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Vimos Technocrats Private Limited ., In re  
Date: 09-Oct-2020  
Authority for Advance Ruling - Karnataka  
Advance Ruling  
KAR ARDG 52/2020

Applicant	Vimos Technocrats Private Limited
Summary	<p>1. Pure consultancy services (without supply of goods) provided by the applicant to the Municipalities and Corporations(local bodies) and State Government Departments, as enumerated in the application, are exempt from GST as per the serial number 3 of the notification 12/2017-Central tax (Rate) dated 28.06.2017?</p> <p>2. Pure consultancy services provided to the private individuals is taxable at 9% under CGST and 9% under SGST as per the entry No.21 of the Notification No. 11/2017 Central Tax (Rate) Dated 28/06/2017.</p> <p>3. Input tax paid on the purchase of capital goods like furniture, computer, lab equipments, drone camera, total station, auto level instruments, etc., and on certain inputs services shall be restricted to so much of the input tax as is attributable to the taxable supplies made by the applicant as per subsection 2 of section 17 of the CGST Act 2017.</p>
Related SubSections	17(2) - Central Tax 2(69) - Central Tax
Related Notifications	31/2017 - Central Tax (Rate) 12/2017 - Central Tax (Rate)

1. M/s Vimos Technocrats Private Limited, No. 43, 2nd Cross, Cauvery Layout, Hennur-Bengaluru Road, Bengaluru-560043 [GSTIN: 29AACCV3195N1ZM], (hereinafter referred to as "the applicant") is a Private Limited Company registered under the KGST Act, 2017 and CGST Act, 2017 filed an application for Advance Ruling under Section 97 of the CGST Act 2017 read with Rule 104 of the CGST Rules and Section 97 of the KGST Act, 2017 read with Rule 104 of KGST Rules 2017, in FORM GST ARA-01 and discharged the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The Applicant is a private limited company rendering pure consultancy services like project management consultancy services including construction, supervision, quality control, rejuvenation and development of lakes. Further applicant also involved in the preparation of detailed project report for pumping treated water, scientific landfill at Bengaluru quarries, construction of Raja Nala and Other development civil works etc. The Applicant is providing these services mainly to the Municipalities, Corporations (i.e. local bodies) and also to Government Departments and only in a few cases, a pure consultancy service is being provided to private parties.

3. The Applicant presently is rendering the following consultancy services:-

a. Providing consultancy services for the preparation of DPR for the work of sewage treatment plant of Seegehalli Lake to BBMP.

b. Preparation of DPR for the construction of Kanaka NayakanaMandira to BBMP

c. Preparation of DPR for construction of sports complex at Terrace level of PalikeSoudha in Ward No. 128 Nagarabhavi to BBMP

d. Providing the consultancy services for construction, supervision, project management and Quality Control for renovation of Auditorium near Hampinagar City Central Library building, Vijayanagara Division in Ward 133 to BBMP

e. Consultancy services for project management and quality assurance for the work of rejuvenation and development of Puttenahalli Lake in Yelahanka, Bangalore Urban District to Forest Department

f. Providing project management consultancy services to BBMP including construction, supervision and quality control for the work of Package-L7 work of,-

i. Development of Sarakki / Jaraganahalli / Puttenahalli Lake

ii. Development of Annappanakere Lake / Yelchenahalli Lake Phase-land

iii. Development of Subramanyapura Lake Phase-1

g. Preparation of DPR for pumping treated water from Jakkur Lake to Thirumenahalli Lake and Kogilu Lake in Byatarayanapura Assembly Constituency to BBMP

h. Preparation of detailed project report for scientific landfill at Bengaluru Quarry, at Survey No. 176 and 271, to BBMP and

i. Project management consultancy service for preparation of DPR for Construction of Raja Nala and Other Development Civil Works in Sindhanur Municipal Limit.

4. In this background, the applicant had sought Advance Ruling on,-

i. Whether pure consultancy services provided to the Municipalities and Corporations are exempt from GST as per the serial number 3 of the notification 12/2017-Central tax (Rate) dated 28.06.2017?

ii. Whether pure consultancy services provided to the private individuals is taxable? If yes, what is the rate of tax and relevant notification?

iii. Whether the input tax paid on the purchase of capital goods like furniture, computer, lab equipments, drone cameras, total station, auto level instruments, etc., and on certain services can be claimed to the extent of taxable supply of services?

