

**THE AUTHORITY FOR ADVANCE RULING
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU - 560 009**

**Advance Ruling No. KAR ADRG 58/2021
Dated: 29.10.2021**

Present:

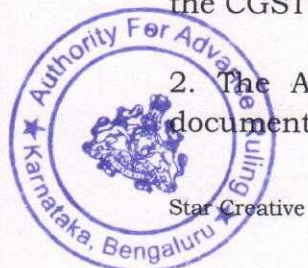
1. Dr. M.P. Ravi Prasad
Additional Commissioner of Commercial Taxes Member (State)
2. Sri. T. Kiran Reddy
Joint Commissioner of Customs & Indirect Taxes Member(Central)

1.	Name and address of the applicant	M/s. Star Creative, 202, 2 nd Floor, 6 th Main, 7 th Cross, KGE Layout, Bengaluru-560 094.
2.	GSTIN or User ID	292100000181AR7
3.	Date of filing of Form GST ARA-01	20-07-2021
4.	Represented by	Sri B. Srinivas Chartered Accountants
5.	Jurisdictional Authority - Centre	The Commissioner of Central Taxes, Bengaluru North GST Commissionerate,
6.	Jurisdictional Authority - State	ACCT, LGSTO 150, Bengaluru
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000-00 under CGST Act & Rs.5,000-00 under SGST Act vide CIN MAHB21072900274589 dated 16.07.2021

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

Sri T. Basavaraj, Proprietor of M/s. Star Creative, # 202, 2nd Floor, 6th Main, 7th Cross, KGE Layout, Bengaluru-560094 has filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in form GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The Applicant is an individual engaged in providing services by way of documentary videos, picture of testimony through CD or other storable devices to



various Government Departments and Boards and various Panchayats and is not registered under the Goods and Services Tax Act, 2017.

3. The applicant has sought advance ruling in respect of the following questions:

- i. *Whether the documentary services including picture of the testimony / documentary videos provided to corporations and various boards including KHB are exempted under GST?*
- ii. *Whether the documentary services including picture of the testimony / documentary videos provided to various government departments including Zilla and Taluk Panchayat are eligible for exemption from GST?*
- iii. *Whether providing documentary videos and /or pictures of testimony through CD or other storable devices to various Government Departments and Panchayats continues to be exempted services?*

4. Admissibility of the application: The question is about “determination of the liability to pay tax on any goods or services or both” and hence is admissible under Section 97(2) (e) of the CGST Act 2017.

5. BRIEF FACTS OF THE CASE:

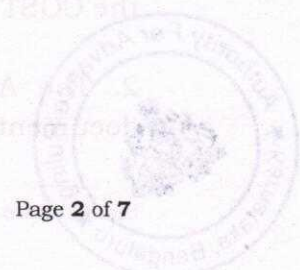
5.1 The applicant states that they are providing services by way of documentary videos, picture of testimony to various State Government Departments, Boards and Panchayats such as Thanda Development Corporation Limited, Karnataka State Agricultural Marketing boards, Karnataka Housing Board, Dr. B.R. Ambedkar Development Corporation Limited, Zilla Panchayat, Taluk Panchayat and other various Government Departments and various divisions of Zilla Panchayat and Taluk Panchayat.

5.2 The applicant states that they get the order for producing, directing and releasing the picture/video of testimony / documentary videos from State Government Departments, Various Corporations / Development Boards, Zilla Panchayat and Taluk Panchayat to provide few minutes of documentary film on various Central and State Government Schemes. For example documentary under Suvarna Gramodaya Scheme, Agricultural Technology Management Agency (ATMA) Scheme, Watershed Development Program (NWDPR), Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) and other Central and State Government Schemes.

6. Applicant's Interpretation of Law:

6.1 The applicant states that as per entry No.3 of Notification No.12/2017 CGST Tax (Rate) dated 28.06.2017.

“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 243 W of the Constitution. The services rendered to the Government, Panchayat and Municipality is fully exempt from tax”.

6.2 The applicant states that documentaries are made on various schemes that are introduced by Central Government and / or State Government for the benefit of general public and in order to reach the public at large. These documentaries are made for documenting the beneficiaries and to bring awareness amongst the general.

