



## SOUTH CENTRAL RAILWAY

PRINCIPAL FINANCIAL ADVISER's Office,  
Rail Nilayam, Secunderabad – 500 071

No.A/GST/clarification/III

Date: 08.01.2018

PCE/SC

*(For kind attention of Dy.CE/Works)*

Sub: GST rates applicable to various works.

Ref: This office letter of Even No: dated 01-01-2018.

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The following paras of the above referred letter at Page No 2 may be read as given below:-

**Existing:**

Item (vi) (c) of Notification No 24/2017 dated 21-09-2017 (Integrated Rate Tax) can be applied for works of construction/ repair/ maintenance/ renovation/alteration of staff quarters (GST rate at 12%). This is relevant for our zonal works which are predominantly repair/maintenance works. However, in case of repair/maintenance works to other buildings like offices/stations buildings/service buildings which are used for business and other activities of zonal contracts, GST is applicable at the rate of 18%.

"It is pertinent to mention here that Earth work contracts will attract a GST rate of 5% as per Notification No: 31/2017 Central Tax Rate dated 13-10-2017."

**Revised:**

"Item (vi) (c) of Notification No 24/2017 dated 21-09-2017 (Integrated Rate Tax) can be applied for works of construction/ repair/ maintenance/ renovation/alteration of staff quarters (GST rate at 12%). This is relevant for our zonal works which are predominantly repair/maintenance works. In the case of zonal contracts involving composite works of repair/maintenance of Staff quarters [Item (vi)c] and repair/ maintenance of other buildings which are used for business[Item (vii) of Notification No 24/2017], the GST liability shall be determined in the following manner as per section 8 (a) of CGST Act 2017:

'a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply'.

The principal supply is to be certified by the Executive."

"It is pertinent to mention here that Earth work contracts will attract a GST rate of 5% as per Notification No: 31/2017 Central Tax Rate dated 13-10-2017 on fulfilling the conditions stipulated therein".

This issues with the approval of FA&CAO/G.

(K.Nagendra Babu)  
RPM/AR  
for PFA/SC

Copy to: PCME, PCSTE & PCEE for kind information & necessary action.

for PFA/SC