

AUTHORITY FOR ADVANCE RULING, TAMILNADU
INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX, DOOR NO.32,
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. 42/ AAR/2021 DATED: 30.11.2021

GSTIN Number, if any / User id	33AAJCB0293L1ZL
Legal Name of Applicant	BOOK WATER TECH PRIVATE LIMITED
Registered Address/Address provided while obtaining user id	Plot No.2, Ajantha Building, Vandalur, Kelambakkam Road, Kelambakkam, Kanchipuram, Tamilnadu -603103
Details of Application	GST ARA- 01 Application Sl.No. 17/2021/ARA dated: 03.05.2021
Concerned Officer	Centre: Chennai Outer State: Assistant Commissioner(ST) Kelambakkam
Nature of activity(s) (proposed / present) in respect of which advance ruling sought	
A Category	Service Provision
B Description (in Brief)	The applicant is a platform aggregator of water and sewage tankers and e-commerce Operator
Issue/s on which advance ruling required	1. Classification of goods 2. Determination of liability to pay tax on any goods or services 3. 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 a goods or services
Question(s) on which advance ruling is required	<p>1. Supply of raw water falls under exempt goods under GST. Does raw water that is supplied through tankers through the Bookwater platform come under exempted goods as well?</p> <p>2. Does the supplier of water through tankers come under supply of raw water or under transport services?</p> <p>3. Does Bookwater have to withhold any tax-GST TCS 1% from the suppliers before making payments for the supply of raw water through our platform?</p> <p>4. Is the supplier making raw water sale is required to register under GST since they are transacting through an e commerce operator?</p> <p>5. Does Sewage Evacuation come under 18% GST? If yes, most individual sewage tanker operators have turnover less than 20lakhs per annum. Since we are not billing the customer directly and are only billing on behalf of the supplier, will the exemption limit of Rs.20Lakhs per annum be applicable to suppliers individually?</p> <p>6. Consequently, is GST Registration applicable for all suppliers through the Bookwater platform or only applicable for those suppliers who have a turnover over 20Lakhs?</p> <p>7. Does Bookwater have to withhold any tax (GST TCS 1% applicability) from the suppliers before making payments since the supplies have been made through our digital platform and we also deduct our charges for our services rendered before making payments?</p>

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.

BOOKWATER TECH PRIVATE LIMITED, Plot No.2, Ajantha Building, Vandalur, Kelambakkam Road, Kelambakkam, Kanchipuram, Tamilnadu 603103 (hereinafter called the Applicant) are registered under GST with GSTIN 33AAJCB0293L1ZL. The applicant has sought Advance Ruling on the following questions:

1. Supply of raw water falls under exempt goods under GST. Does raw water that is supplied through tankers through the Bookwater platform come under exempted goods as well?
2. Does the supplier of water through tankers come under supply of raw water or under transport services?
3. Does Bookwater have to withhold any tax-GST TCS 1% from the suppliers before making payments for the supply of raw water through our platform?
4. Is the supplier making raw water sale is required to register under GST since they are transacting through an e commerce operator?
5. Does Sewage Evacuation come under 18% GST? If yes, most individual sewage tanker operators have turnover less than 20lakhs per annum. Since we are not billing the customer directly and are only billing on behalf of the supplier, will the exemption limit of Rs.20Lakhs per annum be applicable to suppliers individually?
6. Consequently, is GST Registration applicable for all suppliers through the Bookwater platform or only applicable for those suppliers who have a turnover over 20Lakhs?

7. Does Bookwater have to withhold any tax (GST TCS 1% applicability) from the suppliers before making payments since the supplies have been made through our digital platform and we also deduct our charges for our services rendered before making payments?

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 are a DPIIT (Department for Promotion of Industry and Internal Trade) recognized start-up under the start-up India program. Their company is an Internet of things (IoT) company and a platform aggregator of water and sewage tankers. They are engaged in helping clients book water tankers and sewage evacuation tankers for water supply and sewage services. They are raising invoices on behalf of suppliers and they do not bill any customer directly. Further, they do not buy or sell water in any way and are strictly an online service that helps connect the consumer and supplier. The Business model 1 and 2 viz., Water tanker booking and Sewage evacuation business model is detailed below:

Water Tanker Booking business flow:

- BookWater is raising the invoice on behalf of the supplier and book water is not billing the customer directly or buying or selling water.
- The Supplier is solely responsible for sourcing and supply of raw water.
- The payment from customer is collected by BookWater on behalf of the supplier.
- Settlement is done to the supplier after deducting the online charges if any
- Bookwater charges customer separate charges as convenience fee (with GST)
- BookWater's payment partners charge a gateway service charge. (convenience fee with GST)
- BookWater charges the supplier for using its IoT box in the form of a monthly rental for which GST will be charged collected and deposited.