6.3 The applicant is of the view that all the documentary videos and picture of testimony that were provided to various Government Departments, Corporation, Panchayat and Boards established by Government are in the interest of general public and form part of exempted services.

PERSONAL HEARING / PROCEEDINGS HELD ON 08-09-2021

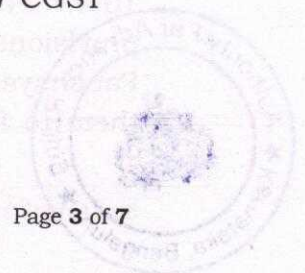
7. Sri B. Srinivas Chartered Accountant & Duly Authorised Representative of the applicant appeared for personal hearing proceedings held on 08-09-2021 and reiterated the facts narrated in their application.

FINDINGS AND DISCUSSION

8. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and KGST Act, 2017 are in *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 would also mean reference to the corresponding similar provisions in the KGST Act.

9. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made by applicant and his authorized representatives during the hearing. We have also considered the issues involved on which advance ruling is sought by the applicant, relevant facts and the applicant's interpretation of law.

10. The applicant states that they are providing services by way of producing documentary videos, picture of testimony to various State Government Departments, Local Authorities, Governmental Authorities and Government Entities and claims exemption as per entry No.3 of Notification No.12/2017 CGST Tax (Rate) dated 28.06.2017.



10.1 Whether the service of producing documentary videos for various State Government Departments, Local Authorities and various Boards and corporations is exempted under entry No.3 of the Notification No.12/2017-Central Tax (Rate) dated 28.06.2017, is to be examined and the said entry reads as under:

"Pure Services (excluding works contract service or other composite supplies involving 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."

10.2 From the above said entry of the notification it is observed that, in order to claim exemption on supply of service of producing documentary videos, two conditions should be satisfied:

1. *Pure Services (excluding works contract service or other composite supplies involving any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government entity*
2. *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."*

Now we examine whether the applicant satisfies the above two conditions to claim exemption under the said notification.

10.3 The applicant has stated that they are providing services to various State/Central Government Departments, Local Authorities and various Boards and corporations. The applicant has not specified to which Boards and corporations they are providing the service of producing documentary videos. Since the applicant is providing the above said services to various State/Central Government Departments, Local Authorities the first condition to claim exemption is satisfied subject to the condition that the Boards and/or Corporations to which the applicant is providing the above said services qualify to be a 'Governmental Authority' or 'Government Entity' in terms of the definitions at (zf) and (zfa) respectively of the Notification No.12/2017- Central Tax (Rate) dated 28.06.2017, as amended.

Now we move on to examine whether the applicant satisfies the second condition mentioned at para 10.2 mentioned supra.

10.4 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.

Matters listed in Eleventh schedule are:

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 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.

10.5 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;

There are 18 items in the Twelfth Schedule of the Constitution which are as below:

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.

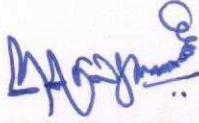
11. The applicant is providing services by way of producing documentary videos, picture of testimony to various State Government Departments, Local Authorities, Boards and Corporations. But these services are not provided by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution. Hence provision of such services is liable to tax at 18% (9% CGST and 9% KGST).

12. In view of the foregoing, we rule as follows



RULING

- i. *The documentary services including picture of the testimony/ documentary videos provided to corporations and various boards including KHB are taxable at 9% under the CGST Act and 9% under the SGST Act.*
- ii. *The documentary services including picture of the testimony/ documentary videos provided to various government departments including Zilla and Taluk Panchayat are taxable at 9% under the CGST Act and 9% under the SGST Act.*
- iii. *The documentary and /or pictures of testimony through CD or other storable devices to various Government Departments and Panchayats are taxable at 9% under the CGST Act and 9% under the SGST Act.*



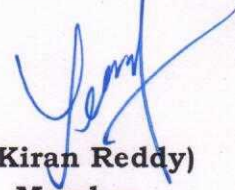
(Dr. M.P. Ravi Prasad)

Member

MEMBER

Karnataka Advance Ruling Authority

Place: Bengaluru - 560 009



(T. Kiran Reddy)

Member

MEMBER

Karnataka Advance Ruling Authority

Bengaluru - 560 009

Date: 29.10.2021

To,
The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bangalore North GST Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-150, Bengaluru.
5. Office Folder.

