

M/s MTS-EIEL (JV), 5/2, Shahid Amit Bhardwaj Marg, JAIPUR, Rajasthan-302017

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2026-27/13

Dated 04.08.2026

Q Questions Before the Authority

- What is the applicable GST rate on Works Contract Services as on 01.06.2022? (HSN Code 9954: S. No. 3 / (iii) / (c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal.)

F Facts

The applicant is a joint venture engaged in infrastructure projects involving the design, supply, construction, and maintenance of Faecal Sludge Treatment Plants (FSTP) for the Rajasthan Urban Infrastructure Development Project. The applicant sought a ruling on the applicable GST rate for these works contract services as of 01.06.2022, having initially bid based on a 12% GST rate. Subsequently, the GST rate was increased to 18% via notification, leading to a dispute regarding the tax burden.

H Ruling

Applicable GST rate on Works Contract Services as on 01.06.2022	12% (6% CGST + 6% SGST)	Relates to HSN Code 9954, S.No. 3(iii)(c) as it existed prior to 18.07.2022
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The Authority ruled that the applicable GST rate for the specified works contract services as of 01.06.2022 was 12%. It clarified that the rate was governed by the entry existing prior to its omission by Notification No. 03/2022-Central Tax (Rate). The Authority declined to rule on whether the additional 6% tax burden constitutes a recoverable statutory liability, stating it falls outside its jurisdiction.

R Reasoning

The Authority examined the entry at S. No. 3(iii)(c) of Notification No. 11/2017-Central Tax (Rate) as it stood on 01.06.2022. It concluded that the services provided by the applicant fell squarely within the scope of this entry, which prescribed a **concessional rate of 12%**. The Authority noted that this entry was only omitted effective 18.07.2022 by Notification No. 03/2022-Central Tax (Rate). Regarding the ancillary issue of tax reimbursement, the Authority held that Section 97(2) of the CGST Act does not empower it to adjudicate on **contractual disputes** between parties regarding the recovery of tax increases.

P Provisions Relied On

Section 97(2) of the CGST/SGST Act, 2017

Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017

Notification No. 03/2022-Central Tax (Rate) dated 13.07.2022

! For the Practitioner

This ruling confirms the applicable GST rate for specific infrastructure works contracts prior to the July 2022 rate hike, providing clarity for contractors who bid under the 12% regime. However, it reinforces that the AAR is **not the appropriate forum** to resolve disputes regarding the recovery of additional tax burdens from contractees. Practitioners should note that the ruling is limited to the classification and rate determination under the GST law.

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 -> 2-order_13_mts_eiel_jv.pdf

Prepared 11-10-2026.

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