

**THE AUTHORITY FOR ADVANCE RULING  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU - 560 009**

**Advance Ruling No. KAR ADRG 08/ 2023**

**Dated: 17.02.2023**

Present:

1. Dr. M.P. Ravi Prasad  
Additional Commissioner of Commercial Taxes . . . . Member (State)
2. Sri. Kiran Reddy T  
Additional Commissioner of Customs & Indirect Taxes . . . . Member (Central)

1.	Name and address of the applicant	M/s Suez India Private Limited CSI Compound, 2nd Floor, Mission Road, Bengaluru - 560027
2.	GSTIN or User ID	29AAACD0136D1Z8
3.	Date of filing of Form GST ARA-01	04.11.2022
4.	Represented by	Ms.Priyanka Rathi, Advocate
5.	Jurisdictional Authority - Centre	The Principal Commissioner of Central Taxes, Bengaluru South GST Commissionerate, South Division-2, Range - RANGE-DSD2
6.	Jurisdictional Authority - State	ACCT, LGSTO-110, Bengaluru
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000-00 under CGST Act and Rs.5,000-00 under SGST Act vide debit of Electronic Cash Ledger Reference No. DC2906220058873 Dated 14.06.2022

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017  
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s. Suez India Private Limited, CSI Compound, 2nd Floor, Mission Road, Bengaluru-560027 (hereinafter referred to as 'The applicant'), having GSTIN 29AAACD0136D1Z8 have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in FORM GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The Applicant is a Private Limited Company registered under the provisions of Central Goods and Services Tax Act, 2017 as well as Karnataka Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act and KGST/SGST Act respectively). The Applicant is a leader in water resource management. The Applicant



has stated that he provides works contract services to Bengaluru Water Supply and Sewerage Board.

3. The applicant has sought advance ruling in respect of the following questions:

- i. *Whether the services provided to Bengaluru Water Supply and Sewerage Board would be considered as a service provided to a governmental authority under GST Laws?*
- ii. *What is the applicable GST rate on supply of works contracts services in relation to sewage treatment made by the Applicant to Bengaluru Water Supply and Sewerage Board, on or after 1st Jan 2022?*

**4. Admissibility of the application:** The question is about the “determination of the liability to pay tax on any goods or services or both” and hence is admissible under Section 97(2)(e) of the CGST Act 2017.

**5. Brief Facts of The Case:** The applicant furnishes some facts relevant to the issue:

5.1 The applicant states that it is a Company incorporated and registered under the Companies Act, 1956, and is a leader in water resource management. The applicant has stated that Bengaluru Water Supply and Sewerage Board (“BWSSB”) is an autonomous body formed by the State Legislature under Bangalore Water supply and Sewerage Board Act, 1984. Since its inception in the year 1964, BWSSB has executed several water supply and sewage schemes for the city of Bangalore, including the prestigious Cauvery Water Supply Scheme (CWSS) Stages - I, II, III & Stage IV Phase - I, Phase - II and sewerage system improvement projects concentrating on sewage collection, conveyance and treatment works. BWSSB invited bids for “Work of Design, Upgradation and Rehabilitation of existing 248 MLD capacity Used Water Treatment Plants at K&C Valley, Bengaluru including Commissioning, O&M for a period of 5 years along with O&M during Design, Upgradation and Rehabilitation period”

5.2 The applicant has stated that they have entered into agreements for design, construction, operation and maintenance of various Water Treatment / Sewage Treatment Plants in Bengaluru, with BWSSB. As per the Contract, the applicant had to undertake works including the designing, construction, commissioning and operation and maintenance of the constructed work.

5.3 The applicant has stated that as per Section 2(119) of the Central Goods and Service Tax Act, 2017 (“CGST Act”), “works contract” has been defined to mean a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract.

