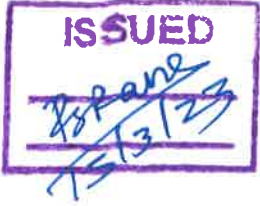


## GOA AUTHORITY FOR ADVANCE RULING

[Constituted under Section 96 of the Goa Goods and Services Tax Act,  
2017 (Goa Act 4 of 2017) read with Rule 103 of the Goa Goods and  
Services Tax Rules, 2017]



### **BEFORE THE BENCH OF**

Smt. Sarita S. Gadgil, Additional Commissioner of SGST, Goa.  
Shri. Basant Kumar, Additional Commissioner of CGST, Goa.

**Advance Ruling No. GOA/GAAR/02 of 2022-23/ 3646**

Name of the Applicant	<b>Doorstep24 Directory (OPC) Private Limited</b>
Address	<b>710, Gera's Imperium Grand, 7<sup>th</sup> Floor, Patto Plaza, Panaji-Goa.</b>
GSTIN	<b>30AAICD8727C1ZY</b>
Date of Application	<b>22.11.2022</b>
Under Section 97(2) of the CGST/SGST Act, 2017 under which question raised	<ol style="list-style-type: none"><li>1. Whether they may opt for 5% GST with Input credit for all of the services as detailed above, since some service like Housekeeping services fall under section 9(5) of CGST Act?</li><li>2. Does doorstep have to withhold any tax- GST TCS @1% from the supplier before making payments for the supply of services through our platform under section 52 of the CGST Act?</li><li>3. Determination of Liability to pay tax on any services when receiver of services is unregistered?</li><li>4. Determination of Liability to pay tax on any services when supplier of services is registered?</li><li>5. IS the supplier of service required to register under GST since they are transacting through an Electronic Commerce operator?</li><li>6. Since we are billing customer directly and on behalf of the supplier, the exemption limit of Rs.20 lac per annum, be applicable to suppliers</li></ol>



	<p>individually?</p> <p>7. Is GST registration applicable for all suppliers through Doorstep Platform or only those suppliers who have turnover above Rs.20 lacs</p> <p>8. Does the supplier of services by supplier some under "Pure labour" supply or under "Contract services"?</p> <p>9. Does Doorstep have to withhold any tax GST TCS1% applicability from the suppliers before making payments since the supplies have been made through our digital platform and we also deduct our charges for out services rendered before making payments?</p> <p>10. May we avail GST rate 5% under composition scheme for all the services?</p> <p>11. Whether full input credit of GST @18%, may be availed from registered supplier?</p> <p>12. Whether we may opt for 5% with/without Input credit and work with model, of Urban Company, Quickr company?</p> <p>When the amount earned is only "COMMISSION". Whether TCS services are applicable where GST is payable under REVERSE CHARGE? (Sr. no.14 and 15 of FAQ released by law committee of GST Council on 28-09-2018.)</p>
Date of Hearing	<b>25.01.2023</b>
Persons Present for Hearing	<b>Smt. Smith Venkateshwaran, Proprietor/Director</b>

### **PROCEEDINGS**

(Under Section 98 of the Goa Goods and Services Tax, Act 2017)

The present application has been filed under section 97 of the Goa Goods and Services Tax Act, 2017 and the Central Goods and Services Tax, Act 2017



(hereinafter referred to as the '**SGST Act**' and '**CGST Act**') by **Doorstep24 Directory (OPC) Private Limited, 710 Gera's Imperium Grand, 7<sup>th</sup> Floor, Patto Plaza, Panaji-Goa.**, seeking an Advance Ruling in respect of the following questions:

- Classification of any goods or services or both.
- Applicability of a notification issued under the provisions of this Act.
- Determination of time and value of supply of goods or services or both.
- Admissibility of input tax credit of tax paid or deemed to have been paid.
- Determination of the liability to pay tax on any goods or services or both.

