

**AUTHORITY FOR ADVANCE RULING – CHHATTISGARH**  
**3<sup>rd</sup> & 4<sup>th</sup> Floor, Vanijyikar GST Bhawan, North Block Sector-19,**  
**Atal Nagar, District-Raipur (C.G.) 492002**  
**Email ID – gst.aar-cg@gov.in**  
**PROCEEDING OF THE AUTHORITY FOR ADVANCE RULING**  
**U/s. 98 OF THE CHHATTISGARH GOODS AND SERVICES TAX ACT, 2017**

Members Present are

Smt. Sonal K. Mishra  
Joint Commissioner  
O/o Commissioner, State Tax  
(CGGST), Raipur, Chhattisgarh.  
(C.G)

Shri. Rajiv Kumar Agrawal  
Additional Commissioner,  
O/o Principal Commissioner,  
CGST & Central Excise, Raipur

**Subject :-**Chhattisgarh GST Act, 2017 – Advance Ruling U/s 98 Chhattisgarh GST Act, 2017 –

Advance Ruling U/s 98 sought by Application dated 12/04/2022 from M/s State Water and Sanitation Mission, Jal Jeevan Mission, Civil Lines, Raipur-492001 Chhattisgarh GSTIN- 22JBPS16636E1D1 regarding-

- a) Whether Jal Jeevan Mission is correct in classifying the services of (M/s. Call me services) provided to the government entities as exempted services?
- b) Whether the services are exempt under **Notification No.12/2017 Central Tax (Rate) dated 28.06.2017.**

**Read :-**Application dated 12/04/2022 from M/s State Water And Sanitation Mission, Jal Jeevan Mission, Civil Lines, Raipur-492001 Chhattisgarh GSTIN- 22JBPS16636E1D1 .

**PROCEEDINGS**

[U/s 98 of the Chhattisgarh Goods & Services Tax Act, 2017 (herein- after referred to as CGGST Act, 2017)]

No.STC/AAR/05/2022

Raipur Dated 17-08-2022

M/s State Water and Sanitation Mission, Jal Jeevan Mission, Civil Lines, Raipur-492001 Chhattisgarh GSTIN- 22JBPS16636E1D1 hereinafter also referred to as the applicant] has submitted application for Advance Ruling dated 12.4.2022 enclosing duly filled Form ARA-01] (application for Advance Ruling) along with annexures and attachments U/s 97 of the Chhattisgarh Goods & Services Tax Act, 2017 seeking advance ruling regarding-

- a) Whether Jal Jeevan Mission is correct in classifying the services of (M/s. Call me services) provided to the government entities as exempted services?





b) Whether the services are exempt under Notification No.12/2017 Central Tax (Rate)dated 28.06.2017.

**2. Facts of the case:-**

2.1 The subject matter is that Jal Jeevan Mission (JJM) is a centrally sponsored scheme (Government Scheme), envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. The Programme will also implement source sustainability measures as mandatory elements, such as recharge and reuse through grey water management, water conservation etc. The Jal Jeevan Mission will be based on a community approach to water and will include extensive information, Education and communication as a key component of the mission. JJM looks to create a Jan Andolan for water, thereby making it everyone's priority. JJM will focus on integrated demand and supply side management of water at the local level, including creation of local infrastructure for source sustainability like rainwater harvesting, groundwater recharge and management of household water for reuse would be undertaken in convergence with other Government Programme /Schemes.

2.2 The following kinds of works/schemes are proposed to be taken up under JJM:-

- i) In-village supply (PWS)infrastructure for tap water connection to every household.
- ii) Reliable drinking water source development/augmentation of existing sources:
- iii) Transfer of water(multi-village scheme: where quantity and quality issues are there in the local water sources):
- iv)Technological intervention for treatment to make water portable(where water quality is an issue, but quantity is sufficient):
- v) Retrofitting of completed and ongoing piped water supply schemes to provide FHTC and raise the service level:
- vi) Grey water management:
- vii)Capacity building of various stakeholders and support activities to facilitate the implementation

2.3 Jal Jeevan Mission has issued a notice inviting an expression of Interest (EOI) for empanelment of "Providing Man Power for office work (for implementation of work of JJM) at state level-16 and District level-448", which envisages supply of only pure services (excluding work contract services or other composite supplies involving supply of any goods). Further, the detailed EOI is also available on Department's website <http://phed.cg.gov.in>. Jal Jeevan Mission has provided this tender to M/s. Call Me Services to provide manpower supply.

