M/s M V Infra Services Pvt. Ltd., Bengaluru (GSTIN 29AAHCM8620L1ZY)

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 04/2020, Date: 17-02-2020 Dated **17.02.2020**

Q Questions Before the Authority

- What is the rate of tax applicable on services provided under sub-contract to main contractor, who in turn provides to M/s Maharashtra State Skill Development Society (MSSDS), in respect of training of Building and other construction workers (skill development training), and admissibility of Sl. No. 69 and Sl. No. 72 of the notification 12/2017-Central Tax (Rate) New Delhi, dated 28th June, 2017?

F Facts

The applicant provides composite works contract services (erection, foundation, electrical works, painting and maintenance) for communication towers. It expects to receive a sub-contract from M/s Aditya Call Centre Pvt. Ltd., Bengaluru (the main contractor), to impart skill development training to engineers, ITI students, and building and construction workers. The main contractor is expected to win a tender floated by the Maharashtra State Skill Development Society, under a bill-to-ship-to model, with the training funded by the Government of Maharashtra.

H Ruling

Rate of tax on training services sub-contracted to the main contractor for MSSDS-funded construction worker training	**18% GST (IGST, or 9% CGST plus 9% KGST)**	Exemption under Sl. No. 69 is not available, because the tender body is neither NSDC nor an SSC and no approval of the main contractor as a training partner was shown. Exemption under Sl. No. 72 is not available, because the services are provided to the main contractor and not to the State Government.

The authority held that **18% GST** (IGST, or 9% CGST and 9% KGST) applies to the services the applicant would provide under sub-contract. Neither Sl. No. 69 nor Sl. No. 72 of Notification 12/2017-Central Tax (Rate) is available to the applicant.

R Reasoning

The authority examined Sl. No. 69, which covers services by NSDC, Sector Skill Councils and approved assessment agencies or training partners in relation to specified national skill schemes. It found that the Maharashtra tender body is neither NSDC nor an SSC, and that the applicant produced no evidence that the main contractor is an approved training partner, so Sl. No. 69 could not apply. It then examined Sl. No. 72, which requires that the services be under a training programme, be provided to the Central Government, a State Government or a UT Administration, and be funded wholly by such government. Because the recipient of the applicant's services would be the main contractor and not the State Government, the second condition failed, and the applicant's claim that the main contractor's exemption passes down through the sub-contract was rejected.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

- Notification No. 12/2017-Central Tax (Rate) New Delhi, dated 28.06.2017, Sl. No. 69
- Notification No. 12/2017-Central Tax (Rate) New Delhi, dated 28.06.2017, Sl. No. 72
- Service Code 9991, 9992 and 9983 as referred to in the order
- Section 97 of the CGST Act, 2017 and KGST Act, 2017, read with Rule 104 of the CGST Rules, 2017 and KGST Rules, 2017
- Section 98(4) of the CGST Act, 2017 and KGST Act, 2017

! For the Practitioner

This ruling is useful for sub-contractors in training or skill-development chains where the government funds the programme but contracts through an intermediary. It settles that the exemption under Sl. No. 72 requires the government to be the recipient of the service, so a government-funded pass-through through a main contractor does not qualify. It does not decide whether the main contractor itself would be exempt if it were a training partner approved by NSDC or an SSC, nor whether a direct contract with a government body would be exempt, and it binds only the applicant and the jurisdictional officers.

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 -> kar_aar_04_2020_17.02.2020_mvispl.pdf

Prepared 18-11-2026.

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Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com