

Treading the GST Path – XIX

Support Structures

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With effect from 23.07.2009 the following restriction has been introduced in the definitions of inputs under Cenvat Credit Rules, 2004.

but shall not include cement, angles, channels, Centrally Twisted Deform bar (CTD) or Thermo Mechanically Treated bar (TMT) and other items used for construction of factory shed, building or laying of foundation or making of structures for support of capital goods.

The following restriction has also been introduced in the definition of input service from 01.04.2011.

but excludes services,-

(A) specified in sub-clauses (p), (zn), (zsl), (zzm), (zzq), (zzzh) and (zzzza) of clause (105) of section 65 of the Finance Act (hereinafter referred as specified services), in so far as they are used for -

- (a) construction of a building or a civil structure or a part thereof; or
 - (b) laying of foundation or making of structures for support of capital goods,
- except for the provision of one or more of the specified services

Consequent to introduction of negative list based service tax levy from 01.07.2012, the above restriction has been reworded as below, from this date.

“(A) service portion in the execution of a works contract and construction services including service listed under clause (b) of section 66E of the Finance Act (hereinafter referred as specified services) in so far as they are used for -

- (a) construction or execution of works contract of a building or a civil structure or a part thereof; or
 - (b) laying of foundation or making of structures for support of capital goods,
- except for the provision of one or more of the specified services

Let us see how such goods are treated under the model GST Act.

As per Section 17 (4) of the model Act,

Apparatus, equipment, machinery, pipelines, telecommunication tower	Fixed to earth by foundation or structural support that are used for making outward supply	And includes such foundation and structural supports
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Apparatus, equipment, machinery, pipelines, telecommunication towers fixed to earth by foundation or structural support	Used for making outward supply	And includes such foundation and structural supports
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Apparatus, equipment, machinery, pipelines, telecommunication towers fixed to earth by foundation or structural support used for making outward supply	And includes such foundation and structural supports
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