

AUTHORITY FOR ADVANCE RULING, TAMILNADU
DOOR NO.32, INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX
5TH FLOOR, ROOM NO.503, ELEPHANT GATE BRIDGE ROAD,
CHENNAI - 600 003.
PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE
GOODS AND SERVICES TAX ACT, 2017.

Members present are:

1. Shri T.G.VENKATESH, I.R.S., Additional Commissioner/Member,
Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -34
2. Tmt. K.LATHA, M.sc., (Agri) Joint Commissioner (ST)/ Member,
Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-3.

ORDER No. 40 /AAR/2021 Dated: 30.11.2021

GSTIN Number, if any / User id		33AAECC2175K1ZQ
Legal Name of Applicant		Coral Coil India Private Limited
Registered Address / Address provided while obtaining user id		S.F. No.511/3 Coral Avenue, Madathupalayam Pirivu, Anandampalayam Post, Modakurichi (via) Erode 638 104.
Details of Application		Form GST ARA - 001 Application Sl.No.26/2021/ARA dated 13.08.2021
Concerned Officer		Centre: Salem Commissionerate State: Kodumudi Assessment circle
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Factory/Manufacturing
B	Description (in brief)	Supply of STATOR COILS for the manufacture of Wind Operated Electricity Generators (WOEG) to Coral Manufacturing Works India Private Ltd (GSTIN 33AAICC4646F1ZT)
Issue/s on which advance ruling required		Applicability of a notification issued under the provisions of the Act.

Question(s) on which advance ruling is required	Whether the supply of Stator Coil by the Applicant to M/s. Coral Manufacturing Works India Private Ltd., will be eligible for the levy of 2.5% CGST in terms of Sl. No. 234 in the notification 1-CTR dated 28 June 2017 and 2.5% SGST in terms of the corresponding SGST notification
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Note: Any appeal against the Advance Ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

Coral Coil India Private Limited, S.F. No.511/3 Coral Avenue Madathupalayam Pirivu, Anandampalayam Post Modakurichi (via) Erode 638 104. (hereinafter called the 'Applicant') is registered under the GST Vide GSTIN 33AAECC2175K1ZQ. They have sought Advance Ruling on the following question:

Whether the supply of Stator Coil by the Applicant to Coral Manufacturing Works India Private Ltd., will be eligible for the levy of 2.5% CGST in terms of Sl. No. 234 in the notification 1-CTR dated 28 June 2017 and 2.5% SGST in terms of the corresponding SGST notification.

The Applicant has submitted the copy of application in Form GST ARA - 01 and also submitted a copy of Challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017.

2.1 The Applicant has stated that they have received purchase orders ref: PO/Coral Coil/2021/061 and PO/Coral Coil/2021/133 both with amendment dated 18.06.2021 from Coral Manufacturing Works India Private Ltd (GSTIN 33AAICC4646F1ZT) for the manufacture and supply of stator coils for wind operated electricity generators [WOEG]; that buyer has stated in the PO that the item ordered is for use solely and principally with Enercon WOEG production; that the applicant has a dedicated coil manufacturing facility at the registered location, which caters to all types of customers such as OEMs (original equipment manufacturers) and rewinders all over the world; that the stator coils so manufactured by the applicant have utility in all types of generators. They have submitted further that while clarifying doubts on GST rates, w.r.t. Sl.No.234 in the said GST Notifications the CBIC, vide its circular No.80/54 /2018-GST dated 31.12.2018 specifically observed in para 11.3 as below:-

“11.3 Another related doubt raised is as to how would a supplier satisfy himself that goods falling under Chapter 84, 85 and 94, say a turbine or a boiler, required in a WTEP, would be used in the WTEP. In this context it is clarified that GST is to be self-assessed by a taxpayer. Therefore, he needs to satisfy himself with the requisite document from a buyer such as supply contracts/order for WTEP from the concerned authorities before supplying goods claiming concession under said entry 234.”

It has been stated that in the present case, while the PO/Contract clearly confirms that the Stator Coil is for use in WOEG, the above clarification mandates that the supplier needs to satisfy himself from the concerned authorities. Therefore, the present application for advance ruling is being made by them.

