GUJARAT APPELLATE AUTHORITY FOR ADVANCE RULING  
TION  
GOODS AND SERVICES TAX Se  
MARKET  
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD:380009  
  
ADVANCE RULING (APPEAL) NO. GUJ/GAAAR/APPEAL/2023/06  
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2021/AR/16)  
  
Date : 9F.4A2.2023  
  
Name and address of |: | M/s. Ahmedabad Janmarg Limited.,  
the appellant Dr.Ramanbhai Patel Bhavan,  
  
Usmanpura,  
  
Ahmedabad-380013  
GSTIN of the : | 244AAGCA6478F1ZM  
appellant  
Advance Ruling No. : | GUJ/GAAR/R/27/2021 dt. 19.07.2021  
and Date 7  
Date of appeal :\_ | 27.08.2023 |  
Date of Personal : | 26.07.2023  
Hearing |  
Present for the : | Shri Hardik Shah, CA,  
appellant Shri Pranav Barot and  
  
| Ms Shweta Jain. od  
  
At the outset we would like to make it clear that the provisions of  
the Central Goods and Services Tax Act, 2017 and Gujarat Goods and  
Services Tax Act, 2017 (hereinafter referred to as the ‘CGST Act, 2017’ and  
the ‘GGST Act, 2017’) are pari materia and 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, 2017 would also mean reference to the corresponding  
  
similar provisions in the GGST Act, 2017.  
  
2. The present appeal has been filed under Section 100 of the CGST  
Act, 2017 and the GGST Act, 2017 by M/s Ahmedabad Janmarg Limited  
(hereinafter referred to as Appellant) against the Advance Ruling No.  
GUJ/GAAR/R/27/2021 dated 19.07.2021.  
  
3. Briefly, the facts are enumerated below for ease of reference:  
  
4. The appellant, a Public Limited Company, is registered with the  
department & their GST registration no. is 24AAGCA6478F1ZM.  
  
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5. Ahmedabad Municipal Corporation [AMC], launched the Bus  
Rapid Transport System [BRTS] to ease the traffic situation in Ahmedabad  
city. To run and operate buses under the BRTS, AMC incorporated a Special  
Purpose Vehicle [SPV] called Ahmedabad Janmarg Limited [appellant]. It  
received funding under the Jawaharlal Nehru National Urban Renewal  
Mission [JnNURM], a programme launched in 2005 by the Government of  
  
India, to improve the quality of life and infrastructure in the cities.  
  
6. On the grounds viz  
  
° that AMC is a 100% shareholder of the appellant;  
  
° that appellant is a mere offshoot of AMC & its inseparable  
part & extended arm;  
  
° that it does the activities as per the functions entrusted to  
Municipal Corporation; that it is established and managed by AMC  
  
° that majority of its employees at top management are sent  
on deputation by AMC;  
  
° that appellant is part of centrally funded scheme & the lead  
planning & implementing agency for all the practical purpose is  
AMC.  
  
° that allotment of land for creating BRTS stations/providing  
space for parking of buses or managing day to day affairs of  
BRTS, AMC has played pivotal role;  
  
° that AMC receives grants from various sources for  
operations/capital needs and deploys the funds for BRTS  
operations; that since the appellant manages the fund provided by  
AMC, it can be construed to control/ manage local or municipal  
fund;  
  
e that it is essential for the appellant to avail services of  
security contractors to ensure the safety of buses and smooth flow  
of traffic; that the transportation services would falls under the ambit  
of provision of urban amenities and facilities listed under the 12th  
schedule;  
  
e that the term ‘in relation to’ used in Sl. No. 3 of exemption  
notification No. 12/2017-CT (Rate) dated 28.6.2017 is wide enough  
to cover every services that results in performance of the functions as  
mentioned in Article 243W of the Constitution of India either  
directly or indirectly;  
  
° that they are also providing advertising services wherein the  
clients/recipients advertise their products/services on various parts  
of buses for which they recover; that services supplied by the  
appellant [a local authority] to business entity is covered within  
reverse charge mechanism [RCM] in terms of notification  
no.13/2017 —CT (R) dated 28-6-17:  
  
. TDS provisions wef 01.10.2018 requires the appellant as a  
local authority, to deduct TDS & hence, they are required to obtain  
registration as TDS deductor;  
  
the appellant is of the belief that they are a ‘local authority’; that  
being a local authority, the security services received are exempted  
  
in terms of notification No. 12/2017-CT (Rate) dated 28.6.2017, as  
  
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same under RCM; that in respect of advertisement services provided  
by the appellant they are exempted GST is to be paid by the  
recipient in terms of notification No. 13/2017-CT (Rate) dated  
28.6.2017 & they are required to deduct TDS, as per section 51 of  
the CGST Act, 2017 read with notification No. 50/2018-CT dtd  
13.9.2018. As an alternate plea the applicant submits that if they do  
not qualify to be a ‘local authority’, they can be construed to be a  
  
‘government entity’ or an ‘Governmental authority’.  
  
