

MAHARASHTRA AUTHORITY FOR ADVANCE RULING

(constituted under section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

- (1) Shri B. V. Borhade, Joint Commissioner of State Tax
(2) Shri Pankaj Kumar, Joint Commissioner of Central Tax

GSTIN Number, if any/ User-id		27AADCM9750F1ZA 10ADCM9750FIZP
Legal Name of Applicant		M/S/Membrane Filters(I) Pvt Ltd
Registered Address/ Address provided while obtaining user id		539/1/3,Abhayaranyam,Pune-Satara Road, Kelvade, Tal Bhore Dist Pune 412213
Details of application		GST-ARA, Application No. 06 Dated 11.04.2018
Concerned officer		PUN-VAT-E-706, PUNE
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Service Provision
B	Description (in brief)	Manufacturer
Issue/s on which advance ruling required		(i) classification of goods and/or services or both (ii) applicability of a notification issued under the provisions of the Act (iii) determination of time and value of supply of goods or services or both (iv) admissibility of input tax credit of tax paid or deemed to have been paid
Question(s) on which advance ruling is required		As reproduced in para 01 of the Proceedings below.

PROCEEDINGS

(under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act"] by M/S/Membrane Filters(I) Pvt Ltd., the applicant, seeking an advance ruling in respect of the following question.

"What is the rate & HSN code of GST applicable (after it's introduction from 1st July 2017) when Extracting water from tube well, passing it through treatment plant of removing unwanted contaminants like Iron from ground water and eventually lifting it to overhead tank (in short the scheme) runs on solar power."

At the outset, we would like to make it clear that the provisions of both the CGST Act and the GST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such similar provision under the CGST Act / MGST Act would be mentioned as being under the "GST Act".



02. FACTS AND CONTENTION - AS PER THE APPLICANT

The submission (Brief facts of the case), as reproduced verbatim, could be seen thus -

FACTS OF THE CASE

Nature of Work, Design, Construction, Supply & commissioning of 200 mini piped water supply schemes with solar operated pump & suitable treatment plant for removal of excessive Iron in Iron affected habitations of nine districts in the State of Bihar.

Scheme is comprising of:

- 1) Drilling of tube well ...
- 2) Solar panels & its system to run the pump, and take the water through treatment plant and reach water to 5.95 overhead tank at 7 meter height
- 3) Iron Removal treatment plant
- 4) Mild Steel Staging (Steel Structure) for supporting overhead tank of 5000 Litre capacity & enthrusing treatment plant
- 5) RCC plinth
- 6) Prefabricated GI sheet enclosure
- 7) Distribution line of GI pipes for house to house connections of size 80 mm 40 mm
- 8) Automatic multiport valves operating on battery that is charged through solar energy
- 9) House to house connections

Nature & scope of work:

It's an assembly work involving drilling of tube well, construction of civil plinth at site, supply of pre-fabricated structure, Iron removal treatment plant and the solar system comprising of solar panel, its mounted steel structure, Battery operation to run the night light for security and operate the treatment plant that runs only during the day hours & supply water to villagers; that specifically comes under composite supply category. Incidentally highest cost of any single assembly also happens to be that of Solar System.

Issues Involved as on date:

The contract is issued by Public Health Engineering Department (PHED) of Bihar Government and till now (30th June 2017) they have been deducting TDS of WCT (works Contract Tax) and we have been filing returns in Bihar State through proper channel. Now it's a composite supply that needs to be noted specifically. Till date no import duty not excise duty was leviable since this was executed under Govt. of India's Notification as mentioned below.

Notification 47/2002, 91-92-93/2002 cus, 6/2002 Excise and amended time to time and also followed by various circulars by Ministry of Finance and Company Affairs Department of Revenue, Tax Research Units etc. of Government of India clearly states that the duty exemptions (Excise and Customs) are given for setting up of the drinking water treatment plants meant for human and animal consumptions and in the interest of the citizen of the country.

