

GOA AUTHORITY FOR ADVANCE RULING.

(Constituted under section 96 of the Goa Goods and Services Tax Act,
2017 (Goa Act 4 of 2017) read with Rule 103 of the Goa Goods and
Services Tax Rules, 2017)

BEFORE THE BENCH OF

- (1) Shri. J. K. Meena, Addl Commissioner of Central Tax
(2) Shri. Ashok V. Rane, Addl Commissioner of State Tax

Advance Ruling No. GOA/GAAR/8 of 2018-19/1025

Name of the Applicant	Chief Electrical Engineer, Goa
Address	Electricity Department, 4 th Floor, Vidhyut Bhavan, Near Police Headquarter, Panaji Goa – 403001
GSTIN	30BLRC03991B1DP
Date of Application	11/02/2019
Under Section 97(2) of the CGST/GGST Act, 2017 under which question raised	<p>The GST rate applicable for various works/activity undertaken by the Goa Electricity Department as listed below:</p> <ol style="list-style-type: none">1. Supply, Erection, Testing and Commissioning of Low Voltage/High Voltage/Extra High Voltage Overhead Lines.2. Supply, Erection, Testing and Commissioning of Low Voltage/High Voltage Cables.3. Supply, Erection, Testing and Commissioning of Low Voltage/ High Voltage/Extra High Voltage Circuit.



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	<p>4. Supply, Erection, Testing and Commissioning of Low Voltage/ High Voltage/Extra High Voltage Transformers.</p> <p>5. Supply, Erection, Testing and Commissioning of Low Voltage/ High Voltage/Extra High Bays/Outdoors structure in sub-station/other arears.</p> <p>6. Supply, Erection, Testing and Commissioning of Low Voltage/ High Voltage Panels/Distribution boxes/Ring Main Units.</p> <p>7. Circuit works for Circuit breakers, Transformers, Bay, Panels Installation.</p> <p>8. Preventive Maintenance of Circuit breaker, Transformers, Bay, Panels etc.</p> <p>9. Breakdown maintenance of Circuit breaker, Transformers, Bay, Panels etc.</p> <p>10. Hiring of vehicles.</p> <p>11. Supply, Erection, Testing and Commissioning of Street Light Poles.</p> <p>12. Earthing.</p>
Date of Hearing	19/03/2019
Persons Present for Hearing	Shri Rajendra Gaude, Joint Director of Accounts.

(Handwritten signature)



PROCEEDING

(Under Section 98 of the Goa Goods and Services Tax, Act 2017)

The present application has been filed under section 97 of the Goa Goods and Services Tax Act, 2017 and the Central Goods and Services Tax, Act 2017 (hereinafter referred to as the SGST Act and CGST Act) by the Chief Electrical Engineer, Goa, Electricity Department, 4th Floor, Vidhyut Bhavan, Near Police Headquarter, Panaji Goa – 403001 seeking an Advance Ruling in respect of the GST rate applicable for various works/activity undertaken by the Chief Electrical Engineer, Goa as listed below:

1. Supply, Erection, Testing and Commissioning of Low Voltage/High Voltage/Extra High Voltage Overhead Lines.
2. Supply, Erection, Testing and Commissioning of Low Voltage/High Voltage Cables.
3. Supply, Erection, Testing and Commissioning of Low Voltage/ High Voltage/Extra High Voltage Circuit.
4. Supply, Erection, Testing and Commissioning of Low Voltage/ High Voltage/Extra High Voltage Transformers.
5. Supply, Erection, Testing and Commissioning of Low Voltage/ High Voltage/Extra High Bays/Outdoors structure in sub-station/other arears.
6. Supply, Erection, Testing and Commissioning of Low Voltage/ High Voltage Panels/ Distribution boxes/ Ring Main Units.
7. Circuit works for Circuit breakers, Transformers, Bay, Panels Installation.
8. Preventive Maintenance of Circuit breaker, Transformers, Bay, Panels etc.
9. Breakdown maintenance of Circuit breaker, Transformers, Bay, Panels etc.
10. Hiring of vehicles.
11. Supply, Erection, Testing and Commissioning of Street Light Poles.
12. Earthing.



