

AUTHORITY FOR ADVANCE RULING – MADHYA PRADESH**Goods and Service Tax****O/o THE COMMISSIONER, COMMERCIAL TAX,****MOTI BUNGALOW,****MAHATMA GANDHI MARG, INDORE (M.P.) - 452007****e-mail : aar@mptax.mp.gov.in Phone : 0731- 2437315 fax. no. : 0731-2536229****PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING**
U/S,98 OF THE GOODS AND SERVICES TAX ACT ,2017**Members Present**1. Shri Manoj Kumar Choubey
Joint Commissioner

Office of the Joint Commissioner of Commercial Tax, Indore Division-1

2. Shri Virendra Kumar Jain
Joint Commissioner

Office of the Commissioner CGST and Central Excise, Indore

GSTIN Number. If any/User-id	23AAAAC0450D1Z0
Name and address of the applicant	M/S CENTRE FOR ENTREPRENEURSHIP DEVELOPMENT MADHYA PRADESH (CEDMAP) CENTRE FOR ENTREPRENEURSHIP DEVELOPMENT MADHYA PRADESH (CEDMAP)
Point on which advance ruling sought	(b) applicability of a notification issued under the provisions of the Act; (c) determination of the liability to paytax on any goods or services or both;
Present on behalf of applicant	Shri Navneet Garg, CA
Case Number	..07.../2020
Order dated	04/11/2020
Order Number	17/2020

PROCEEDINGSUnder sub-section (4) of Section 98 of Central Goods and Service Tax Act, 2017
and the Madhya Pradesh Goods & Service Tax Act, 2017)

1. M/S CENTRE FOR ENTREPRENEURSHIP DEVELOPMENT MADHYA PRADESH (CEDMAP) (hereinafter referred to as the Applicant) is an, autonomous not for profit, registered society under Department of Micro, Small and Medium



Enterprises, Government of Madhya Pradesh. The Applicant is having a GST registration with GSTIN 23AAAAC0450D1Z0.

2. The provisions of the CGST Act and MPGST Act are identical, except for certain provisions. Therefore, unless a specific mention of the dissimilar provision is made, a reference to the CGST Act would also mean a reference to the same provision under the MPGST Act. Further, henceforth, for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST or MP GST Act would be mentioned as being under the GST Act.

3. **BRIEF FACTS OF THE CASE –**

3.1. Centre for Entrepreneurship Development MP, Bhopal (hereinafter referred to as "CEDMAP" or "the Applicant") is established as a Society, registered under MP Societies Registrkaran Adhiniyam, 1973 and having its Head Office at 16-A, Arera Hills, Bhopal 462011 (MP).

3.2. The applicant is registered under the MPGST/ CGST Act 2017 vide GSTIN-23AAAAC0450D1Z0.

3.3. CEDMAP is an autonomous, not for profit, registered society under Department of Micro, Small and Medium Enterprises, Government of Madhya Pradesh. Principal Secretary of the Department of Micro Small & Medium Enterprises, Government of Madhya Pradesh is the Chairman of the governing body of CEDMAP.

3.4. CEDMAP has been formed with objective of –

- To search, encourage & identify and select potential entrepreneurs and develop them for setting up tiny, rural, small or medium ventures.
- To provide training and instruction in all aspects of setting up: running a venture to potential and existing entrepreneurs, educate unemployed, low income and under-privileged groups.
- To conduct various training programmes for entrepreneurs, educated unemployed, women, low income groups and under privileged group.
- CEDMAP has received a work order from Jila Panchayat, Singrauli under Madhya Pradesh Deendayal Antyodaya Yojana, State Rural Livelihood Mission, Panchayat & Rural Development Department, Govt. of MP for providing Skill Training to the youth in the district of Singrauli in Tourism and Hospitality, Healthcare, Retail, IT-ITES and Construction sector.

