GUJARAT AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX D/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380 009.	NATION TAX MARKET

ADVANCE RULING NO. GUJ/GAAR/R/2025/43
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2023/AR/23)

Date: 09 / 10/2025

Name and address of the applicant	:	M/s. Devendra K Patel, 60, Krushna Dham Society, Near Pragati Nagar, Piplod, Surat, Gujarat-395007
GSTIN of the applicant	:	24AZFPP1155R1ZX
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax, Unit-64, Range-16, Division-7, Surat.
Date of application	:	19.06.2023
Clause(s) of Section 97(2) of CGST/GGST Act, 2017, under which the question(s) raised.	:	(b)
)Date of Personal Hearing	:	19.08.2025
Present for the applicant	:	Shri Anish Goyal, CA

Brief facts:

M/s. Devendra K Patel, 60, Krushna Dham Society, Near Pragati Nagar, Piplod, Surat, Gujarat-395007 [for short – '*applicant*'] is registered under GST and their GSTIN is 24AZFPP1155R1ZX.

2. The applicant is engaged in the business of providing work contract services in addition to engineering consultancy services to various Government agencies like R & B Department, Capital Project Division, Project Implementation Unit etc.

3. The applicant has received various contracts from R & B Department of the Government of Gujarat, for providing engineering/consultancy services for preparing and providing plans and estimate & DTP [Draft Tender Paper] for building work.

4. The applicant has submitted the facts as under: -

(a) The R & B Department directly falls under the State Government, which is headed by a Cabinet Minister. It overseas all the activities pertaining to planning, construction and maintenance of all categories of roads and all Government buildings in Gujarat. The Government owned buildings comprise of Public Buildings, Government office buildings, Hospitals, Educational Institutions and buildings pertaining to all departments of the State.

(b) Before the construction of a road and a building is given to a contractor through tendering process, the R & B Department is required to make a detailed analysis of projects like field survey, collection of various data related to the construction activity, feasibility report, cost estimates, preparation of plans and drawings etc. The Department through a tendering process obtains these kinds of services from various consultants. The applicant has provided the said consultancy services to the R & B Department.

(c) The nature of the work as per the tender is :- "*Preparing & Providing plans and Estimate and DTP (Draft Tender Paper) for the Building Work*". The scope of the work as per the tender is as under:-

(i) To carry out preliminary and detailed field surveys and collection of data for the proposed project.

(ii) To prepare general arrangement drawings and general layout plans, general description of the project, to prepare bill of quantities and cost estimates for the proposed project.

(iii) To prepare a detailed estimate and draft tender paper of the proposed project and to prepare drawings for the same for approval and to prepare BOQ (Bill of Quantity) based on detailed design and the consultant shall prepare specifications for all the items included in the BOQ as per MORTH [Ministry of Road Transport and Highways] *and /or R & B Department. Specification, additional specification which are not included in MORTH and /or R & B Department, shall be based on sound engineering and construction practices.*

(d) The applicant had submitted an application dtd. 19.06.2023 before the this Authority and had sought advance ruling on the following:-

(i) Whether providing services of preparing and providing plans and estimate and preparing and providing DTP [Draft Tender Plan] for the building work provided by the assessee to the R&B department, Government of Gujarat under the contract would qualify as an activity

in relation to Panchayat or Municipality under Article 243 G or Article 243 W respectively, of the Constitution of India?;

(ii) If answer to the first question is in affirmative then, whether such service provided by the applicant would qualify as pure service [excluding works contract service or composite supplies involving supply of any goods] provided to the Central Government, State Government or Union Territory or local authority by way of any activity in relation to any function entrusted to a Panchayat under article 243 G of the constitution or in relation to any function entrusted to a Municipality under article 243 W of the Constitution as provided in serial number 3 of notification No. 12/2017- CT (R), dtd 28.6.2017, and, thus be eligible for exemption from levy of CGST and SGST respectively?

This Authority accepted that the services are pure services provided to the State Government.

(e) However, this Authority found that the applicant has failed to provide any details of buildings for which they have provided plans and estimates and DTP. Further, the applicant had not stated as to for what purpose the buildings were constructed by the State Government.

(f) This Authority, therefore, in its Order No. GUJ/GAAR/R/2024/10 Dtd. 30.05.2024 ruled that providing services of preparing and providing plans and estimate, and preparing and providing DTP for the building work by the applicant to the R & B Department under the contract would not qualify as an activity in relation to Panchayat or Municipality under Article 243G or Article 243W respectively. of the Constitution of India.

(g) The applicant appealed before the Appellate Authority for Advance Ruling (GAAAR) and provided tender documents/work orders demonstrating the scope of services and a detailed list of projects executed for the R & B Department, along with the nature of buildings and the corresponding clauses of the Eleventh and Twelfth schedule of the Constitution.

(h) The GAAAR, vide Order No. GUJ/GAAAR/APPEAL/2025/12 Dtd. 28.02.2025, set aside this Authority's ruling dtd. 30.05.2024 on the ground that crucial project-specific details were not considered, and remanded the matter to this Authority for a fresh decision after examining the complete factual record.