Sewage Evacuation Business Model:

- BookWater is raising the invoice on behalf of the supplier and is not involved in the service of sewage evacuation.

- The Supplier is solely responsible for disposal of waste as per existing rules and norms.
- The payment from customer is collected by BookWater on behalf of supplier.
- Settlement is done to the supplier after deducting the online charges if any
- Bookwater charges customer separate charges as convenience fee (with GST)
- BookWater's payment partners charge a gateway service charge (convenience fee)

2.2 On interpretation law the applicant has referred to the definitions of Goods Sec 2(52); Services Sec2(102); Electronic Commerce Sec2(44); Electronic Commerce Operator Sec2(45); Exempt Supply Sec 2(47); Tax Collected at source Sec52 of the CGST Act 2017. They have also referred to Section 22, 23, 24 of CGST Act 2017 regarding GST registration. The applicant has submitted that under Section 24 of CGST Act 2017 clause ix and x states

- (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 [who is required to collect tax at source under section 52;]

In view of the above statutory provisions, the applicant has submitted that they are covered under the definition of electronic commerce operator since, they operate and manage a digital platform for the customers and the supplier to complete their commercial transactions. They have also stated that the suppliers who transact with the platform are also covered under the definition of electronic commerce since, they supply goods or services or both over the applicant's digital platform or their electronic network. Hence the supplies made through their digital platform will be regarded as Electronic Commerce. Further, the applicant's interpretation on the questions raised in para supra are as follows:

- In respect of Q.No.1: Raw Water is covered under sales and the relevant HSN CODE — 2201 - Water [other than aerated, mineral, purified, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]. Raw water is under the List of Exempted Goods Schedule. Hence it will be subject to NIL rate of Tax under GST. Since the character of the goods does not change upon the sale even through their platform which is directly

supplied by the vendor, the sale of water will still be regarded as exempt supply (GOODS) of water even if the same is sold through their digital platform to the customer.

- Question - 2 : The principal supply of the sale by the supplier shall be the sale of raw water and the Lorries are only the mode of transport used for the purpose of delivery of the water and the supplier doesn't charge any transport charges separately. Hence the supply will still be sale of water and there is no service element involved in the transaction between the supplier and the customer.
- Question 3 : As per Section 52 of the CGST Act, 2017 every E Commerce operator (as defined in Section 2 (45)) is the person to collect the tax on the net value of taxable Supplies made through it. As per Section 52(1) of the CGST Act, 2017 TCS is to be collected on "the net value of taxable supplies" made through an ECG. When the supply itself is not taxable, the question of TCS does not arise. Since the supply of raw water is covered under exempt supply of goods the requirement to collect TCS at the rate of 1% on the supplies made by the vendor even through our digital platform shall not be applicable. Hence TCS provision for supply of raw water will not be applicable for Bookwater.
- Question — 4 : As per section 23 of the CGST Act, 2017 any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act; Since the supply of raw water is an exempt supply of goods, the supplier making transactions through their digital platform is also not required to be registered under GST. Hence mandatory GST registration for supply of exempt goods through their digital platform is not applicable.
- Question-5 : Any service not covered under notified rates of tax will be taxable at 18% GST on the value of services being rendered. Sewage Evacuation services are covered under the SAC (Service Accounting Code) —
 - 999411 - Sewerage and sewage treatment services
 - 999412 - Septic tank emptying and cleaning servicesHence the suppliers already having GSTIN or is liable to get themselves registered under this Act is required to charge 18% on the value services rendered. Hence the rate of GST shall be at 18% by the supplier and with regard to the exemption limit applicability to suppliers individually, the

Government vide via (Notification No. 85/2017—Central Tax, dated 15.11.2017 amended vide Notification No. 6/2019-Central Tax, dated 29-Jan-2019, w.e.f. 1-Feb-2019) has given that

“ The services shall be exempt to tax if supplier providing services through an ecommerce operator if the aggregate turnover does not exceed Rs. 20 Lakhs (or the applicable threshold limit for registration under GST).”