7; In view of the aforementioned belief, the appellant sought a ruling  
from the Gujarat Authority for Advance Ruling [GAAR] on the following  
  
questions viz  
  
1. Whether AJL would be qualified as ‘Local Authority’ under the  
Central Goods andServices Tax Act, 2017?  
  
2. Whether AJL is liable to pay GST on procurement of security services  
received from any person other than body corporate under reverse charge  
mechanism, considering the exemption granted in sl. no. 3 of Notification  
No. 12/2017 — Central Tax (Rate) or sl. no. 3 of Notification No.09/2017  
IGST (Rate)?  
  
3. Whether AJL is required to pay GST on advertisement services or the  
service recipient of AJL is required pay GST under reverse charge  
mechanism considering Notification no. 13/2017-Central tax (Rate) dated  
28-06-2017?  
  
4. Whether AJL is required to be registered as a deductor under GST as  
per the provision of Section 24 of the CGST Act?  
  
5. If AJL does not qualify to be local authority under Central Goods and  
Services Tax Act, 2017 in Part A, can be it construed to be a government  
entity or a governmental authority?  
  
8. The GAAR vide its order No. GUJ/GAAR/R/27/2021 dated  
  
19.07.2021, gave the following ruling to the aforementioned questions:  
  
1. Ahmedabad Janmarg Limited is not a Local Authority.  
  
2. Ahmedabad Janmarg Limited is liable to pay GST on  
security services under RCM, as per relevant Notification.  
  
3. Ahmedabad Janmarg Limited is liable to pay GST on  
advertisement servicessupplied by it.  
  
4. Ahmedabad Janmarg Limited is not required to be  
registered as a deductorunder GST.  
  
5. Ahmedabad Janmarg Limited is net a Government Entity/  
Governmental Authority.  
  
9. Being aggrieved with the aforementioned Ruling, the apy ;  
  
has preferred the present appeal raising the following grounds: is (%  
  
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the appellant was created as an SPV for the purpose of BRTS under  
the direction of Gol; that AMC had obtained permission from the Dy.  
Secretary, Urban Development & Urban Housing Department, GoG  
which substantiates that the appellant was established by the  
Government;  
that the entire shareholding is being held by AMC; that 90% or more  
participation by way of equity is by the Government;  
that the funds received by BRTS from AMC tantamount to loan in the  
books of account of BRTS;  
BRIS receives grant under JnNRUM project which is treated as  
“grant income’ in the financials;  
that since appellant manages the fund provided by AMC, it can be  
construed to control/manage local or municipal fund;  
that the appellant renders transportation service entrusted to a  
Municipal Corporation; that rendering of transportation service is one  
of the functions of a municipality; that rendering of transportation  
services falls under article 243W of the Constitution of India and  
under matters listed at SI. No. 12 and 17 of the 12" Schedule;  
that they wish to rely on the rulings of viz  
  
o AMC [Ruling No. GUJ/AAR/R/13/21 dtd 27.1.21];  
  
o Vidarbha Infotech P Ltd [Ruling No. GST-ARA-131/18-19/B-  
  
70 dtd 13.6.19];  
o RC Jain [1981 (2) SCC 308];  
o Newtown Kolkata Development Authority [Ruling No.  
42/WBAAR/19-20 dtd 6.3.20].  
  
that the appellant, a Public Limited Company fulfills all the criterion  
as a ‘local authority’ as stipulated in section 2(69) of CGST Act,  
2017;  
that the term ‘in relation to’, used in Sl. No. 3 of exemption  
notification Nos. 12/2017-CT(R) & 9/2017-IGST (R) is wide &  
encompasses all services provided to perform function entrusted  
under Article 243W of the Constitution of India; that they wish to  
rely on the following rulings viz  
o M/s. AB Enterprise [Ruling No. GUJ/GAAR/R/2020/18]  
o Shri Jayesh Dalal [Ruling No. GUJ/GAAR/R/08/2019]  
o M/s. PDCOR Ltd [Ruling No. RAJ/AAR/18-19/13 dtd  
25.8.18];  
o Sewage & Infrastructural Development Corporation of Goa  
[Ruling No. GoA/GAAR/10/18-19 dtd 30.9.19];  
o Shri Sumitabha Ray[Ruling No. 27/WBAAR/19-20 dtd  
  