2.2 On the interpretation of law, Applicant has submitted that as per the above circular, for charging the 5% GST in terms of the said Sl.No.234 in the said GST notifications specifying the rates of GST, the applicant has to satisfy himself that the stator coils fall under Chapter 84, 85 and 94, and they are for use solely and principally with WOEG production; that the Stator coils for generators fall in tariff item 85030010; that the impugned supply of stator coil is a part for the manufacture of WOEG is demonstrated by –

- (i) The purchase order amendments dated 18.06.2021 from Coral Manufacturing Works India Private Ltd:

(ii) Generator supply agreement dated 17th December 2019 between Enercon Wind energy P Ltd., New Delhi and Coral Manufacturing Works India P Ltd., Villarasampatty.

Therefore, the applicant is of the view that the supply of stator coils to Coral Manufacturing Works against the POs cited, would qualify for the said 5% rate of levy of the GST.

3.1 Due to the prevailing PANDEMIC situation and in order not to delay the proceedings, the applicant was addressed through the Email Address mentioned in the application to seek their willingness to participate in a virtual Personal Hearing in Digital media. The applicant consented and the hearing was held on 22.10.2021. The Authorised representative, Shri. V. Ravindran, Advocate appeared for the hearing and reiterated the submissions made in the application. He further submitted that the applicant receives purchase orders from M/s. Coral Manufacturing works Pvt Ltd only and the subject goods are supplied to the purchaser; The Purchase Orders state that the subject goods are used in the WOEG. The members questioned whether the purchaser is into manufacturing wind mills and what was the question applied for seeking, when the notification is clear in itself. The AR submitted that they wanted to affirm their eligibility for exemption under Sl No. 234 of Notification no.01/2017-CT (Rate) dt. 28.06.2017 and that a clarification on the authority mentioned in para 11.3 of the circular no.80/54/2018 GSR dt.21.12.2018; they further stated that they would file a synopsis and relevant circulars for reference.

3.2. Further to the Personal hearing held, they submitted a synopsis alongwith Purchase orders no.PO-61 dt.21.01.2021 and PO-133 dt. 16.02.2021 received from M/s. Coral Manufacturing Works India Pvt Ltd, wherein it has been specified that the purchase orders for supply of Form wound coil(Stator coil) HSN 85030090, for Enercon Make, Wind Operated Electricity Generator. EP3 E138. They have submitted copy of Generator supply agreement entered into between M/s. Enercon Wind Energy Pvt Ltd and M/s. Coral Manufacturing Works India Pvt Ltd(only 9 pages of the agreement). In the synopsis submitted they have stated the following:

1. At the outset, it is submitted that the question, was impacted owing to the amendment to the Notification No. 1/2017 Central Tax dated 28.06.2017 by which the rate of GST for the item in question was revised from 2.5% to 6%.

2. To further explain, the above-cited Sl.No.234 in the Schedule I in the notification 1-CTR dated 28 June 2017 stood omitted but verbatim the same entry inserted as Sl.No.201A in the Schedule II of the same notification and this was through the amendment introduced through Notification No. 8-CTR dated 30 September 2021, which was subsequent to our application for Advance Ruling. In other words, the very same entry is shifted from Schedule I to II.

3. Accordingly, they requested the Hon'ble Authority to allow to modify their question for Advance Ruling as under, in the place of the one posed in the application dated 13.08.2021:-

"Whether the supply of Stator Coil by the Applicant to Coral Manufacturing works India Private Ltd will be eligible for the levy of 6% GST in terms of Sl. No. 201A in the Schedule II in the notification I-CTR dated 28 June 2017 (as amended) and 6% GST in terms of the corresponding SGST notification".

