

**AUTHORITY FOR ADVANCE RULING, TAMILNADU  
INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX, DOOR NO.32,  
5<sup>TH</sup> FLOOR, ROOM NO. 503, ELEPHANT GATE BRIDGE ROAD,  
CHENNAI – 600 003.  
PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE  
GOODS AND SERVICES TAX ACT, 2017.**

**Members present are:**

1. Shri T.G.Venkatesh, I.R.S., Additional Commissioner/Member,  
Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -34

2. Tmt K.Latha., M.Sc., (Agri), Joint Commissioner (ST)/ Member,  
Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-3.

**ORDER No. 23/AAR/2022 DATED: 30.06.2022**

GSTIN Number, if any / User id		33AAMCS4438B1ZJ
Legal Name of Applicant		SRINIVAS WASTE MANAGEMENT SERVICES PRIVATE LIMITED
Registered Address/Address provided while obtaining user id		F-3 Harmony Enclave, No.8, M.P. Avenue, Abusali Street, Saligramam, Chennai-600083
Details of Application		GST ARA- 01 Application Sl.No. 03/2022/ARA dated: 27.01.2022
Concerned Officer		Centre: Chennai South Commissionerate. State: Saligramam Assessment Circle.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Service Provision
B	Description (in Brief)	The applicant is in Bio Waste Management Sector and does all types of waste management like collection and transportation, manpower supply, bio mining, micro composting center and Bio CNG gas.
Issue/s on which advance ruling required		Applicability of Notification issued under the provisions of the act

Question(s) on which advance ruling is required	<ol style="list-style-type: none"> <li>1. Whether contracts received from various city corporations and a municipality towards Solid waste management is exempted from GST vide Sl.No.3 of Notification 12/2017-C.T.(Rate) dated 28.06.2017?</li> <li>2. Whether contracts received from various city corporations and municipalities towards removal of legacy waste dumped at dump site through bio-mining process is exempted from GST vide Sl.No.3 of 12/2017-C.T.(Rate) dated 28.06.2017?</li> <li>3. Whether GST TDS is applicable or not for the exempted contracts?</li> </ol>
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**Note: Any appeal against the Advance Ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated.**

**At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax 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.**

SRINIVAS WASTE MANAGEMENT SERVICES PRIVATE LIMITED, F-3 Harmony Enclave, No.8, M.P. Avenue, Abusali Street, Saligramam, Chennai-600083 (hereinafter called the Applicant) are registered under GST with GSTIN 33AAMCS4438B1ZJ. The applicant has sought Advance Ruling on the following questions:

1. Whether contracts received from various city corporations and a municipality towards Solid waste management is exempted from GST vide Sl.No.3 of Notification 12/2017- CT.(Rate) dated 28.06.2017?

2. Whether contracts received from various city corporations and municipalities towards removal of legacy waste dumped at dump site through bio-mining process is exempted from GST vide Sl.No.3 of 12/2017-C.T.(Rate) dated 28.06.2017?

3. Whether GST TDS is applicable or not for the exempted contracts?

The Applicant has submitted the copy of application in Form GST ARA - 01 and also submitted a copy of Challan 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 has stated that they have more than 18 years of experience in Collection and Transportation (C & T). They are handling about 800 metric tons of waste per day from different urban local bodies. They are having more than 2000 employees on the ground performing C & T and fleet of 150+ vehicles. They have stated that the waste are produced in different areas but have a need to be assembled at a single point which makes collection and transportation an integral and vital part of waste management. C & T process involves the collection of biodegradable and non-biodegradable waste either from specific households or streets and transporting those using suitable vehicles to a designated disposal area. The applicant has partnered with the corporation of Tirupur and Tirunelveli and many other Municipalities to carry out the primary and secondary collection and transportation. The applicant has detailed the services as below:

Bio Mining:

It is the process of segregating the already accumulated urban legacy solid wastes, helping in cleaning up legacy dumpsites. This helps scientifically reclaim these lands for better usage. This is extremely crucial today as the dump yards that were conceptualized originally to be outside the city are right at the epicenter of real estate development these days. The applicant has stated that they are one of the leading players in this space and has undertaken 9 bio mining sites across Tamilnadu and has been playing a major role in this field.