5.4 The applicant has stated that Notification No. 11/2017 Central Tax (Rate) dated June 28, 2017, notified the rate of tax on certain intra-State supply of services. Vide Entry 3 of the said notification, 18% tax rate was prescribed for works contract



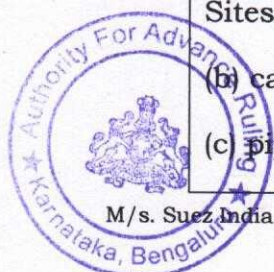


services. Entry 3 of the Notification No.11/2017 Central Tax (Rate) dated June 28, 2017, is as follows:

S.N.	Chapter, Section, or heading	Description of Service	Rate (percent)
3	Heading 9954 (Construction services)	(i) Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	9
		(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017.	9
		(iii) construction services other than (i) and (ii) above.	9

5.5 The applicant states that the Notification No. 11/2017 Central Tax (Rate) dated June 28, 2017, was amended vide Notification No. 20/2017-Central Tax (Rate) dated August 22, 2017, wherein Entry 3(iii) was substituted with the following:

Description of Service	Rate (percent)
<p>“(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Government, a local authority or a Governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, -</p> <p>(a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958);</p> <p>(b) canal, dam or other irrigation works;</p> <p>(c) pipeline, conduit or plant for</p>	6





(i) water supply	
(ii) water treatment, or	
(iii) sewerage treatment or disposal.	

5.6 The applicant states that the Notification No. 11/2017 was further amended vide Notification No. 31/2017-Central Tax (Rate) dated October 13, 2017, wherein the words "Government, a local authority or a Governmental authority" were replaced / substituted by the words "Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity". Further, the Notification also defined Governmental Authority and Government Entity as follows:

- "ix. Governmental Authority" means an authority or a board or any other body, -
- (i) set up by an Act of Parliament or a State Legislature; or
  - (ii) established by any Government, with 90per cent. or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243 W of the Constitution or to a Panchayat under article 243 G of the Constitution.
- x. "Government Entity" means an authority or a board or any other body including a society, trust, corporation,
- (i) set up by an Act of Parliament or State Legislature; or
  - (ii) established by any Government, with 90per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority."

5.7 The applicant states that BWSSB is an autonomous body formed by the State legislature under Bangalore Water supply and Sewerage Board Act, 1964, on November 10, 1964, for water supply & sewage disposal. Further, BWSSB has 100% participation of State of Karnataka and is entrusted with work related to water supply and sanitation, which is a function entrusted to a Municipality under article 243 W of the Constitution. Thus, BWSSB qualified as a Governmental Authority and accordingly, the Applicant was discharging 12% tax on the services supplied to BWSSB under similar contracts.

5.8 The applicant states that the Notification No.11/2017- Central Tax (Rate) dated June 28, 2017 was further amended vide Notification No. 15/2021-Central Tax (Rate) dated November 18, 2021, wherein, in Entry 3(iii), the words "Union territory, a local authority, a Governmental Authority or a Government Entity" were substituted with "Union territory or a local authority". Thus, as on date, the amended Entry 3(iii) of the Notification No.11/2017 reads as follows:

Description of Service	Rate (percent)
"(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Central Government, State Government, Union territory or a local authority, by way of construction, erection, commissioning, installation,	6





<p>completion, fitting out, repair, maintenance, renovation, or alteration of, -</p> <p>(a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958);</p> <p>(b) canal, dam or other irrigation works;</p> <p>(c) pipeline, conduit or plant for</p> <p>(i) water supply</p> <p>(ii) water treatment, or</p> <p>(iii) sewerage treatment or disposal.</p>	
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5.9 By way of Notification No. 15/2021-Central Tax (Rate) dated November 18, 2021, the lower rate of tax of 12% provided by Entry 3(iii) of Notification No.11/2017- Central Tax (Rate) dated June 28, 2017, was restricted to works contract supplied to Central Government, State Government, Union territory and a local authority only.

5.10 As per the Applicant, BWSSB qualifies as a governmental authority and thus, tax rate of 18% is applicable on the works contract services provided to BWSSB by way of Entry 3(xii) of Notification No. 11/2017- Central Tax (Rate) dated June 28, 2017. The said Entry 3(xii) of the Notification No.11/2017 reads as follows:

Description of Service	Rate (percent)
"(xii) Construction services other than (i), (ia), (ib), (ic), (id), (ie), (if), (iii), (iv), (v), (va), (vi), (vii), (viii), (ix), (x) and (xi) above."	9