23.9.19];  
  
o M/s. PDCOR Ltd [Ruling No. RAJ/AAR/18-19/13 dtd  
25.8.18];  
  
o Shri Roopesh Kumar [Ruling No. KAR/AAR/101/19-20 dtd  
27.9.19];  
  
o M/s. Arihant Dredging Developers Ltd [Ruling No. 49 /  
WBAAR/19-20 dtd 10.6.19];  
that in respect of the advertising services for which they recover  
certain amount they are not required to pay GST under RCM; that  
they are required to deduct TDS in terms of section 51 of the CGST  
Act, 2017 read with notification No. 50/2018-CT dtd 13.9.18;  
that for the averment that they qualify as Government  
entity/Government authority they would like to rely on the ruling of  
o Zigma Global Environ Solutions P Ltd [Ruling  
10/AP/GST/2020 dtd 5.5.2020];  
o Shapoorji Pallonjui & Co P Ltd [Ruling No. 10/AP/GST/2021  
dtd 25.2.2021].  
  
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10. During the course of personal hearing held on 26.07.2023, Shri  
Hardik Shah, CA, Shri Pranav Barot and Ms Shweta Jain appeared on behalf  
  
of the appellant. He reiterated the written submissions made in the appeal.  
  
Discussions and Findings:  
  
11. We find that the primary issue to be decided is whether the  
appellant is a ‘local authority’ as claimed by the appellant. As an alternate  
plea, the appellant claims that they may also be considered as a “Government  
entity’ or a ‘Governmental authority’. The rest of the issues being a corollary  
  
to the primary issue.  
  
12, Before dwelling on to the issue it would be prudent to reproduce  
  
the relevant extracts of the section, notifications etc. for ease of reference viz  
  
o Local Authority [as defined under section 2(69) of CGST Act. 2017  
  
(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  
(41 of 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 \*[and article 371J] of  
the Constitution; or  
(g) a Regional Council constituted under article 371A of the Constitution;  
  
o Notification No. 12/2017-CT (Rate) dated 28.6.2017  
  
Exemption from CGST on specified intra-State services  
  
TABLE  
SI. Chapter, Description of Services Rate | Condition  
No. Section,  
Heading, (per  
Group or cent.)  
Service  
Code  
(Tarifp  
) (2) (3) 4 (3)  
  
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3 |Chapter 99 | Pure services (excluding works contract service or| Nil Nil  
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.  
  
2. Definitions.  
  
- For the purposes of this notification, unless the context otherwise requires, -  
(zf) “governmental authority” has the same meaning as assigned to it in  
the Explanation to clause (16) of section 2 of the Integrated Goods and  
Services Tax Act, 2017 (13 of 2017);  
  
o Notification No. 32/2017-CT (Rate) dated 13.10.2017  
  
(ii) in paragraph 2, for clause (2f), the following shall be substituted, namely :-  
  
“(zf) “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  
243W of the Constitution or to a Panchayat under article 243G of  
the Constitution.  
  
(zfa) “Government Entity” means an authority or a board or any other  
body including a society, trust, corporation,  
  
(i) — setup 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”.  
  
o Notification No. 2/2018-CT (Rate) dated 25.01.2018  
  
Exemption from CGST on intra-State supply of specific services (Nil Rated) —  
Amendment to Notification No. 12/2017-C.T. (Rate)  
  
In the  
  
said notification, in the Table, -  
  
(a) against serial number 3, in the entry in column (3), after the words  
“a Governmental Authority” the words “or a Government Entity” shall be  
inserted;  
  
o Notification No. 16/2021-CT (Rate) dated 18.11.2021  
  
Exemption from CGST on intra-State supply of specified services (Nil Rated) —  
  
In the said notification, in the TABLE, -  
(i) against serial number 3, in column (3), in the heading “Description  
  
of Services”, the words “or a Governmental authority or a Government  
Entity” shall be omitted;  
  
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o Notification No. 13/2017-CT (Rate) dated 28.06.2017  
  
