

M/s Skilltech Engineers & Contractors Private Limited

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 03 / 2018 dated 21st March, 2018

Dated **21.03.2018**

Q Questions Before the Authority

- Whether the contract, executed by them for KPTCL, is a divisible contract [Supply of goods & Supply of Services] or an indivisible contract [works contract]?
- Whether the tax rate of 12% [CGST-6% + SGST-6%] is applicable to the above contract, in pursuance of Notification No.24/2017-Central Tax (Rate) dated 21.09.2017?

F Facts

The applicant entered into a contract with Karnataka Power Transmission Corporation Limited (KPTCL) for the construction of power lines, erection of transmission towers, and transformers. Although the work was split into three separate agreements for supply of materials, erection, and civil works, all were awarded under a single tender notification with common terms and conditions. The applicant sought to determine if this arrangement constitutes a divisible contract and if it qualifies for a concessional GST rate.

H Ruling

Nature of contract	Indivisible works contract	The contract is a service
Applicability of 12% GST rate	Not entitled	KPTCL is not considered a State Government or State Government Authority

The Authority ruled that the contract is an indivisible works contract and that the applicant is not entitled to the concessional GST rate of 12% under the cited notification. It concluded that KPTCL does not qualify as a State Government or State Government Authority for the purposes of the notification.

R Reasoning

The Authority determined the contract is indivisible because it was awarded as a single composite tender with common terms, falling under the definition of a works contract in Section 2(119) of the CGST Act, 2017. Regarding the tax rate, it held that KPTCL, as a separate corporate entity, does not meet the definition of 'State Government' or 'local authority'. It relied on the principle from Agarwal Vs. Hindustan Steel that statutory bodies are distinct from the government. Consequently, the applicant does not qualify for the concessional rate provided in Notification No. 24/2017-Central Tax (Rate).

P Provisions Relied On

Section 2(119) of the CGST Act, 2017

Section 97 of the CGST Act, 2017

Section 98(4) of the CGST Act, 2017

Schedule II of the CGST Act, 2017

Notification No. 24/2017-Central Tax (Rate) dated 21.09.2017

! For the Practitioner

This ruling clarifies that composite contracts awarded under a single tender are **indivisible works contracts** even if split into multiple agreements. It serves as a warning that statutory corporations like KPTCL are **not considered State Governments** for the purpose of claiming concessional GST rates under specific notifications. Practitioners should note that the status of the service recipient as a government entity is strictly interpreted.

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 -> 03-skilltech_engineers-aar-order.pdf

Prepared 15-10-2026.

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