5.11 This office had addressed a letter to the Assistant Commissioner of Commercial Taxes, LGSTO-110, Bengaluru on 04-11-2022 to file comments on the application filed. In response to this, the ACCT has furnished comments as below:

Question (s) on which Advance Ruling is required	The Applicant requests this Hon'ble Authority to provide a ruling on the following question:	COMMENTS
	<ul style="list-style-type: none"> <li>Whether the services provided to Bengaluru Water Supply &amp; Sewerage Board would be considered as a service provided to a Governmental Authority under GST Laws?</li> <li>What is the applicable GST rate on supply of works</li> </ul>	<ul style="list-style-type: none"> <li>As per Advance Ruling No.KAR ADRG 23/2022 dtd: 12-08-2022 Bengaluru Water Supply &amp; Sewerage Board is said to be considered as a Governmental Authority.</li> <li>Applicable GST on the supplies made by the Applicant to BWSSB IS @ 18% w.e.f.</li> </ul>





	contracts services in relation to sewage treatment made by the Applicant to Bengaluru Water Supply & Sewerage Board, on or after 1 <sup>st</sup> Jan 2022?	01.01.2022 as per Entry 3(xii) of Notification No.11/2017-Central Tax (Rate) dtd: 28-06-2017
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## 6. Applicant's Interpretation of Law:

6.1 The Applicant submits that in the present case, the services provided to BWSSB are taxable at 18% since BWSSB is a "governmental authority" for the purpose of Central Goods and Service Tax Act, 2017 ("CGST Act") / Karnataka Goods and Service Tax Act, 2017 ("KGST Act").

6.2 The applicant submits that the primary requirement in order to qualify as a governmental authority is that such an authority should be formed under an act of Parliament/ State Legislature. In case of BWSSB, it is an autonomous body formed by the State legislature under Bangalore Water supply and Sewerage Board Act, 1964 ("BWSSB Act") enacted by the Karnataka Legislature. Thus, the first and foremost requirement of a governmental authority stands fulfilled in the present case.

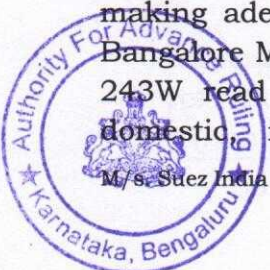
6.3 The applicant submits that the second requirement to qualify as a governmental authority is that the authority must be established by any Government with 90 per cent or more participation by way of equity or control. BWSSB is a body corporate established by the Government of Karnataka. As per S. 3 of the BWSSB, the authority is established by the State Government. The relevant portion of S. 3 is as follows:

*"3. Constitution and composition of the Bangalore Water Supply and Sewerage Board.—*

- (1) The State Government shall as soon as may be after the commencement of this Chapter, constitute by notification in the official Gazette a Board by the name of "The Bangalore Water Supply and Sewerage Board".*
- (2) The Board shall consist of not less than three and not more than nine members appointed by the State Government.]"*

Thus, from the above, it can be seen that BWSSB is established by the government and thus, the second requirement to be classified as a governmental authority has been fulfilled in the present case.

6.4 The applicant submits that as per the definition of "governmental authority", the authority should be established by any Government to carry out any function entrusted to a Municipality under article 243W of the Constitution or to a Panchayat under article 243 G of the Constitution. BWSSB is entrusted with the function of supply and improving the existing supply of water in the Bangalore Metropolitan Area and of making adequate provision for the sewerage and the disposal of the sewage in the Bangalore Metropolitan Area. This is clear from S. 15 of the BWSSB Act. As per Article 243W read with Twelfth Schedule of the Constitution of India, water supply for domestic, industrial and commercial purposes and public health, sanitation





conservancy and solid waste management is a function of municipality. In view of the above, the requirement that the authority must be established to carry out any function entrusted to a Municipality under article 243W of the Constitution has also been fulfilled in the present case. Thus, the Applicant in the present is providing services to BWSSB, which is a governmental authority and therefore, the Applicant is liable to discharge tax at the rate of 18% on the works contract service supplied to BWSSB.