2.4 As per Notification No.12/2017 Central Tax (Rate)dated 28.06.2017 the entry reads as under:





SL No.	Chapter, Section, Heading, Group, Service code (Tariff)	Description of services	Rate	Condition
3	99	pure services (excluding work contract or other composite supplies involving supply of any goods) <b>provided to a Central Government, State Government or Union Territory or local authority or a Government authority</b> 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

2.5 It is in this context, that the applicant has sought ruling on the following points:

a) Whether Jal Jeevan Mission is correct in classifying the services of (M/s. Call me services) provided to the government entities as exempted services?

b) Whether the services are exempt under Notification No.12/2017 Central Tax (Rate) dated 28.06.2017.

### 3. Contentions of the applicant: -

3.1 that, Supply of Pure Service except Works Contract Service or composite supplies involving supply of any goods is exempted from GST Tax subject to such conditions stated under entry at Sr.No.3 of the Notification No.12/2017 Central Tax (Rate) dated 28-06-2017. From 25.01.2018 the Legislature allowed composite supply in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply is exempted from GST Tax subject to such conditions stated under entry at Sr.No.3A of the Notification No.12/2017 Central Tax (Rate) dated 28.06.2017.

3.2 that, the amendment has been made vide Notification No.2/2018-CT(R) dated 25.01.2018. Entries 3 and 3A of the Notification No.12/2017 Central Tax (Rate) dated 28.06.2017 are reproduced as under:





**Entry 3** – Pure services (excluding works 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.

**Entry 3A** inserted with effect from 25-01-2018 vide Notification No.2/2018-CT(R) – Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply 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. Omitted (or a Governmental authority or a Government Entity) w.e.f. 01-01-2022 vide notification no. 16/2021 – Central Tax (Rate) dated 18-11-2021

3.3 that the above stated entries can be bifurcated as under: -

1. Supply – Pure Services or Composite supply in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply.

2. Recipient Category – Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity.

3. Purpose of Supply of Service – The purpose of supply of service shall be to complete any of the functions stated under article 243G or 243W of the Constitution of India. Such function has been entrusted to the recipient (Government Authority or Entity) stated under the notification. Pure Service – The phrase "pure service" has not been specifically defined in any of the notifications / circulars. However, in common parlance, "pure services" in this context would intend to cover all the contracts where there is no supply of goods i.e., to say any supply which is either deemed as services under Schedule II of CGST Act or which are not covered under the definition of goods shall be categorized as pure services. For example, supply of man power services for cleanliness work, security guard, architect services, consultancy services etc. not involving any supply of goods would be treated as supply of pure services. To broaden this category the Government, from 25-01-2018, allowed supply of goods (not more than 25 per cent of total value of composite supply) with principal supply of services. For example, the





work order has been awarded for street light maintenance. Such work order mainly to restore lights which are not working including replacement of defunct lights. The value of goods in the work order has been determined less than 25 per cent of the total value of the work order awarded. Recipient Category – Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity. Definitions as stated in the Notification 12/2017 CT(R) – Para 2(zf) – "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 per cent 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 243G of the Constitution; Para 2(zfa) – "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;

Vide notification no. 16/2021 – Central Tax (Rate) dated 18-11-2021 – the words "or a Governmental authority or a Government Entity" shall be omitted w.e.f 01-01-2022 Accordingly, from 01-01-2022 exemption on supply of pure services or composite supply shall be eligible if the same would have made to the Central Government, State Government or Union territory or local authority. Functions entrusted under Article 243G and 243W of the Constitution – Following functions are entrusted to Panchayats under 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.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. 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.
- Following functions are entrusted to Municipalities under 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.

3.4 Referred case laws on the above subject matter: ADVANCE RULING NO. GUJ/GAAR/R/2020/18(M/s. A.B. Enterprise/19.05.2020): That to come under the purview under the pure services or the composite supply stated under Sr.Nos.3 and 3A respectively of the Notification 12/2017 Central Tax(Rate), the services must be provided to the Government Authorities and such services must be in relation to discharge of functions covered under the Article 243G and 243W of the Constitution of India.

#### 4. Personal Hearing: -

Keeping with the established principles of natural justice, personal hearing in the matter was extended to the applicant in person, as requested by them and accordingly, Shri Sanjay Agrawal, C.A. & authorized representative of the applicant appeared before us for hearing on 10.08.2022 and reiterated their contention. He also furnished a written submission dated 10.08.2022 along with copies of work order, tender document, agreement copy which has been taken on record.





5. **The legal position, analysis and discussion:** -At the very outset, we would like to make it clear that the provisions for implementing the CGST Act and the Chhattisgarh GST Act, 2017 [hereinafter referred to as "the CGST Act and the CGGST Act"] are similar and thus, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the CGGST Act, 2017.