4. **QUESTION RAISED BEFORE THE AUTHORITY –**

The below questions have been formed in relation to the services being provided by applicant to the recipients :

4.1. Whether work order received by the applicant from the Jila Panchayat, Singrauli under Madhya Pradesh Deendayal Antyodaya Yojana, State Rural Livelihood Mission, Panchayat & Rural Development Department, Govt. of M.P. for providing Skill Training to the youth in the district of Singrauli in Tourism and



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Hospitality, Healthcare, Retail, IT-ITES and Construction sector is covered under Entry No. 3 of Exemption Notification No. 12/2017-Central Tax (Rate), dated 28th June 2017 ?

4.2. Whether the Goods & Service Tax is payable on work order received by the applicant from Jila Panchayat, Singrauli under Madhya Pradesh Deendayal Antyodaya Yojana, State Rural Livelihood Mission, Panchayat & Rural Development Department, Govt. of M.P. for providing Skill Training to the youth in the district of Singrauli in Tourism and Hospitality, Healthcare, Retail, IT-ITES and Construction sector ?

5. DEPARTMENT VIEW POINT -

The Joint Commissioner(Tech), CGST & Central Excise, Bhopal vide letter F.No.IV(16)Adv/GST/TECH/BPL/2020/-dated 20.10.2020 submitted the views as under :-

- (i) It appears that the work order received to the applicant from the Jila Panchayat, Singrauli under Madhya Pradesh Din Dayal Antyoday Yojna, State Rural Livelihood Mission Panchayat & Rural Development, Government of Madhya Pradesh for providing skill training to the youth in the district of Singrauli in Tourism and Hospitality, Healthcare, Retail, IT-ITES and construction Sector is covered under the entry No.3 of Exemption Notification No.12/2017 Central Tax(Rate) dated 28.06.2017 if they fulfil the conditions of said Notification.
- (ii) The Deen Dayal Yojna & State Rural Livelihood mission both are being operated by Panchayat & Rural Development of government of Madhya Pradesh which have issued the work order to M/s CEDMAP for skill training to the youth in the district of Singrauli in Tourism and Hospitality, Healthcare, Retail IT-IES and construction sector. The said services provided by M/s CEDMAP to Jila Panchayat, Singrauli will be exempted.
 - (a) If the services provided are covered under "Technical training and vocational education" at point No.18 of functions entrusted to a Panchayat under article 243G of the Constitution,
 - (b) and the services provided are "Pure'service"(excluding works contract service or other composition supplies involving supply of any goods) as mentioned in Notification No.12/2017 Central Tax(Rate) dated 28.06.2017.

RECORD OF PERSONAL HEARING -

6.1 Shri Navneet Garg, CA appeared on behalf of the applicants for personal hearing on electronic mode on 20.08.2020 and he reiterated the submissions already made in the application and Annexure with the application and also submitted the written submission specifically mentioning the eligibility for exemption granted under entry No. 3 of Notification No. 12/2017-CT (R), dated 28th June 2017. He also sought to submit copies of certain documents and requested that the same may be taken on record. Accordingly, the documents submitted have been taken on record for consideration.



6.2. The applicant is a service provider.

6.3. The applicant is registered under MP Societies Registrkaran Adhiniyam, 1973 and its Governing board is the apex body and is presided over by Principal Secretary of the Department of Micro, Small & Medium Enterprises, Government of Madhya Pradesh.

6.3. The applicant is engaged in providing services to Government Departments, Local Authorities, Governmental Authorities and Government Entities by way of providing Skill Training to youth and develops them for Placement.

6.4. Notification No. 12/2017, dated 28th June 2017 contains Entry No. 3, which for the sake of convenience, is reproduced as under:-

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent)	Condition
1	2	3	4	5
3	Chapter 99	Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority [or a Government Entity] by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution or in relation to any function entrusted to a Municipality under Article 243W of the Constitution.	Nil	Nil

6.5. For claiming exemption under Entry No. 3 of Notification No. 12/2017 (CTR) followings are the key conditions to be satisfied :-

- Pure Service.
- Exclusion of works contract and composite supply.
- Provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity.
- 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.