Now we seek your guidance on what is the rate & HSN code of GST is applicable (after it's introduction from 1st July 2017) when Extracting water from tube well, passing it through treatment plant of removing unwanted contaminants like Iron from ground water and eventually lifting it to overhead tank (in short the scheme) runs on solar power. Our technology has been not only vetted but recognized as one of the innovation by department of Rural Drinking Water through a wing of CSIR-GOI in the year 2015 and published through the Compendium of Innovative Technologies.

Issues Involved as on date:

The contract is issued by Public Health Engineering Department (PHED) of Bihar Government and till now (30th June 2017) they have been deducting VAT against each of supply and the work carried out and we have been filing VAT returns in Bihar State through proper channel. This has been a composite supply that needs to be noted specifically.

Till date no import duty not excise duty was laviable since this was executed under Govt. of India's Notification. Notification 47/2002, 91-92-93/2002 cus, 6/2002 Excise and amended time to time and also followed by various circulars by Ministry of Finance and Company Affairs Department of Revenue, Tax Research Units etc. of Government of India clearly states that the duty exemptions (Excise and Customs) are given for setting up of the drinking water treatment plants meant for human and animal consumptions and in the interest of the citizen of the country and each scheme works only on SOLAR POWER. Such schemes being developed for the first time in the country, has been recognized as an INNOVATION by the Ministry of Rural Drinking Water & Sanitation through Department of Science & Technology in the year 2015.

Our Appeal to your good office:

Now we seek your guidance on what is the rate & HSN code of GST is applicable (after its introduction from 15 July 2017) when Extracting water from tube well, passing it through treatment plant of removing unwanted contaminants like Iron from ground water and eventually lifting it to overhead tank (in short the scheme) that is not only simply assembled at site where it is a composite sully and assemblies done at site including their interconnections and the drinking water scheme works purely on SOLAR POWER.

Following explanation clearly spell out that the total supply has been in two parts with sub items where SOLAR POWER is the pivot point since the scheme works only when there is solar power. SO also each sub system is billed separately and each item is paid separately based on its completion and final bill is paid once the scheme is commissioned. We have attached detailed explanation with the kind of billing that is carried out at each item and each sub assembly work

Nature of Work,

Design, Construction, Supply & commissioning of 200 nos. of mini piped water supply schemes with solar operated pump & suitable treatment plant for removal of excessive Iron in Iron affected habitations of nine districts in the State



of Bihar. Scheme is comprising of various sub-assemblies and the final assemblies are carried out as following. Each assembly is billed separately and the department also makes the payment for each of the sub assembly

Sr. No	Description	Unit Price RS Lakhs each
1	Tube well	1.95
2	Solar panels & its system to run the pump, and take the water through treatment plant and reach water to overhead tank at '7' meter height	5.975
3	Iron Removal treatment plant	5.95
4	Mild Steel Staging (Steel Structure) for supporting overhead tank of 5000 Litter capacity	4.51
5	G I Sheet enclosure assembly en-housing treatment plant	1.65
6	RCC Plinth	1.3873
7	Distribution line of G I pipes for house to house connections of size 80 mm & c40 mm	5.34
8	Automatic multiport valves operating on battery that is charged through solar energy	1.9425
9	House to house connections... 100 nos	1.75

Nature & scope of work:

It's supply, erection and commissioning of a house to house drinking water supply schemes being installed in rural part of villages in the state of Bihar. These schemes operate of a specially developed technology and it exclusively work only on SOLAR POWER. Purchase of the items are done in the form of composite supply where each sub assembly is supplied and the assembly work of various sub-assemblies and thereafter integration of such sub-assemblies together is done at site in a rural village allotted by the local Govt.

Tube Well:

A tube well is dug in the ground and thereafter PVC pipes are inserted and assembled in the tube well by putting gravel around the pipes with strainer assembly at the bottom end of the tube well. Thereafter flushing of the tube well is done by an air compressor to ensure smooth supply of water flowing out. Once this work is carried out payment is done for this part of the item mentioned in the price bid.