(i) The applicant has placed on record the detailed list of projects executed for the R & B Department, along with the nature of buildings and the corresponding clauses of the Eleventh and Twelfth schedule of the Constitution; the official extract from the R & B department's website showing its statutory responsibility for planning, construction and maintenance of all categories of roads and Government buildings, judicial precedents interpreting the phrase 'in relation to any function' in the context of Sr, No. 3 of Notification No. 12/2017-CT(Rate).

5. At the cost of repetition, the questions on which the applicant has sought an advance ruling are again reproduced and are as under:-

(i) Whether providing services of preparing and providing plans and estimate and preparing and providing DTP [Draft Tender Plan] for the building work provided by the assessee to the R&B department, Government of Gujarat under the contract would qualify as an activity in relation to Panchayat or Municipality under Article 243 G or Article 243 W respectively, of the Constitution of India?;

(ii) If answer to the first question is in affirmative then, whether such service provided by the applicant would qualify as pure service [excluding works contract service or composite supplies involving supply of any goods] provided to the Central Government, State Government or Union Territory or local authority by way of any activity in relation to any function entrusted to a Panchayat under article 243 G of the constitution or in relation to any function entrusted to a Municipality under article 243 W of the Constitution as provided in serial number 3 of notification No. 12/2017- CT (R), dtd 28.6.2017, and, thus be eligible for exemption from levy of CGST and SGST respectively?

6. The applicant has submitted their views in the matter as under:-

(a) The primary objectives of the R & B Department is to provide connectivity to all villages by all-weather roads, and thus further improve quality of life in rural areas; to provide an adequate and efficient road system encompassing all transportation needs, to ensure smooth and uninterrupted flow of goods and passengers traffic both within the State as well as on interstate routes; to constantly upgrade technology by indicating superior and quicker construction and maintenance methods with a view to reducing the life cycle cost of roads; to induct more scientific principles of resources allocation for maintenance and new construction programmers; overall, to set high standards of Road safety and travel comfort.

(b) The Applicant is of the view that the said services provided to the R&B Department should fall within the ambit of Sl. No.3 of the exemption notification 12/2017- Central Tax (Rate) dated 28.06.2017, as per which "*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 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*", is exempt.

(c) To claim exemption, three conditions should have been met:- (i) Pure services (ii) provided to the Central Government, State Government or Union territory or local authority (iii) 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.

(d) The GAAR has in its order dtd. 30.05.2024 accepted that the service rendered is a "pure service". The fact that the said service is provided to the State Government by the Applicant was also accepted. Hence, the first two conditions were accepted by the Authority for Advance Ruling, Gujarat. However, the third condition was not accepted.

(e) The list of the kind of projects in which consultancy service is being provided by the applicant to the R & B department is as under:-

Sl No.	Nature of Government Building	Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
1.	Government Science College and Art College	13. Promotion of cultural, educational and aesthetic aspects	17. Education, including primary and secondary schools.
2	Industrial Training Institute (I.T.I) of Government	13. Promotion of cultural, educational and aesthetic aspects	18. Technical training and vocational education.
3	Nalsarovar Bird Sanctuary	12. Provision of urban amenities and facilities such as parks, gardens, playgrounds. 8. Urban forestry, protection of the environment and promotion of ecological aspects.	29. Maintenance of community assets.
4	Government Toilet facilities	1. Urban planning including town planning. 6. Public health, sanitation conservancy and solid waste management.	23. Health and sanitation, including hospitals, primary health centres and dispensaries. 29. Maintenance of community assets.
5	Government Staff Residential Quarters, Judicial Officers Staff Quarters	1. Urban planning including town planning. 2. Planning of land use and construction of buildings.	
6	Government School Building, Boys and Girls Hostel and District Library	1. Urban planning including town planning. 3. Planning for economic and social development. 13. Promotion of cultural, educational and aesthetic aspects	17. Education, including primary and secondary schools. 20. Libraries.

7	Female dormitory of New Beggars Receiving Centre	1. Urban planning including town planning. 3. Planning for economic and social development. 9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded. 11. Urban poverty alleviation.	16. Poverty alleviation programme. 27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
8	Gujarat Informatics (GIL) Limited Building	2. Planning of land use and construction of buildings. 3. Planning for economic and social development. 13. Promotion of cultural, educational and aesthetic aspects	
9	Storm Water Drain	2. Planning of land-use and construction of buildings	3. Minor irrigation, water management and watershed development.
10.	Centres under Intensive Cattle Development Program (ICDP), Intensive Poultry Development Project and Animal Husbandry EPI Centre	2. Planning of land-use and construction of buildings 15. Cattle pounds; prevention of cruelty to animals.	4. Animal husbandry, dairying and poultry.
11.	Government Building viz. Seva Sadan, Sub-registrar Office, City Survey Office Building, City Mehsuli Bhavan, Agriculture Department Building,	1. Urban planning including town planning. 2. Planning of land- use and construction of buildings 3. Planning for economic and social development.	29. Maintenance of community assets.

