

AUTHORITY FOR ADVANCE RULING – MADHYA PRADESH**Goods and Service Tax****O/o THE COMMISSIONER, COMMERCIAL TAX,****MOTI BUNGALOW,****MAHATMA GANDHI MARG, INDORE (M.P.) - 452007****e-mail :advance.ruling @mptax.mp.gov.in Phone : 0731- 2437315****PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING****U/S,98 OF THE GOODS AND SERVICES TAX ACT, 2017****Members Present****1. Shri Manoj Kumar Choubey****Joint Commissioner****Office of the Commissioner of Commercial Tax, Indore Division-1****2. Shri Virendra Kumar Jain****Joint Commissioner****Office of the Commissioner CGST and Central Excise, Indore**

GSTIN Number. If any/User-id	23AAFTS6928N1ZW
Name and address of the applicant	M/S Natural Resource Management & Common Wealth Kusum-46, Shrawan Estate, Durgesh Vihar, J.K. Road, Bhopal- 462041 (M.P)
Point on which advance ruling sought	b. applicability of a notification issued under the provisions of the act e. determination of the liability to pay tax on any goods or services or both
Present on behalf of applicant	Shri S. Krishnan, CA.
Case Number	..11/2021
Order dated	01.12.2021
Order Number	17/2021

PROCEEDINGS**(Under sub-section (4) of Section 98 of Central Goods and Service Tax Act, 2017 and the Madhya Pradesh Goods & Service Tax Act, 2017)**

1. M/s Natural Resource Management & Common Wealth (hereinafter referred to as 'Applicant'), Kusum-46, Shrawan Estate, Durgesh Vihar, JK Road,



Bhopal is person registered under the provisions of CGST Act (the act) and MP GST Act read with section 20(v) of IGST Act, vide GSTIN : 23AAFTS6928N1ZW, having principal place of business at the above mentioned address.

2. The provisions of the CGST Act and MPGST Act are identical, except for certain provisions. Therefore, unless a specific mention of the dissimilar provision is made, a reference to the CGST Act would also mean a reference to the same provision under the MPGST Act. Further, henceforth, for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST or MP GST Act would be mentioned as being under the GST Act.

BRIEF FACTS OF THE CASE AND SUBMISSION OF THE APPLICANTS IN THEIR APPLICATION IS AS UNDER -

- 3.1. The Applicant is registered in Bhopal within the State of Madhya Pradesh having GSTIN : 23AAFTS6928N1ZW and will supply services from its principal place of business at Bhopal.
- 3.2. The Chief Engineer PHE, I&FC Ladakh. Head Quarter at Kargil-194103 issued notice No. 56 dated, 07-01-2021 inviting expression of interest (EOI) on behalf of State Water and Sanitation Mission (SWSN), to empanel the implementation support agencies (ISAs) under Jal Jeevan Mission(JJM) for enhancing community and villages level institutional capacity for efficient planning, execution, monitoring and O&M in various villages of District Kargil, Ladakh. Copy of Notice for Expression of Interest is enclosed.
- 3.3. As per letter No. KC/PW-SE/12081-85 dated, 18.03.2021, EOI for engagement of ISA agency under JJM for Kargil District of UT of Ladakh was accepted by the chairman. DWSM. The copy of the letter is enclosed as EXHIBIT B.
- 3.4. The Contract agreement for consultancy services for ISA under JJM was executed vide certificate No. IN-LA01416852450075T on 29th March 2021 between Chief Engineer, PHE Department, Kargil, Ladakh UT and M/s Natural Resources Management and Common Wealth. The copy of Contract agreement is enclosed.
5. The said services being supplied to Chief Engineer, PHE Department Kargil, Ladakh UT are consultancy services without supply of any goods and are in the nature of Pure services.



2/

- 3.6. The applicant is not required to obtain registration from the Administration of Union Territory, as the applicant has no fixed establishment there to supply the services, which may be characterized by a sufficient degree of permanence and suitable structure in terms of human and technical sources.

4. QUESTION RAISED BEFORE THE AUTHORITY -

The Applicant has submitted application u/s 97(1) of CGST Act & MP GST Act seeking Advance Ruling on the following questions;

1) whether Pure services provided by the applicant in the manner of Implementation Support Agency (ISA) Services under JAL JEEVAN MISSION (JJM) for PHE Department in Kargil District under the Administration of Union Territory of Ladakh on behalf of State Water and Sanitation Mission (SWSM) is covered under Sl.No.3, Chapter 99 of Notification No. 12/2017-Central Tax(Rate) dated 28.06.2017 and such services are thus NIL rated without applicability of GST being by way of activity in relation to any function entrusted to a Panchayat under article **243 G of the Constitution** or in relation to any function entrusted to a Municipality under article **243 W of the Constitution**.

