

**MAHARASHTRA AUTHORITY FOR ADVANCE RULING**

**GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai – 400010.**

**(Constituted under section 96 of the Maharashtra Goods and Services Tax Act, 2017)**

**BEFORE THE BENCH OF**

**(1) Shri. Rajiv Magoo, Additional Commissioner of Central Tax, (Member)**

**(2) Shri. T. R. Ramnani, Joint Commissioner of State Tax, (Member)**

GSTIN Number, if any/ User-id	27AAMCM4340G1ZF
ARN No.	AD271119004596Z
Legal Name of Applicant	M/s. Mekorot Development & Enterprise Ltd
Registered Address/Address provided while obtaining user id	F/2, KARNATAKA SOCIETY, MOGUL LANE, MAHIM, Mumbai City, Maharashtra, 400016
Details of application	GST-ARA, Application No. 71 Dated 29.11.2019
Concerned officer	Division –VII, Commissionerate Mumbai Central.
<b>Nature of activity(s) (proposed/present) in respect of which advance ruling sought</b>	
A Category	Service Provision
B Description (in brief)	Mekorot Development & Enterprise Ltd (MDE) is a fully owned subsidiary of Mekorot, the national water company of Israel which is fully owned by the Government of Israel and providing services to Maharashtra Jeevan Pradhikaran (MJP).
Issue/s on which advance ruling required	(ii) applicability of a notification issued under the provisions of the Act
Question(s) on which advance ruling is required	As reproduced in para 01 of the Proceedings below.

**PROCEEDINGS**

**(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)**

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as “the CGST Act and MGST Act” respectively ] by **M/s. Mekorot Development & Enterprise Ltd** , the applicant, seeking an advance ruling in respect of the following questions.

1. *Whether MJP can be considered as 'government entity' under GST law?*
2. *Whether the work intended to be carried out by MDE qualifies for exemption as per notification 12/2017-Central Tax (Rate) dated 28.06.2017?*
3. *If it is concluded from the above that the supplies made or proposed to be made by MDE to MJP qualifies for exemption then the consequent question is whether MDE requires to obtain registration under GST law?*

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

## **2. FACTS AND CONTENTION – AS PER THE APPLICANT**

The submissions made by the applicant are as under:-

- 1.1. *Maharashtra Jeevan Pradhikaran (hereinafter referred as MJP) has appointed Mekorot Development & Enterprise Ltd, the applicant (MDE) as a consultant for study, survey, drafting and formation of Water Supply Master Plan (WSMP) to address the water drought problem in the Marathwada region and assist the Government of Maharashtra (GOM) to make a comprehensive strategy to solve the Marathwada (Aurangabad division) Water Crisis permanently.*
- 1.2. *MDE is a fully owned subsidiary of Mekorot, the national water company of Israel which is fully owned by the Government of Israel.*
- 1.3. *MJP is a Government of Maharashtra undertaking established through The Maharashtra Jeevan Authority Act, 1976. MJP was constituted in 1977 under The Maharashtra Water Supply and Sewerage Board Act, 1976 (MWSSB Act), for rapid development and proper regulation of Water Supply and Sewerage service in the State of Maharashtra. The act was later changed to The Maharashtra Jeevan Authority Act, 1976. MJP being a GOM undertaking, the Maharashtra state government holds 100% controlling power in MJP.*
2. ***Scope of service under the agreement between MDE and MJP***
  - 2.1. *As agreed between both the parties (MJP and MDE); MDE will prepare a Water Supply Master Plan (WSMP) for averting successive droughts in the severely drought prone Marathwada region of the State. (Annexure A - Terms of agreement)*
  - 2.2. *In accordance with the agreed Scope, the consulting of MDE shall cover the following:*



- Carry out an Assessment of the current water resources condition including site survey, land, runoff and aquifer analyses, and a wise evaluation of the region future water resources potential incorporated different level of probability of available water
- Create Mid and Long term Water Demand projections with allocation of demand priorities as was agreed with the local technical team of MJP.
- Propose steps towards future sustainable Water Supply Master Plan (WSMP) and short term relief measures.
- Create a Preliminary Design Report (PDR) based on the options selected by MJP from the WSMP.

