
 सत्यमेव जयते	RAJASTHAN AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX NCR BUILDING, STATUE CIRCLE, C-SCHEME JAIPUR – 302005 (RAJASTHAN)	
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ADVANCE RULING NO.RAJ/AAR/2018-19/13



Nitin Wapa Joint Commissioner	:	Member(Central Tax)
Sudhir Sharma Joint Commissioner	:	Member(State Tax)
Name and address of the applicant	:	M/S PDCOR LIMITED, LIC Jeevan Nidhi Building, 1 ST Floor, Bhawani Singh Road, Ambedkar Circle, Jaipur, Rajasthan 302005
GSTIN of the applicant	:	08AABCP4431G1ZN
Clause(s) of Section 97(2) of CGST / SGST Act, 2017, under which the question(s) raised	:	(b) applicability of a notification issued under the provisions of this Act; (e) determination of the liability to pay tax on any goods or services or both;
Date of Personal Hearing	:	17.08.2018
Present for the applicant	:	Mr. Subhash Sharma (CFO) and Mr. Manmohan Mahipal (CA) Authorised Representative
Date of Ruling	:	25.08.2018

Note: Under Section 100 of the CGST/SGST Act 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/SGST Act 2017, within a period of 30 days from the date of service of this order.

The Issue raised by M/s **PDCOR LIMITED** (hereinafter referred as the applicant also) is fit to pronounce advance ruling as it falls under ambit of the Section 97 (2) (a), it is given as under:

- (b) applicability of a notification issued under the provisions of this Act;
- (e) determination of the liability to pay tax on any goods or services or both;

Further, the applicant being a registered person, GSTIN is 08AABCP4431G1ZN, as per the declaration given by him in Form ARA-01, the issue raised by the applicant is neither pending for proceedings nor proceedings were passed by any authority. Based on the above observations, the application is '**admitted**' to pronounce advance ruling.



1. **SUBMISSION OF THE APPLICANT:**

- (a) The applicant having Goods and Service Tax (GST) Registration Number 08AABCP4431G1ZN is a joint venture company (50:50) of IL & FS and Government of Rajasthan.
- (b) Jaipur Development Authority (JDA) Government of Rajasthan has signed a Memorandum of Agreement (MoA) dated 1-9-2017 for a period of 12 Months for "*Project Management Consulting Services (PMCs) for Rejuvenation of Amanishah Nallah (Dravyavati River), Jaipur, Rajasthan including Area Development.*" (herein after referred as the project also)
- (c) The applicant will provide PMC services to JDA regarding the works being carried out by TATA Projects Ltd. in relation to "*Rejuvenation of Amanishah Nallah (Dravyavati River), Jaipur*". The agreement between TATA Projects Ltd. and JDA was executed on 18th of March, 2016.
- (d) In this instant case, the applicant is concerned whether the PMC services to JDA for Rejuvenation of Amanishah Nallah (Dravyavati River), Jaipur will attract GST or will be exempt from GST as per Serial No. 3 of CGST Notification No. 12/2017 dated 28th of June, 2017 ?.

Further, the applicant wants the authority to clarify whether their services for the concerned project will be under SAC 9983 and fall under Serial No. 3 or any other entry of CGST Notification No. 12/2017 dated 28th of June, 2017.

The applicant also wants to know whether JDA is a Local Authority or Governmental Authority or Governmental Entity.



2. **Scope of the works in Contract:**

PDCOR shall act as Project Management Consultant (PMC) for the Project and shall be responsible for overall management of all components of the Project on technical, financial and contractual matters during implementation of Design build part of the Project as defined in the Contract, Accordingly, the PMC services shall include deployment of a team of experts and other support staff which shall remain involved at every stage of the project execution.

Broadly, the scope of PMC shall include review and finalization of Contractor's submissions with respect to project planning and detailed designs of various components, project management, ensuring adherence to specified Employer's Requirements and Contractual Obligations, periodic progress reports, and rendering advice on counter measures/ corrective actions required for overcoming bottlenecks/ problems encountered during the execution of the Project.

