.
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**Advance Ruling No. 15/ARA/2023 Dated: 15.06.2023**

- 1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Rulings, Chennai as under Sub-Section (1) of Section 100 of CGST Act / TNGST Act 2017, within 30 days from the date on the ruling sought to be appealed is communicated.*
- 2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*
  - (a) on the applicant who had sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling.*
  - (b) on the concerned officer or the jurisdictional officer in respect of the applicant.*
- 3. In terms of Section 103(2) of the Act, this advance ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*
- 4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*
- 5. 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.*



GSTIN Number, if any / User id		33ABHFS4082Q1ZL
Legal Name of Applicant		Sri Naachimaar Engineering Constructions
Registered Address / Address provided while obtaining user id		No.7/3, Pudumarappanur, Mohanur, Ariyur Post, Namakkal District, PIN – 637015
Details of Application		GST ARA – 01 Application Sl.No.31/2022 dated 24.05.2022
Jurisdictional Officer		Centre: Salem Commissionerate Division: Salem-II
Concerned Officer		State: Namakkal Rural Assessment Circle
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Service Provider
B	Description (in brief)	<p>The applicant is doing composite supply of Works Contract by way of construction, renovation or alterations to the following State Government Departments viz,</p> <ol style="list-style-type: none"> <li>1. Tamil Nadu Urban Habitat Development Board, formerly known as Tamil Nadu Slum Clearance Board formed under Tamil Nadu Slum Areas (Improvement &amp; Clearance) Act, 1971 administered by Government of Tamil Nadu to remove slum in the State;</li> <li>2. Tirunelveli Smart City Limited, a Public company incorporated on 22.12.2017 classified as State Government Company.</li> </ol>
Issue/s on which advance ruling required		Determination of the liability to pay tax on any goods or services.
Question(s) on which advance ruling is required		<ol style="list-style-type: none"> <li>1. The GST rate @ 12% or 18%, which rate of tax applicable on composite supply of works contract to Tamil Nadu Urban Habitat Development Board, known formerly as Tamil Nadu Slum Clearance Board works;</li> <li>2. The GST rate @ 12% or 18%, which rate of tax applicable on composite supply of works contract to Tirunelveli Smart City Limited under the control of Tirunelveli City Municipal Corporation works;</li> <li>3. Whether they are Government Authority or not?</li> </ol>



The applicant M/s Sri Naachimaar Engineering Constructions, having registered premises at No. 7/3, Pudumarappanur, Mohanur, Ariyur Post, Namakkal District, PIN – 637015 (hereinafter referred to as Applicant) is registered under the GST Act 2017 vide GSTIN 33ABHFS4082Q1ZL. The Applicant has sought Advance Ruling on the following questions:

1. The GST rate @ 12% or 18%, which rate of tax applicable on composite supply of works contract to Tamil Nadu Urban Habitat Development Board, known formerly as Tamil Nadu Slum Clearance Board works;
2. The GST rate @ 12% or 18%, which rate of tax applicable on composite supply of works contract to Tirunelveli Smart City Limited under the control of Tirunelveli City Municipal Corporation works;
3. Whether they are Government Authority or not?

1.2 The applicant 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 desires to ascertain the rate of GST with effect from 01.01.2022 for Composite supply of Works Contract Services provided to Tamil Nadu Urban Habitat Development Board and Tirunelveli Smart City Limited after amendment of Notification No.11/2017 C.T.(Rate) vide Notification No.15/2021 C.T.(Rate) dated 18.11.2021.

2.2 The applicant submitted a copy of Agreement dated 18.01.2021 between Managing Director, Tirunelveli Smart City Limited and the Applicant for construction of commercial mall at corporation land near Palai Bus Stand – Phase I in Tirunelveli Corporation for the contract price of Rs.14,89,71,625/-. The following documents viz (i) Tender document including Contractor's Bid Documents and other documents submitted as part of the Bid, (ii) Conditions of contract, (iii) Specifications, (iv) Drawings, (v) Bill of Quantities and (vi) Letter of Acceptance, shall be read and treated as part and parcel of the said Agreement.

