

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 B. Timothy, Addl. Commissioner of Central Tax, (Member)**
(2) **Shri A. A. Chahure, Joint Commissioner of State Tax, (Member)**

GSTIN Number, if any/ User-id		27AACCC7513P2ZA
Legal Name of Applicant		VFS GLOBAL SERVICES PRIVATE LIMITED
Registered Address/Address provided while obtaining user id		20 th floor, Tower A, Urmi Estate, 95, Ganpatrao Kadam Marg, Lower Parel(West), Mumbai- 400013.
Details of application		GST-ARA, Application No. 16 Dated 16.05.2019
Concerned officer		MUM-VAT-E-609, LTU-03, Mumbai
Nature of activity(s) (proposed/present) in respect of which advance ruling sought		
A	Category	Service Provision
B	Description (in brief)	VFS Global is engaged in the business of providing administrative and non-judgmental services to various diplomatic missions / consular sections related to the entire lifecycle of a visa application process, Identity Management and other citizen services for its client governments, enabling them to focus entirely on the critical task of assessment. VFS Global, a pioneer of the industry, offers innovative solutions such as 'Doorstep' Citizen Services, Citizen Facilitation Centres and Identity management services.
Issue/s on which advance ruling required		(i) Classification of goods and/or services or both (ii) Applicability of a notification issued under the provisions of the Act (v) Determination of the liability to pay tax on any goods or services or both
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. VFS GLOBAL SERVICES PRIVATE LIMITED** , the applicant, seeking an advance ruling in respect of the following question.
"Whether the work for "Operating Citizen Facilitation Centre (CFC) at various Locations of MCGM on per transaction/ receipt basis" involving the aforesaid Scope of Work would be

exempt from GST vide Sr. No.3 & 3A of amended Notification No. 12/2017 - Central (Rate) as on 31st Dec, 2018”.

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, as reproduced verbatim, could be seen thus-

A. **Statement of relevant facts having a bearing on the question (s) raised**

Company Profile of VFS GLOBAL SERVICES PVT. LTD. (VFS Global):

VFS Global is engaged in the business of providing administrative and non-judgmental services to various diplomatic missions / consular sections related to the entire lifecycle of a visa application process, Identity Management and other citizen services for its client governments, enabling them to focus entirely on the critical task of assessment.

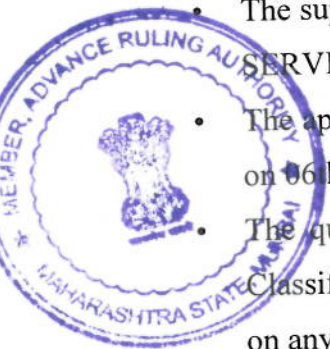
VFS Global, a pioneer of the industry, offers innovative solutions such as 'Doorstep' Citizen Services, Citizen Facilitation Centres and Identity management services.

Admissibility of the Advance Ruling Application:

- The supply as explained in facts of case is made by the Applicant viz M/s VFS GLOBAL SERVICES PVT. LTD holding GST No. 27AACCC7513P2ZA.
- The applicant has filed the advance ruling application form u/s 97(1) of CGST Act, 2017 on 06th May, 2019 and paid the application fees on 06th May, 2019.
- The question on which advance ruling is sought u/s 97(2) of CGST Act, 2017 is: a) Classification of any goods or services or both. e) Determination of the liability to pay tax on any goods or services or both.

Brief description of activity for which advance ruling is sought:

Municipal Corporation of Greater Mumbai (MCGM), Mumbai has awarded contract to VFS Global Services Private Limited for Operating Citizen Facilitation Centres (CFCs) at various locations of MCGM ward premises in Mumbai. Under the contract, the consideration is payable on per transaction / receipt basis. The advance ruling is sought for the applicability of GST on the services provided by VFS Global to MCGM under the contract.