**B. Statement containing the Applicant's interpretation of law and /or facts**

**1. QUESTION - 1: WHETHER MJP CAN BE CONSIDERED AS 'GOVERNMENT ENTITY' UNDER GST LAW?**

***Applicant's view:***

1.1 It is evident from the facts placed on records that MJP is a Maharashtra State Government undertaking, MJP was established through a separate act under the state legislature namely The MWSSB Act, 1976 in the year 1977. In the year 1997, name of the act was changed to The Maharashtra Jeevan Authority Act, 1976 and the organization was given the name Maharashtra Jeevan Pradhikaran (MJP). (Annexure B – Copy of annual report for FY 2013-14 available on the official website of MJP).

1.2 Notification No. 31/2017-C.T. (R) which has amended certain clauses of notification 11/2017 has defined the term "Government Entity" as under :-

(x) "Government Entity" means an authority or a board or any other body including a society, trust, corporation, i) set up by an Act of Parliament or State Legislature; or ii) established by any Government, with 90per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority. "

MJP being set up by a State Government Act; also the state of Maharashtra has 100% control over the functions and decision of MJP

1.3 Reference can be made to a recent judgment of AAR – Madhya Pradesh (Order no. 15/2018 dated 18-10-2018) where Madhya Pradesh Power Generating Company Limited, which was 100% owned by the government of Madhya Pradesh, was classified as a Government entity within the ambit of GST law.

- 1.4 In view of the above, it can be concluded that MJP is nothing but a wholly owned and controlled organization of the Maharashtra State Government and hence, can be termed as a Government entity within the ambit of GST law. Hence, all services provided to MJP can be said to be provided to a Government entity and tax waiver benefits under GST law shall be available.

**2. QUESTION - 2: WHETHER THE WORK INTENDED TO BE CARRIED OUT BY MDE QUALIFIES FOR EXEMPTION AS PER NOTIFICATION 12/2017- C.T.(RATE) DATED 28.06.2017?**

***Applicant's view:***

- 2.1 Below is the extract of article 243 W (to the extent relevant) for quick reference:

*"The functions entrusted to a municipality under the Twelfth Schedule to Article 243W of the Constitution are as under: (e) Water supply for domestic, industrial and commercial purposes"*

- 2.2 Reference can be made to para "WSMP", scope of work and 'Appendix A – Terms of Reference' to the agreement (Refer Annexure D)

- 2.3 The relevant para is reproduced herein below for quick reference –

*"WATER SUPPLY MASTER PLAN is a long-term and comprehensive planning, generally for 20-30 years, for supply of water to certain region. It consists of investigation of the available water potential of all types of water and describes all works required in next 20-30 years in phased for each consumption sector (domestic, industry and agriculture). Alternative development sequences may be identified to provide target service coverage and standards at affordable cost. The designs and estimates are prepared approximately. It finalizes some of the main parameters so that advance actions can be taken. The master plan should be updated periodically, or when the key attributes of the region/area change significantly".*

- 2.4 From the agreement, the primary scope of consulting service is –

- Deep study of the magnitude of water scarcity in the region from existing and historic data
- Reporting the local water resource potential and actual yield to be achieved
- Analysis of current and futuristic water demand distribution location wise and designing methodology to priorities the use of water by sectors according to livelihood
- Designing the mechanism behind the water resource distribution
- Investigating the potential water availability for domestic, industry and agricultural use



- Environmental study of water supply and adhering to ways to mitigate the environmental impact

2.5 All of the above scope is part of the water supply management in the target drought area. The detailed analysis of water crisis and the designing of road map is a step in right direction to heal the water problem for domestic, industrial, commercial purpose in Marathwada region.

2.6 The services entrusted vide the article 243 W of Constitution are in the nature of public welfare. The entry e of the Article 243 W reads:

“The functions entrusted to a municipality under the Twelfth Schedule to Article 243W of the Constitution are as under:

(e) Water supply for domestic, industrial and commercial purposes”.