Hence, the applicant has stated that since majority of their suppliers by service of sewage evacuation are below the current threshold limit of Rs. 20 lakhs, they are not required to get themselves registered under GST by applying the above notification.

- Question 6: The Government vide Notification No. 65/2017—Central Tax, dated 15.11.2017 amended vide Notification No. 6/2019-Central Tax, dated 29th January 2019, w.e.f. 01.02.2019 has provided that the services shall be exempt to tax if supplier providing services through an ecommerce operator if the aggregate turnover does not exceed Rs. 20 Lakhs (or the applicable threshold limit for registration under GST). Since majority of their suppliers by service of sewage evacuation are below the current threshold limit of Rs. 20 lakhs, they are not required to get themselves registered under GST by applying the above notification.
- Question — 7 :The TCS can be collected and remitted only when the supplier who is making taxable supplies is also in possession of a valid GSTIN. Since majority of their suppliers are below the threshold limit of Rs. 20 Lakhs, the liability to get themselves registered under the Act will not be applicable hence, the applicant shall also be not required to collect TCS for the supplies made through their platform. In the case of registered dealers they shall still be liable to collect the TCS at the rate of 1% and shall remit to the GST Department accordingly.

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 05.10.2021. The Authorised Representative Shri Balachander Govinda Raghavan, Director, Shri Bharath Govinda Raghavan, Director appeared for the hearing and reiterated the

submissions. They explained their business model with respect to both supply of raw water and sewage collection. They submitted that raw water being an exempt product under GST and supply of water is sale, should the supplies be registered, should TCS be withheld. For sewage, the suppliers who collect the sewage are all below 20 lakhs limit, should they be registered; should tax be collected. They submitted that they are operating on Amazon web services platform, located in India. The Payment is made to suppliers after withholding of 1% TCS for the services rendered by the applicant. The Member asked for the agreements with suppliers and invoice copies and the applicant agreed to furnish the same.

3.2 The applicant submitted the following documents on 07.10.2021

- Supplier agreement copy
- Consumer payment policy
- Consumer privacy policy
- Consumer terms of use
- Original invoice for water supply
- Sample invoice for sewage evacuation

3.3 The applicant was issued with a letter dated 20.10.2021 informing the applicant that their supply involves extending web platform/mobile application to connect the service provider (supplier of water tankers/sewerage offtake facility) and is not involved in supplying water tankers/tankers for offtake of sewerage. Hence the fact that the questions raised by the applicant do not pertain to the supply made by them and therefore not admissible under Section 95(a)/97(2) of the GST Act and hence, the applicant was asked to furnish their interpretation of the questions raised in the application, along with need/willingness to be heard again.

3.4 The applicant vide their email dated 16.11.2021 submitted the following facts:

- The applicant is an Electronic Commerce Operator as defined under Sec. 2(45) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Act) since they own and operate a platform for electronic commerce known as "Bookwater". Electronic Commerce is defined under Sec. 2(44) of the Act which means the supply of goods or services or both, including digital products over digital or electronic network. They provide services such as booking water tankers and sewage evacuation tankers for supplying water

and sewage services vide their digital platform. Since they provide "services" as mentioned supra the same of which comes under the definition of Services as defined under sec.2 (102) of the Act, they are a service provider under the Act and also an applicant as per the definition provided under Section 95(e) of the Act. According to Section 95(a) of the Act an applicant may seek advance ruling on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100 by applying to the Authority or the Appellate Authority. Section 97 sub-section (2) of the Act lists out the questions in respect of which an applicant can seek an advance ruling from the authority and it is pertinent to mention that the questions raised by them in the application specifically pertains to 97(2)(b) and 97(2)(c) of the Act.

