

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU
NO.206, 2ND FLOOR, PAPJM BUILDING , NO.1 , GREAMS ROAD,
CHENNAI -600 006.**

**RULING UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND UNDER
SECTION 98(4) OF THE TNGST ACT, 2017.**

Members present:

Smt. D. Jayapriya, I.R.S., Additional Commissioner / Member(CGST), Office of the Principal Chief Commissioner of GST & Central Excise, Chennai-600 034.	Smt. T. Indira, Joint Commissioner / Member (SGST), Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-600 006.
--	---

Advance Ruling No.114/AAR/2023 Dated:17.11.2023

1. *Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/ TNGST Act 2017, within 30 days from the date on the ruling sought to be appealed, is communicated.*
2. *In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*
 - (a) *on the applicant who had sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling.*
 - (b) *on the concerned officer or the jurisdictional officer in respect of the applicant.*
3. *In terms of Section 103(2) of the Act, this advance ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*
4. *Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*
5. *The provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act (herein referred to as an Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.*

GSTIN Number, if any / User id		33AACCG6068M1ZC
Legal Name of Applicant		Gorantla Geosynthetics Private Limited
Registered Address / Address provided while obtaining user id		No.3, 1 st floor, Saraswathy Street, Mahalingapuram, Chennai - 600 034
Details of Application		GST ARA – 01 Application Sl.No.58/2022 dated 21.11.2022
Jurisdictional Officer		State : Valluvarkottam Assessment Circle
Concerned Officer		Centre : Chennai North Commissionerate; Nungambakkam Division.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Service providers
B	Description (in brief)	M/s.Gorantla Geosynthetics (P) Ltd., are providers of service relating to Municipal solid waste management solutions. Tumkuru City Corporation had invited applications for Remediation of open dump and reclamation of Space at Ajjondananhalli dumping site at Tumkuru by bio mining process under implementation of Smart City Mission, and Gorantla has been awarded the project.
Issue/s on which advance ruling required		Now the Company seeks an advance ruling on whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.
Question(s) on which advance ruling is required		<ol style="list-style-type: none"> 1. Classification of the services provided by the applicant. 2. Whether services provided by the applicant are exempted under Sl.No.3 of Notification No.12/2017 dated 28.07.2017 as amended? 3. Whether the service recipient i.e., M/s.Tumkur Smart city Corporation is a "Governmental Authority" as per the definition of Notification No.12/2017 – CT dated 28.06.2017?

1. The applicant submitted a copy of Electronic Cash Ledger evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST Rules 2017 and SGST Rules 2017.

2.1 The applicant, a GST Registrant, is a Private Limited company under the Administrative control of 'CENTER' and they are providers of service relating to Municipal solid waste management solutions.

2.2 The applicant has submitted that –

- M/s.Gorantla Geosynthetics (P) Ltd., are providers of service relating to Municipal solid waste management solutions.
- Tumkuru City Corporation had invited applications for Remediation of open dump and reclamation of Space at Ajjondananhalli dumping site at Tumkuru by bio mining process under implementation of Smart City Mission.
- They have been awarded with the said project by way of a Letter of Acceptance dated 18.10.2021 for award of tender by the Tumakuru Smart City Limited, Tumkuru.
- An agreement dated 30.12.2021 has been entered into with Tumkur City Corporation by them, which includes Letter of Acceptance, Notice to proceed with the works, Contract Data, conditions of contract, etc.
- As per the contract, it is estimated that approximately 77500 m³ of legacy waste (above natural ground level) is present in the dumping site which is to be processed and if any waste is found below natural ground level, that also has to be processed under this project as per the terms and conditions stipulated therein. Legacy waste over and above 25% of estimation has to be processed for which no cost will be paid. The scope includes reclamation of a land parcel (termed as project site) of an existing dumpsite through bio-mining.
- The output (Waste fractions) from the processing operation shall be disposed – off scientifically in compliance with SWM Rules, 2016, CPCB Guidelines for disposal of legacy waste, 2019 and other applicable laws.

2.3 The authorities of the Centre and State were addressed to report if there are any pending proceedings against the applicant on the issues raised by the applicant in the ARA application and for comments on the issues raised.