### **BRIEF FACTS**

#### **Applicants Background:**

Doorstep24 Directory (OPC) Private Limited, 710 Gera's Imperium Grand, 7<sup>th</sup> Floor, Patto Plaza, Panaji-Goa., and hold GSTIN 30AAICD8727C1ZY. The Applicant is platform aggregator as E-Commerce operator of various services like Cleaning, Covid Home Testing, Sanitization, Laundry Carpentry, Computer Repair, Electrical Repair, Pest Control, Plumbing , Air Conditioner Repair, Alternative Healing, Salon for women, Property Management, tank cleaning, Pool cleaning, Gardening, Fitness, Diet & Nutrition, Vastu Expert, Baby Sitter and other related services., in respect of which the applicant is seeking through the advance ruling for the purpose of determination of the following question:

#### **CLARIFICATION REQUIRED ON THE BELOW POINTS:**

1. Whether they may opt for 5% GST with Input credit for all of the services as detailed above, since some service like Housekeeping services fall under section 9(5) of CGST Act?
2. Does doorstep have to withhold any tax- GST TCS @1% from the supplier before making payments for the supply of services through our platform under section 52 of the CGST Act?
3. Determination of Liability to pay tax on any services when receiver of services is unregistered?



4. Determination of Liability to pay tax on any services when supplier of services is registered?
5. IS the supplier of service required to register under GST since they are transacting through an Electronic Commerce operator?
6. Since we are billing customer directly and on behalf of the supplier, the exemption limit of Rs.20 lac per annum, be applicable to suppliers individually?
7. Is GST registration applicable for all suppliers through Doorstep Platform or only those suppliers who have turnover above Rs.20 lacs
8. Does the supplier of services by supplier some under "Pure labour" supply or under "Contract services"?
9. Does Doorstep have to withhold any tax GST TCS1% applicability from the suppliers before making payments since the supplies have been made through our digital platform and we also deduct our charges for out services rendered before making payments?
10. May we avail GST rate 5% under composition scheme for all the services?
11. Whether full input credit of GST @18%, may be availed from registered supplier?
12. Whether we may opt for 5% with/without Input credit and work with model, of Urban Company, Quickr company?
13. When the amount earned is only "COMMISSION". Whether TCS services are applicable where GST is payable under REVERSE CHARGE? (Sr. no.14 and 15 of FAQ released by law committee of GST Council on 28-09-2018.)

#### **INTERPRETATION OF LAW AND/OR FACTS BY APPLICANT**

1. The Applicant is raising invoice on their own and billing customer directly on the service order booked in doorstep Platform.
2. The Supplier is solely responsible for sourcing of manpower and related equipment's etc. for the supply of services.
3. The payment from customer is collected by doorstep on behalf of supplier.
4. Settlement is done to the supplier after deducting the online charges, if any.
5. Doorstep charges a gateway service charge (With GST).



6. For Unregistered suppliers, we have B2C model, where tax is paid under Reverse charge mechanism. Example: Flipkart, Shopclues, amazon etc.
7. Payment is routed through e-commerce operator who pays after deducting their online charges.
8. We supply service under our own BRAND like Uber and Ola.
9. The amount earned is only "COMMISSION". TCS service are not applicable where GST is payable under REVERSE CHARGE. TCS provisions also do not apply in case of exempt supply, - Sr. No. 14 and 15 of FAQ released by Law Committee of GST Council on 28-09-2018.
10. The work closely with service providers for individuals (ISPs), similar to URBAN COMPANY MODEL.
11. The customer select service from doorstep website and App, and schedule the required service. It connects offline workers to internet users.
12. The application enables users to test the service provider. The presence can be assured by visiting the visitors 'page.
13. Payments are made by customer using- COD/payment gateway)
14. Users rate the app and review them.
15. The company works on COMMISSION model. we charge some percentage of total price of the service to the business owner. We demand specific commissions from each Vendor/servicemen.

### **PERSONAL HEARING**

Smt. Smitha Venkateshwaran, Director, duly authorized representative appeared for personal hearing on 25/01/2023 before this authority and reiterated the points deliberated in written submissions made along with application.