- In so far as question 1, 2 and 3 are concerned, according to section 97(2)(c) of the Act any applicant can seek an advance ruling from the Authority on the determination of liability to pay tax on any goods or services or both. Since they are a service provider providing supply of Raw water from suppliers through their platform and moreover since Raw water is exempt goods under GST, whether the same is taxable supply or not has a direct implication on their liability to pay tax on their services and the same is a relevant question under 97(2)(c) of the Act. Moreover question 2 which pertains to whether supply of water through tankers comes under supply of raw water or transport services more so vide their platform, has a direct bearing on the nature of their services, which is a relevant question under section 97(2)(a) of the Act.
- According to Section 52 of the Act, every electronic commerce 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 (emphasis supplied). They are an electronic Commerce Operator as mentioned supra and the consideration with respect to supplies is also collected by them as per sec 52 of the Act, furthermore as per the sec 52, an electronic commerce operator shall collect 1% (one percent) of the net value of taxable supplies. Also, the question raised by them in the application was, whether TCS (Tax Collected at Source) of 1% has to be withheld by them from the suppliers before making payments which is a relevant question under 97(2)(c) of the Act since the TCS is

applicable only on taxable supplies, therefore only if they know whether the supply made through their platform is a taxable supply or not, the said TCS can be deducted by them from the suppliers.

- In so far as questions 4, 5 and 6 are concerned according to section 97(2)(b) any applicant can seek an advance ruling from the Authority on the applicability of any notification issued under the Act. The Government issued a Notification No.65/2017 Central Tax, dated 15.11.2017 amended vide notification No. 6/2019 Central Tax, dated 29-Jan-2019, w.e.f from 1-Feb-2019) (hereinafter referred to as the said notification) pertaining to the exemption limit applicable to suppliers (suppliers here, means the water tanker and sewage evacuation suppliers) individually. The said notification has a direct implication on them since they are an aggregator of suppliers of water tankers and consumers, therefore any notification which has an implication on their suppliers will also have an implication on their liability to pay tax. Hence the question of applicability of the notification pertaining to the exemption limit applicable to suppliers is well within the ambit of the question raised by them in the application. The question of Applicability of GST for suppliers supplying through Bookwater also has a direct implication on their liability to pay tax, since the aspect of registration under GST has an implication on the rates of services provided by their suppliers which in turn has a monetary implication on services provided by them and the same comes under the ambit of section 97(2)(c) of the Act.

4. The Centre Jurisdictional authority who has administrative control over the applicant has stated that there are no pending proceedings on the issue raised by the applicant in the Advance Ruling application and they have not furnished any further comments on the questions raised by the applicant.

5. The State Jurisdictional authority has stated that there are no pending proceedings in the applicant's case.

6.1 We have carefully examined the various submissions of the applicant. The applicant as seen from their submissions is a platform aggregator of water and sewage tankers. They are engaged in the development, management and operation of a mobile application termed 'Book Water Mobile Application' and a website at 'www.bookwater.com' for connecting suppliers of water and sewage tanker services to individuals or entities in need of the same. When a supplier of water or sewage tanker signs the 'Supplier agreement' with the applicant, they list and retain the

supplier onboard for a charge raised on such suppliers. The activity of the applicant as seen from the sample copies of the 'supplier agreements' is restricted to developing, managing and operating the platform and functioning as a market place; collecting payments through its online payment mechanism to facilitate the transaction between the supplier and customer. Further, from the copies of Invoice furnished before us, it is seen that the invoice mentions the 'seller' as the 'supplier' and the details of such suppliers are mentioned apart from the Billing details, Delivery address and Tanker charges, Convenience Fees and Payment Gateway Service Charges are part of the bill charges raised by them. The applicant in their submissions has stated that they are raising the Invoice on behalf of the suppliers and they do not bill any customers directly and they do not buy and sell water in any way and also not involved in the service of sewage evacuation.