Micro Composting Center:

It is a facility where wet waste is processed to compost. The compost will be packed and given to concerned corporations/municipalities.

**Bio CNG Gas:**

It is the purified form of biogas where all unwanted gases are removed to produce a high amount of pure methane gas. Bio CNG has high level of methane and less carbon dioxide and can be environmental friendly with very low emission levels. "It has the capacity to replace every utility of LPG and CNG in India and has potential to be the future of renewable fuel because of the abundance of biomass in the country" says the study. They have stated that the greater Chennai Corporation has selected them to collect, transport and process the wet waste and convert it in to Bio-CNG (100 metric tonne capacity) at Central Asphaltic plant in Chennai Zone- 8 (near Chetpet) in DFBOT (design, finance, build, operate, transfer) model under PPP mode.

2.2 The applicant has submitted the following Annexure for work contract details LOA wise:

**ANNEXURE - II**

**Srinivas Waste Management Service (P) Ltd**  
**Work Contract details LOA Wise**

Sl No.	LOA No.	LOA Dt.	Customer Name	Contract Value (Rs.)
<b>I. Removal of the legacy waste of through Bio Mining process to reclaim the existing dump yard:</b>				
1	Roc.No. 1207/2018/E1	15/11/2018	Avadi Municipality - Sekkadu Compost Yard	4,30,47,919.20
2	Roc.No. 945/18/E1	11/12/2018	Gudalur Municipality - Pethukulam	3,96,42,121.00
3	Roc.No. 1859/18/E1	14/12/2018	Rasipuram Municipality	2,75,03,000.00
4	S.W.M.C.No. A7/1034/2018	8/03/2019	Greater Chennai Coporation - Atthipattu Dump Site	6,02,85,137.00
5	S.W.M.C.No. A7/1035/2018	8/03/2019	Greater Chennai Coporation - Pallikaranai Dump Site	2,62,56,867.00
6	S.W.M.C.No. A7/3290/2018	8/03/2019	Greater Chennai Coporation - Saathangadu Dump Site	8,79,44,696.00
7	Roc. No. E /3209/2015(Biomin)	27/10/2020	Thoothukudi Smart City Limited	17,54,71,000.00
8	Roc. No.2256/2020/E1	14/12/2020	Tambaram Municipality - Venkadamanglam Dump	8,84,50,000.00
<b>II. Revamping of Dump Site through Bio Mining to Recover the land :</b>				
1	Roc.No. 343/2018/E1	13/12/2018	Villupuram Municipality	
<b>III. Maintaining the 'Micro Compost Centers and processing the wet waste :</b>				
1	S.W.M.C.No. A7/0109/2020	13/08/2020	Greater Chennai Coporation - South Region Zones	5,81,47,215.00
<b>IV. Labour Contract - Collection / Removing of wet waste and Bulk Waste:</b>				
1	S.W.M.C.No. A7/2117/2019	24/10/2019	Greater Chennai Coporation - Central Asphaltic Plant	
2	No.1981/2018/H1	25/06/2020	Tambaram Municipality	
3	No. 198/2019/H1	15/07/2020	Thiruverkadu Municipality	



For SRINIVAS WASTE MANAGEMENT SERVICES (P) LTD

*[Signature]*  
 Director

3.1 The applicant was addressed through the Email Address mentioned in the application to seek their willingness to participate in a virtual Personal Hearing in Digital media. The applicant consented and the hearing was held on 25.02.2022. The Authorised Representative Shri N. Sankaranarayanan, Director appeared for the hearing and reiterated their submissions. He stated that they are engaged in collection of waste and waste processing. He stated that currently they are paying GST from their receipts only. They were asked to furnish copies of invoices and copies of contracts with details of activities in brief, contract wise for which they are seeking ruling.

3.2 The applicant vide their letter dated 10.03.2022 submitted the following documents:

- i. Write up as provided in the original application
- ii. Work orders and invoice copies for the following LOA Nos:
  - No.198/2019/H1 dated 15.07.2020
  - No. 1981/2018 /H1 dated 31.12.2021
  - S.W.M.C No. A7/0109/2020 dated 13.08.2020
  - S.W.M.C No. A7/1034/2018 dated 08.03.2019
  - Roc No.2256/2020/E1 dated 14.12.2020
  - Roc No. 3481/2018/E1 dated 13.12.2018

3.3 On perusal of the submissions made by the applicant it was seen that they have furnished the documents/invoice in r/o I - Sl.No 4,8 , II- Sl.no.1, III-Sl.No1, IV-Sl.No 2,3 of Annexure-II furnished by them. Hence, the applicant was asked to furnish the details of all the contracts and invoices along with period of work and activities in brief for the work contract details mentioned in Annexure II of their application within a weeks' time.

