

Sri Naachimaar Engineering Constructions

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 15/ARA/2023 Dated: 15.06.2023

Q Questions Before the Authority

- The GST rate @ 12% or 18%, which rate of tax applicable on composite supply of works contract to Tamil Nadu Urban Habitat Development Board, known formerly as Tamil Nadu Slum Clearance Board works;
- The GST rate @ 12% or 18%, which rate of tax applicable on composite supply of works contract to Tirunelveli Smart City Limited under the control of Tirunelveli City Municipal Corporation works;
- Whether they are Government Authority or not?

F Facts

The applicant is a contractor providing composite supply of works contract services to government-related entities, specifically the Tamil Nadu Urban Habitat Development Board and Tirunelveli Smart City Limited. The applicant sought an advance ruling to determine the applicable GST rate for these services, specifically for the period from 01.01.2022 to 18.07.2022 for the latter entity. The applicant withdrew the request regarding the Tamil Nadu Urban Habitat Development Board during the proceedings.

H Ruling

GST rate for Tamil Nadu Urban Habitat Development Board	No ruling	Withdrawn by applicant
GST rate for Tirunelveli Smart City Limited	18% (CGST 9% + SGST 9%)	Effective from 01.01.2022 under serial number 3 (xii) of Notification No. 11/2017
Status of Tirunelveli Smart City Limited	Government Authority	Based on definition in explanation to Notification No. 31/2017

The Authority ruled that the services provided to Tirunelveli Smart City Limited are covered under serial number 3 (xii) of Notification No. 11/2017 C.T. (Rate) dated 28.06.2017, attracting a total GST rate of 18% (9% CGST and 9% SGST) effective from 01.01.2022. It further held that Tirunelveli Smart City Limited qualifies as a **Government Authority** within the meaning of the relevant notification. No ruling was provided for the Tamil Nadu Urban Habitat Development Board due to the applicant's withdrawal of that question.

R Reasoning

The Authority determined that Tirunelveli Smart City Limited is a **Government Authority** because it was established by the government with significant participation to carry out functions entrusted by the government. Consequently, the works contract services provided to it fall under the category of services to a Government Authority. The Authority applied the rate prescribed under serial number 3 (xii) of Notification No. 11/2017 C.T.

(Rate) as amended, which mandates an 18% rate for such services. It explicitly noted that the applicant does not qualify as a local authority under section 2(69) of the CGST Act.

P Provisions Relied On

Section 97(2)(e) of the GST Act, 2017	Section 2(119) of the GST Act, 2017
Section 2(69) of the GST Act, 2017	Notification No. 11/2017 C.T. (Rate) dated 28.06.2017
Notification No. 31/2017 C.T. (Rate) dated 13.10.2017	Notification No. 15/2021 C.T. (Rate) dated 18.11.2021
Notification No. 22/2021 C.T. (Rate) dated 31.12.2021	

! For the Practitioner

This ruling clarifies that a Special Purpose Vehicle like Tirunelveli Smart City Limited is classified as a **Government Authority** for GST purposes. Practitioners can use this to support the classification of similar entities, though it confirms that such services attract an 18% GST rate rather than the lower 12% rate. It does not provide a ruling on the Tamil Nadu Urban Habitat Development Board due to the withdrawal of that specific question.

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 -> 15_aar_2023_sri_naachimaar.pdf

Prepared 20-10-2026.

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