RCC Plinth:

This part of the work is civil work where our own employees hire the labor locally and carry out the work according to the drawing where Cement, Steel & other material are purchased and supplied from our Purchase department. Once this work is completed including laying of foundation both on the plinth, we get paid for the work carried out as mentioned in the price bid. This is a standard size that has been designed at factory level and this is the only civil work carried out at site.

3 Mild Steel structural Staging (Steel Structure) for supporting overhead tank of 5000 Litter capacity:

Prefabricated steel structure is taken to the site and only the assemblies are carried out with the help of nuts. Prefabrication s done in the factory using standard steel structures and as per engineering carried out in each of the component and only final assembly is carried out that takes a day or two at site and the finally 5000 Litre PVC tank is kept of the top of the structure. Foundation bolts get tightened provided on the civil structure.

It's purely assembly work done at site by our own trained and employees

4. G I Sheet enclosure assembly en-housing treatment plant:

This is assembly and fixing of GI sheet around the bottom part of steel structure in which assembly of treatment plant is carried out. This is also a screwdriver technique used since there is no electricity available to carry out such work. Payment of this item is also done once assembly work is carried out at site.

5. **Solar Panel Assembly:** Designing and engineering of Solar system is one of the specialties of this technology and such large size of panels are assembled and interconnected once the structure is ready. Once this is done on the top of the structure, safety railing taken to site in prefabricated manner are assembled using appropriate size of nuts and bolts as seen in above picture.

6. Treatment plant:

This is also pre-fabricated in the factory as per special design and assembled at site as per the assembly drawing. This is connected with interconnecting piping and CPVC unions and fittings are used for assemblies. In fact instruments and flow meters are also interconnected at site with the help of appropriate fasteners. Entire production with prefabrication sequence is worked out in the factory and it is eventually assembled at site just in couple of days. Once the interconnecting piping is done right from the stage of tube well, overhead tank, treatment plant, and the distribution lines are completed, the scheme is started through connection of solar system.

7. Pipe Laying and house to house connections:

GI pipes are laid down in the ground and branches are brought closure to each house and house to house pipe connections are provided using CPVC pipes. A typical lay out of assembly done at house to house is seen in an as build picture.

The entire work is based on innovative design, engineering and each of the item is engineered and pre-fabricated in factory and taken to the site and in a particular sequence it is assembled and the entire work is simplified to make it screw driver technology and simply assembled at site. Since it is having interconnections with individual sub-



assemblies and all such subassemblies are finally connected, it is treated as composite supply and the water supply gets started house to house for drinking water. Such system work only on the solar power

Submissions on 06.07.2018

We have conveyed you our plea & looking forward kind consideration on the following lines that will help to serve to the masses "safe drinking water" using INNOVATIVE solutions.

1. Reaching safe drinking water to the bottom of the pyramid of our society
2. Motivate Innovators and help innovations to exhibit its performance in the field &
3. Proving masses (society of our country) that Government is fully aware of such innovations and permits masses to take advantage of it that becomes another aspect of motivation
4. Also enclosing Custom duty free doc as requested during meeting.

Keeping all such aspects we have sincerely requested you just not to squeeze in the INNOVATION that has been recognized at the CSIR body level of DST's wing in one of the old laws but find new place/avenue in the newly introduced law of GST in the country by creating:

- a. New HSN code &
- b. Giving bare minimum duty under GST law if not full duty free benefit since this technology helps us to take drinking water, one of the essence of life, to the masses at the needy levels where such innovations are deployed

By virtue of your office you may recommend such new findings and innovations that As you come across to the law makers who may be able to do the justice to such a innovations.