2.7 MJP is intending to have a detailed analysis of a drought prone area and work towards the supply of water for domestic, industrial and commercial usage. Thus, the initiative taken by MJP is well within the ambit of clause 'e' of the article 243 W.

2.8 Hence, service provided by MDE to MJP are forming part of the entry 'e' of the article 243W of the constitution

2.9 As per (Entry 3) of Notification 12/2017 CGST read with Notification 02/2018 CGST, services provided to a government entity which are in line with the article 243 W or 243 G shall be entitled to NIL rate of GST. The extract of the notification is reproduced below for quick reference:-

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

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
3	Chapter 99	Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government entity by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution	NIL	NIL

- 2.10 As discussed in para 1 & 2 above, the service receiver MJP, is a **Government Entity** which has appointed MDE as a consultant to resolve the drought problem in Marathwada region on Maharashtra.
- 2.11 MDE shall be providing pure service in form of designing, projection study, survey, drafting and formation of Water Supply Master Plan (WSMP) and also advice on the water resource supply planning for domestic, industrial and commercial usage. The terms shall not include supply of any goods from MDE to MJP and thus the agreement is of Pure Service.
- 2.12 The service provided by MDE to MJP is that of Water supply management which falls under the umbrella of Article 243 W clause 'e'. Under clause 'e' the Government entity is entrusted with the duty of Water Supply for Domestic, Industrial and Commercial purpose.
- 2.13 Further, as per section 14 (c) / 14 (g) of The Maharashtra Jeevan Authority Act, 1976 (under which the MJP was established) has water supply management as the main duty and function of MJP. The extract of the said section is replicated below for quick reference:

"14. The duties and functions of 1[the Authority] shall be as follows, namely:—

(c) to prepare draft State Plans for water supply, sewerage and drainage;

(g) to review annually the technical, financial, economic and other aspects of water supply and sewerage system of every scheme of 1[the Authority] or the local bodies which have entered into an agreement with 1[the Authority]";

- 2.14 Carefully reading the entry no. 3 of the exemption notification 12/0217, we can conclude the following:

Sr. No.	Pre-requisite for claiming exemption (Notification No. 12 /2017 – Central Tax (Rate))	Relevant facts
1	1 Pure services (excluding works contract service or other composite supplies involving supply of any goods)	MDE shall not be supplying any goods to MJP; the agreement is for pure consulting service
2	2 provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government entity	Maharashtra Jeevan Pradhikaran (MJP) is a government entity
3	By way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution	The water management service in marathwada area falls within ambit of article 243 W



3. **QUESTION – 3: IF IT IS CONCLUDED FROM THE ABOVE THAT THE SUPPLIES MADE OR PROPOSED TO BE MADE BY MDE TO MJP QUALIFIES FOR EXEMPTION THEN THE CONSEQUENT QUESTION IS WHETHER MDE REQUIRES TO OBTAIN REGISTRATION UNDER GST LAW?**

3.1 As concluded above, service provided by MDE to MJP is exempt from GST tax levy vide Notification 12/0217. As per Section 23 (1) (a) of the CGST Act, 2017, if an entity is providing fully exempt service, then the entity need not take registration under GST law. Section 23 (1) (a) is replicated below:

“23. (1) The following persons shall not be liable to registration, namely:— (a) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act; (b) an agriculturist, to the extent of supply of produce out of cultivation of land”.

3.2 MDE may not be mandated to take GST registration based on the contract with MJP (Exempt service) only.

03. **CONTENTION – AS PER THE CONCERNED OFFICER:**

The jurisdictional officer has not made any submissions.

04. **HEARING**

4.1 Preliminary hearing in the matter was held on 03.03.2020. Shri. Suyog Nawal, Advocate, appeared, and requested for admission of the application. Jurisdictional Officer was not present.

4.2 The application was admitted and called for final hearing on 20.08.2021. The Authorized representative of the applicant, Shri. Jigar Cheda, CA was present. The Concerned Jurisdictional officer was absent. The Authorized representative made oral and written submissions in this matter. The jurisdictional officer was granted time to file written reply, if any. The applicant could also file reply on the written submission filed by the jurisdictional officer, if any.