4. The relevant part of the exemption notification is extracted below for immediate reference:-

Notification No. 1 CTR dated 28 June 2017 (As amended)

S. No.	Chapter / Heading / Subheading / Tariff item	Description of Goods
1	2	3
As it existed against Sl. No. 234 in the Schedule I - 2.5% now replaced as Sl. No. 201A in	84, 85 or 94	Following renewable energy devices and parts for their manufacture: (a) Bio-gas plant; (b) Solar power based devices; (c) Solar power generator; (d) Wind mills, Wind Operated Electricity Generator (WOEG); (e) Waste to energy plants / devices; (f) Solar lantern / solar lamp; (g) Ocean waves/tidal waves energy

<p>the Schedule 11 - 6% [as per amending Notification No. 8-CTR dated 30 September 2021]</p>	<p>devices/plants;</p> <p>(h) Photo voltaic cells, whether or not assembled in modules or made up into panels.</p> <p>Explanation:- If the goods specified in this entry are supplied, by a supplier, along with supplies of other goods and services, one of which being a taxable service specified in the entry at S. No. 38 of the Table mentioned in the notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017 [G.S.R. 690(E)], the value of supply of goods for the purposes of this entry shall be deemed as seventy per cent. of the gross consideration charged for all such supplies, and the remaining thirty per cent. of the gross consideration charged shall be deemed as value of the said taxable service. ",</p>
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5. The issue is as to the documentary evidence to show that the Stator coils are parts for the manufacture of Wind Operated Electricity Generator (WOEG).

6. The purchase order as amended (copies already submitted with application) placed by Coral Manufacturing Works India P Ltd., on the applicant, states that the goods ordered are for use solely and principally with WOEG production by Enercon Wind Energy P Ltd., New Delhi. To corroborate this, applicant is filing copy of the agreement dated 17th December 2019 between Enercon Wind Energy P Ltd., New Delhi and Coral Manufacturing Works India P Ltd. Thus these documents prove that the stator coils under supply are parts for the manufacture of WOEG.

7. Statutorily also, stator coils fall in tariff item "85030010 "parts of generator (AC or DC)" being parts suitable for use solely or principally with the machines of 8502 wherein wind-operated generating sets are covered in 85023100. 'Stator coils' are not goods included in any of the headings of Chapter 84 or 85. According to Note 2(b) in Chapter 85) other parts, if suitable for use solely or principally with a particular kind of Machine, or-with a number of machines of the same heading (including a machine of heading 8479 or 8543) are to be classified with the machines of that kind. In this context, it is pertinent to note that the Sl. No.201A is for parts for the manufacture of WOEG. Therefore, going

by the tariff headings and the Chapter Note, the supply of the stator coil in question qualifies to be considered as parts for the manufacture of WOEg and would fall in tariff item 85030010.

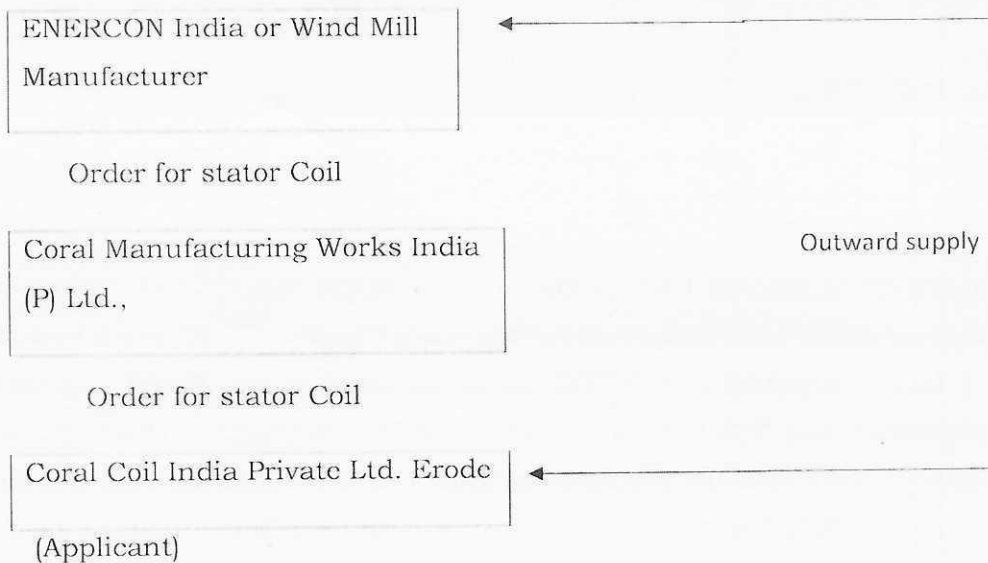
8. Thus, in the above manner, the terms of the Sl. No.201A in the Schedule II in the notification I-CTR dated 28 June 2017 (as amended) are fully met and so they requested that the Authority may rule the question raised by the Applicant in the affirmative.