6.6. The work order awarded to the applicant by Jila Panchayat Singrauli under Deendayal Antyodaya Yojana, State Rural Livelihood Mission, Panchayat & Rural Development Department, Govt. of Madhya Pradesh for **providing Skill Training** to the 1000 youth in Singrauli district of MP, in Tourism and Hospitality, Healthcare, Retail, IT-ITES and Construction sector is a **Pure Service** work.

6.7. Further the services provided by the applicant to Jila Panchayat Singrauli are **not covered in exclusion clause** pertaining to 'works contract service' or 'composite supplies involving supply of any goods'.

6.8. As the above said work, has been awarded by Jila Panchayat, Singrauli under Deendayal Antyodaya Yojana, State Rural Livelihood Mission for a consideration of



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Rs. 15,000/- per trainee to be paid by Jila Panchayat, Singrauli hence it is clear that the applicant is providing training services to Local Authority.

6.9. Another condition to be satisfied is that the activity **must be 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 hence to understand it better the Article 243G & 243W are being reproduced as follows:-

Article 243G in The Constitution Of India

243G. Powers, authority and responsibilities of Panchayats Subject to the provisions of this Constitution the Legislature of a State may, by law, endow the Panchayats with such powers and authority and 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 Panchayats, at the appropriate level, subject to such conditions as may be specified therein, with respect to

- (a) the preparation of plans for economic development and social justice;
- (b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the

Eleventh Schedule.

Article 243W in the Constitution Of India

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 those in relation to the matters listed in the Twelfth Schedule

6.10. In both the articles of Constitution of India i.e. 243G & 243W, the reference has been given to Schedule Eleven & Schedule Twelve hence it is pertinent to go through the items covered under both the schedules. Hence the Schedule Eleven & Schedule Twelve are reproduced as follows:-

ELEVENTH SCHEDULE(Article 243G)

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.



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14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
- 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.

TWELFTH SCHEDULE (Article 243W)

1. Regulation of land use and construction of land buildings.
2. Urban planning including the town planning.
3. Planning for economic and social development
4. Urban poverty alleviation
5. Water supply for domestic, industrial and commercial purposes
6. Fire services
7. Public health sanitation, conservancy and solid waste management
8. Slum improvement and up-gradation
9. Safeguarding the interests of the weaker sections of society, including the physically handicapped and mentally unsound
10. Urban forestry, protection of environment and promotion of ecological aspects
11. Construction of roads and bridges
12. Provision of urban amenities and facilities such as parks, gardens and playgrounds
13. Promotion of cultural, educational and aesthetic aspects
14. Burials and burials grounds, cremation and cremation grounds and electric crematoriums
15. Cattle ponds, prevention of cruelty to animals
16. Regulation of slaughter houses and tanneries
17. Public amenities including street lighting, parking spaces, bus stops and public conveniences
18. Vital statistics including registration of births and deaths

6.11. As per the Sanction order, the applicant has to provide services by way of Training-cum-Placement to 1,000 unemployed youth of Singrauli District, 200 Trainees each in the field of Tourism and Hospitality, Healthcare, Retail, IT-ITES and Construction. CEDMAP (the applicant) shall be paid Rs. 15,000/- per trainee for such services.

6.12. Thus, works of pure services undertaken by the applicant is covered in clause 18 (Technical training and vocational education) and clause 27 (Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes) of the Eleventh Schedule referred to in Article 243G of the Constitution.



6.13. It is evident from the above, that the works being undertaken by the applicant is **in relation to** the functions entrusted to Panchayats under Article 243G of the Constitution, and, therefore, **it is exempt from tax being covered in Sr. No. 3 of Notification No. 12 of 2017-Central Tax (Rate), dated 28-6-2017** (as amended from time to time) issued under Central Goods and Services Tax Act, 2017 (CGST/Act), and corresponding notifications issued under Madhya Pradesh Goods and Services Tax Act, 2017 (MPGST Act).

6.14. Hence, in respect of Query No. 1, we understand that the work of Skill Training allotted by Jila Panchayat Singrauli under Deendayal Antyodaya Yojana, State Rural Livelihood Mission, Panchayat & Rural Development Department, Govt. of Madhya Pradesh shall be duly covered under Entry No. 3 of Notification No. 12/2017 CT(R) dated 28th June 2017.