	Unity Mall, PWD Store Building, Gujarat Bhavan, Collector Office, GERI Office Building, Taluka Court Building and District Court		
12.	Government Rest House & Circuit House	1. Urban planning including town planning. 2. Planning of land- use and construction of buildings 3. Planning for economic and social development	29. Maintenance of community assets.
13.	New Rehabilitation Home for women and persons cured after treatment from mental illness.	9. Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded.	25. Women and child, development. 26. Social welfare, including welfare of the handicapped and mentally retarded. 27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
14.	Fish Farm (Pond Steps and Shed) and its Office	2. Planning of land-use and construction of buildings	5. Fisheries.
15.	Beej Nigam Seed Godown	2. Planning of land-use and construction of buildings 3. Planning for economic and social development	1. Agriculture, including agricultural extension

(f) All the above activities that are being undertaken by the R & B Department are included in the functions that are 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.

(g) Reliance is placed on the following Advance Authority Rulings, wherein '*in relation to any function*' has been interpreted :-

(1) Dredging and Desiltation Company Pvt Ltd.

(2) Neo Built Corporation

(3) Arihant Dredging Developer Pvt Ltd.

(h) Reliance is also placed on the following Advance Authority Rulings, whereunder in the same or similar circumstances, the exemption benefit was provided to the applicant.

(i) Jayesh Anil Kumar Dalal

(ii) Manpar Icon Technologies

(iii) Ajit Babubhai Jariwala

(i) CBIC's Circular No. 51/25/2018 dtd. 31.07.2018 has made it crystal clear that the phrase '*in relation to any function*' means the similar or such relatable activity only.

7. Personal hearing was granted on 19.08.2025 wherein Shri Anish Goyal, CA appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application.

Discussion and findings

8. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same, except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the GGST Act.

9. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made both oral and written during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought and the order No. GUJ/GAAAR/Appeal/2025/12 dtd. 28.02.2025 of the Appellate Authority for Advance Ruling, Gujarat.

10. We find that the applicant had approached this authority earlier seeking a ruling as to whether providing services of preparing and providing plans and

estimate, and preparing and providing DTP [Draft Tender Plan] for the building work provided by the applicant to the R&B department, Government of Gujarat under a contract would qualify as an activity in relation to Panchayat or Municipality under Article 243 G or Article 243 W respectively, of the Constitution of India and consequently exempt under Sl. No. 3 of Notification No. 12/2017-CT (R) dated 28.6.2017.

11. This Authority had ruled in its earlier order dtd. 30.05.2024 that the said services would not qualify as an activity in relation to Panchayat or Municipality under Article 243 G or Article 243 W respectively, of the Constitution of India. The reason for arriving at such a decision was that the applicant had not provided any details of the buildings for which they have provided plans and estimates, and DTP. On appeal, the Appellate Authority for Advance Ruling in its order dtd. 28.02.2025 has observed as under: -

> *"11. The Gujarat Advance Ruling Authority (GAAR), vide their impugned ruling, in paragraph 17 has observed that applicant failed to provide any details of the buildings for which they have provided plans and estimates and DTP. On account of lack of adequate details, the GAAR vide it's impugned ruling held that the appellant is not eligible for a blanket exemption in terms of Sr. No. 3 of notification No. 12/2017-CT (R) dated 28.6.2017, as amended.*
>
> *12. The appellant in their application made before the GAAR had not submitted the list of building in relation to which consultancy services was provided to R&B Department. However, in the appeal papers they have submitted the list of projects. We, therefore, find that the appellant, has presented new facts before the appellate authority, which were never placed before the GAAR. In-fact, the GAAR while passing their ruling, did not have the benefit of going through these materials and therefore, the ruling given by the GAAR is based on absence of material facts. Even otherwise, the material produced for the first time needs to be verified for its factual accuracy."*

12. The relevant entry of Notification No. 12/2017-CT (R) dated 28.6.2017, which we are dealing with, is reproduced below: -

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 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

As per this notification, the benefit would be available if the following three conditions are satisfied: -

(i) Pure services (excluding works contract service or other composite supplies involving supply of any goods)

(ii) provided to the Central Government, State Government or Union territory or local authority

(iii) the services provided in question is 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.

This authority in the first round had found that the service of preparing and providing plans and estimates and DTP is a 'pure service' as it did not involve any supply of goods. Further, after going through the website of the R & B Department, this Authority had also found that R & B Department is a State Government entity. Therefore, we are not going into that aspect as it has already been dealt with by this Authority in the earlier round. We are presently only concerned with the third condition i.e whether the activity or the services provided in question is 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, as this is the reason for the Appellate Authority to remand the matter back to this Authority.

13. Before proceeding further, it is essential to go through the functions entrusted to a Panchayat under article 243G of the Constitution and the functions entrusted to a Municipality under article 243W of the Constitution, as this would determine whether the services provided by the applicant is in relation to these functions.

Article 243G of the Constitution of India has entrusted the following functions to the **Panchayats** :

(1) Agriculture, including agricultural extension.

(2) Land improvement, implementation of land reforms, land consolidation and soil conservation.

(3) Minor irrigation, water management and watershed development.

(4) Animal husbandry, dairying and poultry.

(5) Fisheries

(6) Social forestry and farm forestry.

(7) Minor forest produce.

(8) Small scale industries, including food processing industries.

(9) Khadi, village and cottage industries.

(10) Rural housing.

(11) Drinking water.

(12) Fuel and fodder.

(13) Roads, culverts, bridges, ferries, waterways and other means of communication.

(14) Rural electrification, including distribution of electricity.

(15) Non-conventional energy sources.

(16) Poverty alleviation programme.

(17) Education, including primary and secondary education.