4. The State Jurisdictional authority who has the administrative jurisdiction over the applicant has submitted the following remarks:-

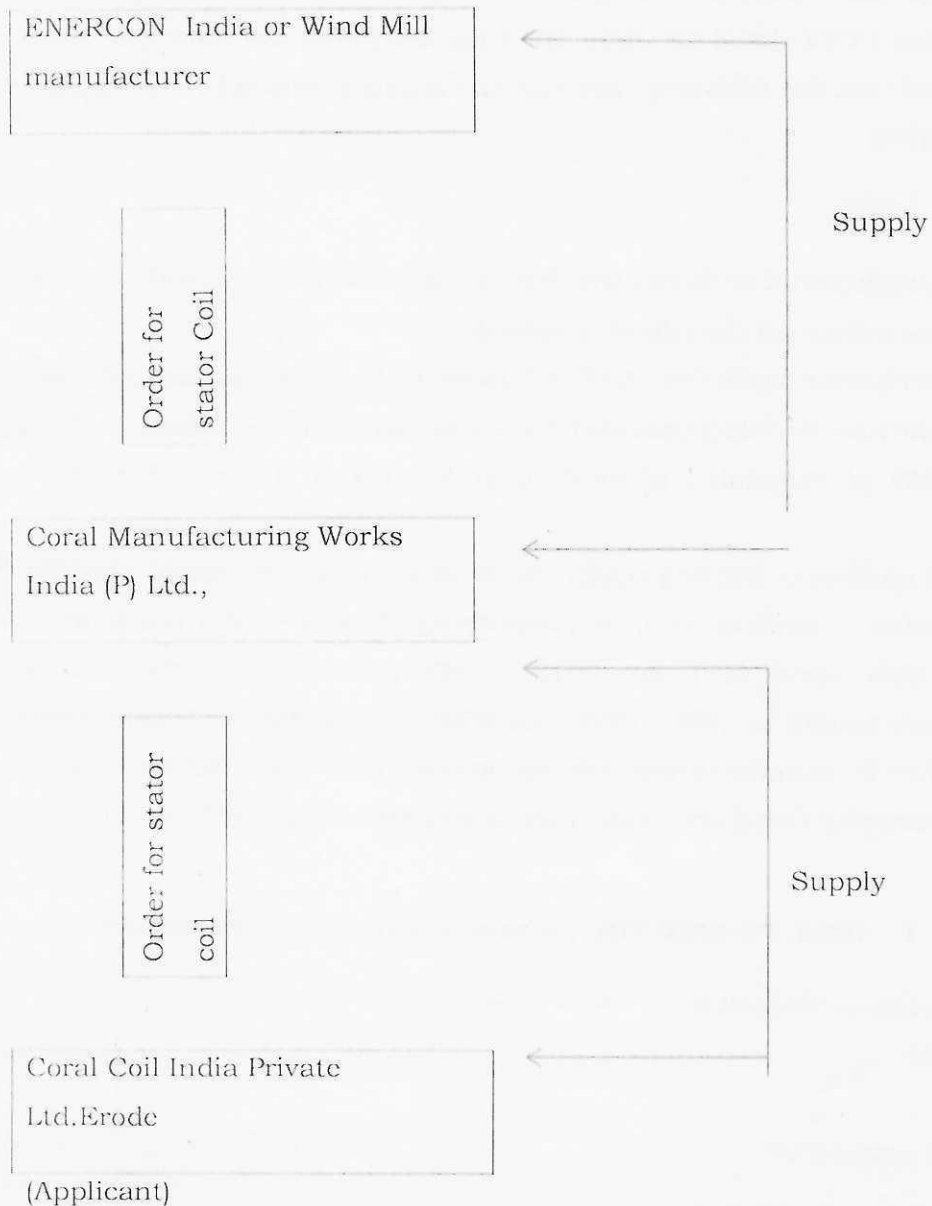
1. As per the circular No.80/54/2018/ST dated 31.12.2018, "Stator Coil" used in the manufacture for Wind Operated Electricity Generator is taxable at 5% as per Entry 234 of Schedule-I of notification No.1/2017 (Central Tax) dated 28.06.2018.