3. **Brief scope of PMC will be as follows:**

The PMC shall review detailed designs prepared and submitted by the Contractor for execution purposes keeping in view the applicable technology, applicable regulations and guidelines and the Employer's Requirements. The reviewed and/or modified drawings will then be released for construction at site. The design/drawing shall cover the following:

- a. Topography survey, L-sections and cross section of nallah.
- b. Hydraulic design of nallah section sufficient to discharge the highest flood generated by rain over a 100 years recurrence period.
- c. Comprehensive drawing of main nallah channel showing the proposed structures check dams, de-silting walls, crossing structures and access road etc.
- d. Hydraulic design of intercepting sewer system
- e. Campus plan of sewerage treatment plants
- f. Design and drawings of Sewerage Treatment Plants of proposed technology including unit sizing, hydraulic and process design.
- g. Design and drawings of collection sumps and pump houses for sewerage and drainage
- h. Process design, system design for all project components
- i. Site Plans and layout plans.
- j. Architectural drawings/ renderings of required project components such as stone railing, garden benches, boundary wall, pub/tfe. toilets, entry gates, museum

- building, etc,
- k. Adherence of proposed design to the code requirements and Employer's Requirements
 - l. Drawings showing the size, position and other necessary details of all mechanical and electrical equipment and fixtures
 - m. Single line diagram and wiring diagram along with general arrangement of all the control gear
 - n. Power systems including sub stations/ switch yard and associated drawings {e.g. single line diagram, general arrangement and sections, etc.}
 - o. Design and drawings of electric sub stations including cable routing, earthing and lighting layout etc.
 - p. Control philosophy, of the whole project system including system architecture for proposed SCADA
 - q. Data sheet for all proposed electrical and instrumentation system
 - r. Control philosophy of surveillance system along with system architecture in master control system
 - s. Services like internal illumination and ventilation, building water supply, sanitation and plumbing, service roads, landscaping, area lighting, etc.
 - t. Master plan for the development with landscaping and master plan of reclaimed area of land
 - u. Any other design and drawings required to complete the project by contractor as described in the Section Employer's Requirements.



4. **The applicant's contention is that;-**

4.1 The Jaipur Development Authority is covered under the status of Governmental Authority:

Definition of Governmental Authority: As per the notification no. 32/2017-Central Tax (Rate) dated 13.10.2017, Government Authority 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.

Since, Jaipur Development Authority set up by an act of State Legislature vides Act No. 25 of 1982 and received the assent of the President on the 12th day of October, 1982 to carry out functions entrusted by Government of Rajasthan, it is covered under the definition of Government Authority.

- 4.2 Their nature of services is as consultant to JDA for providing PMC Services to any governmental authority which is exempt from GST under entry no. 03 of Notification 12 /2017 Central tax(Rate) dated 28/06/2017. As these services are listed in the Article 243G along with the Eleventh Schedule and Article 243W along with the Twelfth Schedule of the Constitution.



5. **Personal Hearing (PH)**

In the matter, personal hearing was given to the applicant, Mr. Subhash Sharma (CFO) and Mr. Manmohan Mahipal (CA) appeared as representative of the applicant for personal hearing on 17.08.2018 and reiterated that the case may be decided on the basis of applications Advance Ruling Applications submitted earlier.

6. **Issues to be decided :**

(a) Whether service provided by M/s PDCOR Ltd is correctly classified under SAC Code 9983?

(b) Whether Jaipur Development Authority falls under the definition of Local Authority or Governmental Authority or Government Entity?

(c) Whether the aforementioned services being provided by M/s PDCOR Ltd. in the above case are exempted from Goods and Service Tax under the serial number 3 of CGST Notification No. 12/2017 Central Tax (Rate) dated 28th June 2017, applicable w.e.f 01.07.2017, as amended from time to time and corresponding Raj. GST Notification issued by Government of Rajasthan?