5. DEPARTMENT'S VIEW POINT-

The jurisdictional officer and Deputy Commissioner, Bhopal Circle-VI, Bhopal vide letter S.NO./ST/Cir-6/21/686 dated 08th October 2021 is of view that services provided by the applicant is eligible from Goods and Services Tax as per Sl.No. 3 - (Chapter 99) of Table mentioned in Notification No. 9/2017 Integrated Tax(Rate) Dated 28/06/2017.

6. RECORD OF PERSONAL HEARING -

Mr.S.Krishnan, CA on behalf of Applicant

7. DISCUSSIONS AND FINDINGS -

7.1 We have carefully considered the submissions made by the applicant in the application, the pleadings on behalf of the Applicant made during the course of personal hearing and the Department's view provided by the jurisdictional officer.

7.2 The applicant had filed the application seeking ruling on questions stated in para 4 above. The applicant is of view that the work undertaken by him is covered under S.No. 3 of notification 12/2017-Central Tax Rate 28.06.17.

7.3 The said entry of the notification is as below.

Entry 3 of Notification No.12/2017-Central Tax (Rate) dated. 28.06.2017 reads as under:-



2/

S. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of services	Rate (per cent)	Condition
3	Chapter 99	Pure services (excluding work contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution.	NIL	NIL

7.4 Functions entrusted to Panchayat under article 243 G are as following -

Powers, authority and responsibilities of Panchayats.—Subject to the provisions of this

Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to—

- (a) the preparation of plans for economic development and social justice;
- (b) (b) the implementation of schemes for economic development and social justice as may be
- (c) entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

7.5 Eleventh Schedule is as follow -

ELEVENTH SCHEDULE

(Article 243G)

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Minor irrigation, water management and watershed development.
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.



21

8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities.
22. Markets and fairs.
23. Health and sanitation, including hospitals, primary health centres and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare, including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

7.6 Functions entrusted to a Municipality under article 243W are as following -

243W. Powers, authority and responsibilities of Municipalities, etc.—Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow—

(a) the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to—

- (i) the preparation of plans for economic development and social justice;
- (ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule;



19

(b) the Committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule.

7.7 Twelfth Schedule is as follow -

TWELFTH SCHEDULE

(Article 243W)

1. Urban planning including town planning.
2. Regulation of land-use and construction of buildings.
3. Planning for economic and social development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.
11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds; and electric crematoriums.
15. Cattle pounds; prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughter houses and tanneries.

7.8 The first condition of the entry given in column 3 is that the services provided should be pure services (Excluding work contract service or other composite supplies involving supply of any goods). We carefully went through the notice issued by the recipient for expression of interest (EOI) and the agreement signed between applicant and recipient of the service. The introductory part of EOI and Para 5.0 of EOI and also Para 5.3 of the agreement. From plain reading of these clauses reflects that the supplier has to supply pure services like manpower, technical experts etc and no supply of goods is involved in the said work.

7.9 The second condition of the said entry is that the pure services (Excluding work contract service or other composite supplies involving supply of any goods) provided to the central government, state government or union territory or local authority or government entity. The copy of EOI and the agreement provided by the applicant along with the application indicates that the recipient of the supply is



21

Public Health Engineering(PHE) department of the Administration Of Union Tertiary Of Ladakh which is a department of Union Tertiary.

- 7.10 The third condition of the said entry is "..... by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution." The EOI and agreement provided along with the application shows that the supplier has to perform their activities in 15 administrative blocks (names are given in the EOI and the agreement). The work entrusted to the supplier is covered under in relation to entry number 11 of article 243G and entry number 5 of article 243W of the constitution.

8 Ruling

- 8.1 In respect of the Question this authority rules that the supply being provided by the supplier from its principle business place i.e. Bhopal to Union Tertiary Of Ladakh is covered under under S.No. 3 of notification 12/2017-Central Tax Rate 28.06.17 and hence it is NIL rated.
- 8.2 The ruling is valid subject to the provisions under section 103 (2) until and unless declared void under Section 104 (1) of the GST Act.

SK
(Manoj Kumar Choubey)
(Member)

SK
(Virendra Kumar Jain)
(Member)

Copy to:- No. 11/2021/A.A.R/R-28/36

INDORE dated 01/12/2021

1. Applicant
2. The Principal Chief Commissioner, CGST & Central Excise, Bhopal Zone, Bhopal
3. The Commissioner(SGST) Indore
4. The Commissioner, CGST & Central Excise, Indore/Bhopal
5. The Concerned Officer
6. The Jurisdictional Officer - State/Central

सत्यप्रतिलिपि

Manoj