Statement of Facts:

1. MCGM has awarded the work of Operating Citizen Facilitation Centre (CFC) at various Locations of MCGM on per transaction basis to M/s. VFS Global Services Pvt. Ltd.
2. There are approx. 213 services provided by MCGM to Citizen which is distinct from services to services such as water, property tax etc., whereas the services provided by VFS Global to MCGM is not distinct for all 213 services and the same is provided in clause 2 of annexure 2 of RFP.
3. VFS Global accepts only cash from Citizen on behalf of MCGM, where no specific services provided by VFS Global in relation to services listed under Article 243W on Indian Constitution Act. Following are the steps involved while performing the services
 - a. VFS Global accept Cash from Citizens in premises of Collection Centers provided by MCGM
 - b. Acknowledge the same through MCGM receipts
 - c. Daily Cash collection is deposited in MCGM bank account
 - d. VFS Global' is remunerated on a per count/receipt issued to Citizens
 - e. VFS Global neither visit any site / location for services performed by MCGM nor does any survey or any report is prepared /layout is designed which would be in public interest to do so.
4. To operate CFCs/Collection Centres, the following Consumables also forms part of Scope of Service provided while rendering the overall services.
 - a. All types of Consumables other than Blank Receipts
 - b. Computer, Printer & Cartridges
 - c. House Keeping Materials
 - d. Computer's Hardware
 - e. Maintenance of Computer, Fan, Tube etc.
 - f. CCTV

5. Under the instruction from MCGM vide email dated 19th September, 2017, which state that transactions / receipt issued towards collection of Water and Property Tax from Citizens is exempt under Twelfth Schedule for Article 243W of the Indian Constitution (Seventy-Fourth Amendment) Act, 1992, hence, VFS Global is charging GST on monthly basis to MCGM for all transactions / receipt issued to Citizens except for transactions / receipt issued towards Collection of Water and Property Tax from Citizens.

Refer the Agreement with MCGM for better understanding of scope of work broadly.

Details of Questions on which Advance Ruling is sought:

6. Whether the work for "Operating Citizen Facilitation Centre (CFC) at various Locations of MCGM on per transaction/ receipt basis" involving the aforesaid Scope of Work would

be exempt from GST vide Sr. No.3 & 3A of amended Notification No. 12/2017 - Central (Rate) as on 31st Dec, 2018.

Statement containing the Applicant's interpretation of law and/or facts
Relevant Provisions of GST Law for which the Advance Ruling is sought:

- As per amended Notification No. 12/2017- Central (Rate) as on 31st Dec, 2018, serial number 3, in column (3), the following was substituted: "*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 1(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...*" (GST is exempted on above Services)
- As per amended Notification No. 12/2017- Central (Rate) as on 31st Dec, 2018, serial number 3A, in column (3), the following was substituted:
"*Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply 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...*"
(GST is exempted on above Services)
- **Time of supply of services as per Sec-13 of CGST Act, 2017.**
 - (1) The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.
 - (2) The time of supply of services shall be the earliest of the following dates, namely: -
 - (a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or
 - (b) the date of provision of service, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or
 - (c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply:.....



• **Time limit for issuing tax invoice as per Rule-47 of CGST Rules, 2017.**

The invoice referred to in rule 46, in the case of the taxable supply of services, shall be issued within a period of thirty days from the date of the supply of service:.....”

Relevant Constitutional Provisions for which the Advance Ruling is sought:

The article 243W of the Constitution of India reads as under:

243W - Powers, authority and responsibility of Municipalities, etc.

Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow

(a) the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to

(i) the preparation of plans for economic development and social justice;

(ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule;

(b) the Committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule..”

The Twelfth Schedule for Article 243W of the Constitution (Seventy-Fourth Amendment) Act, 1992 are as follows;

1. Urban planning including town planning.
2. Planning of land- use and construction of buildings.
3. Planning for economic and social development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.
11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds and electric crematoriums.
15. Cattle pounds; prevention of cruelty to animals.



16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughter houses and tanneries.