3. The concerned Central authority under whose administrative jurisdiction the taxpayer falls, have vide their letter dated 17.05.2023, stated that,

- Solid waste management services provided by the applicant fall under SAC code 9994 attracting 18% (IGST), or 9% (CGST) & 9% (SGST), as per Notification No.11/2017-CT dated 28.06.2017.
- The services provided by the applicant appear to be “Pure Services” in nature falling under chapter heading 99, as specified in Sl.No.3 of the exemption Notification No.12/2017 dated 28.07.2017.
- However, to claim exemption from payment of GST, such services are to be provided to Central Government, State Government, local authority or Governmental authority, by way of an 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.
- With respect to the question whether M/s. Tumkur Smart City Corporation is a “Governmental authority”, it is seen that the said body is a Special Purpose Vehicle (SPV) owned by M/s.Tumkur City Corporation and Karnataka State Government in 50 : 50 ratio, and accordingly, M/s. Tumkur Smart City Corporation cannot be considered as a “Governmental Authority”.
- As the applicant is providing service to M/s. Tumkur Smart City Corporation which is not a governmental authority as per the definition provided in para 2(zf) of Notification No.12/2017 dated 28.07.2017, the exemption is not available to them.

4. The jurisdictional State authority has not furnished any reply in this regard, and it is construed that there are no proceedings pending on the issue raised by the applicant.

5. On interpretation of law, the applicant states that –

- The services provided by them have the predominant characteristics of Solid waste management and that the same will fall under SAC code No.9994. “Sewage and waste collection, treatment and disposal and other environmental Protection service” would get grouped in particular under 99943 – Waste

Treatment and disposal services, as per Annexure to Notification No.11/2017-CT dated 28.06.2017.

- Tumkuru Smart City Limited is a SPV which was owned by Tumkuru City Corporation and Karnataka State Government in 50:50 ratio.

6.1 The applicant, after consent, was given an opportunity to be heard in person on 02.11.2023. Mrs. Sundari G., Senior Manager (Accounts & Finance) of M/s. Gorantla Geosynthetics Pvt. Ltd on being authorized by the Applicant, appeared for Personal Hearing.

6.2 On being asked about the scope of work, the representative replied that as per the contractual agreement with Tumakuru City Corporation, Tumakuru, their scope of work relates to "Remediation of open dump and reclamation of open dump and reclamation of space at Ajjagondanahalli, Tumakuru". She further explained that their work gets covered as 'Biomining', which involves collection of solid waste, taking the same to the dumping site assigned by the Corporation, where the waste gets segregated in accordance with the requirements of the Corporation.

6.3 When the members enquired whether they carry out similar work to any other corporation or body, she replied they do such work with some variations like 'Biomining and Land-filling' as per the requirements of any other corporation or body in 6 states. In the state of Tamilnadu, they are carrying such work in Dindigul and Ariyalur. She further stated that as far the instant case relating to Tumakuru city Corporation is concerned, their work is restricted to "Biomining" alone.

6.4 The members further requested the representative to specify whether they raise their invoice in the instant case to Tumakuru City Corporation, or to Tumakuru Smart City Corporation, to which the representative replied that she will check up and provide copies of the invoices raised by them in this regard. She further undertook to furnish any other clarification/document in relation to this application as and when called for by the Advance Ruling authorities.

DISCUSSION AND ANALYSIS

7.1 We have carefully considered the submissions made by the applicant in the advance ruling application, the additional submissions made during the personal hearing and the comments furnished by the 'CENTER' Tax Authorities. The applicant filed advance ruling application under Section 97(2) of GST Act, 2017.

7.2 From the submissions made at the time of filing the application, it is seen that the applicant who are into Solid Waste Management services, has been assigned with the task of "Remediation of open dump and reclamation of open dump and reclamation of space at Ajjagondanahalli, Tumakuru" by M/s.Tumakuru City Corporation, Tumakuru - 572102. Under these circumstances, the applicant had sought an advance ruling, on the following aspects, viz.,

1. Classification of the services provided by the applicant.
2. Whether services provided by the applicant are exempted under Sl.No.3 of Notification No.12/2017 dated 28.07.2017 as amended?
3. Whether the service recipient i.e., M/s.Tumkur Smart city Corporation is a "Governmental Authority" as per the definition of Notification No.12/2017 - CT dated 28.06.2017?

Prima facie, it is observed that while the first query relating to classification of services gets covered under Section 97(2)(a) of the CGST Act, 2017, the other two queries appeared to be relating to applicability of a notification, which gets covered under Section 97(2)(b) of the CGST Act, 2017, and accordingly, the application is admitted.

