

Commissionerate of CT and GST, Odisha (At Cuttack)
(Finance Department, Government of Odisha)

No. POL-56/3/2017-Policy 14825/C.T

Dated 8 / 11 /2018

To

The Managing Director,
Odisha Small Industries Corporation Ltd
Industrial Estate, Madhupatna
Cuttack - 753010

Sub: Rate of tax under the GST Act in respect of Electrification work relating to BGJY, DDUVY& CAPEX etc - clarification - reg.

Ref: Your office letter No. 3806/OSIC dt. 16.08.2018

Sir,

In inviting a reference to your office letter on the subject cited above, I am directed to inform you that OSIC being a Government entity is covered by CBIC Notification No.11/2017 Central Tax (Rate) dated 28.06.2017 and corresponding Finance Department Notification S.R.O No.305/2017 Dated 28/06/2017 as amended from time to time. Electrification work undertaken by OSIC under BGJY and DDUGVY will qualify for 12 % tax rate (6% CGST+ 6% SGST) prescribed at SI No.3 (vi) of the said Notifications.

As regards the work executed under CAPEX, the end use will determine the rate of tax under GST. Item (vi) of SI No.3, clause (a) of the said Notification prescribes 12% tax rate for an original work meant predominantly for use other than for commerce, industry or any other business or profession. The end user of the infrastructure, i.e. the Distribution Companies are likely to put the infrastructure to their business use. In that case, the work executed for creating electricity distribution infrastructure for use by the Distribution Companies will attract tax @18%. Therefore, the nature of the "end use" of the electrical distribution infrastructure created will decide the rate of tax, which should, therefore, be ascertained in due consultation with Energy Department of Government of Odisha.

This is issued with approval of the Commissioner.

Yours faithfully


06.11.18

Addl. Commissioner CT & GST
(Policy)