M/s G A Infra Pvt. Ltd., 402 Manupasana Tower, Sardar Patel Marg, C-Scheme, Jaipur (GSTIN 08AAECG6222D1ZY)

Authority for Advance Ruling — Rajasthan

Advance Ruling No. RAJ/AAR/2018-19/41, Date of Ruling 25.03.2019 (for… Dated **25.03.2019**

Q Questions Before the Authority

- Whether the activity of O & M of Fluoride Control Project on ESCO Model and O & M work is a supply of goods or a supply of services, and what shall be the rate of GST on it?

F Facts

The applicant was bidding for a PHED (Government of Rajasthan) tender for an ESCO-cum-O&M contract covering solar bore well pumping, reverse osmosis plant and operation and maintenance of a Fluoride Control Project. The scope includes improvement of pump houses, pipelines, switchyards, storage tanks, headworks campus and SCADA, along with O&M of rising mains, OHSR and a water treatment plant. The applicant argued that the ESCO and O&M elements form one indivisible composite works contract.

H Ruling

Supply of goods or services; GST rate on O&M of Fluoride Control Project (ESCO model and O&M work) undertaken for a Government Department	**Composite supply of goods and services. NIL GST where goods are below 25% of total value; 12% (CGST 6% + SGST 6%) where goods are more than 25%**	Ruling is limited to composite supply to a Government Department on the facts stated. The order's wording leaves the position at exactly 25% unclear, since 'below 25%' and 'more than 25%' are used, and Entry 3A speaks of 'not more than 25%'.

The authority held that the O&M of the Fluoride Control Project on ESCO model and O&M work, undertaken for a Government Department, is a composite supply of goods and services. **If the value of goods is below 25% of the total value of supply, GST is NIL . If the value of goods is more than 25%, GST is 12% (SGST 6% plus CGST 6%).**

R Reasoning

The authority treated the work as a works contract, which Schedule II entry 6(a) deems a supply of services, and found that it involves transfer of property in goods such as new pumping machinery. It held that the pumping system is immovable because it is permanently attached to earth under the General Clauses Act 1897, section 3(26), and CBEC Circular 58/1/2002-CX para (e). Because the goods and services are supplied together, the arrangement is a composite supply. It then applied the Notification 12/2017-CT(Rate) entry 3A exemption, which covers composite supply to government bodies for Article 243W municipal functions where goods are not more than 25% of value, since water supply for domestic purposes is item 5 of the Twelfth Schedule. Where that exemption is not met, the authority applied the 12% rate in Notification 11/2017-CT(Rate) entry 3(iii) under

heading 9954.

P Provisions Relied On

- CGST Act 2017, Section 97(2)(a) and (e) (scope of advance ruling; as cited in the order)
- CGST Act 2017, Section 2(119) (definition of works contract, as referred to in Schedule II entry 6)
- CGST Act 2017, Schedule II, entry 6 (composite supplies treated as supply of services)
- General Clauses Act 1897, Section 3(26) (definition of immovable property)
- CBEC Circular No. 58/1/2002-CX dated 15.01.2002, para (e)
- Notification No. 12/2017-CT(Rate) dated 28.06.2017, entry 3A (Chapter 99 exemption for composite supply to government for…
- Article 243W of the Constitution and Twelfth Schedule, item 5 (water supply for domestic, industrial and commercial purposes)
- Notification No. 11/2017-CT(Rate) dated 28.06.2017, Sl. No. 3(iii) (heading 9954, 6% CGST + 6% SGST for works contract to…

! For the Practitioner

This ruling is useful for contractors bidding on government ESCO-cum-O&M water schemes, as it sets out the 25% goods-value test and the 12% fallback rate. It does not settle how the 25% threshold is computed or how goods and services values should be apportioned in the contract. It also does not bind any other authority or apply to non-government or non-water-supply contracts. Its reasoning turns on the applicant's own contract facts, so the full order should be checked before relying on it.

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 -> raj.41.2018-19_ga_infra_p_l.pdf

Prepared 01-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com