8.1 From the submissions made and document furnished by the applicant at the time of filing the application and during the personal hearing and thereafter, it is seen that by way of a Letter of Acceptance dated 18.10.2021 issued by M/s.Tumakuru Smart City Limited, Tumakuru, the award of tender to M/s.Gorantla Geosynthetics Private Limited, Chennai-600034, has been communicated, and para 2 of the said letter reads as follows:-

*"You are hereby requested to furnish **Performance Security deposit to the Commissioner, Tumakuru City Corporation**, in the form detailed in Para 29.1 of ITT for an amount of Rs.14,78,700/- (Rupees Fourteen Lakhs seventy eight thousand seven hundred only) within 20 days of the receipt of the letter of acceptance. The Performance Security shall be valid up to 30.04.2023 from the Intended date of completion of the Project period and **sign the Agreement with Tumakuru City Corporation.**"*

8.2 Accordingly, on award of the tender, an agreement dated 30.12.2021 was entered into by M/s.Tumakuru City Corporation, Tumakuru-572102, with M/s.Gorantla Geosynthetics Private Limited, Chennai-600034, to execute "Remediation of open dump and reclamation of open dump and reclamation of space at Ajjagondanahalli, Tumakuru", and on the same day, i.e., 30.12.2021, a 'Notice to proceed with the work' is seen to have been issued by M/s.Tumakuru City Corporation, to M/s.Gorantla Geosynthetics Private Limited.

8.3 Primarily, it is observed from the application filed and its enclosures, that the name of the place where the project is proposed to be carried out has been referred to as 'Tumkur', 'Tumukuru' and 'Tumakuru'. Further, it is seen from the letter No.TSCL/TENDER/CR/83/2020-21 dated 30.12.2021 ('Notice to proceed with the work'), that the same carries the reference "Tumakuru City Corporation, Tumakuru" in the letter head, whereas the identity of the signing authority has been referred as "Executive Engineer, Tumkur City Corporation, Tumkur" in the same letter. From online resources, it is seen that 'Tumkur' was officially renamed as 'Tumakuru' in the year 2014. Therefore, wherever the reference 'Tumkur' appears in this text, the same may be taken to mean 'Tumakuru'.

8.4 Moreover, since two entities/bodies viz., M/s.Tumakuru City Corporation and M/s.Tumakuru Smart City Limited are involved in the instant case, it becomes imperative to analyse the respective roles of these bodies in relation to the transactions involved in this issue, in order to proceed further in this case.

8.5 As could be seen from the Agreement dated 30.12.2021 for the project in question, that the same has been executed by the Executive Engineer, Tumkur City Corporation, Tumkur as the Employer, with M/s.Gorantla Geosynthetics Private Limited, Chennai-600034, as the Contractor. Further the 'Notice to proceed with the work' vide Letter No.TSCL/TENDER/CR/83/2020-21 dated 30.12.2021 has also been issued by the Executive Engineer, Tumkur City Corporation, Tumkur. However, the tender process in this regard, is seen to have been carried out by Tumakuru Smart City Limited, Tumakuru, in as much as the 'Letter of Acceptance' in Letter No.TSCL/ TENDER/CR/83/2020-21/604(1)/21-22 dated 18.10.2021 towards the award of Tender has been signed by the Managing Director & Chief Executive Officer, Tumakuru Smart City Limited, Tumakuru.

8.6 On analyzing the Project Agreement dated 30.12.2021 further, it is seen that under **“SECTION 11 : ROLES & RESPONSIBILITIES OF AUTHORITY-1 & AUTHORITY-2”**

*“**Authority - 1** refers as The Commissioner, **Tumakuru City Corporation (TCC)***

Authority - 2** refers as The Managing Director & Chief Executive Officer, **Tumakuru Smart City Limited (TSCL)

Where in Authority - 1 authorised Authority - 2 to invite tenders for the said project and during implementation a tripartite agreement shall be made between Tumakuru City Corporation (Authority-1), Tumakuru Smart City Limited (Authority-2) and the selected agency where in

Authority - 1

- Has **administrative control**, and shall give access to the encumbrance free site for clearance of the legacy waste in the Ajjagondahalli dumping site.
- After due certification of the measurement and the **agency’s due invoice shall be recommended for approval of payment to the authority-2.**

Authority - 2

- After obtaining the approval of the feasibility report, DPR from the competent authority **has invited bids** in pursuance of the objectives mutually agreed upon.
- Shall be confirming party to the Conditions Precedent on Authority-1 and **facilitate the Parties for seamless execution of the project.**
- **Authority-2 will make the payment to the Agency on recommendation of Authority-1 subject to applicable laws.”**

8.7 Further, as seen from “Government Order No.: UDD 56 CSS 2016, Bengaluru, dated : 30.04.2016”, based on the launching of ‘Smart cities Mission’ on 25.06.2015 by the Government of India, the Government of Karnataka had accorded approval for the establishment of Special Purpose Vehicle (SPV) in respect of 6 cities, viz., Davanagere, Belagavi, Hubballi Dharwad, Mangaluru, Shivamogga and **Tumakuru**. It has also been proposed that the name of SPV shall be “City name” followed by the words “SMART CITY LIMITED”, and that the SPV shall be a public

limited company incorporated under the Companies Act, 2013, in which the State and the Urban Local body will be the promoters having 50:50 equity shareholdings.