3.4 The applicant vide their letter dated 22.04.2022, submitted all documents pertaining to the work contracts mentioned in Annexure II of the application.

4. The Central Jurisdictional authority has not furnished any comments on the question raised by the applicant and hence, it is construed that there are no cases are pending on the questions raised by the applicant in their jurisdiction.

5. The State Jurisdictional authority has furnished that no proceedings are pending in respect of the applicant.

6. We have carefully examined the statement of facts, supporting documents filed by the Applicant along with application, oral submissions made at the time of Virtual hearing, submissions made after hearing. The applicant has been awarded the work of removal of legacy waste through biomining process to reclaim the existing dumpyard, revamping of dumpsite through biomining to recover land, maintaining the micro compost centers and processing wet waste, labour contract for collection and removing wet waste and bulk waste. The applicant is before us seeking ruling on the following questions:

1. Whether contracts received from various city corporations and a municipality towards Solid waste management is exempted from GST vide Sl.No.3 of Notification 12/2017-C.T.(Rate) dated 28.06.2017?
2. Whether contracts received from various city corporations and municipalities towards removal of legacy waste dumped at dump site through bio-mining process is exempted from GST vide Notification 12/2017-C.T.(Rate) dated 28.06.2017?
3. Whether GST TDS is applicable or not for the exempted contracts?

6.2 The question no.1 and 2 relates to applicability of Notification which is covered under the ambit of this authority, hence admitted. The question no.3 is on the applicability of TDS on these contracts. In this case, TDS is to be collected and paid by the Municipalities and Corporations being recipients of service, if applicable and the applicant is not the person who has to collect and pay TDS. It is agreeable that the applicant supplies the service but the question raised is not on the applicability of the Notification to the applicant but the applicability of the Notification to the recipient of the services, who is a distinct person for whom this ruling is not applicable as per Section 103 of the Act. For ease of reference, Section 103 of the Act is given below:

*103. Applicability of advance ruling.— (1) The advance ruling pronounced by the Authority or the Appellate Authority under this Chapter 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.*

Therefore, we do not find the question no.3 answerable. Hence the question on applicability of TDS on the exempted contracts is not admitted for consideration.

7.1 From the submissions made by the applicant, it is seen that the applicant is seeking ruling on the applicability of Sl.No. 3 of Notification No. 12/2017-C.T.(Rate) dated 28.06.2017 in respect the following contracts:

**ANNEXURE - II**

Srinivas Waste Management Service (P) Ltd  
Work Contract details LOA Wise

Sl No.	LOA No.	LOA Dt.	Customer Name	Contract Value (Rs.)
<b>I. Removal of the legacy waste of through Bio Mining process to reclaim the existing dump yard:</b>				
1	Roc.No. 1207/2018/E1	15/11/2018	Avadi Municipality - Sekkadu Compost Yard	4,30,47,919.20
2	Roc.No. 945/18/E1	11/12/2018	Gudalur Municipality - Pothukulam	3,96,42,121.00
3	Roc.No. 1899/18/E1	14/12/2018	Rasipuram Municipality	2,75,03,000.00
4	S.W.M.C.No. A7/1034/2018	8/03/2019	Greater Chennai Corporation - Atthipattu Dump Site	6,02,85,137.00
5	S.W.M.C.No. A7/1035/2018	8/03/2019	Greater Chennai Corporation - Pallikaranai Dump Site	2,62,56,867.00
6	S.W.M.C.No. A7/3290/2018	8/03/2019	Greater Chennai Corporation - Saathangadu Dump Site	8,79,44,696.00
7	Roc. No. E / 3209/2015(Biomin)	27/10/2020	Theothukudi Smart City Limited	17,54,71,000.00
8	Roc. No. 2236/2020/E1	14/12/2020	Tambaram Municipality - Venkadamanglam Dump	8,84,50,000.00
<b>II. Revamping of Dump Site through Bio Mining to Recover the land :</b>				
1	Roc.No. 343 /2018/E1	13/12/2018	Villupuram Municipality	
<b>III. Maintaining the Micro Compost Centers and processing the wet waste :</b>				
1	S.W.M.C.No. A7/0109/2020	13/08/2020	Greater Chennai Corporation - South Region Zones	5,81,47,215.00
<b>IV. Labour Contract - Collection / Removing of wet waste and Bulk Waste:</b>				
1	S.W.M.C.No. A7/2117/2019	24/10/2019	Greater Chennai Corporation - Central Asphaltic Plant	
2	No.1981/2018/H1	25/06/2020	Tambaram Municipality	
3	No. 198/2019/H1	15/07/2020	Thiruverkadu Municipality	