Payment of CGST on specified services on Reverse Charge basis  
  
TABLE  
  
SI. Category of Supply of Services Supplier of — | Recipient of Service  
  
No. service  
  
@ (2) (3) 4  
  
5 |Services supplied by the Central Central Any business entity  
Government, State Government, Government, | located in the taxable  
Union territory or local authority to a State territory.  
business entity excluding, - Government,  
(1) renting of immovable property, Union territory  
and or local  
(2) services specified below- authority  
(i) services by the Department of |  
Posts by way of speed post, express |  
parcel post, life insurance, and agency  
services provided to a person other  
than Central Government, State  
Government or Union territory  
or local authority;  
(ii) services in relation to an aircraft  
or a vessel, inside or outside the  
precincts of a port or an airport;  
(iii) transport of goods or |  
passengers. |  
13. The appellant’s contention is that in terms of section 2(69)(c) of  
  
the CGST Act, 2017, they fall within the ambit of ‘local authority’. Now we  
have already reproduced the relevant extracts supra, which states that local  
authority means 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. The appellant further in para 5 of the their grounds of  
appeal has stated as follows:  
  
“3. The ‘local fund’ used in the above definition has been defined under Gujarat  
Treasury Rules, as (i)revenue administered by bodies which by law or rule having  
the force of law come under the control of Government, whether in regard to  
proceedings generally, or to specific matter such as sanctioning of their budgets,  
sanction to the creation or filling up of particular appointments, the encashment of  
leave, pension or similar rules, (ii) The revenues of anybody which may be specially  
notified by Government as such.”  
  
14. A conjoint of the above clearly depicts that in terms of 2(69)(c)  
  
ibid, for the appellant to fall within the ambit of the term ‘local authority?  
  
“or  
  
has to satisfy the following viz  
  
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o bea Municipal Committee;  
o bea Zilla Parishad,  
o bea District Board,  
  
o be any other authority  
  
which is legally entitled to/entrusted by the Central/State Government  
with the control/management of a municipal or local fund.  
  
15. To substantiate their case, the appellants averment is that since it  
receives funds from AMC, who in turn receives grants from various sources  
for operations/capital needs and deploys it for BRTS operations as a loan, it  
  
would be construed that appellant controls /manages local or municipal fund.  
  
16. On the face of it, the argument is neither legally tenable nor  
factually correct. The appellant is a legal person, formed as a Special Purpose  
Vehicle and incorporated under the Companies Act. The averment that since  
they are funded by the Central funds, which is routed through AMC, they are  
in control/management of the municipal or local fund, is a proposition difficult  
to agree with. The appellant is neither a Municipal Committee, nor a Zilla  
Parishad nor a District Board. Now, as far as ‘other authority’ which is legally  
entitled to/entrusted by the Central/State Government with the  
control/management of a municipal or local fund is concerned, though they  
are granted Central funds as loan by AMC the appellant is not in  
  
control/management of a municipal/local fund,  
  
Ls In view of the foregoing, and in terms of para 18.2 of the  
impugned GAAR’s order of which we are in complete agreement, we hold  
  
that the appellant is not a ‘local authority’.  
  
18. We find that the appellant has relied upon two advance rulings, to  
substantiate their averment that they are a local authority viz [i] AMC [Ruling  
No. GUJ/AAR/R/13/21 dtd 27.1.21] and [ii] Vidarbha Infotech P Ltd  
[Ruling No. GST-ARA-131/18-19/B-70 dtd 13.6.19]. Having gone through  
both the rulings, we find it apt to reproduce the following from the said  
  
ruling viz  
  
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o AMC [Ruling No. GUJ/AAR/R/13/21 dtd 27.1.21]  
  
“66. From the perusal of the above discussion it can be construed that  
‘Ahmedbad Municipal Transport Service’ is a transport undertaking of  
‘Ahmedabad Municipal Corporation’ which is formed in terms of the provision of  
GPMC Act. Accordingly, Transport Manager under the transport committee was  
appointed as per the provision of GPMC Act. The fund of AMTS is managed by  
Transport Manager through Transport Committee under the supervision of AMC.  
In view of the above the applicant i.e. AMTS is an extended arm of the Municipal  
Corporation which is governed by GPMC Act and does the activities as per the  
function entrusted to Municipal Corporation.”  
  