4.3 The matter was heard.

05. **DISCUSSIONS AND FINDINGS:**

5.1 We have perused the documents on record, facts of the matter and submissions made by the applicant. The jurisdictional officer has neither appeared for the hearings nor has made any submissions in the matter.

5.2 The applicant has submitted that it has been appointed by the Maharashtra Jeevan Pradhikaran (hereinafter referred to as, ‘MJP’), as a consultant for study, survey, drafting and formation of Water Supply Master Plan (WSMP) to address the water drought problem in the Marathwada

region to assist the Government of Maharashtra to make a comprehensive strategy to solve the Marathwada (Aurangabad division) water crisis permanently.

5.3 All the questions raised by the applicant are in respect of the subject transaction, details of which are found the subject application. During the course of the final hearing on 20.08.2021, the applicant withdrew question number 1, viz. *Whether MJP can be considered as 'government entity' under GST law?*

5.4 As per the scope of the agreement enter into between the applicant and MJP, the applicant would : carry out an assessment of the current water resources condition including site survey, land, runoff and aquifer analyses, and a wise evaluation of the region future water resources potential incorporated different level of probability of available water ; create mid and long term water demand projections with allocation of demand priorities as agreed with the local technical team of MJP ; propose steps towards future sustainable Water Supply Master Plan (WSMP) and short term relief measures and create a Preliminary Design Report (PDR) based on the options selected by MJP from the WSMP.

5.5 As per the agreement, the Water Supply Master Plan (WSMP) is a long-term and comprehensive planning, for supply of water to certain region, which consists of investigation of the available water potential of all types of water and describes all works required in next 20-30 years for each consumption sector (domestic, industry and agriculture). Further, alternative development sequences may be identified to provide target service coverage and standards at affordable cost and designs and estimates are prepared approximately and finally, parameters are finalized so that advance actions could be taken. The master plan would also be updated periodically, or when the key attributes of the region/area changed significantly.

5.6 In view of the submissions made by the applicant we take up the second question for discussion, i.e. whether the work intended to be carried out by the applicant qualifies for exemption as per Notification No. 12/2017-C.T.(Rate) dated 28.06.2017.

5.6.1 The relevant Entry No. 3 of Exemption Notification No. 12/2017 dated 28<sup>th</sup> June, 2017 is reproduced as under:-

Sr. No.	Tariff	Description of Services	Rate (percent)
3	Chapter 99	Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority [or a Government Entity] by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution	Nil



- 5.6.2 For any supply to be covered under Sr. No. 3 mentioned in 5.6.1 firstly, the supply should be in respect of only Pure Services, secondly such Pure Services must be provided to the Central Government, State Government or Union territory or local authority or a Governmental authority [or a Government Entity] and finally such services should be provided by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution.
- 5.6.3 From the submissions made by the applicant and a perusal of the documents on record, we find that the impugned agreement does not envisage any supply of goods individually or along with the supply of services in the instant case. We therefore find that in the instant case, pure services are supplied by the applicant to MJP. Thus the first part of the conditions mentioned at Sr. No. 3 above is satisfied in the subject case.
- 5.6.4 The second condition to be satisfied for availing exemption under the above referred Notification is that such pure services, as are being rendered in the subject case, should be supplied to the Central Government, State Government or Union territory or local authority or a Governmental authority [or a Government Entity].
- 5.6.5 Thus we need to discuss whether Maharashtra Jeevan Pradhikaran (MJP) can be considered as a Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity.
- 5.6.6 Maharashtra Jeevan Pradhikaran (MJP) clearly cannot be considered as a Central Government, State Government or Union territory or local authority. Thus we need to find whether MJP can be considered as a Governmental authority or a Government Entity.
- 5.6.7 With respect to the above question we need to have a look at Notification No. 31/2017 Central Tax (Rate) dated 13<sup>th</sup> October, 2017. The relevant provisions pertaining to the present case are mentioned in Notification No. 31/2017 Central Tax (Rate) dated 13<sup>th</sup> October, 2017 which are reproduced as under:-

