Shri Jayesh Anilkumar Dalal (GSTIN: 24AAVPD9061B1ZS), 'Jalaram Shakti', Surat

Authority for Advance Ruling — Gujarat

Admission Order No. GUJ/GAAR/R/08/2019 (in Application No. Advance… Dated **01.05.2019**

Q Questions Before the Authority

- Whether the applicant's services in the nature described at point 12(B) of the application, provided to local authorities, urban development authorities, district panchayat R&B divisions and other government departments entrusted with functions under Articles 243G and 243W of the Constitution, can be termed 'pure services' under Sl. No. 3 (Chapter 99) of the table to Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017, and so be eligible for exemption from CGST.
- Whether the same services can be termed 'pure services' under Sl. No. 3 (Chapter 99) of the table to Notification No. 12/2017-(Gujarat) State Tax (Rate) dated 30/06/2017, and so be eligible for exemption from Gujarat GST.

F Facts

The applicant is a structural, architectural and project management consultant registered under the erstwhile service tax regime and now under GST. He supplies design, project management, third-party inspection, DPR preparation and technical audit services, largely for housing and civic projects, to municipal corporations, urban development authorities, housing boards and R&B divisions in Gujarat and elsewhere. He has been charging GST on these invoices, but some recipient departments take the view that the services are exempt as 'pure services' under the 28/06/2017 and 30/06/2017 notifications.

H Ruling

Pure services exemption under Sl. No. 3 (Chapter 99) of Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017, for services to government and local bodies under Articles 243G and 243W	**May be termed 'pure services' and eligible for exemption from CGST (Nil rate)**	Conditional. Excludes works contract services and composite supplies involving any supply of goods. Must be a supply of services without any supply of goods, and provided for a function entrusted under Article 243G or 243W. The authority did not decide whether each project meets the function test.
Pure services exemption under Sl. No. 3 (Chapter 99) of Notification No. 12/2017-(Gujarat) State Tax (Rate) dated 30/06/2017, for the same services	**May be termed 'pure services' and eligible for exemption from Gujarat GST (Nil rate)**	Same conditions as the Central notification. The Gujarat notification is applied in parallel to the CGST position.

The authority held that the services 'may be termed' pure services and are eligible for exemption under Sl. No. 3 (Chapter 99) of both the Central and Gujarat notifications. This is conditional on the services being pure services, that is, excluding works contract and composite supplies involving goods and involving no supply of goods, and being provided to a government or local authority for a function entrusted under Article 243G or 243W. Whether a

particular project meets the function test was left as a question of fact for verification.

R Reasoning

The authority read Sl. No. 3 of the rate notifications, which exempts pure services, excluding works contracts and composite supplies involving goods, provided to the Government, a local authority or a governmental authority in relation to Article 243G or 243W functions. It relied on the CBEC FAQ on government services (Q. 25), which treats architect, consulting engineering and advisory services with no supply of goods as pure services, and treats works contracts involving goods as outside the exemption. Section 11(1) of the CGST Act, under which the exemption is granted, was reproduced in the order. On the documents, the applicant's services involved no supply of goods. The authority noted, however, that whether a particular contract falls within Article 243G or 243W is a question of fact to be verified, so it gave a conditional answer and did not rule on individual projects. The Deputy Commissioner's objection on the Gandhinagar UDA and Rajkot Municipality work orders is recorded in the order but not expressly resolved.

P Provisions Relied On

- Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017, Sl. No. 3, Chapter 99
- Notification No. 12/2017-(Gujarat) State Tax (Rate) dated 30/06/2017, Sl. No. 3, Chapter 99
- Section 11(1) of the CGST Act, 2017 (as reproduced in the order)
- Section 9(1) of the CGST Act, 2017 (as referred to in the order)
- Articles 243G and 243W of the Constitution of India
- CBEC FAQ, Government Services, Question No. 25 (sectoral FAQ on 'pure services')
- Section 97(2)(b) CGST/GGST Act, 2017 (the question category under which the application was filed)

! For the Practitioner

The order gives a practitioner a Gujarat authority reading of 'pure services' under Sl. No. 3 of the 28/06/2017 and 30/06/2017 notifications, and it treats design, project management and inspection consultancy with no goods supply as eligible in principle. It is useful when a government recipient disputes exemption on the ground that the work is pure services. The order is conditional, however. It does not decide whether a specific project falls within the Article 243G or 243W functions, and the Deputy Commissioner's objection on the Gandhinagar UDA and Rajkot work orders is not resolved. It also binds only the applicant and is not a precedent for other taxpayers.

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 -> guj_aar_08-2019_jayesh_anilkumar_dala_01.05.2019.pdf

Prepared 03-11-2026.

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