The applicant is a Government Department involved in transmission and distribution of electrical energy to the general public. The applicant is involved in supply, erection, testing and commissioning of low voltage, high voltage, extra voltage overhead lines, cables, circuit breakers, voltage transformers, outdoor structure in sub stations and other arears, high voltage panels distribution boxes, ring main units, civil works for circuit breaker, transformer, bay panel installation, preventive maintenance of circuit breaker, transform, bay, panels etc., breakdown maintenance of circuit breaker, transformer, bay, panels, etc., hiring of vehicles, supply erection testing and commissioning of street light poles and earthing.

To deal with all these issues we have to go through the provisions of Sub Section 119 of the Section 2 and Sub Section 30 of the Section 2 of the CGST Act, 2017.

The provision of Sub Section 119 of Section 2 reads 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;

The provision of Sub Section 30 of Section 2 reads as under:

(30) “composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;



On going through the provisions of Sub Section 119 of Section 2, it is seen that the applicant is liable to pay SGST & CGST on the supply, erection, testing and commissioning of low voltage, high voltage, extra voltage overhead lines, cables, circuit breakers, voltage transformers, outdoor structure in sub stations and other arears, high voltage panels distribution boxes, ring main units, civil works for circuit breaker, transformer, bay panel installation, preventive maintenance of circuit breaker, transform, bay, panels etc., breakdown maintenance of circuit breaker, transformer, bay, panels, etc., supply erection testing and commissioning of street light poles and earthing as the same activities amounts to works contract.

As per the provision of Sub Section 30 of Section 2 of the CGST Act, 2017 the above mentioned works contract amounts to composite supply and the composite supply of works contract is taxable @ 18% (9% CGST & 9% SGST) vide Notification No. 11/2017-Central Tax (Rate) dated 28th June, 2017.

As far as hiring of vehicles is concerned, there are different provisions for vehicle hiring, for the purpose of transporting goods and for the purpose of transporting passengers. The following rates of tax are applicable depending on the purpose of hiring vehicle as per Notification No. 20/2017-Central Tax(Rate), dated. 22nd August, 2017:

Description of Service	Rate	Condition
Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use).	5% (2.5% CGST + 2.5% SGST)	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken
	or	
	12% (6%	Provided that the goods transport agency opting to pay central tax @ 6%



	CGST + 6% SGST)	under this entry shall, thenceforth, be liable to pay central tax @ 6% on all the services of GTA supplied by it.”;
Transport of passengers by motor cab where the cost of fuel is included in the consideration charged from the service recipient	5% (2.5% CGST + 2.5% SGST)	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken
	or	
	12% (6% CGST + 6% SGST)	-

ADVANCE RULING UNDER SECTION 98 OF THE CGST/GGST ACT,
2017

1. The applicant Chief Electrical Engineer, Goa is liable to pay CGST @ 9% & SGST @ 9% on various works/activity undertaken by them except on hiring of the vehicles.
2. The applicant is liable to pay CGST @ 2.5% & SGST @ 2.5% or CGST @ 6% & SGST @ 6% on hiring of vehicles subject to the conditions specified in Notification No. 20/2017-Central Tax(Rate), dated. 22nd August, 2017.


(J. K. Meena)
Member




(Ashok V. Rane)
Member

Dated: -18/07/2019
Place: - Panaji – Goa



To,
The Chief Electrical Engineer, Goa,
Electricity Department, 4th Floor,
Vidhyut Bhavan, Near Police Headquarter,
Panaji Goa – 403001.

Copy to

1. The State Tax Officer, Panaji Ward, Panaji – Goa;
2. The Dy. Commissioner of State Tax, Panaji Ward, Panaji;
3. The Commissioner of State GST, Panaji – Goa;
4. The Commissioner of Central GST, Panaji – Goa;
- ✓ 5. Office file;
6. Guard file.



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