**Notification No. 31/2017-Central Tax (Rate) dated the 13<sup>th</sup> October, 2017**

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 9, sub-section (1) of section 11, sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.11/2017- Central Tax (Rate), dated the 28<sup>th</sup> June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 690(E), dated the 28<sup>th</sup> June, 2017, namely:-  
In the said notification,

- (i) in the Table, -
- (a) Against serial number 3, -
- A. in item (iii), in column (3), for the words "Government, a local authority or a Governmental authority", the words "Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity" shall be substituted;
- B. in item (vi), in column (3), for the words "a local authority or a Governmental authority" the words "a local authority, a Governmental Authority or a Government Entity" shall be substituted;
- C. in items (iii) and (vi), in column (5), for the existing entry, the following entry shall be substituted, namely: -
- "Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be"
- .....
- (iii) in paragraph 4, after clause (viii), the following clause shall be inserted, namely: -
- "(ix) "Governmental Authority" means an authority or a board or any other body, -
- (i) set up by an Act of Parliament or a State Legislature; or
- (ii) Established by any Government, with 90 per cent. or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243 W of the Constitution or to a Panchayat under article 243 G of the Constitution.
- (x) "Government Entity" means an authority or a board or any other body including a society, trust, corporation,

i) set up by an Act of Parliament or State Legislature; or

ii) established by any Government,

with 90 per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority".

5.6.8 In view of the above, we are required to ascertain whether 'MJP' would be covered under the definition of 'Government Entity' as given in Notification No. 31/2017 dated 13.10.2017 referred above.

We find that the definition of 'Government Entity' as given in this Notification is as under:-

*"Government Entity" means an authority or a board or any other body including a society, trust, corporation,*

*i) set up by an Act of Parliament or State Legislature; or*

*ii) established by any Government,*

*with 90 per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority."*

5.6.9 Maharashtra Water Supply and Sewerage Board (MWSSB) was established as per MWSSB Act 1976 for Rapid development and proper regularization of water supply and sewerage services in the State of Maharashtra, by the Government of Maharashtra. MWSSB was subsequently named as Maharashtra Jeevan Pradhikaran in 1997. The Principal responsibilities of Maharashtra Jeevan Pradhikaran according to MWSSB Act 1976 are : Planning, designing and implementation of



water supply and sewerage schemes including facilitation for necessary financial provisions, as directed by the Government of Maharashtra (Government of Maharashtra); taking over any water supply as well as sewerage scheme for operation and maintenance; to establish service level bench marks for water supply and sewerage sector; to extend relevant support, regarding water sector, to Government of Maharashtra as well as Local Self Governments; to support Government of Maharashtra to prepare Annual Plan and to establish / modify tariff / tax / cess structure in water sector. Therefore, the Maharashtra Jeevan Pradhikaran is also seen to be under the control of the Government of Maharashtra.

5.6.10 We find that MJP has been established by the Government of Maharashtra. In terms of Section 4 (1) of the Maharashtra Jeevan Pradhikaran Act, 1976 the Authority comprises

- |                                   |   |  |
|-----------------------------------|---|--|
| a) Chairman (Ex-Officio)          | : | Minister for Water Supply & Sanitation.  |
| b) Co-Chairmen (Ex-Officio)       | : | 1) Minister for Urban Development.<br>2) Minister for Rural Development  |
| c) The Vice-Chairmen (Ex-Officio) | : | 1) Minister of State for Water Supply and Sanitation.<br>2) Minister of State for Urban Development.   |
| d) Six Official Members:          | : | Six Secretaries of concerned Departments<br>1) The Water Supply & Sanitation Department.<br>2) The Urban Development Department.<br>3) The Rural Development & Water Conservation Department.<br>4) The Finance Department.<br>5) The Industries, Energy and Labour Department &<br>6) The Public Health Department. |
| e) Other Two Members:             | : | 1) Mayors of Municipal Corporation and the Presidents of the Municipal Council and<br>2) President of a Zilla Parishad.  |
| f) Non-Official Members           | : | Six Members, to be appointed by the State Government.  |
| g) Member Secretary               | : | Maharashtra Jeevan Pradhikaran   |



5.6.11 Thus from the above, we clearly find that MJP is constituted and established by the State Government of Maharashtra with 100% participation by way of Equity or Control to carry out the function entrusted to it by the State Government viz. rapid development and proper regularization of water supply and sewerage services in the State of Maharashtra and therefore MJP is clearly

covered under the definition of 'Government Entity' as can be seen from the definition of a 'Government Entity' mentioned at 5.6.8 above.