6.2 With the above factual position, the admissibility of the questions under Section 95(a) read with Section 97(2) of the GST Act, 2017 are taken up for examination. The questions on which the Ruling is sought before us are listed as under:

1. Does raw water that is supplied through tankers through the Bookwater platform come under exempted goods as well?
2. Does the supplier of water through tankers come under supply of raw water or under transport services?
3. Does Bookwater have to withhold any tax-GST TCS 1% from the suppliers before making payments for the supply of raw water through our platform?
4. Is the supplier making raw water sale is required to register under GST since they are transacting through an e commerce operator?
5. Does Sewage Evacuation come under 18% GST? If yes, most individual sewage tanker operators have turnover less than 20lakhs per annum. Since we are not billing the customer directly and are only billing on behalf of the supplier, will the exemption limit of Rs.20Lakhs per annum be applicable to suppliers individually?
6. Consequently, is GST Registration applicable for all suppliers through the Bookwater platform or only applicable for those suppliers who have a turnover over 20Lakhs?
7. Does Bookwater have to withhold any tax (GST TCS 1% applicability) from the suppliers before making payments since the supplies have been made

through our digital platform and we also deduct our charges for our services rendered before making payments?

The applicant has contended that

- in as far as question 1,2,3 and 4 are concerned, according to Section 97(2)(c) of the Act, any applicant can seek an advance ruling from the Authority on the determination of liability to pay tax on any goods or services or both. Since they are a service provider providing supply of raw water from the suppliers through their platform, and Raw water is exempted goods, there is a direct implication on their liability to pay tax and therefore the questions are relevant under Section 97(2)(c)
- Also, Q.2 pertains to whether the supply of water through water tankers comes under supply or raw water or transport services, more so vide their platform has a direct bearing on the nature of their services, which is a relevant question under Section 97(2)(a)
- Also, in respect of Q.No. 3, TCS is applicable only on taxable supplies, therefore only if they know whether the supply made through their platform is a taxable supply or not the said TCS can be deducted by them from their suppliers and is a relevant question under Section 97(2)(c) of the Act
- Since the aspect of registration under GST has an implication on the rates of services provided by their suppliers which in turn has a monetary implication on services provided by them, the same comes under the ambit of Section 97(2)(c) of the Act.
- In so far as questions 5, 6 and 7 are concerned, according to Section 97(2)(b) any applicant can seek an advance ruling from the Authority on the applicability of any notification issued under the Act. Notification No. 65/2017-CT dated 15.11.2017, amended vide Notification No. 06/2019 -CT dated 29.01.2019 pertains to the exemption limit applicable to suppliers (Suppliers here, means the water tanker and sewage evacuation suppliers) individually, which has a direct implication on them as aggregators, therefore any notification which has an implication on their suppliers will also have an implication on their liability to pay tax and hence comes within the ambit of Section 97(2)(c) of the Act.

6.3 The definition of 'advance Ruling' under section 95(a) of CGST/TNGST Act is given below for ease of reference:

(a) "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;

Section 97(2) of the CGST Act / Tamil Nadu GST Act (TNGST) gives the scope of Advance Ruling Authority, i.e., the question on which the Advance Ruling can be sought. For ease of reference, the section is reproduced as under:

97 (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.

From the above, it is evident that 'advance ruling' are decisions on questions specified in sub-section 97(2) of the Act in relation to the **supply** of goods or services undertaken or proposed to be **undertaken by the applicant** seeking the same. Hence, supplies undertaken or proposed to be undertaken by the applicant alone are covered under the advance ruling as per Section 95(a) of the Act. The Act limits the Advance Ruling Authority to decide the issues earmarked for it under Section 97(2) and no other issue can be decided by the Advance Ruling Authority. Further, Section 103 of the Act, states as follows:

(1) 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.

6.4 In the case at hand, the applicant is an e-commerce operator, who operates and manages a digital platform for the customers and the suppliers and do not undertake the sale of water or supply of services of sewage excavation, in relation to which the ruling is sought. The applicant has claimed that all the questions raised are eventually covered under 97(2)(c) of the GST Act which is

'Determination of the liability to pay tax on any goods or services or both'

It is the contention that the applicant being an e-commerce operator, the collection of TCS depends on the 'net value of the taxable supplies made through it' as per Section 52 of the Act and therefore, the questions raised on the supplies made through the digital platform are admissible for ruling and has a direct implication to their supply. Section 52 of the Act, States as under:

*52 (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.

