



BEFORE THE AUTHORITY FOR ADVANCE RULINGS  
for the State of Andhra Pradesh ( Goods and Service Tax )  
(5th Floor, O/o Chief Commissioner of Commercial Taxes, D.No:5-56, Block-B, R.K  
Spring Valley Apartments, Edupugallu, Vijayawada-521151.)

Present:

Sri. J.V.M Sarma (Member)

Sri.Amaresh Kumar (Member)

The 14<sup>th</sup> day of September, 2018

Ruling No. AAR/AP/13(GST)/2018

In

Application No.AAR/18(GST)/2018

1	Applicant	M/s ENEXIO POWER COOLING SOLUTIONS INDIA PRIVATE LIMITED (GSTIN: 37AAACG7891G1ZA) #443, Anna Salai, Teynampet, Chennai -600018.
2	Jurisdictional Officer	Superintendent of Central Tax, Sullurupet Range
3	Present for the Applicant	Sri.A.V.S Krishna Mohan ( Authorized Representative) #16-7-32, Mini Bypass Road, Ramamurthy Nagar, Nellore- Andhra Pradesh – 524003.
4	Present for the Jurisdictional Officer	Received Remarks
5	Date of Personal hearing	19 <sup>th</sup> July 2018

Note: Under Section 100 of the APGST Act'2017, an appeal against this ruling lies before the appellate authority for advance ruling constituted under section 99 of APGST Act'2017, within a period of 30 days from the date of service of this order.

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M/s Enexio Power Cooling Solutions India Private Limited ( here in after called as 'applicant') having GSTIN : 37AAACG7891G1ZA, has filed an application in Form GST ARA- 01, dated: 30<sup>th</sup> June 2018, for seeking clarification on certain issues.

The applicant had paid the prescribed fee for the pronouncement of advance ruling vide CPIN : 18063700021740, dated :06.06.2018.

The issue raised by the applicant are as follows...

- ❖ Whether the Air-Cooled condenser to be supplied by the applicant to the buyer for use in the waste-to-energy project is classifiable as 'parts for the manufacture of waste to energy plants/ devices' attracting 5% IGST or 2.5% CGST and 2.5% APGST?

On verification of registration particulars of the applicant, it is noticed that the applicant is allotted to 'Centre' as per the bifurcation of tax payers in prescribed manner, and falls under the jurisdiction of Superintendent of Central Tax, Sullurpet range. Hence, a letter drafted to the jurisdictional officer, as per section 98(1) of CGST / APGST Act'2017, to offer their remarks, whether , is there any pending or passed proceedings on the issues raised by the applicant in his application.

The jurisdictional officer, i.e. Superintendent Central tax offered their remarks through mail dated: 10.07.2018, stating that, there were no pending or passed proceedings on the issues raised by the applicant in his application.

At this juncture, a personal hearing opportunity has been given to the applicant, and served a notice of personal hearing notice on the applicant accordingly, with the scheduled date for personal hearing is 19<sup>th</sup> July 2018.

Sri. A.V.S Krishna Mohan, authorized representative, had attended and presented their submission before this authority.

#### **Authority Discussion and Findings:**

1. We have gone through the application filed by the applicant, supporting documents submitted and the explanation rendered during the personal hearing. The Applicant is a private limited company incorporated in India and is inter alia engaged in the design, manufacture, supply, and erection and commissioning of Air Cooled Condensers [ACC] and cooling towers for renewable energy devices.
2. The applicant received an order for manufacturing and supply of complete air-cooled condenser package from Jindal Urban Waste Management Limited, to its Visakhapatnam Waste to Energy plant. As per the description given by the applicant, the process from the Waste to Energy project will be an integrated facility for processing Municipal solid waste (MSW) delivered by greater Visakhapatnam Municipal



Corporation. Fresh mixed MSW will be transferred to receiving pits and further process will be done for generating steam from boilers. Further, exhaust from steam turbine will be condensed in Air-Cooled condensers (ACC). As per purchase order submitted by the applicant this specification covers ACC package for the purpose of supply by the applicant. It is also observed that there are two purchase orders- One for the supply of goods and another for activities relating to the erection and commissioning of ACC System supplied.

3. The applicant sought advance ruling on following question:

*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 dated 28.06.2017- Integrated Tax (Rate), Notification 1/2017 dated 28.06.2017- Central Tax (Rate) and G.O.Ms.No.258 dated 29.06.2017 CAP) as parts for the manufacture of waste to energy plants/devices, attracting IGST at the rate of 5% or CGST and APGST Rate of 2.5% and 2.5% respectively (GST Tariff Notifications)?*

It is seen that question is for supply of goods viz. ACC, without involving any supply of service and accordingly we take up the issue to discuss the same.

4.1 The relevant extract of the Notification 1/2017-Central Tax (Rate),dated : 28.06.2017 is as under...

S.No	Heading	Description	Rate
234.	84, 85 or 94	Following renewable energy devices & parts for their manufacture (a) Bio-gas plant (b) Solar power based devices (c) Solar power generating system (d) Wind mills, Wind Operated Electricity Generator (WOGEG) (e) Waste to energy plants / devices (f) Solar lantern / solar lamp (g) Ocean waves/tidal waves energy devices/plants (h) Photo voltaic cells, whether or not assembled in modules or made up into panels	CGST - 2.5% & SGST - 2.5%

- 4.2 We find that Heading 8404 of the Customs Tariff covers "Auxiliary plant for use with boilers of heading 84.02 or 84.03 (for example, economizers, super-heaters, soot removers, gas recoverers); condensers for steam or other vapour power units" and **Entry 840420 specifically covers Condensers for steam or other vapors power units**. The equipment under consideration viz. ACC consists of finned tubes which condense steam with the help of a forced current of air is thus rightly classifiable under heading 8404. Therefore, the ACC is classifiable under the Heading 8404. Further as detailed in Annexure II of the application, ACC is an integral part of Waste to Energy plants.
- 5 As per the above reading it is to be construed that, Air – Cooled condenser is a part of the Waste to Energy plant, which falls under the entry 234 of Schedule I of Notification 1/2017- Central Tax (Rate) dated 28.06.2017 ( similar notification for state tax and integrated tax) and is liable at a rate of 5% ( 2.5% CGST + 2.5% SGST ). Accordingly, the ruling is as follows.....

**RULING**

As per the material on record and the facts and submissions made by the applicant, it is construed that, Air – Cooled condenser is a part of the Waste to Energy plant, which falls under the entry 234 of Schedule I of Notification 1/2017- Central Tax (Rate) dated 28.06.2017 (similar notification for state tax and integrated tax) and is liable at a rate of 5% (2.5% CGST + 2.5% SGST or 5% IGST as the case may be).



Sd/- (J.V.M SARMA)  
Joint Commissioner (State Tax),  
Authority for Advance Ruling,  
Andhra Pradesh.



Sd/-(AMARESH KUMAR)  
Joint Commissioner (Central Tax),  
Authority for Advance Ruling,  
Andhra Pradesh.