#### THE APPLICANT'S INTERPRETATION OF LAW

5. The applicant submitted that the works undertaken by him are classified as "pure services" falling under serial number 3 of notification 12/2017-Central tax (Rate) dated 28.06.2017?, issued under the CGST Act, 2017, and a similar notification issued under the KGST Act, 2017. The entry 3 of the notification referred to above reads as under:-

"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 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"

6. From the above, the applicant submitted that any type of 'pure services' provided to Central Government or State Government or to a local authority in relation to any function entrusted to a Municipality under Article 243W of the Constitution is exempt from payment of tax. The applicant further submitted that the works undertaken by the applicant is neither works contract service nor composite supply involving any goods. The applicant is involved in the supply of 'pure services' only to the Corporations, Municipalities and Government Department falling under Article 243W read with Twelfth Schedule of the Constitution and falls under serial number 3 of the Notification referred to above and hence exempt from payment of GST.

#### PERSONAL HEARING

7. Sri Y.C. Shivakumar, Advocate and Duly Authorized Representative of the applicant company, appeared for personal hearing proceedings before this authority and reiterated the submissions as narrated above.

8. Subsequent to the personal hearing, the applicant has made the additional submission on 30.07.2020 and narrated how activities undertaken by him are related to the entry in Twelfth Schedule of the Constitution of India. The details are as under:

Sl.No.	Nature of work undertaken by the Applicant.	Relatable to which entry Under the twelfth schedule of the Constitution.	Explanation of the Applicant with reference to the work undertaken vis-a-vis the relevant serial number of Twelfth Schedule to the
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1.	Providing consultancy services to BBMP for the preparation of DPR for the work of STP of a particular lake.	The Applicant is of the opinion that it falls under serial number 6 of Twelfth Schedule of the Constitution which reads as "Public health, sanitation, conservation and solid waste management".	Constitution. In this case the Applicant provides pure service, without involvement of goods, by preparing a DPR for the work of sewage treatment plant for a particular lake. In this case, the DPR is prepared as to how the waste and sewage water could be treated before it is let into the lake. Such a work is done by BBMP to provide / maintain public health and sanitation. Hence, the work of the Applicant falls under entry 6 of the Twelfth Schedule and hence exempt from GST.  The Applicant encloses herewith a copy of Advance Ruling given by the Goa Advance Ruling Authority dated 30-09-2019 for reference
2.	Preparation of DPR for the construction of SamudayaBhavan to BBMP (in the name of Kanaka N ayakanaM andira).	The Applicant is of the opinion that it falls under serial number 11 of the Twelfth Schedule which reads as "Urban Poverty Alleviation"	In this case the Applicant provides pure services, without involvement of goods, by preparing a DPR for the construction of Mandira in the name of 'Kanaka NayakanaMandira', which is in the form of SamudayaBhavana. This SamudayaBhavana is given on hire to poor people to conduct religious ceremonies like marriages, naming ceremony, and other cultural programmes and religious ceremonies. The rent is normally very low, say, Rs.1000/- or Rs.2000/- etc. It is meant to down-

		trodden and poor people who cannot afford exorbitant rent charged by private marriage halls and banquet halls. Thus, it falls under serial number 11 of the Twelfth Schedule and hence exempt from GST.
3.	Preparation of Detailed Project Report (DPR) for construction of sports complex to BBMP.	<p>In this case the Applicant provides pure service, without involvement of goods, by preparing a DPR for construction of sports complex to BBMP. The BBMP being a local authority is mandated to provide urban amenities such as parks, gardens and playgrounds.</p> <p>The phrase "such as" indicates examples of urban amenities and not necessarily only those enumerated therein. The phrase "such as" is mentioned to introduce an example or series of examples. Hence, the Applicant is of the opinion that though 'sports complex' is not one of the entries under serial number 12 of the Twelfth Schedule, the construction of sports complex, among others, is included</p> <p>The Applicant is of the opinion that it falls under serial number 12 of the Twelfth Schedule which reads as "Provision of urban amenities and facilities such as parks, gardens and playgrounds".</p>