Thus, this provision under Section 52(1) of the Act, provides for collection of an 'amount' calculated @1% on the net value of taxable supplies made through it by other suppliers. Thus, it is evident that the provision itself clearly distinguishes that the e-commerce operator is different from the 'Suppliers'. As per Section 95(a) read with Section 103 (applicability of the Ruling), it is clear that the ruling is applicable to the supply being made or proposed to be made and the ruling extended is binding only on the 'Supplier' who makes such supply, his jurisdictional officer and the concerned officer. In the case at hand, the applicant seeks ruling on the supplies being made through their platform by the 'Concerned suppliers' mentioned at Section 52 and the questions raised are not on the supplies being made or proposed to be made by him. Further, the provision at 97(2)(c) allows this

authority to admit questions on determination of the liability to pay **tax**. Tax is defined under Section 2(21) of the CGST Act as

(21) central tax means the central goods and services tax levied under section 9;

Thus, Tax is one levied under Section 9 of the CGST/TNGST Act 2017. In the case at hand, the applicant collects an 'amount' at the specified rate under Section 52 of the Act and the said amount is not a 'Tax' levied under Section 9 of the GST Act, the determination of the liability is covered under 97(2) (c). The applicant in their application has stated that they do not undertake supply of Raw water or the service of Sewage evacuation service. Thus it is clear that the questions raised by the applicant, except for Q.No. 3 & 7, is not in relation to the supply of goods or services being undertaken or proposed to be undertaken by him. In this connection, we would also like to refer to the ruling of the TNAAAR, in the case of M/s. Erode Infrastructure, wherein, the Appellate authority, while considering the admissibility of the application, has stated as under:

"14. The provisions of S.103 categorically states that the ruling pronounced is binding only on the applicant. It automatically flows that if a recipient obtains a ruling on the taxability of his inward supply of goods or services, the supplier of such goods or services is not bound by that ruling and he is free to assess the supply according to his own determination, in which case, the ruling loses its relevance and applicability even. Any law provision has to be interpreted in a constructive and harmonious way keeping in mind the object of the purpose of the provision. All parts of it should be read in aid of and not in derogation of that purpose. Any interpretation, if it defeats the very purpose of the objective and purpose of the law provision, is not only incorrect but also improper and bad in law.....".

Thus the applicant, who is an e-commerce operator, and not the 'supplier' of Raw water and Sewage Evacuation Services, the question raised on the classification of supply, applicability of Notification for such suppliers, is not the question on supplies being or proposed to be undertaken by him.. Therefore, we do not have any hesitation, to hold that the questions raised (except Q.No. 3 & 7), do not pertain to the supply of the applicant and are not admissible for ruling as per Section 95(a)/103 read with Section 97(2) of the Act.

6.5 In respect to Q. No.3 & 7, the applicant has sought ruling as to whether the applicant is to withhold TCS from the suppliers before making Payments to the

'Concerned suppliers'. Section 52 of the Act governs the collection of amount by e-commerce operator in respect of supplies made through such e-commerce. The ambit of Advance Ruling do not provide for answering the questions raised on the provisions relating to 'Tax Collected at Source' provided under Section 52 of the Act. Further, the amount collected as TCS is not in the nature of 'Tax' as stated above. Therefore, we hold that these questions are also not covered under the ambit of this authority as per Section 97(2) of the Act.

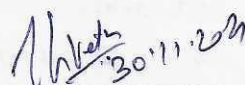
7. In view of the above, we rule as under

RULING

The Questions raised in the application are not admitted and the same is rejected for the reasons stated in para 6 above


Smt. K. LATHA
(Member)




Shri T.G. VENKATESH
(Member)

To,
M/s. Book water Tech Private Limited,
Plot No.2, Ajantha Building, Vandalur,
Kelambakkam Road, Kelambakkam,
Kanchipuram, Tamilnadu-603103 // **BY SPEED POST WITH ACK.DUE** //

Copy Submitted to:

1. The Principal Chief Commissioner of GST & Central Excise,
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Principal Secretary/Commissioner of Commercial Taxes/Member,
IInd Floor, Ezhilagam, Chempauk, Chennai - 600 005.

Copy to:

3. The Commissioner of GST & Central Excise, Chennai Outer Commissionerate, Newry Towers, No 2054, I Block, IInd Avenue, 12th Main Road, Annanagar, Chennai- 600 040.
4. Assistant Commissioner (ST) Kelambakkam Assessment Circle, Integrated Commercial Taxes & Registration Department, South Tower, IInd Floor, Government Farm Building, Nandanam, Chennai 600 035.
5. Master File/ Spare – 2.