3.1 The applicant, after consent, was given an opportunity to be virtually heard on 12.01.2023. The applicant through authorized representative (AR) Sri P.Murugesan vide email dated 10.01.2023 withdrawn the advance ruling application by referring to Notification No.03/2022 C.T. (Rate) on the subject matter of the application. However, the AR appeared for personal hearing before the



authority with a request to pursue the advance ruling application so as to ascertain the rate of GST applicable to services provided to Tirunelveli Smart City Limited during the period from 01.01.2022 to 18.07.2022 and also made additional submissions. A mail requesting to admit their application was received on 12.01.2023 from the Applicant with request for Advancer Ruling on Tax rate for the period from 01.01.2022 to 18.07.2022 to Tirunelveli Smart City Ltd. under the control of Tirunelveli City Municipal Corporation works.

3.2 After personal hearing, the applicant submitted copies of Work Orders for various construction work issued by M/s Tirunelveli Smart City Limited, copy of Memorandum of Association of M/s Tirunelveli Smart City Limited along with written submissions.

3.3 The details of Work Order with nature of service is listed below;

Sl. No.	Work Order No. / Date	Nature of Work	Contract value (Rs.)
1.	20/2018-19/SCM 27.03.2020	Development of Trade Centre at S.N. High Road in Tirunelveli	55,01,81,898/-
2.	22/2018-19/SCM 08.05.2020	Development of Green Spaces Phase III	11,78,22,643/-
3.	01/2020-21SCM 28.08.2020	Development of Palayamkottai Bus Stand in Tirunelveli City Municipal Corporation	13,27,49,762/-
4.	02/2020-21/SCM 23.11.2020	Improvement of Bose Market in Tirunelveli Corporation	11,40,15,891/-
5.	04/2020-21/SCM 18.01.2021	Construction of Commercial Mall at Corporation land near Palai Bus Stand – Phase I in Tirunelveli Corporation	14,89,71,625/-
6.	04/2020-21/SCM 18.01.2021	Construction of Multi Level Car Parking at Corporation land near Palai Bus Stand in Tirunelveli Corporation	12,71,55,849/-
7.	05/2020-21/SCM 18.01.2021	Construction of Commercial Mall at Corporation land near Palai Bus Stand – Phase II in Tirunelveli Corporation	11,60,91,661/-

3.4.1 The Memorandum of Association of Tirunelveli Smart City Limited specifies ten main objects, wherein one of the objects is to act as special purpose vehicle to do all acts and deeds for the implementation of mission as per smart city mission



statement and guidelines of the central government. Some of the other relevant main objects are;

- (i) To create some core infrastructure elements in Tirunelveli Smart city area for adequate and continuous water supply, assured electricity supply, sanitation including solid waste management, efficient urban mobility and public transport, affordable housing for the poor, robust Information Technology connectivity and digitalization, good governance;
- (ii) To undertake and to create a comprehensive development by promoting mixed land use in area based developments, planning for unplanned areas, containing a range of compatible activities and land uses close to one another to make land and building use efficiently making bye-laws to adopt to change, Housing inclusiveness and expanding housing opportunities for all, by creating walk-able localities, reducing congestion, air pollution and resource depletion, boosting local economy, promoting interactions and ensuring security, road work created or refurbished for vehicles, public transport, pedestrians, cyclists with administrative services within a walk-able or cycling distances, preserving and developing green areas, open spaces, parks, playgrounds, recreational spaces to create a quality of life to all citizens with eco balance, promoting variety of transport options, transit oriented development, public transport and last mile para transport connectivity;
- (iii) To build, develop, erect, install, alter, improve, renovate, recondition, buy or sale, lease, buildings, apartments and structures and to carry on business of all types of civil construction including road, buildings, structures including steels, dams, bridges, canals, embankments, apartments, towers, railway construction, electrical installations, superstructures, infrastructure, information and communication technology based designing and installations;
- (iv) To do any other assignment, acts and deeds, which will be entrusted by Government of Tamil Nadu and/or Tirunelveli City Municipal Corporation, for wellbeing of the citizen of Tirunelveli.

