SIR J.J. COLLEGE OF ARCHITECTURE CONSULTANCY CELL

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-54/2018-19/B-128, Mumbai, dt. 12.10.2018 Dated **12.10.2018**

Q Questions Before the Authority

- Whether the applicant shall charge GST on the consultancy services rendered to Municipal Corporation of Greater Mumbai (MCGM) for an upcoming project of establishment and development of a textile museum in Mumbai?

F Facts

The applicant's Architecture Consultancy Cell has agreed with MCGM to provide architecture services, project management, MEP design, tender document review, site supervision and certification of contractors' bills for a textile museum project. The project involves heritage restoration and adaptive reuse of several structures, including a museum, library, shops, auditorium, underground parking and a public plaza. The applicant said the agreement was registered under Article 63/63 as a works contract agreement on MCGM's advice, and that it claimed the services were pure services exempt under Sr. No. 3 of the exemption notification. The applicant did not produce the MCGM contract itself.

H Ruling

Whether GST is payable on consultancy services rendered to MCGM for the textile museum project	**Yes. The applicant shall charge GST.**	The order's answer block reads 'Answered in the affirmative in view of detailed discussions above.' No separate Q1/Ans section is printed. The order cites the notification as dated 28.06.2018; the applicant cites 28.06.2017.

The Authority held that the services are **works contract services** and therefore not eligible for the exemption for pure services provided to a municipality. It relied on the stamp duty receipt showing the agreement as a works contract and the applicant's own admission on registration. It did not examine whether establishment of a museum or recreation ground is a function entrusted to a municipality under Article 243W, since the exemption failed on the nature of the services. The answer is that the applicant shall charge GST.

R Reasoning

The Authority first examined whether the services fell within Sr. No. 3 of Notification 12/2017-Central Tax (Rate), which exempts pure services, excluding works contract services, supplied to a government or municipality in relation to a function under Article 243W. It noted that the MCGM agreement was registered under Article 63/63 as a works contract on the basis of the jurisdictional officer's stamp duty receipt and the applicant's own submission. Because the services were therefore works contract services, the Authority held the exemption unavailable and did not go on to decide whether the museum project was a municipal function under Article 243W

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

and the Twelfth Schedule. It also did not examine the other agreements the applicant had referred to.

P Provisions Relied On

- Section 97 of the CGST Act, 2017 and the MGST Act, 2017 (application for advance ruling)
- Section 98 of the CGST Act, 2017 and the MGST Act, 2017 (procedure and order)
- Notification 12/2017-Central Tax (Rate), Sr. No. 3, Chapter 99 (exemption for pure services to government or municipality)
- Article 243W of the Constitution and the Twelfth Schedule (municipal functions)
- Article 243G of the Constitution (referred to in the exemption entry)
- Article 63/63 of the MCGM agreement (works contract agreement, as registered)

! For the Practitioner

This order helps practitioners see that the pure-services exemption for municipal work can be lost on the face of the contract, especially where the agreement is registered as a works contract under stamp duty. Architecture and project management services for a municipal project should be reviewed against the contract's legal character before exemption is claimed. The order does not decide whether museum or recreation ground development is a function under Article 243W, and it does not rule on services under a genuinely pure-services contract. Read the full order for the Authority's reasoning on the stamp duty point.

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 -> ara_order_54_2018_maharashtra_sjjca_co.pdf

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