Our representation has been on the following lines besides expressed through our earlier correspondence of 25th June 2018:

1. We are the licensee of technology of Ultra Filtration membrane based on which we have been producing safe drinking filtration equipment which are very unique and cost effective in nature. The Finance Minister of Govt. of India in the year 2008 gave a special consideration by waiving of Excise duty for the filtration systems made out of such technology.
2. Subsequent innovation that we did based on our exhaustive experience in the field working, Department of Drinking Water & Sanitation through CSIR body recognize in the year 2015 as another innovation created by our team in the Company.
3. Benefit of such innovative technology has reached to the poorest of poor in the country and that too in rural part of India in recent past.
4. These Compact Drinking water schemes are NON RO base (NON REVERSE TECHNOLOGY BASE) solution which are absolutely cost effective and such schemes are being implemented through joint funding of State & Central Government of India.
5. Central Government till date has been giving benefit of Customs & Excise Duty so also Service Tax under till such new law introduced in July 2017.
6. We are offering a solution and thus a product "Safe drinking water" even as spelt out in the PO given by the State Govt. of Bihar & through such innovation and by no way we believe can be categorized in the SERVICE group as deemed fit since there is no provision in the new GST law for water & such solutions. In fact this is the reason we have approached eminent apex body like yours.
7. These schemes work on purely SOLAR POWER which is a nonconventional energy which otherwise is being promoted by the Govt. of India with MINIMUM DUTIES.
8. These are the water treatment schemes and not water purification schemes and the plant that we have designed, engineered through our innovative approach is converted as screw driver technology that involves over 95% of just an assembly work at site.
9. We could not find the appropriate HSN code for such unique scheme hence could not find appropriate GST tax.
10. Our humble request has been just not to find somehow a place and squeeze in such technology under one of the OLD prevailing laws and give somehow a treatment and close the chapter but to find unique justice to such innovative solutions.
11. Our submission is to bring such INNOVATIONS to the kind attention of apex bodies of GST regime like yours that will give justice and motivate the innovators in the country.

Statement containing the applicant's interpretation of law and/or facts, as the case may be, in respect of the questions(s) on which advance ruling is required

In our opinion ,we do assembly of various parts of which one of them is manufactured by us ,The main item which makes this product fit for marketing is Solar Panel which is the costlier item amongst all parts .So this assembly is a composite supply and product is dependent on Solar Panel .
Solar Panel should be applicable to the entire assembly

03. CONTENTION - AS PER THE CONCERNED OFFICER

The submission, as reproduced verbatim, could be seen thus-

GSTIN	27AADCM9750FIZA.
Name of Applicant	Membrane Filters (1) Pvt. Ltd.
Address	73/6, Bhakti Marg, Parvati Bunglow, Off Law Collage Road, Pune.411004.
Details of Application	GST-ARA, No.6/11.4.2018.
Case allotted desk	D.C, PUN-VAT-E-706, Pune.



1] Registration No. of central Excise or service tax or both as applicable.	Central Excise- AADCM950FEM001. Service Tax- AADCM950FEM001
2] Period of Registration in case of para (1) above.	09-11-2012 / 30-10-2010
3] Registration Address for central Excise or service tax or both as applicable.	Gat No.539, Abhyaranam, Pune-Banglore Highway, Kelwade Bhor, Pune-412213.
4] (A) classification of goods & their central excise tariff Heading.	Centrifuges, including centrifugal dryers, filtering or purifying machinering & apparents, for liquids for filtering,or purifying water, household type filters etc.
(b) Rate of central excise duty as applicable.	2%
(c) Details of benefit of Notification of service tax if any availed.	25/2012-service Tax dated.20-6.2012
5] (A) classification of service/ services as applicable.	Centrifuges, including centrifugal dryers, filtering or purifying machinering & apparent, for liquids for filtering, or purifying water, household type filters etc.
(b) Rate of service tax as applicable to services provided.	12.36%
Details of benefits of notification of central excise tax if availed.	
6] Copies of Advance ruling applications/orders if any obtained you under the provisions of central excise or service to the sales tax & there presents status in your company related company or sister concern.	Form GST ARA-01, Advance ruling
7] Copy of show cause Notice/ Adjudication orders in respect of central Excises or service tax if any issued during the last five years, in case of your company related company or sister concern.	No.
8] Cases of violation of central excises/ services tax if any booked during last five years.	No.
9] Whether any proceeding is pending before authority on said subject. Matter or otherwise.	No.
Nature of Activity(s) (proposed/present) in respect of which advance ruling sought.	The contract is issued by Public Health Engineering Department (PHED) of Bihar Government, they have deducted TDS of works contract Tax but it's a composite supply that needs to be noted specifically. Till date no import duty was leviabale since this was executed under Gov. of India's Notification Vide No.47/2002, 91-92-93/2002 custom. 6/2002. Issue was what is rate & HSN code of GST of Setting up of the drinking water treatment plants on solar systems under composite supply of water applicable W.E.F.1.7.2017.
Question on which Advance ruling is required.	As reproduced in para of the clarification bellow.
Desk authority self-opinion	Composite supply of solar panel @ 5% under GST tax rate @ 5% applicable as per law. Water supply @ 18%