Views of the Applicant:

After perusing above provisions & on the basis of inputs, records & discussion with MCGM officials, we are of the view that:

1. MCGM issues periodical bills to the Citizens for the services provided to citizens and citizens walk in to CFCs for payment of the bills issued by MCGM for the services availed by them. It can be seen that VFS Global role start only once the Invoices issued by MCGM to Citizens (i.e. Services performed by MCGM is completed and amount to be received from the Citizens) and role of VFS Global aforesaid work is as follows:

- a. VFS Global accept Cash from Citizens in premises of Collection Centers provided by MCGM
- b. Acknowledge the same through MCGM receipts
- c. Daily Cash collection is deposited in MCGM bank account
- d. VFS Global' is remunerated on a per count/receipt issued to Citizens on monthly basis from MCGM
- e. VFS Global neither visit any site / location for services performed by MCGM nor does any survey or any report is prepared / layout is designed which would be in public interest to do so for services which are falling under Twelfth Schedule for Article 243W of the Indian Constitution (Seventy-Fourth Amendment) Act, 1992

As per Rule-47 of CGST Rules, Invoice shall be issued within a period of 30 days from the date of Supply of Service. And as per Sec.13 of CGST Act, 2017, Time of Supply of services will be once the invoice has been raised on the services recipient (Citizens).

The above fact states that the services are performed only by MCGM to its Citizens and VFS Global has no role fulfilling the services to Citizens. Thus the Service (collection) provided by VFS Global to MCGM shall not fall in relation to any function entrusted to Municipality under Twelfth Schedule for Article 243W of the Constitution.

2. In Pre GST Regime, The aforesaid Service provided by VFS Global to MCGM was not covered under:

- Service Tax Exemption Notification No-25/2012 of the Finance Act, 2012
- Negative list of Services under Section 660 of the Finance Act, 2012.
- Reverse Charge Notification No-30-2012.

Hence, VFS Global was charging Service Tax @ 12.36% as per Section 66B of Finance Act, 2012 on aforesaid Service to Government under pre GST Period.

3. Without Prejudice to above, the exemption under serial number 3, in column (3) of notification No.12/2017- Central Tax (Rate), referred to "Pure Services" and scope of pure services illustrated by CBEC as under

Question 25: What is the scope of 'pure services' mentioned in the exemption notification No. 12/2017-Central Tax (Rate), dated 28.06.2017?

Answer: In the context of the language used in the notification, supply of services without involving any supply of goods would be treated as supply of 'pure services'. For example, supply of man power for cleanliness of roads, public places, architect services, consulting engineer services, advisory services, and like services provided by business entities not involving any supply of goods would be treated as supply of pure services. On the other hand, let us take the example of a governmental authority awarding the work of maintenance of street lights in a Municipal area to an agency which involves apart from maintenance, replacement of defunct lights and other spares. In this case, the scope of the service involves maintenance work and supply of goods, which falls under the works contract services. The exemption is provided to services involves only supply of services and not for works contract services."

4. The applicant is not just providing a supply of service but is also providing a composite supply of Goods i.e. Computer hardware's, All types of Consumable including Receipts, etc. and also operating CFCs/Collections Centre's on use of such equipment's as per the Agreement. Thus, it will be incorrect to dub the entire Contract as Pure Service. It is rather a composite supply of goods and services, not naturally but artificially bundled having distinctly separate components with distinct value attributable to each of the components.

Thus, as per Sr. No. 3 of the Notification No. 12/2017 the Service are exempt from GST only if services offered are:

- a) Pure Services without any supply of material.
- b) Are in relation to any functions which are entrusted to the Municipality as per Article 243W of the Constitution of India.

CONTENTION - AS PER THE CONCERNED OFFICER:

With reference to above cited subject, I am submitting herewith the written contention regarding advance ruling in case of M/s. VFS Global Services Private Ltd holding.