6.15. In respect of query No. 2, as the work order given by the Jila Panchayat, Singrauli is covered under the Entry No. 3 of Notification No. 12/2017 CT(R), dated 28th June 2017. Hence it shall be exempt from Goods & Services Tax.

6.16. The applicant also attached a copy of work order which is awarded to them.

MP



22M.P. DAY-State Rural Livelihood Mission

Govt. of M.P.

Panchayat & Rural Development Dept.

मोप्रो दीनदयाल अत्योदय योजना

राज्य ग्रामीण आजीविका मिशन

मोप्रो शासन, पंचायत एवं ग्रामीण विकास विभाग

जिला पंचायत, सिंगरौली (म.प्र.)

Email:

MP DAY SRLM

::स्वीकृति आदेश ::

क्र. 1977

/ 2020 / एसआरएलएम / सिंगरौली, दिनांक- 24/09/20 प्रशिक्षण सह नियोजन अंतर्गत पाच ट्रेड (टूरिज्म एवं हास्पिटलिटी, हेल्थ केयर, रिटेल, आईटी, कन्स्ट्रक्शन) हेतु प्रस्ताव प्रस्तुत किया गया है। स्वीकृत निविदा के आधार पर जिला स्तरीय प्रतिष्ठान मद से प्रशिक्षण सह नियोजन हेतु निम्न विवरण अनुसार कार्य की स्वीकृति एतद् द्वारा प्रदान की गई थी। निविदा के आधार पर कार्य हेतु चयनित एजेन्सी - (सैडमैप) को अधिकृत किया गया है। क्रियान्वयन एजेन्सी के प्रशिक्षण कार्य का पर्यवेक्षण मध्यप्रदेश राज्य ग्रामीण आजीविका मिशन, सिंगरौली द्वारा किया जायेगा।

क्र.	कार्य का विवरण	स्वीकृति संख्या	स्वीकृति राशि (प्रति प्रशिक्षार्थी)	कुल राशि (1000 प्रशिक्षार्थी)
1	2	3	4	5
1	पाच ट्रेडो (टूरिज्म एवं हास्पिटलिटी, हेल्थ केयर, रिटेल, आईटी, कन्स्ट्रक्शन) में प्रशिक्षण सह नियोजन कार्य	1000 (जिले के बेरोजगार युवक एवं युवतियों को प्रशिक्षण प्रदान कर नियोजन कराना)	Rs. 15000.00 (प्रति प्रशिक्षार्थी प्रशिक्षण सह नियोजन हेतु तय शर्तों के अनुरूप)	Rs. 15000000.00

(कुल राशि - एक करोड़ पचास लाख रुपये मात्र)

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S.NO	SECTOR	TRADE	NO OF TRAINEES	TRAINING COST	TOTAL COST
01	TOURISM AND HOSPITALITY	HOUSEKEEPING EXECUTIVE	200	15000	3000000
02	HEALTHCARE	GENERAL DUTY ASSISTANT	200	15000	3000000
03	RETAIL	SALES ASSOCIATE	200	15000	3000000
04	IT ITES	DOMESTIC DATA ENTRY OPERATOR	200	15000	3000000
05	CONSTRUCTION	ASSISTANT ELECTRICIAN	200	15000	3000000
			1000		15000000

कार्य हेतु सामान्य निर्देश -

- प्रशिक्षण सह नियोजन हेतु सिंगरौली जिले के बेरोजगार युवक युवतियों को उनकी रुचि योग्यता, क्षमता अनुसार चयन कर, विस्तृत प्रशिक्षण कार्यक्रम तैयार करते हुये उन्हें प्रशिक्षित करेंगे।
- प्रशिक्षण उपरांत कम से कम 70 प्रतिशत युवक/युवतियों का नियोजन कराया जाना आवश्यक होगा।
- संस्था को प्रशिक्षण संबंधी समस्त प्रकार के व्यय वहन करना होगा।
- संस्था को दिनांक फरवरी 2021 तक 1000 बेरोजगार युवकों को पाच ट्रेडो (टूरिज्म एवं हास्पिटलिटी, हेल्थ केयर, रिटेल, आईटी, कन्स्ट्रक्शन) में प्रशिक्षण प्रदान कर नियोजन (Placement) कराना आवश्यक होगा।
- संस्था को प्रशिक्षण हेतु भवन की व्यवस्था स्वयं करनी होगी, जिसका बिजली बिल, पानी शुल्क, एट्म्यूट संबंधित संस्था को वहन करना होगा।

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MP DAY-State Rural Livelihood

Mission

Govt. of M.P.

