

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

**LOK SABHA
UNSTARRED QUESTION No. 2881**

TO BE ANSWERED ON FRIDAY, AUGUST 3, 2018/Shravana 12, 1940 (Saka)

AAR OF GST ON EPC

2881. SHRI GUTHA SUKENDER REDDY

SHRI KONAKALLA NARAYANA RAO:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is mulling over bringing a central Authority for Advance Rulings (AAR) to decide on potential Goods and Services Tax (GST) liability and remove the confusion and if so, the details thereof;
- (b) whether the AAR has decided that Engineering, Procurement and Construction (EPC) activities of a company are liable for GST;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether as per Ministry of New and Renewable Energy Circular all EPC activities would be considered as composite supply and attract only 5 percent GST and if so, the details thereof; and
- (e) whether the Government has received any representation from any company to review and clarify the matter and if so, the details thereof?

**MINISTER OF STATE FOR FINANCE
(SHRI SHIV PRATAP SHUKLA)**

- (a) No such proposal is being considered by the Government at present.
- (b) and (c) The Authority for Advance Rulings (AAR) has decided in certain cases that Engineering, Procurement and Construction (EPC) activities of a company are liable for GST. The details of these rulings are available in the public domain on the following link:
<http://www.gstcouncil.gov.in/rulings-advance-authority>
- (d) Ministry of New and Renewable Energy has not issued any such Circular.
- (e) The Government has received representations from several solar power developers and solar industry associations like Solar Power Developers Association (SPDA), National Solar Energy Federation of India (NSEFI) etc. seeking clarification regarding the applicability of GST on solar power generating systems and parts thereof.