2. Electrical ignition or starting equipment of all kind used for Spark - Ignition or Compression - Ignition Internal Compressor Engine and Generators is taxable at 28% under GST Act 2017. HSN code 8511; Parts used in Generators are taxable at 18%. HSN code 8503. The product in question may be used either in manufacturing ordinary generator or manufacture of Wind Operated Electricity Generator. Two types of scenario are possible in the given transaction.

SCENARIO -I (BILL TO SHIP TO): tax may be levied at 5% (Sl.No.234)



SCENARIO – II tax may be levied at 18% HSN.code 8503



It has been further submitted that another related doubt raised is as to how a supplier would satisfy himself that goods falling under Chapter 84, 85 and 94 say a turbine or a boiler, required in a WTEP, would be used in the WTEP. In this context it is clarified that GST is to be self assessed by a taxpayer. Therefore, he needs to satisfy himself with the requisite document from a buyer such as supply contracts / order for WTEP from the concerned authorities before supplying goods claiming concession under said entry 234” and that in this case the applicant has not enclosed the copy of purchase order given by the Wind Mill manufacturer

(Enercon India) to Coral Manufacturing works India (P) Ltd for Stator Coil. Hence this transaction may attract GST at 18%.

5. The Central Jurisdictional Authority vide their letter dated 09.09.2021 stated that there are no pending proceedings in respect of the issue raised by the applicant in their Advance Ruling Application.

6. We have carefully examined the contentions of the applications put forth in the application, additional submissions made in pursuance to the virtual personal hearing held on 22.10.2021, and the remarks of the State Jurisdiction Officer, Assistant Commissioner (ST) Kodumudi Assessment Circle. The applicant has claimed that they are manufacturing "Stator Coils" to be principally and solely used in the Wind Operated Electricity Generators. After the sought modification, the question for ruling is as follows:-

Whether the supply of Stator Coil by the Applicant to Coral Manufacturing Works India Private Ltd will be eligible for the levy of 6% GST in terms of Sl. No.201A in the Schedule II in the notification 1-CTR dated 28 June 2017 (as amended) and 6% GST in terms of the corresponding SGST notification".

The questions raised is on the applicability of notification which is covered under the ambit of this authority under Section97(2) of the CGST Act, 2017.

7.1 From the submissions, it is evident that the question raised before us is whether the preferential rate of 12% GST is applicable in cases of the supply of Stator Coil, when supplied to Coral Manufacturing Works Pvt Ltd., against the Purchase Orders for such supply. The applicant has furnished two purchase Orders No. PO-61 dated 21/01/2021 and PO-133 dated 16.02.2021. On perusal of these POs, it is seen that these are 'Purchase Order for Enercon Generator Production E138 EP.E2 and the Invoice is to be raised on 'Coral Manufacturing Works Pvt Ltd'. The applicant has further furnished 9 pages of copy of 'Generator Supply Agreement' entered into between Enercon Wind Energy Private Limited as buyer and Coral Manufacturing Works India Private Limited as Supplier. From the furnished pages of the agreement, it is seen that Coral Manufacturing Works Pvt Ltd supplies generators for WECs built as per the 'Buyers' Technical Specifications and Quality Assurance Agreement' and M/s. Enercon Wind Energy Private Limited is obligated to purchase certain minimum number of Generators Annually from Coral Manufacturing Works.

7.2 The Applicant in the case at hand has stated that they are manufacturing Stator coils which have utility in all types of Generators. The issue raised is with respect to the Purchase Order received from Coral Manufacturing Works Pvt Ltd wherein it is specified in the PO that these are ordered for use solely and Principally with Enercon WOEg production. They have further stated in the application, that the PO clearly confirms that Stator Coil is for use in WOEg, but as per Para 11.3 of Circular No. 80/54/2018-GST dated 31.12.2018 mandates that the supplier needs to satisfy himself from the concerned authorities before supplying goods claiming concession and therefore the present application is made.