Panchayat & Rural Development Dept.

MP DAY-SRLM

M040 दीनदयाल अयोदय योजना

राज्य ग्रामीण आजीविका मिशन

M040 शासन, पंचायत एवं ग्रामीण विकास विभाग

जिला पंचायत, सिंगरीली (म.प्र.)

Email:

06. पांच ट्रेड (टूरिज्म एवं होस्पिटैलिटी, हेल्थ कैंटर, रिटेल, आईटी, कन्स्ट्रक्शन) सह नियोजन का निर्धारित मापदण्ड पूर्ण न होने पर कलेक्टर जिला सिंगरीली/मुख्य कार्यपालन अधिकारी जिला पंचायत को पूर्ण कार्यक्रम/निविदा निरस्त करने का अधिकार होगा।
07. प्रशिक्षण संस्था, प्रशिक्षण प्रारंभ के पूर्व, नोडल एजेंसी को लिखित में सूचना देगा एवं प्रशिक्षण प्राप्त करने योग्य युवक/युवतियों की सूची का अनुमोदन होने के उपरान्त प्रशिक्षण प्रारंभ करेगा।
08. कॉलम 0 में अंकित स्वीकृति राशि में नियमानुसार, कटौती कर, जारी दिशा निर्देशों के अनुसार प्रदाय की जायेगी।
09. अनुबंध शर्त दिनांक फरवरी 2020 को निष्पादित अनुबंध में उल्लेखित अनुसार होगी। प्रशिक्षण, अनुबंध शर्तों के अनुसार एवं समय-समय पर जारी दिशा - निर्देशों का पालन करत हुय किया जाना होगा।
10. सैडमैप संस्था द्वारा प्रशिक्षण कि द्वितीय किश्त के लिए प्रशिक्षणार्थियों की डाटा उन्नती एण्ड म करनी होगी इसके बाद ही द्वितीय किश्त जारी कि जायेगी।

(अजुल/डा)

जिला परियोजना प्रबंधक

M040 राज्य ग्रामीण आजीविका मिशन,

जिला सिंगरीली, मध्यप्रदेश

पृ.क्र./1379 एसआरएलएम/2020/

सिंगरीली, दिनांक 24/02/2020

प्रतिलिपि :-

01. आयुक्त रीवा संभाग, रीवा की ओर सादर सूचनार्थ।
02. कलेक्टर महोदय, जिला सिंगरीली की ओर सादर सूचनार्थ।
03. पुलिस अधीक्षक महोदय, जिला सिंगरीली की ओर सादर सूचनार्थ।
04. अतिरिक्त मुख्य कार्यपालन अधिकारी, म.प्र.डे राज्य ग्रामीण आजीविका मिशन, भोपाल की ओर सूचनार्थ।
05. राज्य परियोजना प्रबंधक कृषि एवं जिला नोडल अधिकारी, म.प्र.डे राज्य ग्रामीण आजीविका मिशन, भोपाल की ओर सूचनार्थ।
06. मुख्य कार्यपालन अधिकारी, जिला पंचायत की ओर सूचनार्थ।
07. उपखण्ड अधिकारी विकासखण्ड - माडा/देवसर/सिंगरीली/चितरगी की ओर सूचनार्थ।
08. जिला प्रबंधक - वित्त म.प्र.डे राज्य ग्रामीण आजीविका मिशन, सिंगरीली की ओर सूचनार्थ एवं आवश्यक कार्यवाही हेतु।
09. संचालक सैडमैप भोपाल मध्यप्रदेश को सूचनार्थ एवं लेख है कि निर्धारित अनुबंध एवं प्रदाय दिशा - निर्देशों के तहत पांच ट्रेडों में प्रशिक्षण सह नियोजन प्रारंभ करे।

(अजुल/डा)

जिला परियोजना प्रबंधक

M040 राज्य ग्रामीण आजीविका मिशन

जिला सिंगरीली, मध्यप्रदेश

M.P. DAY- State Rural Livelihood Mission
Govt. of M.P.
Panchayat & Rural Development Dept.