(d). Whether the services rendered by PDCOR Ltd are covered under any other entry of the Notification No. 12/2017 Central Tax (Rate) dated 28th June 2017 and corresponding Raj. GST Notification issued by Government of Rajasthan or any other notifications/rules under GST law ?

7. **Comments of Jurisdictional Officer:-**

The Jurisdictional Officer (CGST Division-H, Jaipur) in his comments vide letter F.No. V(GST-H) 30/Report-Comments/40/2018/2725 dated 20-8-2018 has stated that the applicant's PMC services to JDA in the project are covered under SAC Code 9983. Further, they have stated that JDA is a local authority as per serial no. 2 in chapter –II of the JDA Act. They have also stated that services provided by the M/s PDCOR are exempt from GST under serial no. 3 of CGST Notification 12/2017 Central Tax (Rate).

8. Findings:

8.1. We have gone through the contents of the application and GST tariff entry relating to Services and found that the services provided by M/s PDCOR Ltd is classifiable under SAC Code 9983. The relevant portion of tariff entry reads as under:-

Name of heading and item	Description	CGST	SGST	IGST	Condition
Heading 9983 (Other professional, technical and business services)	(i) Selling of space for advertisement in print media.	2.5	2.5	5	-
Heading 9983 (Other professional, technical and business services)	(ii) Other professional, technical and business services other than (i) above.	9	9	18	-



8.2

(a) As per definitions given under notification No. 12/2017-Central Excise (Rate) dated 28th June 2017 as amended vide notification No. 32/2017- Central tax (rate) dated 13.10.2017, “(zf) “Governmental Authority” has the same meaning as assigned to it in the *Explanation* to clause (16) of Section 2 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017). Explanation as mentioned in clause (16) of Section 2 of the Integrated Goods and Services Tax Act, 2017 is as under:-

Government Authority means an authority or a board or any other body Including a Society, Trust, Corporation

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

(ii) established by any Government, with 90per 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,

(b) Jaipur Development Authority is a body constituted under Jaipur Development Authority Act 1982(Act.25) as a statutory vehicle to implement the urban development of Jaipur as envisaged by the Department of Urban Development and Housing, Government of Rajasthan and to carry out function entrusted under Article 243G of the Constitution.

JDA established vide JAIPUR DEVELOPMENT AUTHORITY ACT, 1982 as an Authority for the purpose of planning, co-ordinating and supervising the proper, orderly and rapid development of the Jaipur Region and of executing plans, projects and schemes for such development enacted by the Rajasthan

State Legislature in the Thirty-third Year of the Republic of India.

(c) *As per Section 4 of the said Act*, the Jaipur Development Authority consists of the following members, namely: -

- (i) A Chairman, who shall be the Minister-in-charge of Urban Development of the State of Rajasthan, or a nominee of the Governor during President's Rule;
- (ii) A Vice-Chairman, who shall be the State Minister of Urban Development of the State of Rajasthan, or a nominee of the Governor during President's Rule;
- (iii) Secretary to the Government, Urban Development and Housing Department;
- (iv) Jaipur Development Commissioner (appointed under this Act);
- (v) Chairman, Rajasthan Housing Board;
- (vi) Chief Engineer, Public Health Engineering Department;
- (vii) Chief Engineer, Public Works Department;
- (viii) District Collector, Jaipur;
- (ix) Chief Engineer, Rajasthan State Electricity Board;
- (x) Chairman/Administrator, Municipal Council, Jaipur;
- (xi) Zila Pramukh of Zila Parishad, Jaipur District;
- (xii) Chief Town Planner, Rajasthan; and
- (xiii) Non-official members, not exceeding seven, to be nominated by the State Government];



(d). *As per Section 90 of the said Act. Control by State Government.* -

(1) The Authority shall exercise its powers and perform its duties under this Act in accordance with the policy framed and the guidelines laid down, from time to time by the State Government for development of the areas in the Jaipur Region.

(2) The Authority shall be bound to comply with such directions which may be issued, from time to time, by the State Government for efficient administration of this Act.