### **FINDINGS AND DISCUSSIONS**

Relevant Provisions of Law

- (i) According to Section 2 of the CGST Act, 2017 the definitions of electronic commerce and electronic commerce operator are as under:



(44) "electronic commerce" means the supply of goods or services or both, including digital products over digital or electronic network;

(45) "electronic commerce operator" means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce;

(ii) Section 9(5) of the CGST Act, 2017 reads as under:

(5) The Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:

Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

(iii) Section 24 of the CGST Act, 2017 reads as under:

**Section 24. Compulsory registration in certain cases.-**

Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act,-

(i) .....

(ii) .....





(iii) .....

(iv) person who are required to pay tax under sub-section (5) of section 9;

(v) .....

(vi) .....

(vii) .....

(viii) .....

(ix) persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52;

(x) every electronic commerce operator 1[who is required to collect tax at source under section 52;]

(xi) .....

(xii) .....

(iv) Subsection (1) of Section 52 of the CGST Act, 2017 reads as under:

(1) Notwithstanding anything to the contrary contained in this Act, every electronic commerce operator (hereafter in this section referred to as the "operator"), not being an agent, shall collect an amount calculated at such rate not exceeding one per cent., as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.

Explanation.—For the purposes of this sub-section, the expression "net value of taxable supplies" shall mean the aggregate value of taxable



supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

- (v) Extract of Notification No. 17/2017-Central Tax (Rate) dated 28th June, 2017 as amended from time to time issued in exercise of the powers conferred by sub-section (5) of section 9 of the CGST Act.

*In exercise of the powers conferred by sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby notifies that in case of the following categories of services, the tax on intra-State supplies shall be paid by the electronic commerce operator –*

(i) .....

(ii) .....

(iii) services by way of house-keeping, such as plumbing, carpentering etc, except where the person supplying such service through electronic commerce operator is liable for registration under sub-section (1) of section 22 of the said Central Goods and Services Tax Act.]

- (vi) Extract of Notification No. 65/2017-Central Tax dated 15th November, 2017.

*In exercise of the powers conferred by sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act), the Central Government, on the recommendations of the Council, hereby specifies the persons making supplies of services, other than supplies specified under subsection (5) of section 9 of the said Act through an electronic commerce operator who is required to collect tax at source under section 52 of the said Act, and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of twenty lakh rupees in a financial year, as the category of persons exempted from obtaining registration under the said Act.*





Provided that the aggregate value of such supplies, to be computed on all India basis, should not exceed an amount of ten lakh rupees in case of "special category States" as specified in sub-clause (g) of clause (4) of article 279A of the Constitution, other than the State of Jammu and Kashmir.

For Question 1 and 12

Relevant portion of Notification No.11/2017-Central Tax(Rate) dated 28-6-2017 reads as under:

In exercise of the powers conferred by sub-section (1), [sub-section (3) and subsection (4)] 1 of section 9, sub-section (1) of section 11, sub-section (5) of section 15[,]2 sub-section (1) of section 16 [and section 148] 3 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby notifies that the central tax, on the intra-State supply of services of description as specified in column (3) of the Table below, falling under Chapter, Section or Heading of scheme of classification of services as specified in column (2), shall be levied at the rate as specified in the corresponding entry in column (4), subject to the conditions as specified in the corresponding entry in column (5) of the said Table:-

23	Heading 9985 (Support services)	(i) Supply of tour operators services. Explanation.- "tour operator" means any person engaged in the business of planning, scheduling, organizing, arranging tours (which may include arrangements for accommodation, sightseeing or other similar services) by any mode of transport, and includes any person engaged in the business	2.5	1. Provided that credit of input tax charged on goods and services used in supplying the service [, other than the input tax credit of input service in the same line of business (i.e. tour operator service procured from another tour operator)] 81 has not been taken [Please refer to Explanation no. (iv)] 2. The bill issued for supply of this service indicates that it is inclusive of charges of accommodation and transportation required for such a tour and the
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		of operating tours.		amount charged in the bill is the gross amount charged for such a tour including the charges of accommodation and transportation required for such a tour.
		[(ii) Services by way of house-keeping, such as plumbing, carpentering, etc. where the person supplying such service through electronic commerce operator is not liable for registration under sub-section (1) of section 22 of the Central Goods and Services Tax Act, 2017.	2.5	Provided that credit of input tax charged on goods and services has not been taken [Please refer to Explanation no. (iv)].
		[(iii) Support services other than (i) and (ii) above.	9	-