		therein and hence exempt from GST.
4.	<p>Consultancy services Construction, supervision, project management and Quality Control for Renovation of Auditorium BBMP</p>	<p>In this case the Applicant provides pure consultancy service to BBMP, without involvement of goods, about construction, project management and quality control of Renovation of Auditorium. The Auditoriums built by BBMP are used for cultural activities, conduct of conferences, seminars and for Government functions etc. Examples of such auditoriums in Bengaluru are Town Halls, Ravindra Kalakshetra, Ambedkar Bhavan, etc. The Applicant is of the opinion that this service falls under promotion of cultural, educational and aesthetic aspects as defined under serial number 13 of the Twelfth Schedule to the Constitution of India and hence exempt from GST.</p> <p>The Applicant is of the opinion that it falls under serial number 13 of the Twelfth Schedule which reads as "Promotion of cultural, educational and aesthetic aspects".</p>
		<p>In this case the Applicant provides pure consultancy service to BBMP, without involvement of goods, about project</p>

5.	<p>Consultancy Services for Project management and quality assurance for the work of Rejuvenation and development of Lake to Forest Department;</p>	<p>The Applicant is of the opinion that it falls under serial number 8 of the Twelfth Schedule which reads as "Urban forestry, protection of the environment and promotional of ecological aspects".</p>	<p>management and quality assurance for the work of Rejuvenation and development of lake to Forest Dept. Lake ecosystems are vital resources for aquatic wildlife, plants and microbes. It is also necessary for human needs since some of the lakes are drinking water source and for inland fisheries to many. Therefore, It is very important to rejuvenate and save our lakes to maintain ecological balance in the environment. Thus, it falls under serial number 8 of the Twelfth Schedule and hence from GST.</p>
6.	<p>Providing Project Management Consultancy Services including Construction,</p>	<p>The Applicant is of the opinion that it falls under serial number 8 of the Twelfth Schedule which reads as "Urban</p>	<p>In this case the Applicant provides pure consultancy service to BBMP, without involvement of goods, about construction, supervision and quality control for the work of development of lakes. The main focus is on the development of lakes. Lake ecosystems are vital resources for aquatic wildlife, plants and microbes. It is also</p>

	Supervision and Quality Control for the work of development of lakes, to BBMP	forestry, protection of the environment and promotional of ecological aspects”.	necessary for human needs since some of the lakes are drinking water source and for inland fisheries to many. Therefore, It is vey important to save our lakes to maintain ecological balance in the environment. Thus, it falls under serial number 8 of the Twelfth Schedule and hence from GST.
7.	Preparation of DPR to BBMP, for Pumping treated water from one lake to another lake and so on.	The Applicant is of the opinion that it falls under serial number 8 of the Twelfth Schedule which reads as “Urban forestry, protection of the environment and promotional of ecological aspects”.	In this case the Applicant provides pure consultancy service to BBMP, for pumping treated water from one lake to another lake and so on without involvement of goods. Here again the main focus is to decontaminate the lakes by pumping treated water from one lake to the other. Lake ecosystems are vital resources for aquatic wildlife, plants and microbes. It is also necessary for human needs since some of the lakes are drinking water source and for inland fisheries to many. Therefore, It is very important save our lakes to maintain ecological

			balance in the environment. Thus, it falls under serial number 8 of the Twelfth Schedule and hence exempt from GST
8.	Preparation of Detailed Project Report for the Scientific Landfill at Bengaluru, BBMP;	The Applicant is of the opinion that it falls under serial number 6 of the Twelfth Schedule to the Constitution which reads as – “public health, sanitation, conservancy and solid waste management”.	In this case the Applicant has provides pure service in the form of preparation of detailed project report for scientific landfill. Scientific landfills are identified for the purpose of dumping solid waste and hence it falls under serial number 6 – i.e. Solid Waste Management. Therefore, it falls under serial number 6 of the Twelfth Schedule and exempt from GST.
		The Applicant is of the opinion that, in so far as Construction of Raja Nala is concerned, it falls under serial number	In this case the Applicant provides pure consultancy service for preparation of DPR for construction of Raja Nala and other development civil works to Sindhanur Municipality limits. So far as the detailed project report for construction of Raja Nala is concerned, it is necessary to construct Raja Nalas for easy flow of rain water which in turn fills lakes and tanks and in