6.5 The applicant has relied on the decision of the Hon'ble High Court of Patna in the case of *Shapoorji Paloonji & Company Pvt. Ltd. vs. C.C., C. Ex. & S.T., Patna 2016 (42) STR 681 (Pat.)*, Advance Ruling passed in the case of *In Re. Indian Hume Pipe Company Ltd. 2020 (35) G.S.T.L. 217 (A.A.R. - GST - T.N.)*, *Sewerage & Infrastructural Dev. Corporation of Goa Ltd. 2019 (31) GSTL 116 (A.A.R. - GST)*,

6.6 The applicant has submitted that as per Notification No.11/2017- Central Tax (Rate) dated June 28, 2017, as amended, 12% tax under Entry 3(iii) of Notification is applicable only on works contract services provided to Central Government, State Government, Union territory and a local authority. In case of BWSSB, the term of relevance is "local authority". Thus, it is imperative to understand the scope and meaning of the said term "local authority" under the GST Laws.

6.6.1 The term local authority is defined in S. 2(69) of the CGST Act as follows:

"(69) "local authority" means—

- (a) a "Panchayat" as defined in clause (d) of article 243 of the Constitution;
- (b) a "Municipality" as defined in clause (e) of article 243P of the Constitution;
- (c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund;
- (d) a Cantonment Board as defined in section 3 of the Cantonments Act, 2006;
- (e) a Regional Council or a District Council constituted under the Sixth Schedule to the Constitution;
- (f) a Development Board constituted under article 371[and article 371J] of the Constitution; or
- (g) a Regional Council constituted under article 371A of the Constitution;"

As can be seen, the term "local authority" has been defined in the CGST Act and covers certain bodies / authorities mentioned in the said definition. That the definition contained in S. 2(69) of the CGST Act, among other authorities, includes within its ambit "any other authority legally entitled to or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund". Thus, for the purpose of the GST Laws, any authority legally entitled to or entrusted the Government with the control or management of a municipal or local fund qualifies as a "local authority".





6.6.2 The first requirement in order to qualify as a local authority is that the authority in question must be a separate corporate body. BWSSB is an autonomous body formed by the State legislature under Bangalore Water supply and Sewerage Board Act, 1964 ("BWSSB Act"). As per S. 9 of the BWSSB, BWSSB is a corporate body. Thus, the first condition that the authority must be a separate corporate body having a legal existence stands fulfilled in the present case.

6.6.3 The authority must function in a defined area and should, wholly or partly, directly, or indirectly, be elected by the inhabitants of the area. As per the preamble of the BWSSB Act, the said Act is to make provision for water supply, sewerage and sewage disposal in Bangalore Metropolitan area and for matters connected therewith. Further, as per S. 2(1a) of the BWSSB Act, 'Bangalore Metropolitan Area' means the area falling within the jurisdiction of the Bruhat Bangalore Mahanagara Palike and includes such other areas adjacent thereto as the State Government may, by notification, from time to time specify.

Thus, in terms of the BWSSB Act, BWSSB can undertake its functions only within the Bangalore Metropolitan Area. However, BWSSB is not elected by the inhabitants of the area but is established by the State. Thus, the second condition is not met in the present case.

6.6.4 The applicant states that the State Government has the power to frame rules for the purposes of giving effect to the provisions of the BWSSB Act as provided under Section 87 of the Act. As per section 84 and 88 of the BWSSB Act, BWSSB may with the previous approval of the State Government may, make regulations to carry out the purposes of the Act. Under Section 89, the Board is under an obligation to discharge its functions as per directions of the State Government issued on question of the policies. Thus, as can be seen from the above discussion, BWSSB is controlled by the Government.

6.6.5 The authority must be entrusted by statute with such governmental functions and duties as are usually entrusted to municipal bodies BWSSB is a board entrusted with the function of supply and improving the existing supply of water in the Bangalore Metropolitan Area and of making adequate provision for the sewerage and the disposal of the sewage in the Bangalore Metropolitan Area.

6.6.6 The fifth requirement to be categorised as a local authority is that the authority must have the power to raise funds for the furtherance of their activities and the fulfilment of their projects by levying taxes, rates, charges, or fees.

6.6.7 As per section 16 of the BWSSB Act, BWSSB has the power to levy rates, fees, rentals, prorata charges, deposits, taxes, and other charges, for carrying out its duties. However, the rates, fees, rentals and other charges recovered by the BWSSB cannot be equated with the collection of taxes and be termed as a "local fund". The amounts referred to in Section 16 of the Act are recoverable only in lieu of the services rendered by BWSSB.