(18) Technical training and vocational education.

(19) Adult and non-formal education.

(20) Libraries.

(21) Cultural activities.

(22) Markets and fairs.

(23) Health and sanitation, including hospitals, primary health centres and dispensaries.

(24) Family welfare.

(25) Women and child development.

(26) Social welfare, including welfare of the handicapped and mentally retarded.

(27) Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.

(28) Public distribution system.

(29) Maintenance of community assets

Article 243W of the Constitution of India has entrusted the following functions to the **Municipalities**:

(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 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.

14. The R & B Department is in charge of all activities pertaining to planning, construction and maintenance of all categories of roads and all Government Buildings. Not all Government Buildings can be said to be dealing in activities which are in relation to the functions entrusted to Municipalities or Panchayats as mentioned in 12th Schedule of Article 243W of the Constitution or 11th Schedule of Article 243G of the Constitution respectively. We find that the applicant had provided to the Appellate Authority for Advance Ruling, a list of the buildings for which the services have been provided by the applicant and the relevant clause of the 12th Schedule of Article 243W of the Constitution or 11th Schedule of Article 243G of the Constitution, which the applicant feels, would be applicable in each case. The same list has been provided by the applicant to us also during the course of hearing, which has been reproduced at Para 6 (e) supra. We will deal with each of them separately, as under: -.

(1)

Sl No.	Nature of Government Building	Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
1.	Government Science College and Art College, B Ed and Engineering College	13. Promotion of cultural, educational and aesthetic aspects	17. Education, including primary and secondary schools.

As per the work orders, the applicant had prepared and provided plans and estimates and DTP for construction of Arts, Science, B Ed and Engineering colleges, their extension, repairs, renovation at Ahmedabad, Surat, Navsari, Tapi-Vyara and Valsad. The applicant is claiming that this would fall under Clause 13 of 12th Schedule of Article 243W i.e. Promotion *of cultural, educational and aesthetics aspects* and under Clause 17 of 11th Schedule of Article 243G i.e *Education, including primary and secondary schools*. We do not agree with the contention that a Government Science and Arts College, B Ed and Engineering colleges will be promoting cultural, education and aesthetic aspects. Usually Community Halls, Cultural Centres and Marriage halls fall under this category. Similarly, it would also not fall under Clause 17 of 11th Schedule of Article 243G, as only Primary and secondary schools come under this category. Further, in *Re: Nirma University* [2022 (59) G.S.T.L. 437 (A.A.R. - GST - Guj.)], this authority had held that Higher education is nowhere specified as an activity in relation to any function entrusted to Municipality under Article 243W of the Constitution of India.

(2)

Sl No.	**Nature of Government Building**	**Clause of the 12th Schedule of Article 243W of the constitution in which it is falling**	**Clause of the 11th Schedule of Article 243G of the constitution in which it is falling**
2	Industrial Training Institute (I.T.I) of Government	13. Promotion of cultural, educational and aesthetic aspects	18. Technical training and vocational education.

We find that the applicant has provided services for construction of toilets facility, ramp, class rooms etc., repairing and renovation at the Industrial Training Institute (ITIs), Vocational Training Centres at Ahmedabad, Bharuch, Navsari and Tapi Vyara. Industrial Training Institutes and Vocational Training Centres provide vocational training for the various industries & service sectors. We, therefore, agree with the contention of the applicant that this service would be covered under Clause 18 of 11th Schedule of Article 243G i.e. *technical training and vocational education.*

(3)

Sl No.	**Nature of Government Building**	**Clause of the 12th Schedule of Article 243W of the constitution in which it is falling**	**Clause of the 11th Schedule of Article 243G of the constitution in which it is falling**
3	Nalsarovar Bird Sanctuary	12. Provision of urban amenities and facilities such as parks, gardens, playgrounds. 8. Urban forestry, protection of the environment and promotion of ecological aspects.	29. Maintenance of community assets.

The applicant has provided the service for construction of a new reception centre at Nalsarovar Bird Sanctuary. As per Gujarat Tourism's website (*https://www.gujarattourism.com/central-zone/ahmedabad/nalsarovar-bird-sanctuary.html*), Gujarat government has declared Nalsarovar as a bird sanctuary to primarily protect its bird population. Therefore, we are of the opinion that it would be covered under Clause 8 of 12^{th} Schedule of Article 243W i.e. *Urban forestry, protection of the environment and promotion of ecological aspects*.

(4)

Sl No.	Nature of Government Building	Clause of the 12^{th} Schedule of Article 243W of the constitution in which it is falling	Clause of the 11^{th} Schedule of Article 243G of the constitution in which it is falling
4	Government Toilet facilities	1. Urban planning including town planning. 6. Public health, sanitation conservancy and solid waste management.	23. Health and sanitation, including hospitals, primary health centres and dispensaries. 29. Maintenance of community assets.

We find that the applicant has provided services for construction of toilet facilities to Industrial Training Institute. We have already held in Sl. No. 2 above that services to ITI would be covered under Clause 18 of 11^{th} Schedule of Article 243G i.e. technical training and vocational education.