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<p>Project Management Consultancy Service for preparation of DPR for Construction of Raja Nala and Other Development Civil Works to Sindhanur Municipal Limit (which includes roads, storm water drains and parks)</p>	<p>5 of the Twelfth Schedule to the Constitution, which reads as -“Water supply for domestic, industrial and commercial purposes”. In respect of development of civil work is concerned (which includes roads, storm water drains and parks), the Applicant is of the opinion that it falls under serial number 1 of the Twelfth Schedule which reads as – “Urban Planning including town planning”</p>	<p>some cases as a stream and branch of a tributary of rivers. These lakes and tanks are used for water supply for domestic, industrial and commercial purposes. Thus, it falls under serial number 5 of the Twelfth Schedule and hence exempt from GST</p> <p>In so far as preparation of detailed project report for development of civil work is concerned, such civil works are taken up for urban planning including town planning. Since the said civil work is taken up in Sindhanur Town Municipal limits, which is a local body, it falls under serial number 1 of the Twelfth Schedule and hence exempt from GST.</p>
		<p>In this case the Applicant provides pure consultancy service of preparation of survey, designs, drawing, estimate and preparation etc. for the work of construction of indoor</p>

<p>10</p>	<p>Consultancy Services to BBMP for preparation of Survey, Designs, Drawing, Estimate preparation etc. for the work of construction of Indoor Stadium.</p>	<p>The Applicant is of the opinion that it falls under serial number 12 of the Twelfth Schedule to the Constitution which reads as – “Provision of urban amenities and facilities, such as, parks, gardens and playgrounds”.</p>	<p>stadium. The said work falls under serial number 12 of the Constitution. Though specific reference to “indoor stadium” is not mentioned in serial number 12, the Applicant is of the opinion that it is covered under that serial number. Indoor stadium are constructed to play some of the sports like, badminton, swimming, table tennis, kabaddi, gymnastics etc. The phrase used in the said entry is “such as”, that means, the reference to parks, gardens and playgrounds mentioned therein is only examples. Any such urban amenities and facilities similar to the ones as above, are covered under that entry. Thus, indoor stadium is a facility provided to citizens covered under that serial number. Thus, it falls under serial number 12 of the Twelfth Schedule and hence exempt from GST.</p>
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9. Further, the applicant submitted the copy of the ruling pronounced by the Advance Ruling Authority of Goa dated 30-09-2019 in the case of M/s Sewerage and Infrastructural Development Corporation of Goa Limited in which the said company undertakes pure service of project management of sewerage projects and the Advance Ruling Authority of Goa has ruled that it falls under serial number 6 of the Twelfth Schedule of Article 243W of the Constitution of India. Further applicant also submitted the copy of the ruling pronounced by the Authority for Advance Ruling of Maharashtra dated 17-03-2020, in the case of M/s Core Project Engineers and Consultants Private Limited, Amravati-444604 in support of his argument.

#### FINDINGS AND DISCUSSION

10. At the outset we would like to make it clear that the provisions of CGST Act 2017 and SGST, Act 2017 are in parimateriaand have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

11. We have considered the submissions made by the Applicant in their application for advance ruling as well as the submissions made by Sri Y.C. Shivakumar, Advocate and Duly Authorized Representative during the personal hearing. We also considered the issue involved, on which advance ruling is sought by the applicant, relevant facts & the applicant's interpretation of law.

12. On verification of the nature of the activity carried out by the applicant it was observed that applicant is involved in the rendering pure consultancy services like project management consultancy services including construction, supervision, quality control, rejuvenation and development of lakes. The applicant is also involved in the preparation of detailed project report for pumping treated water, scientific landfill at Bengaluru quarries, construction of Raja Nala and Other development civil works etc. The applicant provides these services mainly to the Municipalities, Corporations (i.e. local bodies) and to Government Departments and only in a few cases, a pure consultancy service is being provided to private parties.