Tax Outlook under GST.

- 1) Any services provided to the local authority, state or central government in relation to the above-mentioned activity by a consultant or contractor is exempt from the GST.
 - 2) Services provided in relation to the above-mentioned activity by the local authority, state or central government to the society /end-user shall also exempt from the GST.
 - 3) Work contract services fall under the Composite supply and includes activity in relation to construction, erection, commissioning, installation, completion, fitting-out, repairs, maintenance, renovation, etc. Such activities shall be subject to GST at a rate of 12 percent and shall become the cost of project to the local authority.
 - 4) However rate of GST will become "nil" when the value of goods supplied under the Work contract services shall not exceed more than 25 percent of the total value of work contract services.
- Any other construction services shall be chargeable at a rate of 18 percent.



6) Imported equipment and plant required for setting-up drinking water projects (for desalination, Demineralization or purification of water or any similar process) shall be subject to nil rate of customs duty. However Integrated GST shall be applicable at a rate of 18 percent on the mentioned imports.

7) All equipment and plant required for setting-up drinking water projects will be subject to GST at a rate of 18 percent when procured domestically; the same shall become a cost for the project.

8) In case, where the output services are exempted from GST, proportionate Input Tax Credit (ITC) attributable to exempted services shall be disallowed and become a cost for the consultant/contractors, due to which, the overall cost of services will increase.

Here is a summary of the overall impact of the changes in the tax laws:

1) Under the old tax regime, specific tax concessions were available in relation to excise duty on procurement of equipment and plant required for water projects in India. However, under the GST regime, cost in relation to procurement of domestic equipment and plant for setting up a water project is subject to tax at a rate of 18 percent. This will lead to overall increase in the capital expenditure cost for the client.

2) Under the old tax system, counter vailing duty (CVD) and Special additional duty (SAD) were exempted on the imported equipment and machinery required for water projects. The water project falls under category of "project imports" and special privilege was given by way of exemption from tax by the government. Under GST regime, however, any import under Project import category shall be subject to tax at a rate of 18 percent. This will lead to overall increase in the capital expenditure cost for the client.

3) Services provided in relation to the construction, erection, commissioning, installation, completion, fitting-out, repairs, maintenance, renovation or alteration, etc., are now subject to GST at a rate of 12 percent in general. However, under the old tax regime construction services were exempt from services tax but were subject to Sales Tax/VAT in the range of 4 percent (under composition), or 5 percent - 15 percent VAT (under the normal scheme) on the materials supplied under the construction services activity. This change shall lead to a marginal increase in tax cost as compare to the old tax regime.

4) Any services other than construction services were subject to Service tax at a rate of 15 percent under the old tax regime. After the introduction of GST, however, pure services - such as architect services, consulting engineer services, manpower services, etc - are exempted from GST, if provided in relation to activity of a water project. This is a cost advantage to the client under the new tax regime.