We also find that the applicant has provided services for the construction/repairs of toilets in Jilla Siksha and Talim Bhavan, Surat; Circuit House, Surat; A-type /B-type Units /Quarters, Tapi; Rest Houses, Tapi; E-type Units/Circuit House/ District Court/Taluka Seva Sadan/ Judicial Staff Quarters/RTO Office, Valsad; Gujarat Bhavan, Mumbai. As per the applicant, the toilets provided to these Govt buildings will fall under Clause 1 (*Urban planning including town planning*) and Clause 6 (*Public health, sanitation conservancy and solid waste management*) of 12th Schedule of Article 243W and Clause 23 (Health *and sanitation, including hospitals, primary health centres and dispensaries*) and Clause 29 (*Maintenance of community assets*) of 11th Schedule of Article 243G. However, we do not subscribe with this view of the applicant. Toilets may come under Clause 6 of 12th Schedule of Article 243W or Clause 23 of 11th Schedule of Article 243G, provided they are public toilets constructed beside the roads or in the parks by public authorities. In the instant case, they are a part of a government building and is not a walk-in facility for the general public. However, if these Government buildings fall under any of the functions provided under any of the Clauses of 12th Schedule of Article 243W or Clauses of 11th Schedule of Article 243G, then the toilets attached to these buildings would also be eligible for the exemption being part of these buildings, which we have discussed in the later part of our order.

(5)

Sl No.	**Nature of Government Building**	**Clause of the 12th Schedule of Article 243W of the constitution in which it is falling**	**Clause of the 11th Schedule of Article 243G of the constitution in which it is falling**
5	Government Staff Residential Quarters, Judicial Officers Staff Quarters	1. Urban planning including town planning. 2. Planning of land use and construction of buildings.	

The applicant has provided the services for construction/renovation/repairing Residential Quarters at Ahmedabad, Surat, Gandhinagar, Mahisagar, Tapi and Valsad and Judicial Officers/ staff quarters at Surat, Mahisagar and Valsad. The applicant's contention is that it would be covered under "*Urban planning including town planning*" or "*Planning of land use and construction of buildings*". As per our understanding, "*Urban planning including town planning*" would include development of plans for urban areas, enforcing regulations of the development plans, enforcing building bye-laws. Similarly, "*Planning of land use and construction of buildings*" would include regulating the land use and ensuring compliance to regulations prescribed in the Development plans w.r.t construction of buildings etc. Construction of quarters for the Govt Staff or the Judicial officers would, therefore, not fall in the ambit of Clause 1 and 2 of the 12th Schedule of Article 243W.

(6)

Sl No.	Nature of Government Building	Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
6	Government School Building, Boys and Girls Hostel and District Library	1. Urban planning including town planning. 3. Planning for economic and social development. 13. Promotion of cultural, educational and aesthetic aspects	17. Education, including primary and secondary schools. 20. Libraries.

The applicant has provided services for construction of Government School Buildings at Bharuch, Navsari, Valsad and Boys and Girls Hostel at Surat, Navsari, Tapi-Vyara, Valsad. We find that the services provided for construction/renovation/repairs of Government Schools and the Hostels for Boys and Girls would fall under the ambit of Clause 17 of the 11th Schedule of Article 243G *(Education, including primary and secondary schools)*. We also find that services have been provided for repairing and renovation of a District Library at Bharuch and a Library building at Navsari, which according to us would fall under Clause 20 of the 11th Schedule of Article 243G (*Libraries*).

(7)

Sl No.	Nature of Government Building	Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
7	Female dormitory of New Beggars Receiving Centre	1. Urban planning including town planning. 3. Planning for economic and social development. 9. Safeguarding the interests of weaker sections of society, including the	16. Poverty alleviation programme. 27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.

		handicapped and mentally retarded. 11. Urban poverty alleviation.	

The applicant has provided service for construction of a female dormitory of New Beggars Receiving Centre at Gandhinagar. We feel that such a dormitory would be covered under Clause 9 of 12th Schedule of Article 243W *(Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded).*

(8)

Sl No.	**Nature of Government Building**	**Clause of the 12th Schedule of Article 243W of the constitution in which it is falling**	**Clause of the 11th Schedule of Article 243G of the constitution in which it is falling**
8	Gujarat Informatics (GIL) Limited Building	2. Planning of land use and construction of buildings. 3. Planning for economic and social development. 13. Promotion of cultural, educational and aesthetic aspects	

As per the website of Gujarat Informatics Ltd., (*https://gil.gujarat.gov.in*), it was established as the nodal agency for IT development in the state by the Government of Gujarat. We do not agree with the view of the applicant that the said organisation deals with any of the functions mentioned in Clause 2, 3, 13 of 12th Schedule of Article 243W.

(9)

Sl No.	Nature of Government Building		Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
9	Storm Water Drain		2. Planning of land-use and construction of buildings	3. Minor irrigation, water management and watershed development.

The applicant has provided services for construction of a storm water drain at Navsari. The function of a storm water drain is to collect excess rainwater and channel it into underground pipes and discharge it into nearby waterways. This being a part of water management would be covered under Clause 3 of the 11th Schedule of Article 243G (*Minor irrigation, water management and watershed development*).

(10)

Sl No.	Nature of Government Building	Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
10.	Centres under Intensive Cattle Development Program (ICDP), Intensive Poultry Development Project and Animal Husbandry EPI Centre	2. Planning of land-use and construction of buildings 15. Cattle pounds; prevention of cruelty to animals.	4. Animal husbandry, dairying and poultry.