3.4.2 As per the Memorandum of Association of M/s Tirunelveli Smart City Limited, out of 1,00,000 Equity shares, 49,997 shares are subscribed by the Governor of Tamil Nadu through Municipal Administration and Water Supply Department, Government of Tamil Nadu and another 49,997 shares are subscribed by Tirunelveli City Municipal Corporation.



3.5.1 The applicant in the written submission quoted the definitions of 'Government', 'Central Government', 'State Government', provided under CGST Act, 2017 and the General Clauses Act, 1897 and the definitions of 'Government Authority', 'Government Entity' and 'Local Authority' as per CGST Act, 2017 and Notification issued thereunder.

3.5.2 The applicant further mentioned under the caption "Taxability"

'Department Contention' (without mentioning the specific Department)

Government or Local Authority – Taxable at 12%

Government Authority – Taxable at 18%

'Tirunelveli Smart City Limited' is a Government Authority and the works contract is to be taxed at 18% (CGST 9% & SGST 9%).

Dealer Contention

'Tirunelveli Smart City Limited' is neither a 'Government Authority' nor 'Government Entity' and the works contract is to be taxed at 12% (CGST 6% & SGST 6%).

3.5.3 For applicant's interpretation of law and facts in respect of the questions raised, they relied on the composition of shareholding of M/s Tirunelveli Smart City Limited and stated that Government of Tamil Nadu collectively holds 50% of the shares and Tirunelveli City Municipal Corporation holds 50% of the shares collectively. Neither State Government nor the local authority holds 90% or more equity holding of the company. Hence, M/s Tirunelveli Smart City Limited cannot be considered as a 'Government Authority' or 'Government Entity'. Further, construction agreement is executed by the applicant and Executive Engineer, Tirunelveli Corporation.

3.5.4 Applicant further stated that as provided under Article 243W, 'Urban planning including Town planning' is a function of Municipality specified under 12<sup>th</sup> Schedule of the Constitution of India.

3.5.5 In view of the above, the applicant contest that M/s Tirunelveli Smart City Limited cannot be considered as 'Government' or 'Government Authority' or 'Government Entity' but it can be considered as 'Local Authority' and accordingly Works Contract done for M/s Tirunelveli Smart City Limited should be taxed at 12% and not at 18% with effect from 01.01.2022 as per Notification No.22/2021 C.T(Rate) dated 31.12.2021 and all the services of applicant to M/s Tirunelveli



Smart City Limited merit classification under Sl. No. 3 (iv) (a) & (d) of Notification No.20/2017 C.T (Rate) dated 22.08.2017. The applicant further stated that amendment of Notification No.22/2021 C.T(Rate) supra is applicable to description of services in items (iii), (vi), (vii), (ix) and (x) and not to item (iv) of Sl. No.3 of Notification No.11/2017 C.T(Rate) as amended.

3.5.6 The applicant listed seven works being done to M/s Tirunelveli Smart City Limited as mentioned in para 3.3 supra and further claimed that works are done on the land belonged to Tirunelveli City Corporation and handed over the building and bus terminal to city corporation. The applicant further claims that constructed buildings and bus terminal are under the control of City Corporation only and building revenues were received by City Corporation also.

4. The applicant is under the administrative control of Centre. The said jurisdictional authority was addressed to report if there are any pending proceedings against the applicant on the issues raised by the applicant in the ARA application and for comments on the issues raised. The said authority vide letter dated 15.06.2022 furnished their comments on the question raised by the applicant and informed that no proceeding against the applicant is pending on the question raised. With regard to the questions raised, they stated that Tamil Nadu Urban Habitat Development Board and Tirunelveli Smart City Limited are completely run by State Government. Hence, comes under the category State Government / Local Authority and they further stated that tax rate (12% or 18%) depends on the type of Composite supply of Works Contract service supplied in Notification No. 11/2017 CT(Rate) dated 28.06.2017, as amended.

5. The concerned State Tax Officer vide letter Roc. No.711/2022/A1 dated 06.06.2022 stated that no proceeding is pending against the applicant in the assessment circle regarding the issue raised in the application.