8.8 In view of the detailed discussions above, and in view of the fact that Authority-1 (TCC) **had authorized** Authority-2 (TSCL) to invite tenders for the said project, it becomes clear that M/s. Tumakuru Smart City Limited is only a Special Purpose Vehicle (SPV) created specifically **to facilitate the Parties for seamless execution of the project**, and to make payments to the selected Agency/contractor, **on approval of the bill by Authority-1 (TCC)**. Accordingly, it becomes clear that in the instant case, M/s.Tumakuru City Corporation is the principal / service recipient, in as much as they are the body that has entered into a project agreement dated 30.12.2021 with M/s.Gorantla Geosynthetics Private Limited, who are the contractor / service provider.

9.1 Moving on to the services rendered by the applicant, it is seen that the technical specification of the project to be carried out has been mentioned as “Remediation of open dump and reclamation of open dump and reclamation of space at Ajjagondanahalli, Tumakuru”. The authorized representative of the applicant explained during the personal hearing that their work gets covered as ‘Biomining’, which involves collection of solid waste, taking the same to the dumping site assigned by the Corporation, where the waste gets segregated in accordance with the requirements of the Corporation. On perusing the Project Agreement dated 30.12.2021, it is seen that the scope of work has been laid down in para 3 of the Agreement, which reads as below :-

A. Project Objective and Goal

*The objective of the project is to carry out **bio mining of Waste and land Reclamation at the Project Site** by the Concessionaire. The time period for completion shall be 20 (twenty) months from the date of letter of award. Time is an essence of the project period.*

B. Project Scope

*The scope of the project includes the **reclamation of a land parcel (termed as project Site) of an existing dumpsite through Bio mining** wherein the Concessionaire shall investigate, design, engineer, procure, construct, fabricate, install, commission the Bio mining Facilities considering to utilize the existing Trommel facilities etc. and run the Bio mining Facilities (processing shed including office, labor amenities, Trommel Machine, air density separator, blowers, magnetic separators, vibrating screens, and allied facilities incidental for the operation) for the Contract Period by deploying various material excavation and movement equipments etc. required to complete the project. **The output (Waste fractions) from the processing operation shall be disposed-off** fully scientifically by the Concessionaire in compliance with SWM Rules, 2016, CPCB Guidelines for disposal of legacy waste 2019 and other Applicable*

*laws. It is estimated that the **approximately 77,500 cum (m3) quantum of legacy waste (above natural ground level) is present in the dumping site which is to be processed under this project**, if any legacy waste is found below the natural ground level that also has to be processed under this project as per the terms and conditions stipulated in the RFP. The quantum of legacy waste upto 25% over and above the estimated waste to be processed for which no extra cost shall be paid.”*

9.2 In common parlance, the term ‘**Legacy Waste**’, refers to the wastes collected and kept for years on any barren land or on a dedicated landfill, and the term ‘**Bio mining**’ refers to an environment friendly technique to separate soil and recyclables like plastic, metal, paper, textiles, Construction & Demolition waste materials and other solid materials from legacy waste. From the terms of the Agreement relating to ‘Project Scope’ in particular, we find that the applicant is involved in ‘reclamation of land parcel (at Ajjagondananahalli) of an existing dumpsite through Bio miming’ and ‘disposal of the output (Waste fractions) from the processing operation’, whereby the applicant is expected to process approximately 77,500 cubic meters of legacy waste.

9.3 Accordingly, it becomes clear that the applicant is a Solid Waste Management company which offers solutions involving segregation, treatment, recycling of Legacy Waste and thus clearing and reclaiming the landfills. In the process, the applicant is also expected to dispose of the waste fractions from the processing operation scientifically in compliance with the applicable legal provisions. In short, applicant is seen to have been involved in ‘Waste treatment and disposal services’, and ‘Site Remediation Services’. Under these circumstances, the applicant has sought a ruling on the classification of services provided by them.