Entry 23 (ii) of Notification No.11/2017-Central Tax(Rate) specifies a rate of 2.5% i.e (2.5% CGST +2.5% SGST) for services of housekeeping, such as plumbing, carpentering etc where the person supplying such services through an e-commerce platform is not liable for registration. Further, entry (iii) of the notification 17/2017 Central Tax identical to said entry of notification 11/2017 of Central Tax. Since the notification 17/2017 Central Tax provides for categories of services on which the tax on intra-State supplies shall be paid by the electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services. Therefore, tax payable on supplies made by unregistered suppliers covered by said entries shall be paid by e-commerce Operator as if he is the supplier liable for paying the tax in relation to the supply of such services. Thus, rate of 5% on said supplies shall be payable by the e-commerce operator, if he satisfies the condition mentioned against the said entry.



For Question 2, 9 and 13

The section 52 of CGST Act provides that every electronic commerce operator shall collect 1% of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the electronic commerce operator. The term "net value of taxable supplies" is defined in the explanation to sub-section (1) of section 52. The said definition, excludes the services notified under sub-section (5) of section 9 for calculation of net value of taxable supplies.

Therefore, an electronic commerce operator is required to collect tax on net value of taxable supplies as defined under the said section, except no TCS is required on services notified under sub-section (5) of section 9 on which tax is payable by the e-commerce Operator as if he is the supplier liable for paying the tax in relation to the supply of such services.

For Question 5, 6 and 7

The Sub-section (1) of Section 22 reads as under:

*(1) Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees:*

*Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees:*

*Provided further that the Government may, at the request of a special category State and on the recommendations of the Council, enhance the aggregate turnover referred to in the first proviso from ten lakh rupees to such amount, not exceeding twenty lakh rupees and subject to such conditions and limitations, as may be so notified:*

*Provided also that the Government may, at the request of a State and on the recommendations of the Council, enhance the aggregate turnover from twenty lakh rupees to such amount not exceeding forty lakh rupees in case of supplier who is engaged exclusively in the supply of goods, subject to such conditions and limitations, as may be notified:*

*Explanation.- For the purposes of this sub-section,*



*considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.*

Further section 24 of CGST Act provides for certain categories of persons who are required to be compulsorily required to be registered under CGST Act. Therefore, as per the clause (ix) of Section 24 of the CGST Act all persons who supply goods or services or both through e-commerce operator are required to obtain compulsory registration, except for those supplies which are covered under section 9(5).

However, the Government on the recommendation of GST council vide notification 65/2017 Central tax has exempted the persons supplying services through e-commerce operator, other than those notified under section 9(5), having an aggregate turnover, to be computed on all India basis, not exceeding an amount of twenty lakh rupees in a financial year, from obtaining registration under the CGST Act.

Thus, person supplying services through an e-commerce operator having turnover less than 20 lakhs all over India is not required to obtain registration in state of Goa.

For Question 3 and 4.

As discussed above where the services supplied through the e-commerce platform are those services which are covered by the sub-section (5) section 9 of CGST Act, the liability to pay tax is on the e-commerce Operator as if he is the supplier liable for paying the tax in relation to the supply of such services, irrespective of the fact whether the supplier or the receiver of such services is registered or not.

For question 8

The applicant has not substantiated its query nor has provided details of proposed transaction on which the query has been raised. Thus the query is general in nature and as such cannot be answered.

For question 10

The applicant seeks advice of the AAR on whether to avail GST rate at 5% under composition scheme for all services and whether full input credit of GST @18%, may be availed from registered persons.