The applicant has provided services for the construction of New Sub Centre under Intensive Cattle Development Program (ICDP) at Mahisagar and Repairing/renovation for Intensive Poultry Development Project and an Animal Husbandry EPI Centre at Valsad. We find that these would be covered under Clause 4 of the 11th Schedule of Article 243G (*Animal husbandry, dairying and poultry*).

(11)

Sl No.	Nature of Government Building	Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
11.	Government Building viz. Seva Sadan, Sub-registrar Office, City Survey Office Building, City Mehsuli Bhavan, Agriculture Department Building, Unity Mall, PWD Store Building, Gujarat Bhavan, Collector Office, GERI Office Building, Taluka Court Building and District Court	1. Urban planning including town planning. 2. Planning of land- use and construction of buildings 3. Planning for economic and social development.	29. Maintenance of community assets.

We have already discussed earlier that "*Urban planning including town planning*" means development of plans for urban areas, enforcing regulations of the development plans, enforcing building bye-laws and "*Planning of land use and construction of buildings*" would include regulating the land use and ensuring compliance to regulations prescribed in the Development plans w.r.t construction of buildings etc. '*Planning for economic and social development*' would mean programmes for implementation of economic activities and social development in sectors such as Housing, employment etc. *Community assets* would include those assets which improve the life of the community such as parks, gardens, community halls, schools, hospitals. Buildings such as Seva Sadans, Sub-registrar Offices, City Survey Office Building, City Mehsuli Bhavans, Agriculture Department Building, Unity Mall, PWD Store Building, Gujarat Bhavan, Collector Office, GERI Office Building, Taluka Court Building and District Court are buildings, housing various departments of the State Government and would not fall under any of the categories mentioned above. Further, the applicant has not stated as to how these buildings are related to an activity in relation to Clause 1,2 & 3 of 12th Schedule of Article 243W or Clause 29 of the 11th Schedule of Article 243G. In Re: *Kerala State Construction*

Corporation Ltd. [2019 (24) GSTL 807 (AAR-GST)], the AAR has ruled that Construction of a Sub-registrar Office for the Registration Department is not in relation to any activity in relation to any function entrusted to a Panchayat/Municipality under Article 243G/243W of the Constitution.

(12)

Sl No.	Nature of Government Building	Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
12.	Government Rest House & Circuit House	1. Urban planning including town planning. 2. Planning of land- use and construction of buildings 3. Planning for economic and social development	29. Maintenance of community assets.

A Government Rest House or a Circuit House, is a guest house exclusively for Government officials. We have already discussed in Sl.No.11 as to what would be covered under Clause 1,2 and 3 of 12th Schedule of Article 243W and Clause 29 of the 11th Schedule of Article 243G. We, therefore, do not feel that that a Government Rest House or a Circuit House would be covered under any of these clauses.

(13)

Sl No.	Nature of Government Building	Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
13.	New Rehabilitation Home for women and persons cured after treatment from mental illness.	9. Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded.	25. Women and child , development. 26. Social welfare, including welfare of the handicapped and mentally retarded. 27. Welfare of the weaker sections, and in

			particular, of the Scheduled Castes and the Scheduled Tribes.

The applicant has provided services for construction of New Rehabilitation Home for women and persons cured after treatment from mental illness at Surat. We feel that such a Home would get covered under the Clause 9 of 12th Schedule of Article 243W (*Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded*) and Clause 25 (*Women and child, development*) , Clause 26 (*Social welfare, including welfare of the handicapped and mentally retarded*) of the 11th Schedule of Article 243G. In *Re: Meerabai Tukaram Borade* [2023 (68) G.S.T.L. 78 (App. A.A.R. - GST - Mah.)], the AAAR has held that services provided to State Social Welfare Department for residential accommodation of underprivileged girls will be construed as an activity in relation to the function entrusted to a Panchayat under Article 243G of Constitution, or in relation to function entrusted to a Municipality under Article 243W of Constitution of India.

(14)

Sl No.	**Nature of Government Building**	**Clause of the 12th Schedule of Article 243W of the constitution in which it is falling**	**Clause of the 11th Schedule of Article 243G of the constitution in which it is falling**
14.	Fish Farm (Pond Steps and Shed) and its Office	2. Planning of land-use and construction of buildings	5. Fisheries.

The applicant has provided services for strengthening of roads between ponds at Fish Farms and its office at Navsari as well as repairing and renovation of Fish Farms. Fish Farming involves raising fish commercially in tanks or enclosures, usually for food. Fish Farm would, therefore, be covered under Clause 5 of the 11th Schedule of Article 243G (*Fisheries*). Since, the service has been provided in relation to the fish farm, it would also be covered under the said clause.

(15)

Sl No.	Nature of Government Building	Clause of the 12th Schedule of Article 243W of the constitution in which it is falling	Clause of the 11th Schedule of Article 243G of the constitution in which it is falling
15.	Beej Nigam Seed Godown	2. Planning of land-use and construction of buildings 3. Planning for economic and social development	1. Agriculture, including agricultural extension

A Beej Nigam Seed Godown is a seed storage facility, to ensure timely supply of seeds to the farmers, thereby supporting agricultural productivity. The applicant has provided services for construction of Beej Nigam Seed Godowns at Ahmedabad and Gandhinagar. As the seed godown is in relation to agriculture, it is covered under Clause 1 of the 11th Schedule of Article 243G (*Agriculture, including agricultural extension*).

