PUSHPA RANI PABBI (GSTIN 03AGNPP9409P1ZN), Jalandhar

Authority for Advance Ruling — Punjab

Order No. AAR/GST/PB/011, dated 06.09.2019 (the order number is hand… Dated **06.09.2019**

Q Questions Before the Authority

- Whether the parking lot services provided by the Contractor appointed by the Market Committee, which is a Government Authority, is exempt under Notification No. 12 of 2017 as the parking lot activity is covered under Article 243 of the Constitution.

F Facts

The applicant, a registered proprietorship, was appointed by the Market Committee (Mandi Board) at Jalandhar as contractor for parking lot services at a contract value of Rs. 2,72,97,000. The applicant recovers this amount by charging vehicles entering the Market Committee area at rates fixed by the Market Committee, ranging from Rs. 10 for a two-wheeler to Rs. 150 for a trolley. The applicant argued that the Market Committee is a Government Authority and that parking maintenance is a function under Article 243W read with the Twelfth Schedule, so the service is NIL-rated under Notification No. 12/2017-Central Tax (Rate).

H Ruling

Whether contractor's parking lot services for the Market Committee are exempt under Notification No. 12/2017	**Not exempt. Taxable under heading 9967 at GST 18% (CGST 9% + SGST 9%)**	The ruling rests on the Market Committee not being a Government Authority under clause 2(zf) of the notes to Notification No. 12/2017. The order's text refers to the clause as 2(zf); the applicant cited it as 1(zf).

The authority held that the parking lot services are **not exempt** under Notification No. 12/2017 because the Market Committee is **not a Government Authority** within the meaning of clause 2(zf) of the notes to that notification. The parking services fall under heading 9967 and attract GST at 18% (CGST 9% plus SGST 9%).

R Reasoning

The authority first examined whether the Market Committee is a Government Authority. It relied on the definitions of local authority in section 2(69) of the CGST Act and of Government Authority in clause 2(zf) of the notification notes, along with CBEC FAQs and the decision in Agarwal v. Hindustan Steel. It concluded that Article 243Q limits municipalities to Nagar Panchayats, Municipal Councils and Municipal Corporations, and that the Mandi Board was not established by the State to provide parking services. It also held that parking fees are business receipts rather than sovereign or statutory fees. Parking lot services were then classified under heading 9967 and Notification No. 11/2017 entry 141 (Tariff 996743), at 9% CGST and 9% SGST.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

- Section 97(2) of the CGST Act, 2017 and the corresponding section of the Punjab GST Act, 2017 (scope of advance rulings)
- Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, clause 2(zf) of the notes (definition of Governmental Authority)
- Notification No. 11/2017-Central Tax (Rate), Annexure scheme of classification, entries for heading 9967, Group 99674 and T…
- Section 2(69) of the CGST Act, 2017 (local authority)
- Article 243Q of the Constitution (constitution of municipalities)
- Article 243W of the Constitution and the Twelfth Schedule (municipal functions, including item 17, parking lots)
- Punjab Agricultural Produce Markets Act, 1961 (establishment of the Market Committee and Board)
- CBEC FAQs on Government services
- Agarwal v. Hindustan Steel, AIR 1970 SC 1150 (cited by the authority)

! For the Practitioner

Contractors and vendors engaged by market committees or similar statutory bodies can rely on this order to see the authority's view that such bodies are not Government Authorities under clause 2(zf), so NIL-rate treatment is unlikely to be available on that basis. The order does not decide whether a municipality or a body that does meet clause 2(zf) provides parking services exempt under the notification, and it does not address the applicant's agency and Article 14 arguments in depth. An advance ruling binds only the applicant, and the order states that an appeal lies to the Appellate Authority within thirty days of communication. Read the full order before relying on the analysis of the Twelfth Schedule and the clause 2(zf) reasoning.

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 -> pushpa_rani_pabbi.pdf

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