- 1) It is observed that M/s. VFS Global Services Private Ltd holding GSTN NO 27AACCC7513P2ZA has filed application under section 97 of the Central Goods and

Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 seeking an advance ruling in respect of the following question. The question is as below:

Whether the work for "Operating Citizen Facilitation Centre (CFC) at various Locations of MCGM on per transaction/ receipt basis" involving the aforesaid Scope of Work would be exempt from GST vide Sr. No.3 & 3A of amended Notification No. 12/2017 - Central (Rate) as on 31st Dec, 201

- 2) It is find from the application that M/s. VFS Global Services Private Ltd is engaged in the business of providing administrative and non-judgmental services to various diplomatic missions / consular sections related to the entire lifecycle of a visa application process, Identity Management and other citizen services for its client governments, enabling them to focus entirely on the critical task of assessment. VFS Global, a pioneer of the industry, offers innovative solutions such as 'Doorstep' Citizen Services, Citizen Facilitation Centres and Identity management services.

MCGM, Mumbai has awarded contract to VFS Global Services Private Limited for Operating Citizen Facilitation Centres (CFCs) at various locations of MCGM ward premises in Mumbai. Under the contract, the consideration is payable on per transaction / receipt basis. The advance ruling is sought for the applicability of GST on the services provided by applicant VFS Global to MCGM under the contract entered into with MCGM dt.

It is further seen from his written contention and documents submitted before us is that

- 1 MCGM has awarded the work of Operating Citizen Facilitation Centre (CFC) at various Locations of MCGM on per transaction basis to M/s. VFS Global Services Pvt. Ltd.
2. There are approx. 213 services provided by MCGM to Citizen which is distinct from services to services such as water, property tax etc., whereas the services provided by VFS Global to MCGM is not distinct for all 213 services and the same is provided in clause 2 of annexure 2 of RFP.

VFS Global accepts only cash from Citizen on behalf of MCGM, where no specific services provided by VFS Global in relation to services listed under Article 243W on Indian Constitution Act. Following are the steps involved while performing the services

- a. VFS Global accept Cash from Citizens in premises of Collection Centers provided by MCGM
- b. Acknowledge the same through MCGM receipts
- C. Daily Cash collection is deposited in MCGM bank account



- d. VFS Global' is remunerated on a per count/receipt issued to Citizens
 - e. VFS Global neither visit any site / location for services performed by MCGM nor does any survey or any report is prepared /layout is designed which would be in public interest to do so.
4. To operate CFCs / Collection Centres, the following Consumables also forms part of Scope of Service provided while rendering the overall services.
- a. All types of Consumables other than Blank Receipts
 - b. Computer, Printer & Cartridges
 - c. House Keeping Materials
 - d. Computer's Hardware
 - e. Maintenance of Computer, Fan, Tube etc.
 - f. CCTV

Considering the above facts and discussion made by them, applicant is seeking the answer from the Advance Ruling authority as below:

Whether the work for "Operating Citizen Facilitation Centre (CFC) at various Locations of MCGM on per transaction/ receipt basis" involving the aforesaid Scope of Work would be exempt from GST vide Sr. No.3 & 3A of amended Notification No. 12/2017 - Central (Rate) as on 31st Dec, 2018.

- 3) It is find that applicant has raised the issue is very specific and limited. As per the agreement and the scope of work, it is observed that the applicant is running the "Operating Citizen Facilitation Centre (CFC) at various Locations of MCGM and services are provided to the customers of MCGM on per transaction/ receipt basis" as the agreed terms and condition mentioned in the scope work awarded in the contract . Such activity carried out by the applicant is whether covered under the scope of Sr. No.3 & 3A of amended Notification No. 12/2017 - Central (Rate) as on 31st Dec, 2018 and is to be exempted from GST. The contention of applicant is that these activity is to be covered or not in above said notification is required to be examine. Therefore for the sake clarity ,the relevant said Notification No. 12/2017- Central (Rate) as on 31st Dec, 2018, serial number 3, in column (3), is reproduced as below :



"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 1 (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..."