9.4 Notification No.11/2017 Central Tax (Rate), dated 28.06.2017 specifies the rates of GST for services, and it is seen that description of service in respect of SAC 9994 is “Sewage and waste collection, treatment and disposal and other environmental protection services” which is chargeable to GST at 18% (CGST-9% + SGST-9%, or IGST-18%). On examining the relevant extract of the ‘Scheme of Classification of Services’ under GST notified as Annexure to Notification No.11/2017 Central Tax (Rate), dated 28.06.2017, the following sub-classification under Heading 9994 is observed :-

Heading 9994		Sewage and waste collection, treatment and disposal and other environmental protection services
-------------------------	--	--

Group 99943		Waste treatment and disposal services
	999431	Waste preparation, consolidation and storage services
	999432	Hazardous waste treatment and disposal services
	999433	Non-Hazardous waste treatment and disposal services
Group 99944		Remediation Services
	999441	Site remediation and clean-up services
	999442	Containment, control and monitoring services and other site remediation services
	999443	Building remediation services
	999449	Other remediation services nowhere else classified

9.5 As could be seen from the above, 'Site remediation' in the instant case gets covered under Group 99944, and more specifically under SAC 999441, as the applicant is assigned with the task of "Remediation of open dump and reclamation of open dump and reclamation of space at Ajjagondanahalli, Tumakuru". However, the objective of the project is not just land reclamation but also bio mining of waste, which involves processing of waste and disposal of the same as well. Therefore, this part of the operation gets covered under Group 99943, and more specifically under SAC 999433, which relates to 'Non-hazardous waste treatment and disposal services'. Accordingly, we are of the opinion that broadly, the entire operation undertaken by the applicant in this case gets covered under SAC heading 9994, attracting 18% GST.

9.6 Moving on to the second query relating to the exemption provided under Sl. No.3 of the Notification No.12/2017 – CT dated 28.06.2017, as amended, it is seen that the entry at Sl.No.3 of the said Notification, reads as below :-

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition

3	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
---	----	---	-----	-----

From the above, it is observed that in order to be eligible for exemption under the said category of service, the following conditions are required to be satisfied, viz.,

- The services must be pure services;
- The services should be provided to Central Government, State Government or Union Territory, a local authority or a governmental authority;
- The pure services must be 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.

9.7 As revealed from the details/documents furnished by the applicant, and in view of the detailed discussions above, it is quite evident that the service 'Site remediation and bio mining of waste', does not fall under the category of either 'Works Contract', or 'Composite supplies'. Further, as no supply of any goods is involved in the instant case, and as said operation gets carried out by deployment of manpower/labour, it is clear that the service rendered by the applicant qualifies as 'pure services'.

9.8.1 Apart from being 'Pure services', it is also to be seen that the said services are provided to Central Government, State Government or Union Territory, a local authority or a governmental authority. Section 2(69) of the CGST Act, 2017, defines "local authority", as follows:-

(69) "local authority" means--

(a) a "Panchayat" as defined in clause (d) of article 243 of the Constitution;

(b) a "Municipality" as defined in clause (e) of article 243P of the Constitution;

(c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund;

(d) a Cantonment Board as defined in section 3 of the Cantonments Act, 2006;

(e) a Regional Council or a District Council constituted under the Sixth Schedule to the Constitution;

(f) a Development Board constituted under article 371 of the Constitution;

or

(g) a Regional Council constituted under article 371A of the Constitution;

9.8.2 Clause (e) of article 243P of the Constitution defines "Municipality", which reads as

(e) "Municipality" means an institution of self-government constituted under article 243Q;

9.8.3 Article 243Q speaks about the constitution of Municipalities and as per clause (c) of Article 243Q, Municipal Corporation is also considered as Municipality. Article 243Q reads as below:

243Q. Constitution of Municipalities. — (1) There shall be constituted in every State, —

(a) a Nagar Panchayat (by whatever name called) for a transitional area, that is to say, an area in transition from a rural area to an urban area;

(b) a Municipal Council for a smaller urban area; and

(c) a Municipal Corporation for a larger urban area, in accordance with the provisions of this Part:

Provided that a Municipality under this clause may not be constituted in such urban area or part thereof as the Governor may, having regard to the size of the area and the municipal services being provided or proposed to be provided by an industrial establishment in that area and such other factors as he may deem fit, by public notification, specify to be an industrial township.

(2) In this article, "a transitional area", "a smaller urban area" or "a larger urban area" means such area as the Governor may, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other factors as he may deem fit, specify by public notification for the purposes of this Part.

