Commissionerate of CT and GST, Odisha (At Cuttack)  
(Finance Department, Government of Odisha)

No. POL-56/3/2017-Policy/14825/C.T  
Dated 8/11/2018

To

The Managing Director,  
Odisha Small Industries Corporation Ltd  
Industrial Estate, Madhupatna  
Cuttack - 753010

Sub: Rate of tax under the GST Act in respect of Electrification work relating to  
BGJY, DDUVY& CAPEX etc - clarification - reg.

Ref: Your office letter No. 3806/OSIC dt. 16.08.2018

Sir,

In inviting a reference to your office letter on the subject cited above, I am  
directed to inform you that OSIC being a Government entity is covered by CBIC  
Notification No.11/2017 Central Tax (Rate) dated 28.06.2017 and corresponding  
Finance Department Notification S.R.O No.305/2017 Dated 28/06/2017 as  
amended from time to time. Electrification work undertaken by OSIC under BGJY  
and DDUGVY will qualify for 12 % tax rate (6% CGST+ 6% SGST) prescribed at SI  
No.3 (vi) of the said Notifications.

As regards the work executed under CAPEX, the end use will determine the  
rate of tax under GST. Item (vi) of SI No.3, clause (a) of the said Notification  
prescribes 12% tax rate for an original work meant predominantly for use other  
than for commerce, industry or any other business or profession. The end user of  
the infrastructure, i.e. the Distribution Companies are likely to put the  
infrastructure to their business use. In that case, the work executed for creating  
electricity distribution infrastructure for use by the Distribution Companies will  
attract tax @18%. Therefore, the nature of the “end use” of the electrical  
distribution infrastructure created will decide the rate of tax, which should,  
therefore, be ascertained in due consultation with Energy Department of  
Government of Odisha.

This is issued with approval of the Commissioner.

Yours faithfully

[Signature]

Addl. Commissioner CT & GST  
(Policy)