{emphasis supplied]  
  
Now GPMC Act, mentioned supra means “The Gujarat Provincial Municipal  
Corporations Act, 1949 [Bombay Act No. LIX of 1949]. The relevant portion  
  
of the Act is reproduced below for ease of reference:  
  
Ongoing through sections 25 to 29A, 342, 355 and 357, ibid, we find that  
AMTS is a statutory authority discharging municipal functions as stipulated  
under the GPMC Act. It is on this ground that GAAR held AMTS to be a  
local authority. While relying on the advance ruling in the case of AMTS, the  
appellant failed to point out as to under which section of the GPMC Act the  
  
Ahmedabad Janmarg Limited was incorporated as a Public Limited Company  
  
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which is a statutory authority in terms of the GPMC Act, which incidentally  
is not the case with the appellant as far as the present dispute is concerned. In  
view of the foregoing, the reliance on the aforementioned ruling is not legally  
  
tenable, the facts being different.  
  
o Vidarbha Infotech P Ltd [Ruling No. GST-ARA-131/18-19/B-70 dtd  
13.6.19  
  
“Governments Resolution  
  
As per Nagpur city Municipal Corporation Act, 1948, section 58B thereof, the  
Corporation can implements its duties allotted by the “Government, upon these  
terms/conditions through anybody. The approval of the Government is being given as  
under to establish one independent company to be owned by Nagpur Municipal  
Corporation, completely for shouldering the responsibility of Nagpur Water Supply  
Schemes Development, water accumulation, supervision and administration.”  
  
We have gone through section 58B of the Nagpur City Municipal Corporation  
Act, 1948 which states as follows:  
  
[58B. Performance of functions by agencies.  
  
Where any duty has been imposed on, or any function has been assigned, to the  
Corporation under this Act or any other law for the time being in force, or the  
Corporation has been entrusted with the implementation of a scheme, the  
Corporation may,-  
(i) either discharge such duties or perform such functions or implement such  
schemes by itself; or  
(ii) subject to such directions as may be issued and the terms and conditions as  
may be determined by the State Government, cause them to be discharged,  
performed or implemented by any agency :  
Provided that, the Corporation may also specify terms and  
conditions, not inconsistent with the terms and conditions determined  
by the State Government for such agency arrangement.  
  
It was in the aforementioned context that the Advance Ruling Authority held  
that Nagpur Environmental Services Ltd [a 100% subsidiary of Nagpur  
Municipal Corporation, Nagpur] is a local authority. We do not agree with the  
contention of the appellant in relying on the aforementioned ruling more so  
since the appellant has failed to point out any section under the GPMC Act,  
which permits the Municipal Corporation to entrust performance of its  
functions by agencies other than the Ahmedabad Municipal Corporation.  
Thus, there is a clear cut distinction as far as Nagpur Environmental Services  
Ltd is concerned, which was entrusted the municipal function in terms of  
Section 58B of the Nagpur City Municipal Corporation Act, 1948, which is  
  
not the case with the appellant in the present dispute.  
  
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foregoing, the reliance on the aforementioned ruling is not legally tenable, the  
  
facts being different.  
  
19, Even otherwise, as far as reliance on rulings of various other  
AARs is concerned, we find that same are not binding on us in terms of  
  
section 103 of the CGST Act, 2017.  
  
20. With respect to security services received on which they  
are claiming exemption from payment of GST under RCM, in terms  
of exemption notification Nos. 12/2017-CT(Rate) dated 28.6.2017,  
and 9/2017-IGST (Rate) dated 28.6.2017, as amended, the appellant’s first  
argument is that they are a ‘local authority’. In the preceding paragraphs, we  
have already held that the appellant is not a local authority. The alternate plea  
is that they are also a ‘Government entity’ or a ‘Governmental authority’. We  
have reproduced the basic notification viz 12/2017-CT (Rate) with all its  
amendments. We find that notification No. 9/2017-IGST (Rate) has  
undergone similar amendments and for brevity we have not reproduced the  
same. What is evident is that vide notification No. 16/2021-CT (Rate) dated  
18.11.2021, the words ‘Governmental authority’ or a ‘Government Entity’  
stand omitted. In view of the aforementioned omission, we find that it would  
be an academic exercise to examine whether the appellant would fall within  
the ambit of ‘Government entity’ or a ‘Governmental authority’ [in respect of  
the period post the amendment] as no benefit would accrue to the appellant  
even if this authority were to rule in favour of the appellant in view of the  
  
wordings of the notification as is in vogue today.  
  