It is evident from the above Annexure that the Contract details mentioned in Sl.No.I-1 to 8 and under Sl.NO II -1 is for removal of legacy waste through biomining process to reclaim the existing dump yard and recover the land entered into with the Corporations and Municipalities; Sl.No.III-1 is for Micro composting done for Greater Chennai corporation, South Zone; Sl.No.IV-1 is for Bio CNG process carried on at Central Asphaltic Plant and that mentioned at Nos.2 & 3 are for labour contracts entered into with Tambaram and Thiruverkadu municipality for collection and removal of wet and bulk waste. The applicant claims that as per Sl.No.3 of Notification 12/2017-C.T.(Rate) dated 28.06.2017 as amended, the services so provided are exempted under GST and has sought clarification.

8.1 The question for which the ruling is sought is whether the contracts received from various city corporations and Municipalities towards Solid Waste Management and towards removal of legacy waste through bio-mining process carried on by the applicant are exempted under Sl. No. 3 of notifications No. 12/2017-C.T.(Rate) dt: 28.06.2017 as amended. The relevant entry is reproduced as under:

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 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

The above entry exempts

- Pure Services falling under Chapter 99
- Provided to Central Government/State Government/Union Territory/Local authority
- By way of any activity in relation to any function entrusted to a
  - Panchayat under Article 243 G of the Constitution
  - Municipality under Article 243 W of the Constitution

8.2 The first criteria to be satisfied is that the services rendered should be 'Pure services' falling under Service Code 99. Now we take up the services one by one based on the nature and scope of work and discuss on the eligibility of specific services being Pure services, provided by the applicant for the exemption under Sl.No.3 of Notification 12/2017-C.T.(Rate) dated 28.06.2017 (as amended) which is the first criteria.

(i) Removal of legacy waste through Bio mining process to reclaim the existing dump yard.

The contracts entered into for Bio mining are listed below:

Sl.No	LoA No. and date	Customer Name	Scope of work	Invoices	Quantity Processed
1	Roc.No.1207/2018/E1	Avadi Municipality-	Removal of legacy waste of 64174 cum	Invoices raised till	59,168.385 Cu.mtr



	dated 15.11.2018	Sekkadu compost yard	through biomining process	31.03.2022	
2	Roc No. 945/18/E1 dated 11.12.2018	Gudalur Municipality- Pethukulam	Removal of legacy waste of 59110 cum through biomining process	Invoices raised till 01.03.2022	29,650 Cu.mtr
3	Roc No.1899/18/E1 dated 14.12.2018	Rasipuram Municipality	Reclamation of existing dump yard at compost yard (Biomining)	Invoices raised till 31.03.2022	24915 Cu.mtr
4	S.W.M.C No.A7/1034/2 018 dated 08.03.2019	GCC- Atthipattu dumpsite	Removal of legacy waste through biomining process	Invoices raised till 31.03.2022	41949 Cu.mtr
5	S.W.M.C No.A7/1035/2 018 dated 08.03.2019	GCC- Pallikarnai dumpsite	Removal of legacy waste through biomining process	Invoices raised till 28.09.2021	40853 Cu.mtr
6	S.W.M.C No.A7/3290/2 018 dated 08.03.2019	GCC- Saathangadu dumpsite	Removal of legacy waste through biomining process	Invoices raised till 09.03.2022	31768 Cu.mtr
7	Roc No.E1/3209/20 15 dated 27.10.2020	Thoothukudi Smart city ltd	Removal of legacy waste of 227000 cum through biomining process	No invoices furnished	No invoices furnished
8	Roc No.2256/2020/ E1 dated 14.12.2020	Tambaram Municipality- venkadamang alam dump site	Removal of legacy waste of 122000 cum through biomining process	Invoices raised till 01.02.2022	31198 Cu.mtr
9	Roc No.3481/201 8/E1 dated 13.12.2018	Villupuram Municipality	Revamping of dumpsite through biomining	Invoices raised till 13.01.2022	40068.85 Cu.mtr