मध्य प्रदेश दीनदयाल प्रसाद राज्य ग्रामीण आजीविका मिशन
मध्य प्रदेश पंचायत प्रशासन विभाग
जिला पंचायत, सिंगरौली (म.प्र.)
Email: schmsingr@gmail.com

क्र/कौशल/डीएमएफ./20/1760

सिंगरौली-दिनांक-29/01/2020

प्रति,

श्री नवनीत सिंह छतवाल,
कार्यकारी संचालक,
उद्यमिता विकास केन्द्र उद्योग म.प्र.16-ए
अरेरा हिल्स भोपाल (म.प्र.)

विषय- अनुबंध निष्पादित करने के सम्बन्ध में।

विषयान्तर्गत लेख है कि निविदा सूचना क्रमांक 1558 दिनांक 08.01.2020 के द्वारा बेरोजगार युवकों को रोजगार उपलब्ध कराने के उद्देश्य से 1.टूरिज्म एवं हास्पिटलटी 2.हेल्थ केयर 3.रिटेल 4.आई.टी 5.कन्स्ट्रक्शन हेतु निविदा दिनांक 17.01.2020 को खोली गई जिसमें आपके द्वारा प्रस्तुत दर रुपये 15000 (पन्द्रह हजार रुपये) प्रति प्रतिभागी कुल प्रशिक्षण शुल्क समस्त कर सहित प्रदाय किया गया है। ~~अनुबंध~~ गठित समिति द्वारा प्रस्तुत दर न्यूनतम है अतः उक्त दर स्वीकृत किया गया है।

अतः आपको निर्देशित किया जाता है कि प्रशिक्षण सह नियोजन हेतु 100 रुपये के स्टाम्प पेपर में अनुबंध 3 दिवस के भीतर निष्पादित करें। यदि आपके द्वारा समय सीमा में उपरोक्तानुसार कार्यवाही पूर्ण नहीं की जाती है तो यह माना जायेगा कि आप इस कार्य करने के इच्छुक नहीं हैं।

जिला परियोजना प्रबंधक
मध्यप्रदेश-राज्य ग्रामीण आजीविका मिशन
जिला-सिंगरौली (म.प्र.)

पृ. क्र/कौशल/डीएमएफ./20/1761

सिंगरौली-दिनांक-29/01/2020

प्रतिलिपि

- 01.कलेक्टर, जिला सिंगरौली की ओर सादर सूचनाार्थ।।
- 02.मुख्य कार्यपालन अधिकारी जिला पंचायत सिंगरौली की ओर सादर सूचनाार्थ।

जिला परियोजना प्रबंधक
मध्यप्रदेश-राज्य ग्रामीण आजीविका मिशन
जिला-सिंगरौली (म.प्र.)



6.17. The applicant argued that the work order awarded to them for giving training and providing employment comes under the exemption provided in Notification No. 12/2017-CT (R), dated 28th June 2017. The arguments given in this regards are as following :

6.17.1. As per the Sanction order, CEDMAP has to give **"Training cum Placement"** to 1,000 unemployed youth of Singrauli District, 200 Trainees each in the field of Tourism and Hospitality, Healthcare, Retail, IT-ITES and Construction. CEDMAP shall be paid Rs. 15,000/- per trainee for such services.

6.17.2 Thus, the work order mentions the nature of works as 'Training Cum Placement' and the consideration has been decided to be Rs. 15,000/- per trainee, followings are the detailed terms and conditions :

a. To prepare the detailed programme for training of unemployed youth of Singrauli District as per the interest, qualification and capability of each individual trainee.

b. 200 trainees are to be trained in each of following streams-

- i. Tourism & Hospitality.
- ii. Healthcare
- iii. Retail.
- iv. IT-ITES
- v. Construction

c. After training, placement has to be provided to at least 70% of trainees.