13. The applicant presently rendering the following services :-

a. Providing consultancy services to BBMP for the preparation of DPR for the work of STP of Seegehalli Lake.

b. Preparation of DPR for the construction of Kanaka Nayakana Mandira to BBMP.

c. Preparation of DPR for construction of sports complex at Terrace level of Palike Soudha in Ward No. 128 Nagarabhavi to BBMP.

d. Providing the consultancy services for construction, supervision, project management and Quality Control for renovation of Auditorium near Hampinagar City Central Library building, Vijayanagara Division in Ward 133 to BBMP.

e. Providing consultancy services for project management and quality assurance for the work of rejuvenation and development of Puttenahalli Lake in Yelahanka, Bangalore Urban District to Forest Department.

f. Providing project management consultancy services to BBMP including construction, supervision and quality control for the Package-L7 work of,-

i. Development of Sarakki / Jaraganahalli / Puttenahalli Lake

ii. Development of Annappanakere Lake / Yelchenahalli Lake Phase-land

iii. Development of Subramanyapura Lake Phase-1;

g. Preparation of DPR for pumping treated water from Jakkur Lake to Thirumenahalli Lake and Kogilu Lake in Byatarayapura Assembly Constituency to BBMP.

h. Preparation of detailed project report for scientific landfill at Bengaluru Quarry, at Survey No. 176 and 271, to BBMP and

i. Project management consultancy service for preparation of DPR for Construction of Raja Nala and Other Development Civil Works in Sindhanur Municipal Limits.

14. The work undertaken by the applicant reveals that he is providing majority of his services to the BBMP and Government Departments and to the smaller extent to the private individuals. First we have to decide whether the pure consultancy services provided by the applicant to the BBMP and to the Government Departments classified as "pure services" falling under serial number 3 of notification 12/2017-Central tax (Rate) dated 28.06.2017? The entry 3 of the said notification reads as under:

“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 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”

15. From the above ‘pure services’ provided to Central Government or State Government or to a local authority or Governmental authority in relation to any function entrusted to a Municipality under Article 243W of the Constitution is exempt from payment of tax. Now we proceed to decide whether service recipient (BBMP) is local authority or Governmental authority. The local authority is defined in section 2(69) of CGST Act 2017 as under;

2(69) “local authority” means,-

- (a) a “Panchayat” as defined in clause (d) of article 243 of the Constitution;
- (b) a “Municipality” as defined in clause (e) of article 243P of the Constitution;
- (c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund;
- (d) a Cantonment Board as defined in section 3 of the Cantonments Act, 2006;
- (e) a Regional Council or a District Council constituted under the Sixth Schedule to the Constitution;
- (f) a Development Board constituted under article 371 of the Constitution; or
- (g) a Regional Council constituted under article 371A of the Constitution;

Further clause (e) of article 243P of the Constitution defines Municipality means an institution of self-government constituted under Article 243Q of the Constitution of India.

Further the Governmental authority defined in the notification 31/2017 dated 13/10/2017 Central Tax (Rate) as under;

“(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 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.

Therefore from the above it is clear that the BBMP and Sindhanur Municipality come under the definition of local authority and the service provided by the applicant to BBMP and Sindhanur Municipality is the service rendered to the local authority.

16. Further we are required to ascertain whether the services provided by the applicant are in relation to the function entrusted to the Municipalities under Article 243W of the constitution which are listed as under;

243W. Powers, authority and responsibilities 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 these in relation to the matters listed in the Twelfth Schedule.

The matters listed in the Twelfth Schedule of the Constitution of India is as under;-

1. Urban planning including town planning.
2. Regulation 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 ponds; 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 slaughterhouses and tanneries.

17. The applicant has submitted details of the services provided to the BBMP and to the State Government. Analysis of each of the services provided by the applicant whether they are related to the functions entrusted to the Municipality under Article 243W of the Constitution is as under.