6. Section 96 of CGST Act, 2017 on Authority for advance ruling, stipulates as under:

*Subject to the provisions of this Chapter, for the purposes of this Act, the Authority for advance ruling constituted under the provisions of a State Goods and Services Tax Act or Union Territory Goods and Services Tax Act shall be deemed to be the Authority for advance ruling in respect of that State or Union territory.*

Section 97(2) of CGST Act, 2017 stipulates that: -

*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.*

Further section 103 of CGST Act, 2017 stipulates about the ruling pronounced as under: -The advance ruling pronounced by the Authority or the Appellate Authority under this Chapter shall be binding only -

- a. On the applicant who had sought it in respect of any matter referred to in sub-section (2) of section 97 for advance ruling;
- b. On the concerned officer or the jurisdictional officer in respect of the applicant.

Thus, in view of the above section 103 of CGST Act, 2017, the ruling so sought by the Applicant would be binding only on the Applicant and on the concerned officer or the jurisdictional officer as stipulated above.

7. We have gone through the submissions made by the applicant and have examined the contentions raised by them. At the outset, before getting in to merits of the issue raised by the applicant we would first like to examine as to whether the ruling sought by the applicant is admissible under law.





The applicant has sought ruling as to whether the manpower supply services provided to them by their service provider viz. M/s. Call me services is exempted services as per Notification No.12/2017 Central Tax (Rate) dated 28.06.2017.

7.1 We find that the points raised by the applicant as a recipient of service in the instant issue in hand is beyond the scope of the advance ruling mechanism. Section 95(a) of CGST Act, 2017 defines 'advance ruling' as under: -

*"advance ruling" means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of Section 97 or Sub-section (1) of Section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;*

7.2 Section 95(c) of the CGST Act defines "applicant" as: - "applicant" means any person registered or desirous of obtaining registration under this Act.

7.3 Further as already mentioned Section 97(2) of CGST Act, 2017 spells out the issues on which advance rulings can be sought as under: -

*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.*

7.4 Thus on a harmonious reading of the above provisions of law, it gets abundantly clear that any person who is registered under GST or desirous of obtaining a registration under GST may apply for an advance ruling and that the question on which an advance ruling is sought for may be with respect to any of the issues referred to in Section 97(2) ibid which are in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant.

In other words, it is the supplier of goods or services or both who can seek an advance ruling on any of the issues specified in clauses (a) to (g) of Section 97(2) above. In the case before us, we find that the applicant, although registered under GST, is not the supplier of the transaction in question but is the recipient of the supply of service. The applicant has sought for a ruling as a recipient of service. The advance ruling mechanism under GST does not envisage giving a ruling to a recipient of supply of goods or services or both about the said supply at supplier end. As per Section 103 of the CGST Act, 2017, an advance ruling pronounced by the Authority is binding only on the





applicant who has sought for the ruling on any matter referred to in Section 97(2) as well as on the concerned officer or jurisdictional officer of the applicant. The applicant in the capacity of recipient of service is not eligible under law to seek a ruling on the taxability of a transaction at supplier's end, received by him. In fact, we as AAR does not have the authority to determine the classification or nature of service supplied by the service provider of the applicant at the supplier end who in this case happens to be M/s Call me services, on an application made by the applicant, the recipient of service.

If the classification or nature of the service supplied by the service provider cannot be determined for lack of jurisdiction, it automatically flows that determination of place of supply also cannot be determined. Here the applicant is the recipient of service and is seeking a ruling on the tax liability of a transaction made by the supplier of service. We have already made it clear that this Authority is not competent to determine the classification of a service supplied by the third party who is not the applicant seeking the ruling.

8. This authority would like to make it clear that the said M/s Call me services, service provider of the applicant is well within its rights to seek an advance ruling from the jurisdictional authority, as to whether the services supplied by them to the applicant is exigible to tax.

Having regard to the facts and circumstances of the case and discussions as above, we pass the following order: -


**ORDER**

**(Under section 98 of the Chhattisgarh Goods and Services Tax Act, 2017)**

No.STC/AAR/05/2022

Raipur Dated 17-08-2022

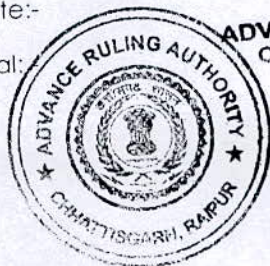
The ruling so sought by M/s State Water and Sanitation Mission, Jal Jeevan Mission, Civil Lines, Raipur-492001 Chhattisgarh GSTIN- 22JBPS16636E1D1 the applicant, on the issue of taxability of services provided by the service provider to the applicant cannot be answered owing to it being out of the scope of "advance ruling" as stipulated under Section 95(a) of CGST Act, 2017 read with Section 97(2) of the Act.

  
Sonal K. Mishra  
(Member)

Place: - Raipur

Date:-

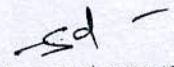
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MEMBER

ADVANCE RULING AUTHORITY  
CHHATTISGARH, RAIPUR

  
Rajiv Kumar Agrawal  
(Member)

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MEMBER  
ADVANCE RULING AUTHORITY  
CHHATTISGARH, RAIPUR