6.1 We have carefully considered the questions raised by the applicant in the advance ruling application, the additional submissions made during the personal hearings and the comments furnished by the jurisdictional and concerned Tax Authorities. The applicant filed advance ruling application for determination of the liability to pay tax on any goods or services or both in respect of works contract services being provided to M/s Tamil Nadu Urban Habitat Development Board and M/s Tirunelveli Smart City Limited, within the meaning of that term as per Section 97(2)(e) of GST Act, 2017.



6.2 The question which needs to be answered is the rate of tax applicable for the works contract services undertaken by the applicant to M/s Tamil Nadu Urban Habitat Development Board and M/s Tirunelveli Smart City Limited with effect from 01.01.2022 consequent to amendment of Notification No.11/2017 C.T (Rate) dated 28.06.2017 by Notification No.15/2021 C.T (Rate) dated 18.11.2021 effective from 01.01.2022.

6.3 However, with respect to services provided to M/s Tamil Nadu Urban Habitat Development Board, the applicant has not submitted the details and nature of services being provided or proposed to be provided on the date of application. As per Section 95(a) of CGST Act, 2017, advance ruling is confined to matters on questions in relation to supply of goods or services or both being undertaken or proposed to be undertaken by the applicant.

6.4 The Application for advance Ruling was withdrawn by the applicant vide email dt.10.01.2023. However, the Authorised Representative (AR) Shri P Murugesan appeared in virtual mode on behalf of the Applicant for personal hearing on 12.01.2023, with a request to pursue the application so as to ascertain the rate of GST applicable to service provided to Tirunelveli Smart City Limited during the period from 01.01.2022 to 18.07.2022.

6.5 Since, the applicant is pursuing only the questions pertaining to Tirunelveli Smart City Limited, we refrain from answering questions pertaining to Tamil Nadu Urban Habitat Development Board.

6.6 M/s Tirunelveli Smart City Limited was addressed letter by State Authorities on 11.04.2023 and 05.05.2023, to call for additional documents viz.

- i. Copy of Balance Sheet and Profit & Loss account for the year 2021-22 with Notes/Schedules
- ii. Copy of mandate/request along with terms and conditions received from Tirunelveli Corporation for execution of the projects specified at para 3.3.

Likewise, the Applicant was addressed letter by State Authorities on 11.04.2023, calling for Copy of Agreement with Tirunelveli Smart City Limited along with Letter of Acceptance issued by Tirunelveli Smart City Limited, for the projects mentioned at para 3.3. However, no reply has been received from Tirunelveli Smart City Limited as well as the Applicant.



7.1 It is seen from the submissions and documents that the applicant is a contractor rendering various works contract services to Tirunelveli Smart City Limited as listed in para 3.3 supra.

7.2 The applicant pleads that Tirunelveli Smart City Limited should be considered as 'Local Authority' and GST tax rate of 12% is applicable on the works contract services provided by them. As per Notification No.11/2017 C.T(Rates) dt.28.06.2017, as amended, provides different GST rates on the basis of legal status of the service recipients for the works contract service provided. Hence, ascertaining the legal status of the said service recipients gains paramount importance.

8.1 The statutory provisions relevant to the above contentions of the applicant are discussed as under:

Section 2(119) of the Act defines 'Works Contract' as under:

*(119) "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;*

8.2.1 Serial No. **3(iv)** of Notification No.11/2017 C.T (Rate) dated 28.06.2017, as amended, reads as follows;

*(iv) 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, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, -*

*(a) a road, bridge, tunnel, or terminal for road transportation for use by general public;*

*(b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awaas Yojana;*

*(c) a civil structure or any other original works pertaining to the "In-situ rehabilitation of existing slum dwellers using land as a resource through private participation" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers;*



(d) a civil structure or any other original works pertaining to the "Beneficiary led individual house construction / enhancement" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;

(e) a pollution control or effluent treatment plant, except located as a part of a factory; or

(f) a structure meant for funeral, burial or cremation of deceased.

