

STEEL INDUSTRIALS KERALA LIMITED

Authority for Advance Ruling — Keralam

ADVANCE RULING No. KER/41/2025

Dated 08.12.2025

Q Questions Before the Authority

- Whether GST is applicable on the centage charges collected being the centage charges levied for consulting services provided to a Government entity which is covered under Article 243G/243W of the Indian constitution (12th schedule)
- Whether the company can claim refund of GST already paid for the year 2017-18 onwards?

F Facts

The applicant is a Public Sector Undertaking that provides Project Management Consultancy (PMC) services to various government departments and local authorities. These services involve supervision, coordination, and administrative management of civil and infrastructure projects. The applicant collects a percentage-based fee, referred to as centage charges, for these services.

H Ruling

Applicability of GST on centage charges	Not applicable	Exempt under Entry 3 of Notification No. 12/2017-CTR for pure services provided to government/local authorities in relation to functions under Article 243G/243W
Eligibility for refund of GST paid	Eligible to claim	Subject to the statutory limitation of two years prescribed under Section 54 of the CGST Act

The authority ruled that the centage charges for pure PMC services provided to government entities in relation to functions under Article 243G or 243W are exempt from GST. Regarding the refund, the applicant is entitled to claim a refund for GST paid, subject to the statutory two-year limitation period prescribed under the GST law.

R Reasoning

The authority determined that the applicant's PMC services qualify as **pure services** as they do not involve the supply of goods. These services are rendered to government departments and local authorities in relation to functions entrusted to Panchayats and Municipalities under Articles 243G and 243W of the Constitution. Consequently, the services fall under the **exemption provided by Entry 3 of Notification No. 12/2017-Central Tax (Rate)**. Regarding the refund, the authority clarified that while the applicant is eligible to claim a refund for erroneously paid tax, it must strictly adhere to the **two-year limitation period** stipulated under Section 54 of the CGST Act.

P Provisions Relied On

Section 54 of the CGST Act

Section 97(2) of the CGST Act

Entry 3 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Article 243G of the Constitution of India

Article 243W of the Constitution of India

! For the Practitioner

This ruling confirms that **percentage-based consultancy fees** charged by PSUs to government bodies for pure project management services are exempt from GST. It provides a clear path for practitioners to seek refunds for past tax payments, provided the **two-year limitation period** has not expired. However, the authority explicitly declined to rule on the merits of specific refund claims, noting that issues like unjust enrichment must be examined by the jurisdictional officer.

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 -> [steel_industrials_kerala_limited.pdf](#)

Prepared 13-10-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)

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

Delhi

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

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

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

Gurugram

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

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