5) GST provides for free flow of Input Tax Credit (ITC) for construction services. However under the old tax regime, if goods were procured from other states for the construction services, sales tax become a cost to the contractor. In some cases excise duty also becomes cost at the time of procurement of goods - cement, steel, etc - from traders instead of manufacturers by the contractors for the purpose of construction works. Due to the change in tax regime there is marginal increase in the cost saving available to the contractor and client. GST is a new born baby which replaces a 60-year-old tax regime in India. Once the Act becomes more mature with clearer understanding, the entire industry is going to benefit from the new tax regime. The Indian Government is currently refining the GST Act and, on the basis of industry representation, lots of amendments have been made in the last six months. On a positive note, we can expect that over time the overall cost for the infrastructure projects will decline.

HSN Code	Description	Rate (%)	Effective From	CESS (%)	Related Export / Import HSN Code
2201	Water (other than aerated, mineral, purified, distilled, medicinal, ionic, battery, demineralized and water sold in sealed container]	NIL	28/06/2017	NIL	22011010, 22011020, 22019090

04. HEARING

The case was taken up for preliminary hearing on dt. 05.06.2018, with respect to admission or rejection of the application when Sh. Dilip V. Satbhai, C.A. alongwith Sh. Subhash L. Devi Chairman and Smt. Pratibha S Devi, Advocate appeared and requested for admission of application as per their contentions in ARA application. The jurisdictional officer, Sh. M. K. Lawate, Dy. Commr. of S.T.(PUN-VAT-E-706), Pune appeared and made written submissions.

The application was admitted and final hearing was held on 04.07.2018, Sh. Dilip V. Satbhai, C.A. alongwith Sh. Subhash L. Devi Chairman and Smt. Pratibha S Devi, Advocate appeared and made submissions which were taken on record. The jurisdictional officer, Sh. M. K. Lawate, Dy. Commr. of S.T.(PUN-VAT-E-706), Pune appeared and made written submissions which were taken on record.

05. OBSERVATIONS

We have perused the records on file and gone through the facts of the case and the submissions made by the applicant and the department.

From the submissions made by the applicant we find that the issue pertains to a contract entered into by the applicant with the Public health Engineering Department, Government of Bihar. Vide letter



dated 31.10.2014, the Executive Engineer of the Public health Engineering Department, Purnea, Bihar had informed the applicant that their bid in respect of their tender for the work of "Design, Construction, Supply and Commissioning of 200 Mini Piped Water Supply Schemes with solar powered pumps and suitable treatment plants (aeration and activated carbon based) for removal of excessive iron from the Iron affected habitations of 9 districts viz..... on TURNKEY basis with 3 months trial runs after commissioning and comprehensive O&M of 60 months after successful completion of trial run period" had been approved.

Thus from the same it is clearly seen that the applicant has been awarded a contract for supply of water after removal of excess iron and to supply all goods and services for achieving the objective of supplying water after removing excess iron. We find from the submissions made that the applicant, in order to perform the contract has to perform various other functions which are as under:-

Digging of Tube Well : A tube well is dug in the ground and thereafter PVC pipes are inserted and assembled in the tube well by putting gravel around the pipes with strainer assembly at the bottom end of the tube well. Thereafter flushing of the tube well is done by an air compressor to ensure smooth supply of water flowing out.

RCC Plinth: Civil work done where using labour, work is carried out according to the drawing where Cement, Steel & other material are purchased and supplied to complete the work which includes laying of foundation both on the plinth.

Mild Steel structural Staging (Steel Structure) for supporting overhead tank of 5000 Litter capacity: Prefabricated steel structure is taken to the site and only the assemblies are carried out with the help of nuts. Prefabrication is done in the factory using standard steel structures and as per engineering carried out in each of the component and only final assembly is carried out at site and the finally a 5000 Litre PVC tank is kept on the top of the structure. Foundation bolts get tightened provided on the civil structure.

