

M/s. Tamil Nadu Water Investment Company Limited

Authority for Advance Ruling — Tamil Nadu

ORDER No.21 /AAR/2018 DATED 28.11.2018

Q Questions Before the Authority

- Whether Sl.No.3 of Notification No. 12/2017-Central Tax (Rate) dated 28th June 2017 is applicable for the services rendered by Tamil Nadu Water Investment Company to Chennai Metro Water Supply and Sewerage Board.

F Facts

The applicant provides project management consultancy and consultancy services for water supply and sewerage projects to the Chennai Metro Water Supply and Sewerage Board (CMWSSB). The applicant sought a ruling on whether these services qualify as exempt 'Pure Services' provided to a governmental authority under the relevant GST notification. The CMWSSB had previously declined to reimburse the GST component, arguing the services were exempt.

H Ruling

Applicability of exemption under Sl.No.3 of Notification No. 12/2017-CT(R)

Exempt

Services qualify as Pure Services provided to a Governmental Authority

The Authority ruled that the services provided by the applicant to CMWSSB are exempt from CGST and SGST. It concluded that the applicant is supplying 'Pure Services' to a 'Governmental Authority' relating to functions entrusted to a municipality under the Twelfth Schedule of the Constitution.

R Reasoning

The Authority determined that CMWSSB is a 'Governmental Authority' as it was constituted by a state act with 100% government contribution to carry out functions listed in Article 243W of the Constitution. The services provided, including project management and consultancy for water supply and sewerage, fall under the functions entrusted to a municipality. Consequently, the activity satisfies the criteria for **exemption under Sl.No.3 of Notification No. 12/2017-Central Tax (Rate)**. The ruling relied on the definition of 'Governmental Authority' under Section 2(16) of the IGST Act and the scope of 'Pure Services' as defined in the notification.

P Provisions Relied On

Sl.No.3 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Section 2(16) of the Integrated Goods and Services Tax Act, 2017

Article 243W of the Constitution of India

Twelfth Schedule of the Constitution of India



For the Practitioner

This ruling confirms that consultancy services provided to a state-controlled water board for municipal functions qualify for the **exemption for Pure Services**. It provides a clear precedent for similar entities to claim exemption when contracting with governmental authorities for public utility projects. Practitioners should note that this decision is specific to the applicant's contractual scope and the status of the recipient as a governmental authority.

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-21-aar-2018-tnwicl.pdf](#)

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