15. To summarise, the services provided in respect of the following buildings is an activity which **will not fall** under any of the Clauses of 12th Schedule of Article 243W and 11th Schedule of Article 243G of the Constitution.

(i) Government Science College and Art College

(ii) Government Toilet facilities (except those attached to Government buildings, mentioned in Para 16, infra)

(iii) Government Staff Residential Quarters, Judicial Officers Staff Quarters

(iv) Gujarat Informatics (GIL) Limited Building

(v) Government Building viz.Seva Sadan, Sub-registrar Office, City Survey Office Building, City Mehsuli Bhavan, Agriculture Department Building, Unity Mall, PWD Store Building, Gujarat Bhavan, Collector Office, GERI Office Building, Taluka Court Building and District Courts.

(vi) Government Rest House & Circuit House

16. Further, the services provided in respect of the following buildings/structure is an activity which **will fall** in the respective Clause of 12th Schedule of Article 243W or of 11th Schedule of Article 243G, as mentioned supra.

(i) Industrial Training Institute (I.T.I) of Government

(ii) Nalsarovar Bird Sanctuary

(iii) Government School Building, Boys and Girls Hostel and District Library

(iv) Female dormitory of New Beggars Receiving Centre

(v) Storm Water Drain

(vi) Centres under Intensive Cattle Development Program (ICDP), Intensive Poultry Development Project and Animal Husbandry EPI Centre.

(vii) New Rehabilitation Home for women and persons cured after treatment from mental illness.

(viii) Fish Farm (Pond Steps and Shed) and its Office

(ix) Beej Nigam Seed Godown

17. Much emphasis has been laid by the applicant on the term '*activity in relation to any function*' mentioned in Notification No. 12/2017-CT(R) dtd. 28.06.2017. The applicant has also relied upon the following Advance Rulings for interpreting the same: -

(1) Dredging and Desiltation Company Pvt Ltd.

(2) Neo Built Corporation

(3) Arihant Dredging Developer Pvt Ltd.

We find that in *Dredging and Desiltation Company Pvt Ltd.* the applicant was seeking a ruling on the dredging services provided by them for dredging of Mandarmani River to the West Bengal Fisheries Corporation. The AAR held that heavy silting has eroded the navigability of the river, affecting the livelihood of a large number of fishermen. Since the recipient i.e. West Bengal Fisheries Corporation, is in the development of fisheries and the work allotted has a direct nexus with the development of fisheries, it was held that the activity is in relation to the development of fisheries – a function listed under Clause 4 of 11th Schedule of Article 243G (*Fisheries*). In *Neo Built Corporation*, the applicant was awarded a contract for the resuscitation, by re-excavation, of river Palaspai, along with raising and strengthening of embankment of both sides of the river, by the Irrigation and Waterways Directorate, Govt. Of West Bengal. It was in these circumstances, the AAR held that the activity was in relation to Clause 5 of 11th Schedule of Article 243G (*Minor Irrigation, water management and watershed development*). In *Arihant Dredging Developer (P) Ltd.*, the applicant was awarded a contract for sectioning of Sunamuhin Drainage Channel by the Orissa Construction Corporation

Ltd. The AAR held that the work improves the navigability of the river bed and channels-an activity towards development of irrigation and water ways and is therefore, an activity in relation to Clause 5 of 11^{th} Schedule of Article 243G (*Minor Irrigation, water management and watershed development*). Thus, it can be seen that all the works involved in the above cases are closely associated with the functions listed in 11^{th} Schedule of Article 243G.

18. The applicant has also relied upon CBIC's Circular No. 51/25/2018 dtd. 31.07.2018, wherein the Board has clarified about the applicability of GST on ambulance services provided to Government by private service providers under the National Health Mission (NHM). The Board has held that the function of '*Public Health*' is entrusted to the Municipalities under Article 243W of the Constitution and ambulance services are an activity in relation to the functions entrusted to the Panchayats and Municipalities under Article 243G and 243 W of the Constitution, the same would be exempt under Notification No. 12/2017-CT(R) dtd. 28.06.2017.

19. We also find that the applicant has placed reliance on the following Advance Rulings: -

(i) Jayesh Anil Kumar Dalal

(ii) Manpar Icon Technologies

(iii) Ajit Babubhai Jariwala

We have gone through these judgements. We find that in *Jayesh Anil Kumar Dalal*, and in *Manpar Icon Technologies*, the applicant had provided Project Development Service and Project Management consultancy service to the State Urban Development Authority (SUDA) for the Pradhan Mantri Awas Yojana (PMAY) scheme. The AAAR held that as PMAY is to address the affordable housing requirement in urban areas through slum rehabilitation it would be covered under 12th Schedule of Article 243W (*Slum improvement and upgradation).* In *Ajit Babubhai Jariwala*, the applicant was granted a work order to provide architectural consultancy service to Surat Municipal Corporation for SMIMER Hospital & College campus. The AAR held that the work order was awarded to the Municipality and it was for the work at the Surat Municipal Institute of Medical Education and Research (SMIMER) and thus falls with the ambit of 12^{th} Schedule. Thus, what found favour with the AAR was that the work was for the municipality and its Medical College.