2. However, since the appellant has questioned the finding as far as  
the GAAR has ruled that the appellant does not fall within the ambit of  
‘governmental authority’ or government entity’, we find it appropriate to  
examine the claim on merits, in respect of the period prior to the above  
amendment. Both these terms are defined under the notification, supra and  
  
are reproduced above for ease of reference. As has been held by the GAAR,  
  
we also observe that the appellant, a Public Limited Company, incorporated  
  
State Legislature; that the applicant has not been established bf  
  
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Government which stands defined under section 2(53) of the CGST Act, 2017.  
In view of the foregoing, we agree with the findings of the GAAR that the  
  
appellant is neither a ‘governmental authority’ nor a ‘government entity’.  
  
22. We would finally like to address the averment regarding whether  
the appellant is required to be registered as a deductor under the GST as per  
  
the provisions of section 24 of the CGST Act, 2017.  
  
23; Before moving forward, it would be prudent to reproduce the  
  
relevant provisions for the ease of reference viz  
  
o Section 24. Compulsory registration in certain cases.-  
  
Notwithstanding anything contained in sub-section (1) of section 22, the following  
categories of persons shall be required to be registered under this Act,-  
  
(lO WV) sxses ‘  
  
(vi) persons who are required to deduct tax under section 51, whether or not  
separately registered under this Act;  
  
o Section 51. Tax deduction at source.-  
  
(1) Notwithstanding anything to the contrary contained in this Act, the Government  
may mandate, -  
(a) a department or establishment of the Central Government or State  
Government; or  
(b) local authority; or  
(c) Governmental agencies; or  
(d) such persons or category of persons as may be notified by the Government  
on the recommendations of the Council, (hereafter in this section referred to as  
"the deductor"), to deduct tax at the rate of one per cent from the payment  
made or credited to the supplier (hereafter in this section referred to as "the  
deductee") of taxable goods or services or both, where the total value of such  
supply, under a contract, exceeds two lakh and fifty thousand rupees:  
  
Provided that no deduction shall be made if the location of the supplier and  
the place of supply is in a State or Union territory which is different from the  
State or as the case may be, Union territory of registration of the recipient.  
  
Explanation .-For the purpose of deduction of tax specified above, the value  
of supply shall be taken as the amount excluding the central tax, State tax,  
Union territory tax, integrated tax and cess indicated in the invoice.  
  
o Notification No. 50/2018 —Central Tax dated 13.9.2018  
  
In exercise of the powers conferred by sub-section (3) of section I of the  
Central Goods and Services Tax Act, 2017 (12 of 2017) and in supercession  
of the notification of the Government of India in the Ministry of Finance,  
Department of Revenue No. 33/2017-Central Tax, dated the | 5” September, 2017,  
published in the Gazette of India, Extraordinary, Part I, Section 3, Sub-section (i)  
vide number G.S.R.1163(E), dated the 15" September, 2017, except as respects  
things done or omitted to be done before such supersession, the Centr,  
  
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the provisions of section Slof the said Act shall come into force with respect to  
persons specified under clauses (a),(b)and (c) of sub-section (1) of section 51 of the  
said Act and the persons specified below under clause (d) of sub-section (1) of  
section 51 of the said Act, namely:-  
(a) an authority or a board or any other body, -  
(i)set up by an Act of Parliament or a State Legislature; or  
(iestablished by any Government, with fifty-one percent or more  
participation by way of equity or control, to carry out any function;  
(b) Society established by the Central Government or the State  
Government or a Local Authority under the Societies Registration Act,  
1860 (21 of 1860);  
(c) public sector undertakings.  
  
24. A conjoint reading clearly shows that the appellant is neither a  
department nor establishment of the Central/State Government, nor a local  
authority as we have already held above nor persons or category of persons  
notified under notification No. 50/2018-CT , reproduced supra. We hold that  
the appellant cannot deduct tax & hence is not required to be registered as  
deductor under GST. As far as ‘Governmental agencies’ are concerned, we  
find that this has been dealt with in para 21.2 of the impugned order in detail.  
The Appellant has not produced anything before us to interfere with the  
findings of the GAAR.  
  
25. In view of the above findings, we reject the appeal filed by  
appellant M/s Ahmedabad Janmarg Limited against Advance Ruling No.  
GUJ/GAAR/R/27/2021 dated 19.07.2021 of the Gujarat Authority for  
Advance Ruling.  
  
ee  
  
(B V Siva Naga Kumari)  
Member (CGST)  
  
(Samir Vakil )  
Member (SGST)  
  
Place: Ahmedabad  
Date: §+.42 .2 022  
  
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