Removal of legacy waste and reclamation of land is a process whereby the accumulated legacy solid wastes are segregated and the dump site is cleared to reclaim the lands for better usage. From the Scope of the contracts entered into it is seen that the contractor (Applicant) has to collect the legacy MSW Garbage for processing not less than 200 Cubic meter per day and the dump site should be reclaimed; the contractor will be responsible for obtaining all statutory clearances etc at their own cost and the Municipalities will hand over only the solid waste processing site for clearance of the dump. Contractor will be handing over the land to the Municipalities after disposal of accumulated garbage. From the documents and invoices furnished, it is observed that the invoices have been raised till

31.03.2022. Thus it is seen that the services of disposal of legacy waste and reclamation of land done by the applicant are found to be 'Pure Services' in nature.

(ii) Maintaining of Micro Compost Centers and processing wet waste:-

Sl. No	LoA No. and date	Customer Name	Scope of work	Invoices
1	S.W.M.C No.A7/0109/2020 dated 13.08.2020	GCC- South region zone 11,12 & 13	Maintaining micro compost centres and processing wet waste provided by GCC at designated location of South Region Zones 11,12 & 13.	Invoices raised till 31.03.2022

From the documents furnished by the applicant, the contractor (Applicant) should maintain and process, the wet waste design capacity of 38.96 MT/day at 13 location of GCC-Southern region zones 11, 12&13 by employing labours, operators; process the waste in an eco-friendly and non-polluting process and the by-product of manure to be handed over to GCC. Here the service receiver namely the GCC will only hand over the existing centers for maintenance and processing of wet waste. Thus the contractor namely the applicant will be providing the service of maintenance of such Micro compost centers at their own cost by employing labours and operators. Hence the services rendered are found to be 'Pure services'.

(iii) Labour contract-collection removal of wet waste and bulk waste

Sl.No	LoA No. and date	Customer Name	Scope of work	Invoices
2	No.1981/2018/H1 dated 25.06.2020	Tambaram Municipality	Supply of 161 labourers to collect and clear solid waste	Invoices raised till 31.03.2022
3	No.198/2019/H1 dated 15.07.2020	Thiruverkadu Municipality	Supply of 192 labourers to collect and clear solid waste	Invoices raised till 31.03.2022

In respect of the above two contracts, the scope of work involves only supply of labourers for door to door segregation, collection of waste from every household in the areas allocated by the Municipalities and depositing such waste in the Micro compost centers and onsite compost centers provided by the Municipalities. The Municipalities will provide tools and implements such as carts and bins which shall be returned by the contractor to the Municipality. Thus the applicant is entrusted with the work of supply of manpower to execute collection and deposit of waste which is "Pure service".

(iv) Central Asphaltic Plant site Zone 8 in DFBOT model:-

Sl.No	LoA No. and date	Customer Name	Scope of work	Contract Period	Invoices
1	S.W.M.C No. A7/2117/2019 dated 24.10.2019	GCC-Central Asphaltic Centre	Collect, transport and process the wet waste and convert it in to Bio-CNG(50 MT capacity) at Central Asphaltic Plant site Zone 8 in DFBOT model	Phase I- Allotment of land - 7 days from date of signing contract ii. Setting up of plant, machinery, construction of office site, support infrastructure- 6 months from allotment of land iii.Issue of commissioning certificate Phase II: Operation of plant and maintenance- 20 years from issue of commissioning certificate from GCC	Sale invoices of Bio CNG furnished,

On perusal of the agreement entered into between the applicant and GCC for collection, transport and processing the wet waste and convert it into Bio-CNG(50MT capacity) at Central Asphaltic Plant site in Zone 8, it is observed that the project is built in Design, Finance, Build, operate and Transfer (DFBOT Model) under PPP mode. Scope of work involved has been specified in Point no.6 in the agreement wherein it has been specified that the work will be done in phases viz.,

Phase-I: Construction phase- In this phase, the land will be allotted to the contractor (Applicant), the plant and machinery and the support structure should be constructed by the contractor at his own cost. On completion of the construction, GCC will issue commissioning and Go-Live certificate.