(3) If, in connection with the exercise of the powers and the performance of the duties of the Authority under this Act, any dispute arises between the Authority and the State Government, the matter shall be decided by the State Government and its decision shall be final.

(e) *As per Section 90A. Power to transfer:-*

The officers and employees of the Authority may, in accordance with the rules made under section 95, be transferred, by the State Government, to any Urban Improvement Trust in the State.

(f) Further, Order No. RAJ/AAR/2018-19/01 Dated 27/04/2018 passed by the

Authority for Advance Ruling Rajasthan, Jaipur, has declared JDA as "Governmental Authority". As such the JDA is well defined under Governmental Authority in terms of IGST act, 2017.

8.3 The Applicant has sought Advance Ruling as to whether the service provided by them to the JDA is exempted vide entry S.No.3 for Notification No. 12/2017-Central Excise (Rate) dated 28th June 2017 which reads as under:-

"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 by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution".

The Jurisdictional Officer (CGST Division-H, Jaipur) in his comments has stated that the applicant's PMC services to JDA in the project are covered under SAC Code 9983. Further, they have stated that JDA is a local authority as per serial no. 2 in chapter -II of the JDA Act. They have also stated that services provided by the M/s PDCOR are exempt from GST under serial no. 3 of CGST Notification 12/2017 Central Tax (Rate).

From the scope of services provided by the applicant to the JDA it is clear that these services are pure services and hence exempt under S.No.3 for Notification No. 12/2017-Central Excise (Rate) dated 28th June 2017.

8.4 Therefore, as per the findings in above paras the Jaipur Development Authority is Governmental Authority and PMC Services provided by M/s PDCOR to JDA in relation to "Rejuvenation of Amanishah Nallah (Dravyavati River), Jaipur" are found to be covered under services mentioned at Sl. No.3 of CGST under Notification 12 /2017 Central Tax (Rate) dated 28/06/2017 (Notification No. F.12 (56) FD/Tax/2017-Pt-I-50 Dated 29/09/2017 issued by the Government of Rajasthan.) .

In view of the foregoing, we rule as under:-



RULING

1. The PMC Services provided by M/s PDCOR Ltd. to the JDA in the “*Project Management Consulting Services (PMCs) for Rejuvenation of Amanishah Nallah (Dravyavati River), Jaipur*” are correctly classified under SAC Code 9983.
2. Jaipur Development Authority (JDA) is a Governmental Authority.
3. The PMC Services provided by M/s PDCOR Ltd. to JDA under the “*Project Management Consulting Services (PMCs) for Rejuvenation of Amanishah Nallah (Dravyavati River), Jaipur* awarded to them vides their MOA dated: 01.09.2017 are covered under Sl. No.3 of GST under Notification 12 /2017 Central Tax (Rate) dated 28/06/2017 (Notification No. F.12 (56) FD/Tax/2017-Pt-I-50 Dated 29/09/2017 issued by the Government of Rajasthan.) and hence exempt from GST.

[Signature]
25/8/18

NITIN WAPA
Member
(Central Tax)



[Signature]
25/8/2018

SUDHIR SHARMA
Member
(State Tax)

SPEED-POST

M/S PDCOR LIMITED,
LIC Jeevan Nidhi Building,
1st Floor, Bhawani Singh Road,
Ambedkar Circle, Jaipur,
Rajasthan 302005.

F.No. IV(4)12/AAR/RAJ/2018-19/61-64

Dated. 11/9/2018

Copy to:-

1. The Chief Commissioner of CGST & Central Excise (Jaipur Zone) & Member, Appellate Authority for Advance Ruling, NCR Building, Statue Circle, Jaipur-302005.
2. The Commissioner of SGST & Commercial Taxes Rajasthan & Member, Appellate Authority for Advance Ruling, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme, Jaipur-302005.
3. Dy./Asstt. Commissioner, , CGST Division –H, (Range-XXXVI), Jaipur.

[Signature]
o/c
CGST

[Signature]
Superintendent