Sl.No.	Nature of work undertaken by the Applicant	Relatable to entry under the Twelfth Schedule of the Constitution.
1	Providing Consultancy Services to BBMP for the Preparation of DPR for the work of STP of a particular lake.	In this case the applicant provides pure service without involvement of goods, by preparing a DPR for the work of sewage treatment plant for a particular lake. DPR is prepared regarding the how the waste and sewage water could be treated before it is let into the lake. This sewage water treatment is undertaken by the BBMP to maintain public health and

		sanitation. Hence, preparing a DPR for the work of sewage treatment plant for a particular lakefalls is related to entry 6 (Public health, sanitation conservancy and solid waste management) of the Twelfth Schedule
2.	Preparation of DPR for the construction of SamudayaBhavan to BBMP (in the name of Kanaka NayakanaMandira).	In this case the applicant provides pure services, without involvement of goods, by preparing a DPR for the construction of Mandira in the name of 'Kanaka NayakanaMandira'. These mandirasare given on hire to conduct religious ceremonies like marriages, naming ceremony and other cultural programmes and religious ceremonies at lower cost. Thus, Preparation of DPR for the construction of SamudayaBhavanis related to serial number 12(Provision of Public Amenities) of the Twelfth Schedule
3.	Preparation of Detailed Project Report (DPR) for construction of sports complex to BBMP.	In this case the Applicant provides pure service, without involvement of goods, by preparing a DPR for construction of sports complex and indoor stadium to BBMP. The BBMP is mandated to provide urban amenities such as parks, gardens and playgrounds. Though 'sports complex' and indoor stadium is not included under the serial number 12 (Provision of urban amenities and facilities such as parks, gardens,
4.	Consultancy Services to BBMP for preparation of Survey, Designs, Drawing, Estimate preparation etc. for	

	the work of construction of Indoor Stadium	playgrounds )of the Twelfth Schedule, the construction of sports complex and indoor stadium is one of the urban amenities provided to the public. Thus, it is related to serial number 12 of the Twelfth Schedule i.e. provision of urban amenities.
5.	Consultancy services - Construction, supervision, project management and Quality Control for Renovation of Auditorium to BBMP	In this case the Applicant provides pure consultancy service to BBMP, without involvement of goods, about construction, supervision, project management and quality control of Renovation of Auditorium. The Auditoriums built by BBMP are used for cultural activities, conduct of conferences, seminars and for Government functions etc. Examples of such auditoriums in Bengaluru are Town Halls, Ravindra Kalakshetra, Ambedkar Bhavan, etc. Thus Consultancy services for Construction, supervision, project management and Quality Control for Renovation of Auditorium is related to Provision of Urban Amenities under serial number 12 of the Twelfth Schedule to the Constitution of India.
6.	Consultancy Services for Project management and quality assurance for the work of Rejuvenation and development of Lake to Forest Department.	In this case the applicant provides pure consultancy service about project management and quality assurance for the work of Rejuvenation and development of

7.	<p>Providing Project Management Consultancy Services including Construction, Supervision and Quality Control for the work of development of lakes, to BBMP</p>	<p>lake to BBMP and to Forest Department without involvement of goods. It is very important to rejuvenate and development of lakes as these are source of ground water in the urban areas which maintain ecological balance in the environment. Thus, Consultancy Services for Project management and quality assurance for the work of rejuvenation and development of Lake falls is related to serial number 8 (Urban forestry, protection of the environment and promotion of ecological aspects)of the Twelfth Schedule.</p>
8.	<p>Preparation of DPR to BBMP, for Pumping treated water from one lake to another lake and so on</p>	<p>In this case the applicant provides pure consultancy service to BBMP, for pumping treated water from one lake to another lake and so on without involvement of goods. BBMP pumping treated water from one lake to the other for maintenance of biological ecosystem. It is also necessary for human needs since some of the lakes are drinking water source and for inland fisheries to many. Thus, it is related to serial number 8(Urban forestry, protection of the environment and promotion of ecological aspects)of the Twelfth Schedule.</p>
		<p>In this case the applicant has provides pure service in the form of preparation of detailed project</p>