The sub-section (2) of section 97 reads as under:

*(2) The question on which the advance ruling is sought under this Act, shall be in respect of,-*

- (a) classification of any goods or services or both;*
- (b) applicability of a notification issued under the provisions of this Act;*
- (c) determination of time and value of supply of goods or services or both;*
- (d) admissibility of input tax credit of tax paid or deemed to have been paid;*
- (e) determination of the liability to pay tax on any goods or services or both;*
- (f) whether applicant is required to be registered;*
- (g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.*

Since the question 10 does not fall under any of the questions mentioned under section 97(2) hence same cannot be considered for advance ruling.

However, below points are brought to the notice of the applicant.

1. As per the section 10 and Rule 7 of the GST law, the Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II i.e. "supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration", are eligible for making supplies at 5% (2.5% CGST + 2.5% SGST).
2. Therefore, it is hereby clarified that the rate of 5% as prescribed under entry 23 (ii) of notification 11/2017 Central Tax (Rate) as discussed hereinabove is a special rate subjected to conditions as mentioned against it and is not a part of composition levy.

For question 11.

In the column 5 against the entry 23 (ii) of the notification 11/2017 Central Tax (Rate)





it is provided as under:

*Provided that credit of input tax charged on goods and services has not been taken [Please refer to Explanation no. (iv)].*

The extract of explanation (iv) listed under item 4 of the said notification is as under:

*(iv) Wherever a rate has been prescribed in this notification subject to the condition that credit of input tax charged on goods or services used in supplying the service has not been taken, it shall mean that,-*

*(a) credit of input tax charged on goods or services used exclusively in supplying such service has not been taken; and*

*(b) credit of input tax charged on goods or services used partly for supplying such service and partly for effecting other supplies eligible for input tax credits, is reversed as if supply of such service is an exempt supply and attracts provisions of sub-section (2) of section 17 of the Central Goods and Services Tax Act, 2017 and the rules made thereunder.*

Reading above it is clear that condition specified in the column 5 against the entry 23 (ii) of the notification 11/2017 Central Tax (Rate) applies in respect of supplies mentioned in the said entry.

It is noted that applicant has sought advice in respect of all services and TCS provisions. Therefore, it is decided that this question cannot be considered for advance ruling because it seeks advice from AAR and query is vague in nature as it does not provide details of transaction on which ITC is proposed to be claimed.

In view of the foregoing discussion, we rule as follows:

### **RULING**

#### **ADVANCE RULING UNDER SECTION 98 OF THE CGST/ GGST ACT, 2017.**

The ruling so sought by the applicant is accordingly answered as under: -

1. Tax on services notified under section 9(5) shall be paid by the applicant at rate of 5% (2.5% SGST + 2.5% CGST) and input tax credit on services/ goods or both used in supply of these services shall not be claimed by the applicant.
2. The suppliers supplying services through the e-commerce operator shall not be required to take compulsory registration if the taxpayer is making supply of only those services which are notified under section 9(5).





3. The suppliers providing services other than those notified under section 9(5) through an e-commerce operator are not required to obtain compulsory registration if the value of supplies made by him does not exceed 20 lakhs on pan India basis.
4. TCS at 1% shall not be required to be collected by supplier on supplies covered by section 9(5).
5. ITC on inward supplies used for supply of services notified under section 9(5) shall not be eligible. In case of supplies partly used for making such supplies ITC shall be allowed on proportionate basis considering as if the supplies covered under 9(5) are exempt supplies.

*BK*

(Basant Kumar)  
Member



*Sarita S. Gadgil*

(Sarita S. Gadgil)  
Member

Dated: 15/03/2023  
Place: - Panaji - Goa

To,

Doorstep24 Directory (OPC) Private Limited,  
710 Gera's Imperium Grand,  
7<sup>th</sup> Floor, Patto Plaza, Panaji-Goa.

**Copy to:**

1. The State Tax Officer, Panaji Ward, Panaji-Goa.
2. The Dy. Commissioner of State Tax, Panaji Ward, Panaji-Goa.
3. The Commissioner of State GST, Panaji - Goa.
4. The Commissioner of Central GST, Panaji - Goa.
- ✓ 5. Office file.
6. Guard file.