Therefore, the requirement that the authority must have the power to raise funds for the furtherance of their activities and the fulfilment of their projects by levying taxes, rates, charges, or fees, has not been fulfilled in the present case.

6.6.8 The authority must be legally entitled to or entrusted by the Government with, the control and management of a Municipal or local fund. The last and the main requirement to qualify as a local authority is that such an authority must be legally entitled to or entrusted by the Government with, the control and management of a Municipal or local fund. In case of BWSSB, there is no local fund entrusted by the Government with BWSSB. That a perusal of the BWSSB Act would reveal that no municipal or local fund has been entrusted by the Government. BWSSB has the authority to collect funds but is not legally entitled to control/manage any fund. Under Section 24(A) of the BWSSB Act, BWSSB has authority to create a reserve for improvement works and under Section 24 the Board can create a depreciation reserve. However, the said reserve cannot be equated with a local or a government fund. Thus, the important requirement in order to qualify as a local authority, viz. control and management of a municipal/local fund is absent in the present case. In view of the above, it can be concluded that BWSSB is not a "local authority" and thus, the Applicant is not eligible to pay 12% GST on the works contract service supplied to BWSSB on or after 1<sup>st</sup> Jan 2022.

6.7 In view of the above, the Applicant submits that the Applicant is liable to discharge tax at the rate of 18% on the works contract service provided to BWSSB.

#### **VIRTUAL HEARING / PROCEEDINGS HELD ON 10-11-2022**

7. Ms.Priyanka Rathi, Advocate and Duly Authorised Representative appeared for personal hearing proceedings held on 10.11.2022 through video conference and reiterated the facts narrated in their application.

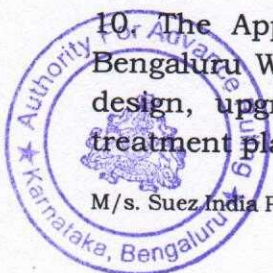
#### **FINDINGS & DISCUSSION**

8. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in *pari-materia* and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

9. We have considered the submissions made by the applicant in their application for advance ruling. We have also considered the issues involved on which advance ruling is sought by the applicant and the relevant facts along with the arguments made by their authorized representative and also their submissions made during the time of hearing.

10. The Applicant states that they have entered into a contract agreement with Bengaluru Water Supply and Sewerage Board (BWSSB) on 21.04.2022 for the work of design, upgradation and rehabilitation of existing 248 MLD capacity used water treatment plant at K & C Valley, Bengaluru.

M/s. Suez India Private Limited





11. The Applicant wants to know whether the services provided to BWSSB would be considered as a service provided to a governmental authority. Now let us examine whether BWSSB is a Governmental Authority or Government Entity. Notification No.11/2017-Central Tax (Rate), dated: 28.06.2017 as amended vide Notification No.31/2017-CentralTax (Rate), dated: 13.10.2017 defines *Governmental Authority and Government Entity in as below:*

*“(ix) “Governmental Authority” means an authority or a board or any other body, -*

*(i) set up by an Act of Parliament or a State Legislature; or*

*(ii) established by any Government,*

*with 90 percent. or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243W of the Constitution or to a Panchayat under article 243 G of the Constitution.*

*(x) “Government Entity” means an authority or a board or any other body including a society, trust, corporation,*

*i) set up by an Act of Parliament or State Legislature; or*

*ii) established by any Government,*

*with 90 per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority.”.*

11.1 BWSSB was set up by The Bangalore Water Supply and Sewerage Act 1964, to supply water in Bangalore Metropolitan area and to make adequate provision for the sewerage and disposal of sewage in the Bangalore Metropolitan area. These duties performed by BWSSB are covered under the functions entrusted to a Municipality under article 243W of the Constitution that is 5<sup>th</sup> and 6<sup>th</sup> entry of 12<sup>th</sup> schedule of the constitution which are as below:

*5. Water supply for domestic, industrial and commercial purposes.*

*6. Public health, sanitation conservancy and solid waste management.*

Since the BWSSB is set up by the Act of State Legislature to carry out any function entrusted to a Municipality under article 243W of the Constitution, the same can be considered as Governmental Authority.