5.6.12 In view of the above discussions, we are of the opinion that the applicant is supplying pure services to a Government Entity and therefore as per the provisions of Notification No. 12/2017, mentioned above, the said services supplied by the applicant are exempted from GST.

5.7 Now we proceed to the third question raised by the applicant which is as under:-

*Question 3:- If it is concluded from the above that the supplies made or proposed to be made by MDE to MJP qualifies for exemption then the consequent question is whether MDE requires to obtain registration under GST law?*

5.7.1 As per Section 22 (1) of the CGST Act, 2017, every supplier shall be liable to be registered under this Act in the State or Union Territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees.

Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.

5.7.3 Further, as per Section 23 (1) (a) of the CGST Act, 2017, any person engaged exclusively in the supplying of goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the IGST Act, 2017 is not liable for registration.

5.7.4 Thus the applicant would be liable to obtain GST registration only if it supplies taxable good or services or both, in view of Section 22(1) mentioned above and in view of Section 23 (1) (a), no registration is required to be obtained by the applicant when it exclusively supplies goods or services or both that are not liable to tax or wholly exempt from tax under the CGST Act, 2017 or under the IGST Act, 2017.

5.7.5 The applicant has submitted that it may not be mandated to take GST registration based on the contract with MJP, since the services rendered are Exempt service.

5.7.6 We agree with the applicant that it is not mandated to take GST registration based on the contract with MJP, since the services rendered are Exempt service. However, there is nothing forthcoming in the application made by the applicant that they are only rendering services to MJP, under the impugned contract, which has been held to be exempt under the provisions of Notification 12/2017 mentioned above and not supplying any other taxable goods or services or both. However, other than the exempt services supplied under the impugned contract with MJP,



if the applicant is engaged in supply of any taxable supply of goods or services or both, then the provisions of Section 22 of the CGST Act would come into play and it would be liable to obtain registration on attaining/crossing the threshold limit mentioned under Section 22 of the CGST Act, 2017.

06. In view of the extensive deliberations as held hereinabove, we pass an order as follows:

**ORDER**

**(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)**

NO.GST-ARA- 71/2019-20/B- 60

Mumbai, dt. 22.09.2021

For reasons as discussed in the body of the order, the questions are answered thus –

**Question 1.** Whether MJP can be considered as 'government entity' under GST law?

**Answer: -** Not answered since the question has been withdrawn by the applicant.

**Question 2.** Whether the work intended to be carried out by MDE qualifies for exemption as per notification 12/2017-Central Tax (Rate) dated 28.06.2017?

**Answer:-** The work intended to be carried out by the applicant under the impugned contract with Maharashtra Jeevan Pradhikaran qualifies for exemption as per Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017.

**Question 3.** If it is concluded from the above that the supplies made or proposed to be made by MDE to MJP qualifies for exemption then the consequent question is whether MDE requires to obtain registration under GST law?

**Answer:-** If the impugned supplies made or proposed to be made by the applicant to MJP are the only supplies undertaken by the applicant, in such a case, the applicant is not required to obtain registration under GST law, since the impugned supply is held to be exempt under the provisions of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017. However, if the applicant is undertaking or proposes to undertake any taxable supply of goods or services or both, then in such a scenario the applicant will be required to obtain



GST registration under Section 22 of the GST Act, on crossing the threshold turnover limit.



RAJIV MAGOO  
(MEMBER)

T.R. RAMNANI  
(MEMBER)

**Copy to:-**

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Pr. Chief Commissioner of Central Tax, Churchgate, Mumbai
5. Joint commissioner of State Tax, Mahavikas for Website.

**Note:-**An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15<sup>th</sup> floor, Air India Building, Nariman Point, Mumbai – 400021. Online facility is available on [gst.gov.in](http://gst.gov.in) for online appeal application against order passed by Advance Ruling Authority.