M/s ENEXIO POWER COOLING SOLUTIONS INDIA PRIVATE LIMITED (GSTIN: 37AAACG7891G1ZA)

Authority for Advance Ruling — Andhra Pradesh

Ruling No. AAR/AP/13(GST)/2018, dated 14th September 2018, in Applic… Dated **14.09.2018**

Q Questions Before the Authority

- Whether the Air-Cooled Condenser system to be supplied by the applicant to the buyer for use in the waste-to-energy project is covered under Sl. No. 234 of Schedule I of Notification 1/2017 (Integrated Tax (Rate)) dated 28.06.2017, Notification 1/2017 (Central Tax (Rate)) dated 28.06.2017 and G.O.Ms.No.258 dated 29.06.2017 as parts for the manufacture of waste to energy plants/devices, attracting IGST at 5% or CGST and APGST at 2.5% each.

F Facts

The applicant is a private limited company engaged in the design, manufacture, supply, erection and commissioning of Air Cooled Condensers (ACC) and cooling towers for renewable energy devices. It received an order from Jindal Urban Waste Management Limited for a complete air-cooled condenser package for a waste-to-energy plant at Visakhapatnam that processes municipal solid waste supplied by the Greater Visakhapatnam Municipal Corporation. The ACC condenses exhaust steam from the steam turbine. There are two purchase orders, one for supply of goods and one for erection and commissioning of the ACC system.

H Ruling

Air-Cooled Condenser supplied for use in a waste-to-energy project: rate of tax under entry 234 of Schedule I	****Covered under entry 234 of Schedule I; liable at 5% (2.5% CGST + 2.5% SGST, or 5% IGST as the case may be)****	The ACC is treated as a part of the waste-to-energy plant. The ruling concerns the supply of goods only; the erection and commissioning service was not examined.

The Authority held that the Air-Cooled Condenser is a part of the waste-to-energy plant and falls under entry 234 of Schedule I of Notification 1/2017-Central Tax (Rate). It is liable to tax at 5%, made up of 2.5% CGST and 2.5% SGST, or 5% IGST as the case may be. The ruling addresses only the supply of the ACC goods and does not cover any service element.

R Reasoning

The Authority relied on Heading 8404 of the Customs Tariff, which covers auxiliary plant for boilers and condensers for steam or other vapour power units, and on entry 840420, which specifically covers condensers for steam power units. It found that the ACC condenses steam with a forced air current and so falls under Heading 8404. It also accepted, from Annexure II of the application, that the ACC is an integral part of waste-to-energy plants. On that basis it placed the ACC within entry 234 of Schedule I, which covers parts for the manufacture of

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

waste-to-energy plants and devices. The jurisdictional officer's remarks confirmed that no proceedings were pending or passed on the issue.

P Provisions Relied On

- Section 98(1) of the CGST/APGST Act, 2017 (referral of remarks to the jurisdictional officer)
- Section 99 and Section 100 of the APGST Act, 2017 (appellate authority for advance ruling and 30-day appeal period)
- Notification 1/2017-Central Tax (Rate) dated 28.06.2017, Schedule I, Sl. No. 234
- Integrated Tax (Rate) Notification 1/2017 dated 28.06.2017 (similar entry)
- G.O.Ms.No.258 dated 29.06.2017 (state tax rate notification, as cited in the question)
- Customs Tariff Heading 8404 and entry 840420 (condensers for steam or other vapour power units)

! For the Practitioner

A practitioner supplying ACC packages for waste-to-energy plants can cite this ruling for the position that such goods attract the 5% concessional rate under entry 234. The ruling is limited to the facts and goods described, and it does not bind other authorities or cover ACCs for other renewable devices. It also does not decide the rate for the separate erection and commissioning contract, so a split of goods and services in the contract still needs its own analysis.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> ap_13-2018_14.09.18_enexio_power.pdf

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