

M/s ITD Cementation India Ltd.

Appellate Authority for Advance Ruling — West Bengal

Appeal Case No. 03/WBAAAR/APPEAL/2019 dated 15.05.2019

Q Questions Before the Authority

- Applicability of Notification No. 24/2017-CT (Rate) dated 21/09/2017 and 31/2017-CT (Rate) dated 13/10/2017.
- What rate at which GST should be charged on the works contract service supplied for construction of the a multi-modal terminal at Haldia, West Bengal.

F Facts

The Appellant is a supplier of works contract services that entered into an agreement with the Inland Waterways Authority of India (IWAI) for the construction of a multi-modal IWT terminal at Haldia on an EPC basis. The Appellant sought a ruling on whether specific notifications applied to their service and the applicable GST rate for this project. The original Authority for Advance Ruling had previously held that the amendments were not applicable and that the service attracted 18% GST.

H Ruling

Applicability of Notifications	Applicable	Amendments to Serial No. 3(vi) of Notification No. 11/2017-CT (Rate) apply to the project.
Applicable GST Rate	12%	The service is treated as a works contract for a Government Entity for infrastructure development.

The Appellate Authority set aside the original ruling and held that the amendments to Serial No. 3(vi) of Notification No. 11/2017-CT (Rate) are applicable to the Appellant's works contract service. Consequently, the service qualifies for the concessional rate provided for works contracts supplied to a Government Entity for infrastructure development.

R Reasoning

The Authority determined that the IWAI is a Government Entity and that the project is for the development of national waterways infrastructure rather than for commerce or business. It noted that remittances from IWAI are credited to the Consolidated Fund of India, confirming they are government revenue rather than business proceeds. Therefore, the project satisfies the conditions under Serial No. 3(vi)(a) of the Rate Notification. The ruling relies on the **Jal Marg Vikas Project** context and the specific provisions of the **Inland Waterways Authority of India Act, 1985**.

P Provisions Relied On

Section 100(1) of the West Bengal Goods and Services Tax Act, 2017

Section 97 of the West Bengal Goods and Services Tax Act, 2017

Notification No. 11/2017-CT (Rate) dated 28/06/2017

Notification No. 24/2017-CT (Rate) dated 21/09/2017

Notification No. 31/2017-CT (Rate) dated 13/10/2017

Inland Waterways Authority of India Act, 1985

! For the Practitioner

This ruling is highly beneficial for contractors engaged in infrastructure projects for statutory bodies like the IWAI, as it confirms that such projects can qualify for the **12% concessional GST rate** under the 'Government Entity' category. It clarifies that the mere collection of fees by a statutory body does not automatically render a project 'commercial' if the funds are remitted to the Consolidated Fund of India. Practitioners should use this to argue for lower tax rates on similar public infrastructure works.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [wb_aaar_03_2019_14.02.2019.pdf](#)

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