- And Notification No. 12/2017- Central (Rate) as on 31st Dec, 2018, serial number 3A, in column (3), is reproduced as below :

"Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply 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..."

- 4) It is learnt that the entry no. 3 is related Pure services wherein services provided to the satisfied by the any service provider. It means any services provided by any person to Central / 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 or Municipality under article 243G/243W of the Constitution to be covered. Applicant has received the contract from the MCGM which is Mulcipality and as per the GST law it is covered under "Local authority". The function of Mulcipalty are discussed under article 243W of the Constitution. Therefore it is necessary to see the function mentioned in the 243W of the article of constitution which are reproduced as below "

The article 243W of the Constitution of India reads as under:

The Twelfth Schedule for Article 243W of the Constitution (Seventy-Fourth Amendment) Act, 1992 are as follows;

1. Urban planning including town planning.
2. Planning of land- use and construction of buildings.
3. Planning for economic and social development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.
11. Urban poverty alleviation.

12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds and electric crematoriums.
15. Cattle pounds; prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughter houses and tanneries.

5) As per perusal of the above function mentioned in the article 243W & on the basis of inputs, and written contention of the applicant, MCGM issues periodical bills to the Citizens for the services provided to citizens and citizens walk in to CFCs for payment of the bills issued by MCGM for the services availed by them. It can be seen that VFS Global's role is start only once the invoices issued by MCGM to Citizens (i.e. Services performed by MCGM is completed and amount to be received from the Citizens). Considering the activity of the applicant mentioned in the application is different than the functions mentioned in 243W. It is fact that services provided by the MCGM is a services which are covered under 243W. So that their services are covered under the services of pure services. And the said entry is applicable to the MCGM Only. Therefore considering the scope of work, applicants activity is post supply of services by the MCGM. It is pure service but is not covered under 243W. Therefore I find that applicant's activity is not covered under the scope of functions entrusted for municipality and entry no.3 of notification 12/2017 of CT (rate) dt,28.6.2017 as a "Pure services". Hence he is out for review from exemption of notification of GST.



- 6) After the study of Notification No. 12/2017- Central (Rate) as on 31st Dec, 2018, serial number 3A, in column (3), it is seen that the applicant's transaction is also not covered under entry no. 3 A.
- 7) Further it is seen that the applicant is supplying of services to the MCGM. For that purpose he has used his Computer hardware's, all types of Consumable including Receipts,etc. It does not mean that he has supply of goods to the MCGM. He has utilized these resources for their scope of work to complete the activity. So that I do not find any supply of goods to MCGM by the applicant and therefore it is not a composite supply of goods and services. He is supply of services only.
- 8) Considering the above discussion, I have come to the conclusion that applicant's activity is not covered under the entry 3 and 3A of notification 12/2017 as a "Pure services" or "Composite supply" under GST ACT. It is taxable services and liable to tax @18% GST.

04. HEARING

Preliminary hearing in the matter was held on 20.09.2019. Sh.Prakash Mehta, C.A. appeared, made written submissions and requested for admission of their application. He further requested for conducting the final hearing simultaneously, in case of admission of their application. The application was admitted and taken up for final hearing as per their request. Jurisdictional Officer Sh. G. N. Wavare, Dy. Commr. of S.T.(E-609) LTU-3, Mumbai also appeared.

05. OBSERVATIONS AND FINDINGS:

We have gone through the facts of the case, documents on record and submissions made by both, the applicant as well as the jurisdictional office.

The applicant has submitted that MCGM, Mumbai has awarded contract to them for Operating Citizen Facilitation Centres (CFCs) at various locations of MCGM ward premises in Mumbai for which the consideration is payable on per transaction / receipt basis. There are many services provided by MCGM to Citizens against which it collects taxes like water tax, property tax etc. These services are provided by MCGM directly to the citizens and the amounts/tax payable by the citizens against such services are collected by the applicant on behalf of MCGM. The applicant have themselves stated that while MCGM is providing services listed under Article 243W of the Constitution, no specific services are provided by the applicant in relation to services listed under Article 243W on Indian Constitution Act.