8.2.2 Serial No. **3(vi)** of Notification No.11/2017 C.T (Rate) dated 28.06.2017, as amended, reads as follows till 31.12.2021;

(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 –

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

(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment; or

(c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in paragraph 3 of the Schedule III of the Central Goods and Services Tax Act, 2017.

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.

Explanation. - For the 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.



8.2.3 The terms 'Government Authority' & 'Government entity' were inserted by Notification No.31/2017 - Central Tax (Rate) dated 13.10.2017 in Notification No. 11/2017 as clauses (ix) & (x) of explanation in Para 4 as follows:

*(ix) Governmental Authority means an authority or a board or any other body, -*

*(i) Set up by an Act of Parliament or a State Legislature; or*

*(ii) Established by any Government, with 90 percent or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243 W of the Constitution or to a Panchayat under article 243 G of the Constitution.*

*(x) 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.*

8.2.4 As per Section 2(69), 'local authority' means-

*(a) a "Panchayat" as defined in clause (d) of article 243 of the Constitution;*

*(b) a "Municipality" as defined in clause (e) of article 243P of the Constitution;*

*(c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund;*

*(d) a Cantonment Board as defined in section 3 of the Cantonments Act, 2006 (41 of 2006);*

*(e) a Regional Council or a District Council constituted under the Sixth Schedule to the Constitution;*

*(f) a Development Board constituted under article 371 8 [and article 371.J] of the Constitution; or*

*(g) a Regional Council constituted under article 371A of the Constitution;*

8.2.5 Description of service in Serial No. 3(vi) of Notification No.11/2017 C.T (Rate) dated 28.06.2017 was amended by Notification No.15/2021 C.T (Rate) dated 18.11.2021 and the same superseded by Notification No.22/2021 C.T (Rate) dated



31.12.2021. The said amendment substituted the words "Union territory, a local authority, a Governmental Authority or a Government Entity" with the words "Union territory or a local authority" with effect from 01.01.2022 and also the condition under column 5 has been omitted. In short the words 'a Governmental Authority or a Government Entity' have been deleted.

8.2.6 Notification No.3/2022 C.T (Rate) dated 13.07.2022 omitted, inter alia, item (vi) and the corresponding entries in column 4 of serial number 3 of Notification No.11/2017 C.T (Rate) dated 28.06.2017, as amended, with effect from 18.07.2022.

8.3 Perusal of the Agreement dated 18.01.2021, between Managing Director, Tirunelveli Smart City Limited, and its annexure indicate that Tirunelveli Smart City Limited procure the works contract service from the applicant on principal to principal basis. Tirunelveli Smart City Limited has not acted as an intermediary between the applicant and Tirunelveli Corporation.

8.4.1 It is seen from the website of Ministry of Urban Development, Government of India, that Smart Cities Mission was launched on 25 June, 2015. The main objective of the Mission is to promote cities that provide core infrastructure, clean and sustainable environment and give a decent quality of life to their citizens through the application of 'smart solutions'. Also, as per Smart Cities Mission Statement & Guidelines issued by Ministry of Urban Development, Government of India, in June 2015, states that the implementation of the Mission at the City level will be done by a Special Purpose Vehicle (SPV) created for the purpose. The SPV will plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development projects. Each Smart City will have a SPV which will be headed by a full time CEO and have nominees of Central Government, State Government and ULB (Urban Local Bodies) on its Board. The States/ULBs shall ensure that,

(a) a dedicated and substantial revenue stream is made available to the SPV so as to make it self-sustainable and could evolve its own credit worthiness for raising additional resources from the market and

(b) Government contribution for Smart City is used only to create infrastructure that has public benefit outcomes.

8.4.2 The SPV will be a limited company incorporated under the Companies Act, 2013, at the city-level, in which the State/UT and the ULB will be the promoters



having 50:50 equity shareholding. The private sector or financial institutions could be considered for taking equity stake in the SPV, provided the shareholding pattern of 50:50 of the State/UT and the ULB is maintained and the State/UT and the ULB together have majority shareholding and control of the SPV.

8.4.3 Funds provided by the Government of India in the Smart Cities Mission to the SPV will be in the form of tied grant and kept in a separate Grant Fund. These funds will be utilized only for the purposes for which the grants have been given and subject to the conditions laid down by the MoU.