12. The Applicant wants to know the applicable GST rate on supply of works contracts services in relation to sewage treatment made to BWSSB, on or after 1st Jan 2022. For this we invite reference to entry No.3(iii) of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017, as amended vide Notification No. 20/2017-Central Tax (Rate) dated 22.08.2017 which is reproduced below:





Sl No	Chapter, Section or Heading	Description of Service	Rate (percent)	Condition
3	Heading 9954 (Construction services)	<p>“(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the Government, a local authority or <b>a Governmental authority</b> by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, -</p> <p>(a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958);</p> <p>(b) canal, dam or other irrigation works;</p> <p>(c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal.”</p>	6	

Since the Applicant is a Governmental Authority as explained in para 11 supra, who has entered into contract with BWSSB for upgradation and rehabilitation of water treatment plant, the same may be covered under entry 3(iii) mentioned above which is exigible to GST at 12%.

13. Further, Notification No.22/2021-Central Tax (Rate), dated 31.12.2021 was issued in supersession of Notification No.15/2021-Central Tax (Rate), dated 18.11.2021 which brought amendment to No.11/2017-Central Tax (Rate) dated 28.06.2017 as below:

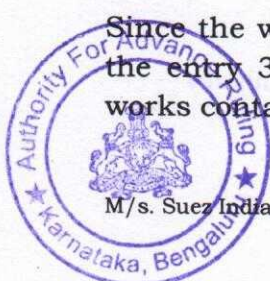
*In the said notification, in the TABLE, against serial number 3,-*

*1) in column (3), in the heading “Description of Service”, in items (iii), (vi), (ix) and (x), for the words “Union territory, a local authority, a Governmental Authority or a Government Entity” the words “Union territory or a local authority” shall be substituted;*

*2) -----*

*3) -----*

Since the words ‘a Governmental Authority or a Government Entity’ were removed from the entry 3(iii) with effect from 01.01.2022, this entry will not be applicable to the works contract services supplied by the Applicant to BWSSB.





13.1 Again, Entry No.3 of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017, was amended vide Notification No. 3/2022-Central Tax (Rate) dated 13.07.2022 as below:

(A) in the Table, -

(I) against serial number 3, in column (3), -

(a) items (iii), (iv), (v), (va), (vi) and (ix) and the corresponding entries relating thereto in columns (4) and (5) shall be omitted;

(b) against items (vii) and (x), for the entry in column (4), the entry "6" shall be substituted;

(c) in item (xii), for the brackets and figures "(iii), (iv), (v), (va), (vi), (vii), (viii), (ix)", the brackets and figures "(vii), (viii)," shall be substituted;

Thus the entry 3(iii) of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017 itself was omitted and now the works contract services supplied by the Applicant to BWSSB is covered under entry No.3(xii) of the same Notification which is as below:

Sl No	Chapter, Section or Heading	Description of Service	Rate (percent)	Condition
3	Heading 9954 (Construction services)	(xii) Construction services other than (vii), (viii) above.	9	

Thus the works contract services provided by the Applicant to BWSSB are covered under this entry and the same is exigible to GST at 18%.

14. In view of the foregoing, we pass the following

#### **RULING**

- The services provided to Bengaluru Water Supply and Sewerage Board (BWSSB) would be considered as a service provided to a Governmental authority under GST.
- Works contracts services supplied by the Applicant in relation to sewage treatment to Bengaluru Water Supply and Sewerage Board, on or after 1st Jan 2022 is exigible to GST at 18% (CGST @ 9% and SGST @ 9%).

(Dr. M.P. Ravi Prasad)

Member

(Kiran Reddy T)

Member

Karnataka Advance Ruling Authority  
Place: Bengaluru - 560 009

Date: 17.02.2023

M/s. Suez India Private Limited

Karnataka Advance Ruling Authority  
Bengaluru - 560 009



To,  
The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Principal Commissioner of Central Taxes, Bengaluru South GST Commissionerate, South Division-2, Range – RANGE-DSD2
4. The Assistant Commissioner of Commercial Taxes, LGSTO-110, Bengaluru.
5. Office Folder.