9.	Preparation of Detailed Project Report for Scientific Landfill at Bengaluru, BBMP;	report for scientific landfill. Scientific landfills are identified for the purpose of dumping solid waste and hence it falls under serial number 6 (Solid Waste Management)of the Twelfth Schedule.
10	Project Management Consultancy Service for preparation of DPR for Construction of Raja Nala and Other Development Civil Works to Sindhanur Municipal Limit (which includes roads, storm water drains and parks)	<p>In this case the applicant provides pure consultancy service for preparation of DPR for construction of Rajanala and other development civil works to Sindhanur Municipality limits.</p> <p>So far as the detailed project report for construction of Raja Nala is concerned, it is necessary to construct Raja Nalas for easy flow of rain water which in turn fills lakes and tanks and in some cases as a stream and branch of a tributary rivers. These lakes and tanks are used for water supply for domestic, industrial and commercial purposes. Thus, it falls under serial number 8(protection of environment)of the Twelfth Schedule.</p> <p>Further, in so far as preparation of detailed project report for development of civil work is concerned, such civil works are taken up for urban planning including town planning. Since the said civil work is taken up in Sindhanur Town Municipal limits, which is a local body, it falls under serial number 1</p>

	(Urban planning including town planning) of the Twelfth Schedule.
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18. Thus from the above, it is seen that the services provided by the applicant are pure services, provided to the Local bodies and to the State Government Departments and are related to the functions entrusted under article 243W of the Constitution. However applicant has submitted only the work order issued by the BBMP and Department of Forestry and letter of acceptance filed by the applicant. The applicant has not submitted the copies of the agreements either entered with BBMP or Forest Department to know the any involvement of goods to carry out above said functions. Hence subject to the condition that the applicant is providing the only pure service to the Local bodies and Forest Department to carry out the function entrusted, the said service is exempted from GST as per Sl. No. 3 of notification 12/2017-Central tax (Rate) dated 28.06.2017?

19. From the above it is observed that applicant providing pure services (without supply of goods) to the Local bodies and to the Department of the State Government. The services provided by the applicant are in relation to the function entrusted to the Municipality under article 243W of the constitution. Hence the applicant is entitled to the benefit of Sl. No. 3 of notification 12/2017-Central tax (Rate) dated 28.06.2017?

20. Further applicant also providing the consultancy services to the private individuals which is taxable under the entry No.21 of the heading 9983 of the Notification No. 11/2017 Central Tax (Rate) Dated 28/06/2017.

Sl.No.	Heading	Description of Service	Rate (Per Cent)
21	Heading 9983 (Other professional, technical and business services)	(i) Selling of space for advertisement in print media	2.5
		(ii) Other professional, technical and business services other than (i) above.	9

Hence if applicant provides the consultancy services to the private individuals which is taxable at 9% under CGST and 9% under SGST as per the entry No.21 of the Notification No. 11/2017 Central Tax (Rate) Dated 28/06/2017.

21. Further applicant is purchasing the capital goods and paid tax while purchasing the said capital goods. The question before us is whether the input tax paid on the purchase of capital goods and on receipt of certain services by the applicant can be claimed to the extent of taxable supply of services? In this regard sub-section 2 of section 17 of the CGST Act 2017 clearly says that, the amount of credit shall be restricted to so much of the input tax as is attributable to the taxable supplies including zero-rated supplies. The subsection 2 of section 17 of the CGST Act 2017 is narrated as under;

17(2) Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under the Integrated Goods and Services Tax Act and partly for effecting exempt supplies under the said Acts, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.

Since the applicant providing both taxable and exempted supplies, applicant has to restrict the input tax paid on the capital goods to the extent of taxable supply of services .

22. Hence the following Ruling.

#### RULING

1. Pure consultancy services (without supply of goods) provided by the applicant to the Municipalities and Corporations (local bodies) and State Government Departments, as enumerated in the application, are exempt from GST as per the serial number 3 of the notification 12/2017-Central tax (Rate) dated 28.06.2017?

2. Pure consultancy services provided to the private individuals is taxable at 9% under CGST and 9% under SGST as per the entry No.21 of the Notification No. 11/2017 Central Tax (Rate) Dated 28/06/2017.

3. Input tax paid on the purchase of capital goods like furniture, computer, lab equipments, drone camera, total station, auto level instruments, etc., and on certain inputs services shall be restricted to so much of the input tax as is attributable to the taxable supplies made by the applicant as per subsection 2 of section 17 of the CGST Act 2017.