The applicant has also submitted that they accept Cash from Citizens in the premises of Collection Centers provided by MCGM, acknowledge the same through MCGM receipts, daily Cash collection is deposited in MCGM bank account, and the applicant neither visits any site / location for services performed by MCGM nor do they conduct any survey or prepare any report in respect of services provided by MCGM. For performing such services the applicant has to use its own manpower, all types of Consumables, such as, Computers, Printers, House Keeping Materials, etc. other than Blank Receipts

The applicant has further submitted that, under instructions from MCGM, transactions / receipt issued towards collection of Water and Property Tax from Citizens is exempt under Twelfth Schedule for Article 243W of the Indian Constitution (Seventy-Fourth Amendment) Act, 1992, they are charging GST for all transactions / receipt issued to Citizens except for transactions / receipt issued towards Collection of Water and Property Tax.

In view of the above submissions made, the applicant has raised the following questions:-



“Whether the work for "Operating Citizen Facilitation Centre (CFC) at various Locations of MCGM on per transaction/ receipt basis" involving the aforesaid Scope of Work would be exempt from GST vide Sr. No.3 & 3A of amended Notification No. 12/2017 - Central (Rate) as on 31st Dec, 2018”.

We find that applicant's question is limited to the fact, whether the supply on their part would be exempt from GST vide Sr. No.3 & 3A of amended Notification No. 12/2017 - Central (Rate).

Sr.No.3 of the said Notification exempts from GST *"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..."*

From a perusal of the contract submitted by the applicant, we do not agree with the applicant that the supply by them to MCGM is a composite supply of service. The contract very clearly states that the agreement between Mr. Anil Katoch of M/s VFS Global Services Private Limited and Shri Sitaram Kunte, Municipal Commissioner, is for the work of Operating Citizen Facilitation Centres / Collection Centres at various Locations of MCGM for 5 years on per transactions basis at Rs.29.45 (Rupees twenty nine and paise forty five only) per transaction for pilot period of two months and thereafter for five years. The contract nowhere specifies separately for supply of goods, namely, computers, other consumables, etc. Therefore we find that the computers, other consumables, etc are being used by the applicant on their own account and that too for the purpose of providing services for the work of Operating Citizen Facilitation Centres / Collection Centres at various Locations of MCGM. Hence we find that their supply is of services only and are in the nature of pure services. However we agree to their submission that their role starts only after MCGM has provided services to citizens for which periodical bills/invoices are issued by MCGM. The role of the applicant starts only after the supply of goods/services are rendered by MCGM and hence it cannot be said that they are rendering service by way of any activity in relation to any function entrusted to a Municipality under article 243W of the Constitution.

The second part of their questions is with respect to the applicability of Sr.No. 3A of the abovementioned Notification to their activity.



Since we have found that the supply in the subject case is in the nature of pure services, in such a case provisions of Sr. No. 3A will not be applicable.

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-16/2019-20/B- 109 Mumbai, dt. 4.10.2019

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

Question: - Whether the work for "Operating Citizen Facilitation Centre (CFC) at various Locations of MCGM on per transaction/ receipt basis" involving the aforesaid Scope of Work would be exempt from GST vide Sr. No.3 & 3A of amended **Notification No. 12/2017** - Central (Rate) as on 31st Dec, 2018.

Answer: - Answered in the negative.



PLACE - Mumbai

DATE - 4/10/2019

—sd—
B. TIMOTHY
(MEMBER)

—sd—
A. A. CHAHURE
(MEMBER)

CERTIFIED TRUE COPY

A. A. Chahure
MEMBER

ADVANCE RULING AUTHORITY
MAHARASHTRA STATE, MUMBAI

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The 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, 15th floor, Air India building, Nariman Point, Mumbai – 400021.