7.3 Now, Para 11 of Circular No.80/54/2018-GST dated 31.12.2018 is examined. The relevant para is extracted as under:

11. Applicability of GST on supply of Waste to Energy Plant:

11.1. Representations have been received regarding applicable GST rate on the goods used in the setting up of Waste to Energy plants (WTEP) in term of Sr. No. 234 of Schedule I of Notification No 1/2017-Central Tax (Rates) dated 28th June, 2018. The said entry 234 prescribes 5% rate on the 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 (WOEG) (e) Waste to energy plants / devices (f) Solar lantern / solar lamp (g) Ocean waves/ tidal waves energy devices/plant (h) Photo voltaic cells, whether or not assembled in modules or made up into panels

11.2 The notification specifically applies only the goods falling under chapters 84, 85 and 94 of the Tariff. Therefore, this concession would be available only to such machinery, equipment etc., which fall under Chapter 84, 85 and 94 and used in the initial setting up of renewable energy plants and devices including WTEP. This entry does not cover goods falling under other chapters, say a transport vehicle falling under Chapter 87 that may be used for movement of waste to WTEP.

11.3 Another related doubt raised is as to how would a supplier satisfy himself that goods falling under Chapter 84, 85 and 94, say a turbine or a boiler, required in a WTEP, would be used in the WTEP. In this context it is clarified that GST is to be self-assessed by a taxpayer. Therefore, he needs

to satisfy himself with the requisite document from a buyer such as supply contracts/order for WTEP from the concerned authorities before supplying goods claiming concession under said entry 234.

The above clarifies the applicability of GST on Waste to Energy Plant. It clarifies that the benefit of concessional rate is available to such equipment, machinery, etc which fall under Chapter 84, 85 and 94 and used in the initial setting up of renewable energy plants and devices; and that GST being self-assessment tax, the taxpayer is to satisfy himself with the requisite document from a buyer such as 'supply contracts'/'Order for WTEP from the concerned authorities' before supplying goods claiming the concession. We find that the applicant has misread the clarification and is before us considering this Advance Ruling authority as the 'concerned authorities' mentioned in the said circular. The circular clarifies the doubt regarding the Waste to Energy Plants and it is clearly stated in Para 11.3, that the tax being self-assessed, the supplier, before effecting the supply adopting the concessional rate, has to satisfy himself with the requisite documents from the recipient, such as –supply contracts or order for WTEP from the concerned authorities. Therefore, the 'Concerned authority' specified in the said circular is not this Authority, but the buyer of such WTEP & its related parts. However, as the question raised is on the applicability of the entry of the notification, the same is answered.

7.4 It is seen that the entry originally claimed by the applicant is entry no. 234 of Schedule I of Notification No. 01/2017 C.T.(Rate) dated 28.06.2017 which was omitted and verbatim inserted as entry No. 201A of Schedule-II to the Notification No. 01/2017-C.T.(Rate) vide Notification No. 08/2021-C.T.(Rate) dated 30.09.2021. The applicant vide the reframed question seeks ruling on the applicability of entry No. 201A of Schedule II to Notification No. 01/2017 C.T.(Rate) dated 28.06.2017, effective from 30.09.2021. The relevant entry No. 201A inserted in Notification No. 01/2017 C.T.(Rate) dated 28.06.2017, effective from 30.09.2021 is as under:

S. No.	Chapter /Heading / Subheading / Tariff item	Description of Goods
1	2	3

201A	84,85 or 94	<p>Following renewable energy devices and parts for their manufacture:-</p> <p>(a) Bio gas plant;</p> <p>(b) Solar power based devices;</p> <p>(c) Solar power generator;</p> <p>(d) Wind mills, Wind Operated Electricity Generator (WOEG);</p> <p>(e) Waste to energy plants / devices;</p> <p>(f) Solar lantern / solar lamp;</p> <p>(g) Ocean waves/tidal waves energy devices/plants;</p> <p>(h) Photo voltaic cells, whether or not assembled in modules or made up into panels</p>
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From the above, it is evident that the specified Renewable energy devices and the parts for their manufacture falling under Chapter 84, 85 and 94 are eligible to be supplied at the rate of 6% CGST as per this entry. Wind Operated Electricity Generator is one the devices spelt in the said entry. The applicant has stated that the Stator Coils for Generators fall in tariff item 85030010 which deals with Parts Suitable for use solely or principally with the machines of heading 8501 or 8502. Further Parts of Generator (AC or DC) are classified under HSN code 8503 00 10 taxable at 9% under CGST and SGST, under which the subject stator coils fall.

7.5 In the instant case, the applicant has produced copies of Purchase orders no.PO 61 dt.21.01.2021 and PO-133 dt. 16.02.2021 received from M/s. Coral Manufacturing Works India Pvt Ltd, wherein it has been specified that the purchase orders are for the supply of Form wound coil(Stator coil) HSN 85030090, for Enercon Make, Wind Operated Electricity Generator EP3 E138. Thus, the fact of supply of stator coils being meant for manufacture of WOEGs is established. They have also submitted 9 pages of the copy of Generator supply agreement entered into between M/s. Enercon Wind Energy Pvt Ltd (the buyer) and M/s. Coral Manufacturing Works India Pvt Ltd, (the supplier) wherein it has been stated that the buyer is in the business of developing, manufacturing, selling WECs and WEOGs and the supplier is engaged in the business of manufacturing and sale of generators suitable for the purpose of further manufacturing and assembly into/of the suitable for the WECs.


7.6 GST being self-assessed tax, the applicant should satisfy himself that such goods would be used in the WOEg on the basis of requisite document from a buyer such as supply contracts/orders for WOEg from the recipient before supplying goods claiming concession under said entry 234 (Now 201). Hence the onus of proving that such goods are being supplied to WOEg is on the supplier of such goods with documentary proof to that extent.

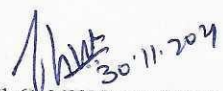
8. To sum up, the 'Stator Coils' in question (covered under the Pos mentioned in Para 7 above), falls under CTH 8503 and the supply is made to M/s. Coral Manufacturing Works Private Limited for manufacture of WOEg's and therefore in the instant case, the rate applicable is 6% CGST as per Sl.No.201A of the Schedule II to Notification no.01/2017-CT (Rate) dt.28.06.2017 as amended and 6% SGST as per Sl. No. 201A of Schedule-II to notification M.S.no.62/2017 dt. 29.06.2017 as amended effective from 30.09.2021.

9. In view of the above, we rule as under:

RULING

The supply of Stator Coil by the Applicant to M/s. Coral Manufacturing Works India private Limited for use in the WOEg will be eligible for the levy of 6% CGST in terms of Sl.No.201 A in the Schedule II in the notification 1-CTR dated 28th June 2017 (as amended) and 6% SGST in terms of corresponding SGST notification with effect from 01.10.2021, subject to the self-assessment of the applicant that all such supplies are for the manufacture of the Generators for Renewable Energy, based on the Purchase Orders/Supply Contracts for each of such supply.


Smt. K.LATHA
(Member SGST)


Shri T.G.VENKATESH
(Member CGST)



To,

Tvl. Coral Coil India Pvt Ltd,

S.F. No.511/3 Coral Avenue Madathupalayam Pirivu,

Anandampalayam Post Modakurichi (via) Erode 638 104.

//BY RPAD// E.Mail.id gmfinance@coral india.co in

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2. The Principal Secretary/Commissioner of Commercial Taxes,
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Copy to:

3. The Commissioner of GST & Central Excise, Salem Commissionerate.
No.1, Foulkes Compound, Anaimeedu, Salem-636 001.

4. The Assistant Commissioner (ST) Kodumudi Assessment circle,
Commercial Taxes Building, R.D.O. Office Campus, North Pradakshanam
Road, Karur – 639 001.

5. Master File/ Spare-2