9.9 By virtue of Government Notification No.HUD 474 MLR 95, dated 10.10.1995, Tumkur was specified as "City Municipal Council Area", and vide Notification No.UDD 154 MLR 2013, Bangalore, Dated 20.12.2013, Tumkur was specified as a "Larger Urban Area" and Tumkur Corporation was established. Accordingly, we find that the city of Tumkur, (now Tumakuru) was already a Municipality which later attained the status as a Municipal Corporation. Tumakuru has also been identified as one among the 100 cities in India to be covered under the 'Smart Cities Mission' launched by the Government of India. Therefore, the Tumakuru City Corporation qualifies as a "Local Authority" as discussed above.

9.10 The next criterion to be verified is whether the activity is a function entrusted to the Municipality under Twelfth Schedule to Article 243W of the Constitution, which is listed 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.*

The services in question are covered under Sl.No.6 of Article 243 W of the Constitution of India i.e. Public health, sanitation conservancy and solid waste management.

9.11 Further, it is seen that as per the Solid Waste Management Rules, 2016, the duties of local authorities are given under Rule 15. Sub-clause (zj) to Rule 15 reads as –

*“investigate and analyze all open dumpsites and existing operational dumpsites for their potential bio-mining and bio-remediation and wheresoever feasible, **take necessary actions, to bio-mine or bio-remediate the sites;**”*

9.12 We therefore find that the services rendered by the applicant in the instant case happens to be ‘Pure Services’ provided to Tumakuru City Corporation which is a ‘Local Authority’, by way of any activity in relation to any function entrusted to a Municipality under article 243W of the Constitution. Accordingly, we conclude that the services provided by the applicant to the Tumakuru City Corporation is exempted under Sl.No.3 of Notification 12/2017 dated 28.07.2017, as amended.

9.13 The third query raised by the applicant is *“Whether the service recipient i.e., M/s.Tumkur Smart city Corporation is a “Governmental Authority” as per the definition of Notification No.12/2017 – CT dated 28.06.2017?”*. We find that under this query, the applicant has sought a clarification on M/s.Tumkur Smart City **Limited**, which has been referred to as M/s.Tumkur Smart city **Corporation**, by the applicant, probably due to inadvertence. In this regard, we are of the opinion that this query which lacks clarity need not be answered, especially in view of the fact that M/s.Tumakuru Smart City Limited is neither the service provider, nor the service receiver in the instant case, and that the same is only a special purpose vehicle to facilitate the Parties (the applicant, and M/s.Tumakuru City Corporation) for seamless execution of the project, as discussed in detail in para 8.8 above. Therefore, any query in relation to the said entity/body does not merit consideration, and accordingly, this query does not get covered under any of the clauses from (a) to (g) of Section 97(2) of the CGST/TNGST Act, 2017, for which an advance ruling can be sought.

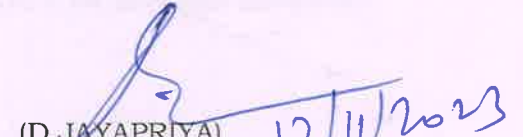
10. In view of the above, we rule as under;

RULING

- (i) The service provided by the applicant, i.e., bio-mining of waste and remediation of site gets covered under SAC 9994, attracting GST at 18% (9%-CGST + 9%-SGST, or 18%-IGST);
- (ii) The service provided by the applicant to M/s.Tumkur City Corporation is exempted in terms of Sl. No.3 of the Notification No.12/2017 - CT dated 28.06.2017, as amended;
- (iii) The question is not covered under Section 97(2) of the CGST/TNGST Act, 2017, in respect of which an applicant can seek advance ruling and hence this authority refrains from giving any ruling in this regard.


(T.INDIRA)
Member (SGST)




(D.JAYAPRIYA)
Member (CGST) 17/11/2023

To

M/s.Gorantla Geosynthetics (P) Ltd.,
No.3, 1st floor, Saraswathy Street,
Mahalingapuram, Chennai - 600 034

//By RPAD//

Copy submitted to:-

1. The Principal Chief Commissioner of CGST & Central Excise,
No. 26/1, Uthamar Mahatma Gandhi Road, Nungambakkam,
Chennai - 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai - 600 005.

Copy to:

3. The Principal Commissioner of GST & C.Ex.,
Chennai North Commissionerate.
- 4.The Assistant Commissioner(ST)
Valluvarkottam Assessment Circle
5. Master File / spare - 1.