6.17.3. Entry No. 18 of Schedule Eleven to the Constitution entrust the function - "Technical training and vocational education." to the local authorities, which shall be qualified for exemption from GST as per Entry No. 3 of Notification No. 12/2017 CT (Rate). We need to identify whether the work allotted to applicant falls within the meaning of "Technical training and Vocation education".

6.17.4. As the Vocational Education word is not defined under the GST laws hence we need to take the general meaning –

As per Wikipedia-

Vocational education is education that prepares people to work as a technician or to take up employment in a skilled craft or trade like tradesperson or artisan. Vocational education is sometimes referred to as career and technical education.

As per merriam-webster

Training for a specific occupation in agriculture, trade, or industry through a combination of theoretical teaching and practical experience provided by many high schools in their commercial and technical divisions, and by special institutions of collegiate standing (as a college of agriculture, a school of engineering, or a technical institute)

As per All India Council for Technical Education -

Vocational education or Vocational Education and Training (VET), also called Career and Technical Education (CTE), prepares learners for jobs that are based in manual or practical activities, traditionally non-academic and totally related to a specific trade, occupation or vocation, hence the term, in which the learner participates. It is sometimes referred to as technical education, as the learner directly develops expertise in a particular group of techniques or technology.

6.17.5. Referring to all the above description and the nature of work allotted to the applicant it can be very much concluded that the work being performed by the applicant falls within the meaning of Entry no 18 of Schedule 11 of Constitution - "Technical training and vocational education."

6.17.6. Further, As per Sec 2(30) of CGST Act 2017-



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"Composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

Illustration: Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply;

6.17.7. As per Sec 8 of CGST Act 2017-

The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:—

(a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and

(b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.

6.17.8. Referring the provisions of Section 2(30) read along with Section 8 of CGST Act 2017 followings are the key principals –

a. two or more taxable supplies of goods or services or both, or any combination thereof,

b. which are naturally bundled and

c. supplied in conjunction with each other in the ordinary course of business,

d. one of which is a principal supply

e. a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply;

6.17.9. Here, the applicant is making two taxable supplies i.e. Training-Cum-Placement, which are naturally bundled, as per the industry trends both the services are generally provided in conjunction with each other.

6.17.8. Further, the question here is regarding the principal supply, so referring to the terms and conditions of work order, referred in point No. 1.2 above, conditions mainly emphasise on the preparation of training programme, providing training to 1000 trainees and most importantly it mandates the placement of 70% of the trainees, **means the training has to be provided to all the 1000 trainees however if 70% of them are placed then also the work shall be deemed to be have been completely executed.**

6.17.9. Hence the supply per se is a composite supply and fall within the meaning of "Training and Vocational Education" hence it shall qualify for exemption given under Entry No 3 to the Notification No 12/2017 CT (Rate).

DISCUSSIONS AND FINDINGS –

7.1 We have carefully considered the submissions made by applicant in the application, pleadings on behalf of Applicant made during the course of personal hearing and Department's view provided by the Joint Commissioner, CGST & Central Excise, Headquarters, Indore.

7.2 We find that the short question before us pertains to :

- i. Whether work order received by the applicant from the Jila Panchayat, Singrauli under Madhya Pradesh Deendayal Antyodaya Yojana, State Rural Livelihood Mission, Panchayat & Rural Development Department, Govt. of M.P. for providing Skill Training to the youth in the district of Singrauli in Tourism and Hospitality, Healthcare, Retail, IT-ITES and Construction sector is covered under Entry No. 3 of Exemption Notification No. 12/2017 Central Tax (Rate) dated 28th June 2017 ?



- ii. Whether the Goods & Service Tax is payable on work order received by the applicant from Jila Panchayat, Singrauli under Madhya Pradesh Deendayal Antyodaya Yojana, State Rural Livelihood Mission, Panchayat & Rural Development Department, Govt. of M.P. for providing Skill Training to the youth in the district of Singrauli in Tourism and Hospitality, Healthcare, Retail, IT-ITES and Construction sector ?