G I Sheet enclosure assembly en-housing treatment plant: This consists of assembly and fixing of GI sheet around the bottom part of steel structure in which assembly of treatment plant is carried out.

Solar Panel Assembly: Large size Solar panels are assembled and interconnected once the structure is ready. Once this is done on the top of the structure, safety railing taken to site in prefabricated manner are assembled using appropriate size of nuts and bolts.

Treatment plant: This is also pre-fabricated in their factory as per design and assembled at site as per the drawings. This is connected with interconnecting piping and CPVC unions and fittings are used for assemblies. Instruments and flow meters are also interconnected at site with the help of appropriate fasteners. Entire production with prefabrication sequence is worked out in the factory and it is eventually assembled at site. Once the interconnecting piping is done right from the stage of tube well, overhead tank, treatment plant, and the distribution lines are completed, the scheme is started through connection of solar system.

Pipe Laying and house to house connections: GI pipes are laid down in the ground and branches are brought closure to each house and house to house pipe connections are provided using CPVC pipes.

From the above work details submitted by the applicant it is very clear that the entire contract is in the form of a composite contract consisting of supply of goods and services and where the main intention is to provide drinking water to the villages after removing excess Iron impurities and which therefore



would be the main part of the contract. Here it would not be out of place to mention that the applicant is claiming that the work performed by them are 'water treatment schemes' and not 'water purification schemes'. In their submissions they have mentioned that "...when Extracting water from tube well, passing it through treatment plant of removing unwanted contaminants like Iron from ground water and eventually lifting it to overhead tank (in short the scheme)" . These works would be covered under Sr. No. 3, Column 3 (iii) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017.

In view of the above discussions and also in view of the submissions made by the applicant, we find that the work done by them is a composite supply which attracts the provisions of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017. The said Notifications has specified the rate of central tax to be levied on Intra State supply of services of description specified in Column 3 of the Table in the said Notfn, falling under scheme of classification of services mentioned therein. In our opinion, based on the above discussions, the relevant clause applicable to the subject case would be clauses (iii) of the said Notfn, as amended by Notfn No. 20/2017-Central Tax (Rate) dated 22.10.2017 and the relevant clause is reproduced as under:--

Sl No.	Chapter, Section or Heading	Description of Service	Rate (per cent)	Condition
3	Heading 9954 (Construction services)	(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Central Government, State Government, Union Territory, a local authority or a Government Entity by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, - (a); (b); (c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal.	6	Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union Territory, or a local authority, as the case may be.

A plain reading of Sr. No. 3, clause (iii) reveals that 'composite supply of WCS supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal attracts a tax rate of 6% each of CGST and SGST. However, the benefit of 12% tax rate would be available to the applicant only if the Works Contract services provided by them are Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, pipeline, conduit or plant for (i) water supply (ii) water treatment.

06. In view of the extensive deliberations as held hereinabove, we pass an order as follows :



ORDER

(Under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA- 06/2018-19/B-

62

Mumbai, dt.

09.07.2018

For reasons as discussed in the body of the order, the questions are answered thus -

Question :-What is the rate & HSN code of GST is applicable (after it's introduction from 1st July 2017) when Extracting water from tube well, passing it through treatment plant of removing unwanted contaminants like Iron from ground water and eventually lifting it to overhead tank (in short the scheme runs on solar power.

Answer :- TSH 9954 is applicable to the subject contract of Extracting water from tube well, passing it through treatment plant of removing unwanted contaminants like Iron from ground water and eventually lifting it to overhead tank and the same would attract a tax rate of 12% (6% each of CGST and SGST)




B. V. BORHADE
(MEMBER)


PANKAJ KUMAR
(MEMBER)

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Chief Commissioner of Central Tax.

Note :- An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India building, Nariman Point, Mumbai - 400021

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MEMBER
ADVANCE RULING AUTHORITY
MAHARASHTRA STATE, MUMBAI