

The Indian Hume Pipe Company Limited

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 13/AAR/2023 Dated: 06.06.2023

Q Questions Before the Authority

- Whether the supply of services by the applicant to M/s Tamilnadu Water Supply and Drainage Board is covered by Notification No.15/2021-CT(Rate) dated 18.11.2021 r/w Notification No.22/2021-CT(Rate) dated 31.12.2021;
- If the supplies as per Question 1 are covered by the said Notification, then what is the applicable rate of Tax under Goods and Services Act, 2017 on such supplies; and
- In case if the supplies as per Question 1 are not covered by the said Notification then what is the applicable rate of tax on such supplies under the Goods and Services Act?

F Facts

The applicant is engaged in construction and maintenance of water supply and sewerage projects for government bodies. They were awarded a contract by the Tamilnadu Water Supply and Drainage Board (TWAD Board) for a combined water supply scheme. The applicant sought a ruling on whether their services to the TWAD Board qualify for the concessional tax rate under specific notifications.

H Ruling

Coverage under Notification No.15/2021-CT(Rate)	Not covered	The supply is not covered by the specified notification.
Applicable rate if covered	Not applicable	The question was rendered moot by the negative answer to question 1.
Applicable rate if not covered	18% (CGST 9% and SGST 9%)	Applicable with effect from 01.01.2022 under serial number 3(xii) of Notification No. 11/2017-CT(Rate).

The Authority ruled that the services provided to the TWAD Board are not covered by the specified notifications. Consequently, the services are subject to GST at the rate of 18% (CGST 9% and SGST 9%) effective from 01.01.2022. The TWAD Board was determined to be a Governmental Authority rather than a Local Authority.

R Reasoning

The Authority analyzed the definition of 'Local Authority' under Section 2(69) of the CGST Act and concluded that the TWAD Board does not qualify as one. It found the TWAD Board to be a 'Governmental Authority' as defined in the notifications. Because the relevant notifications restricted the lower tax rate to supplies made to the Central Government, State Government, Union Territory, or a Local Authority, the applicant's services to the TWAD Board were excluded. Therefore, the services fall under the residual category of construction services taxable at **18%**.

P Provisions Relied On

Section 2(69) of the CGST Act, 2017

Section 2(119) of the CGST Act, 2017

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

Notification No. 15/2021-CT(Rate) dated 18.11.2021

Notification No. 22/2021-CT(Rate) dated 31.12.2021

! For the Practitioner

This ruling clarifies that the TWAD Board is a **Governmental Authority** and not a Local Authority for GST purposes. Practitioners should note that works contracts provided to such entities are not eligible for the concessional rates reserved for Local Authorities. It confirms that such services are taxable at the standard **18% rate**.

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 -> 13 aar 2023 indian hume.pdf

Prepared 20-10-2026.

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