7.3 It is necessary to examine Sl. No. 3 of the Exemption Notification No. 12/2017 as below:

Sl No. 3: Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution or in relation to any function entrusted to a Municipality under Article 243W of the Constitution (*Heading 99*)

7.4 For availing exemption the condition w.r.t. a) supply should be of pure service, and b) criteria of service receiver should be satisfied.

7.5 For the same, status of M.P. DAY Rajya Gramin Ajivika Mission needs to be ascertained. Relevant definition(s) are reproduced for reference.

“Governmental Authority” means an authority or a board or any other body, - (i) set up by an Act of Parliament or a State Legislature; or (ii) established by any Government, with 90 per cent. or more participation by way of equity or control, to carry out any function entrusted to a Municipality under Article 243 W of the Constitution or to a Panchayat under Article 243 G of the Constitution.

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

‘Local authority’ as defined under section 2(69) of the CGST Act 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;

7.6 The Applicant has stated that the work order is received from Jila Panchayat, Singrauli under Madhya Pradesh Deendayal Antyodaya Yojana, State Rural Livelihood Mission, Panchayat & Rural Development.

7.7 On analysis of the above stated work it is found that:

- i. The work pertains to providing service of training and placement of 1000 unemployed trainees in 5 trades
- ii. Work order issued to CEDMAP (applicant) for above training
- iii. Execution / Supervision of the above work is to be done by M.P. DAY (Dindayal



Antyodaya Yojna), State Rural Livelihood Mission

iv. Mission is appointed as Nodal / Execution agency by District Mineral Foundation

v. District Mineral Foundation is a Trust established under MMDR Act, 1957 for implementing development programme in mining affected areas

vi. Payment to be made from "Zila Khanij Pratishthan Mad".

7.8 From the above it is evident that the work order is not issued by Jila Panchayat as claimed by the Applicant but has been issued by M.P. DAY Rajya Gramin Ajivika Mission. Therefore, services shall be deemed to be have been provided to M.P. DAY Rajya Gramin Ajivika Mission. It is not covered in the definition of local authority.

Now, it is to be examined whether M.P. DAY Rajya Gramin Ajivika Mission is covered under governmental authority or government entity.

7.8 In this regard the applicant has been asked to submit the constitution of M.P. DAY Rajya Gramin Ajivika Mission so as to examine whether it is covered under governmental authority or government entity.

However, the applicant's could not give requisite information about constitution of M.P. DAY Rajya Gramin Ajivika Mission and how the Exemption is available to the applicant under entry no. 3 to Notification No. 12/2017 CT (Rate) dated 28th June 2017.


7.10 Having regard to discussions and findings detailed in foregoing paras, we now give our ruling.


8. Ruling

8.1. Considering the Argument and submission by the Applicant in respect of the question number 1 raised before this authority, it is ruled that the Applicant is not eligible to get benefit covered under the entry no 3 of Exemption Notification No. 12/2017 Central Tax (Rate) dated 28th June 2017 for the work order for which ruling has been asked for.

8.2. This Authority rules that the Applicant is liable to pay Goods & Service Tax on the work order for which ruling has been asked for.

8.3. The ruling is valid subject to the provisions under section 103 (2) until and unless declared void under Section 104 (1) of the GST Act.


(Virendra Kumar Jain)
(Member)


(Manoj Kumar Choubey)
(Member)

Copy to:- No. 08/2020/A.A.R/R-28/41

INDORE Dated 04/11/2020

1. Centre for Entrepreneurship Development MP, 16-A, Arera Hills, Bhopal 462011 (MP)
2. The Principal Chief Commissioner, CGST & Central Excise, Bhopal Zone, Bhopal
3. The Commissioner(SGST) Indore
4. The Commissioner, CGST & Central Excise, Indore
5. The Concerned Officer
6. The Jurisdictional Officer – State/Central

सत्यप्रतिलिपि

