

Dr. AMIN CONTROLLERS PRIVATE LIMITED

Authority for Advance Ruling — Tamil Nadu

ORDER No.22/AAR/2018

Dated 28.06.2017

Q Questions Before the Authority

- Whether the services rendered by them to CMWSSB and TWAD is exempted under SI.No. 3 of Notification No. 12/2017-CT (Rate) dated 28th June 2017.
- As the Notification is effective from 01/07/2017- if Advance Ruling rules that the services are exempt, then for the Invoices already raised on the client with levy of 18% GST can be taken credit of SGST by issuing Credit Note.

F Facts

The applicant is a third-party inspection agency empanelled with CMWSSB and TWAD to conduct quality inspections of materials procured by contractors for water supply and sewerage projects. They provide these inspection services as pure services, submitting reports to the boards and receiving payment as a percentage of the value of materials inspected. The applicant sought a ruling on whether these services qualify for exemption under Notification No. 12/2017-CT (Rate).

H Ruling

Exemption for inspection services	Exempt	Under SI.No. 3 of Notification No. 12/2017-CT (Rate) and corresponding SGST notification
Credit note procedure	Not answered	Deemed to be of a procedural nature

The authority ruled that the inspection services provided to CMWSSB and TWAD are **exempted from CGST and SGST** under the relevant notifications. Regarding the second question, the authority declined to answer, stating that the issue of raising credit notes is of a procedural nature.

R Reasoning

The authority determined that CMWSSB and TWAD qualify as Governmental Authorities as they were established by state acts with 100% government control to carry out functions entrusted to a municipality under Article 243W of the Constitution. Since the inspection services are pure services provided to these authorities in relation to functions listed in the Twelfth Schedule, they fall within the scope of the exemption. The ruling relied on SI.No. 3 of Notification No. 12/2017-Central Tax (Rate) and the definition of Governmental Authority provided in the notification as amended.

P Provisions Relied On

Section 98 of the Goods and Services Tax Act, 2017

Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Notification No. 32/2017-Central Tax (Rate) dated 13.10.2017

G.O. (Ms) No. 73 dated 29.06.2017

Article 243W of the Constitution

! For the Practitioner

This ruling confirms that third-party inspection services provided to specific government water and sewerage boards qualify as **exempt pure services**. It provides a strong precedent for similar service providers working for governmental authorities under Article 243W. However, it does not provide guidance on the procedural aspects of adjusting previously paid taxes via credit notes.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [tn-22-aar-2018-dr.acpl.pdf](#)

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