20. It could be seen that in all the Advance Rulings relied upon by the applicant, the works involved are closely associated with the functions listed in 11th Schedule of Article 243G or 12th Schedule of Article 243W. The applicant has also submitted that this Authority in the first round had relied upon the judgement of the Supreme Court in *Doypack Systems Pvt Ltd.* (AIR 1988 SC 782) and had restricted the scope of the term '*in relation to*'. According to them, the judgement actually holds the term to be a very broad expression, which pre-supposes another subject matter. The expression '*relating to*' has been held to be equivalent to or synonymous with as to '*concerning with*' and '*pertaining to*'. The expression '*pertaining to*' is an expression of expansion and not of contraction. We agree with the contention of the applicant that the expression '*in relation to*' is an expression of expansion and on the basis of this interpretation only we have held that services mentioned in Para 16, *supra* will fall under 12th Schedule of Article 243W or of 11th Schedule of Article 243G. However, we cannot stretch the term to such an extent that the intention of the legislature is lost. The Supreme Court in *Navin Chemicals Mfg and Trading Co. Ltd. v. Collector of Customs,* (1993) 4 SCC 320 while dealing with the expression '*relation to*' used in Section 129C of the Customs Act, held that:

".... The phrase "relation to" is, ordinarily, of wide import but, in the context of its use in the said expression in Section 129C, it must be read as meaning a direct and proximate relationship to the rate of duty and to the value of goods for the purposes of assessment...."

Similarly, the phrase '*in relation to*' mentioned in Sl. No. 3 of Central Tax (Rate) Notification No. 12/2017 is to be read as meaning a direct and proximate relationship to any function entrusted to a Municipality under Article 243W of the Constitution or to a Panchayat under Article 243G. Further, it is trite law that exemption notifications are to be interpreted strictly and the burden of proving the applicability would be on the taxpayer to show that his case comes within the parameters of the exemption clause or exemption notification. We find that in respect of the services which we have mentioned in Para 15 *supra*, the applicant has not been able to show as to how these buildings are in any way related to the function entrusted to Panchayat under Article 243G of Constitution or in relation to function entrusted to Municipality under Article 243W of Constitution.

21. We find that in Re: *Janki Sushikshit Berojgar Nagrik Seva Sahakari Sanstha Ma Amravati* [2021 (46) G.S.T.L. 277 (A.A.R. - GST - Mah.)], the AAR held that the service of providing labour for cleaning of office premises to the

Collector office is not related to any function under under Article 243G or Article 243W of the Constitution. In *Re: Hyderabad Metropolitan Water Supply And Sewerage Board* [2023 (71) G.S.T.L. 310 (App. A.A.R. - GST - Telangana)], the AAAR held that Insurance services provided to the Board for insuring their employees and employee family members are not in relation to any function entrusted to the Municipality. In *Re : Sankalp Facilities and Management Services Pvt. Ltd.* [(2023) 6 Centax 207 (App. A.A.R. - GST - Guj.)], the GAAAR held that Manpower services provided by appellant like housekeeping, cleaning, security, data entry operators provided to various **Government offices/departments** were not related to any activity in relation to any function carried out by these service recipients as entrusted under Article 243G or 243W of Constitution of India.

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

RULING

Que. 1: *Whether providing services of preparing and providing plans and estimate and preparing and providing DTP [Draft Tender Plan] for the building work provided by the assessee to the R&B department, Government of Gujarat under the contract would qualify as an activity in relation to Panchayat or Municipality under Article 243 G or Article 243 W respectively, of the Constitution of India?*

Ans 1: *Yes, but **only** in respect of services provided for the following buildings/structures: -*

(i) Industrial Training Institute (I.T.I) of Government

(ii) Nalsarovar Bird Sanctuary

(iii) Government School Building, Boys and Girls Hostel and District Library

(iv) Female dormitory of New Beggars Receiving Centre

(v) Storm Water Drain

(vi) Centres under Intensive Cattle Development Program (ICDP), Intensive Poultry Development Project and Animal Husbandry EPI Centre.

(vii) New Rehabilitation Home for women and persons cured after treatment from mental illness.

(viii) Fish Farm (Pond Steps and Shed) and its Office

(ix) Beej Nigam Seed Godown

The services provided to those buildings other than the above would not qualify as an activity in relation to Panchayat or Municipality under Article 243 G or Article 243 W respectively, of the Constitution of India.

Que. 2: *If answer to the first question is in affirmative then, whether such service provided by the applicant would qualify as pure service [excluding works contract service or composite supplies involving supply of any goods] provided to the Central Government, State Government or Union Territory or local authority by way of any activity in relation to any function entrusted to a Panchayat under article 243 G of the constitution or in relation to any function entrusted to a Municipality under article 243 W of the Constitution as provided in serial number 3 of notification No. 12/2017- CT (R), dtd 28.6.2017, and, thus be eligible for exemption from levy of CGST and SGST respectively?*

Ans 2: *Yes, but **only** in respect of the services provided for the buildings mentioned in Answer to Question No. 1.*

(Sushma Vora)
Member (SGST)

(Vishal Malani)
Member (CGST)

Place: Ahmedabad
Date: 09.10.2025