8.4.4 This mission objective has been imbibed as main object in the Memorandum of Association as discussed in para 3.4.1.

8.4.5 It is clear from the above discussion that Tirunelveli Smart City Limited falls under the definition of 'Governmental Authority' within the meaning of explanation in Para 4 (ix) of Notification No.11/2017 C.T (Rate) dated 28.06.2017, as amended vide Notification No. 31/2017 CT (Rate), dated 13.10.2017.

8.4.6 As per definition of local authority given at para 8.2.4, the term local authority inter alia includes certain bodies / authorities, more specifically "any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund" in section 2(69) (c) of the CGST Act, 2017. Thus, for the purpose of GST law, any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund, qualifies as the local authority. Whereas, the Applicant has not been conferred with any power to control or manage municipal or local fund as stipulated in the definition of local authority in S.No.2(69)(c) of the CGST Act, 2017.

8.4.7 In view of the above provisions, it is clear that Tirunelveli Smart City Limited has been constituted with a different purpose to implement certain functions and it cannot be equated to a local body and hence it can be concluded that Tirunelveli Smart City Limited is not a Local Authority.

8.5 Accordingly, the effective rate of duty on work executed for Tirunelveli Smart City Limited, which is a 'Government Authority' and the nature of service provided by the applicant, narrated under para 7.1 supra, is covered under entry in serial number 3(vi) of Notification No.11/2017 C.T (Rate) dated 28.06.2017 till 31.12.2021. However, after omission of 'Government Entity' from the description of



service under the said entry vide Notification No.15/2021 C.T (Rate) dated 18.11.2021 read with Notification No.22/2021 C.T (Rate) dated 31.12.2021 with effect from 01.01.2022, the services of the applicant are covered under serial number 3 (xii) of Notification No.11/2017 C.T (Rate) dated 28.06.2017 and attract CGST of 9%.

9. In view of the above, we rule as under:

**RULING**

1. The GST rate @ 12% or 18%, which rate of tax applicable on composite supply of works contract to Tamil Nadu Urban Habitat Development Board, known formerly as Tamil Nadu Slum Clearance Board works;

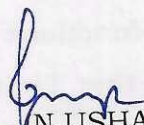
Reply : No Ruling as discussed at para 6.4.

2. The GST rate @ 12% or 18%, which rate of tax is applicable on composite supply of works contract to Tirunelveli Smart City Limited under the control of Tirunelveli City Municipal Corporation works;

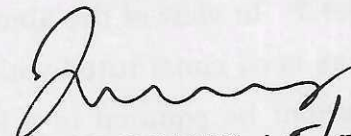
Reply: The services of the applicant provided for Tirunelveli Smart City Limited, are covered under serial number 3 (xii) of Notification No.11/2017 C.T (Rate) dated 28.06.2017 and attract CGST of 9% and SGST @ 9% with effect from 01.01.2022.

3. Whether they are Government Authority or not?

Reply: As per discussion at para 8.4.5

  
(N.USHA)  
Member (SGST)



  
(R.GOPALSAMY) 15/06/23  
Member (CGST)

To

M/s Sri Naachimaar Engineering Constructions,  
No. 7/3, Pudumarappanur,  
Mohanur, Ariyur Post,  
Namakkal District, PIN - 637015

//By RPAD//



Copy submitted to:

1. The Principal Chief Commissioner of CGST & Central Excise,  
No. 26/1, Mahatma Gandhi Road, Nungambakkam,  
Chennai – 600 034.
2. The Principal Secretary / Commissioner of Commercial Taxes,  
2<sup>nd</sup> Floor, Ezhilagam, Chepauk, Chennai – 600 005.

Copy to:

1. The Commissioner of GST & Central Excise,  
Salem Commissionerate.
2. The Assistant Commissioner (ST),  
Namakkal Rural Assessment Circle,  
Integrated Commercial Taxes Building,  
1 st Floor, BSNL Opposite,  
Mohanur Road, Namakkal – 637 001.
3. Master File / spare – 1.