Phase-II: operations and Maintenance phase- During this phase, the contractor will arrange to collect the wet waste from the generators, transport, segregate, process and convert it in to Bio-CNG to 50MT/day. The contractor has to identify potential buyers, sell the same at price fixed by them. The plant will be maintained by the contractor.

Finally the contractor shall be responsible for asset transfer on completion of concession period or the closure period on working conditions to GCC without any cost. The contractor will pay royalty fee for the land allotted by GCC.

From the above points of the agreement, it is observed that the facility viz., BIO-CNG will be built, operated by the applicant and will be transferred to the GCC without any cost at the end of the agreed upon period. Thus it is seen that the work involved is a composite supply of goods and services as it involves transfer of

facility built by the contractor which would include the Plant and machinery and support structures. Hence this supply of the applicant is not 'Pure services'. Therefore, we find that the contract entered into for the conversion of wet waste into BIO-CNG does not satisfy the first criterion of being 'Pure services' and is found not eligible for exemption under Sl.No.3 Notification 12/2017-C.T.(Rate) dated 28.06.2017(as amended).

8.3 Apart from being pure services, it is to be seen that the service is provided to Central Government/State Government/Union Territory/Local authority. Section 2(69) of the GST Act 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) .....*

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;*

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:***

The Greater Chennai Corporation was formed vide G.O.Ms.No.152, Dt.26.10.2015 which was earlier established as Chennai Corporation that originally was formed as Madras Municipal Corporation on the 29th September 1688. The service recipients are various Municipal Corporations which are all local authorities. As per Section 2 clause (69) sub- clause (b) of the CGST Act, 2017 'Municipality' as defined in clause (e) of article 243 P the Constitution is a local authority, hence the services are provided to 'Local Authority' and the criterion related to recipient is satisfied.

8.4 The next criterion to be verified is whether the activity is a function entrusted to a municipality under Article 243W of the Constitution. Sl.No.6 of The Twelfth Schedule to the Constitution under Article 243 W is as follows:

*"6. Public health, sanitation conservancy and solid waste management."*

Further, as per the Solid Waste Management Rules 2016, the Duties of Local Authorities is given under Rule 15 of the said rules and it is stated that:

**15. Duties and responsibilities of local authorities and village Panchayats of census towns and urban agglomerations.-** The local authorities and Panchayats shall,-

(a) prepare a solid waste management plan as per state policy and strategy on solid waste management within six months from the date of notification of state policy and strategy and submit a copy to respective departments of State Government or Union territory Administration or agency authorised by the State Government or Union territory Administration;

(zh) stop land filling or dumping of mixed waste soon after the timeline as specified in rule 23 for setting up and operationalisation of sanitary landfill is over;

(zi) allow only the non-usable, non-recyclable, non-biodegradable, non-combustible and non-reactive inert waste and pre-processing rejects and residues from waste processing facilities to go to sanitary landfill and the sanitary landfill sites shall meet the specifications as given in Schedule-I, however, every effort shall be made to recycle or reuse the rejects to achieve the desired objective of zero waste going to landfill;

(zj) investigate and analyse all old open dumpsites and existing operational dumpsites for their potential of bio-mining and bio-remediation and wheresoever feasible, take necessary actions to bio-mine or bio-remediate the sites;

On a cogent reading of Sl.No. 6 of the Twelfth Schedule to the Constitution and Rule 15 of the Solid Waste Management Rules 2016, it is evident that it is the duty of the local authority to investigate, analyse the existing dumpsites for their potential bio-mining and bio-remediation and wherever feasible has to take actions to bio-mine or bio-remediate the sites under 'Solid Waste Management'. In the case at hand the function of bio-mining, Bio-remediation of the dump yard and maintenance of Micro composting center is entrusted to the applicant and therefore the final criterion is also satisfied.

9. Based on the above, we find that the contracts received from various city corporations and municipalities towards removal of legacy waste dumped at dump site through bio-mining process is "Pure services" rendered to a local authority and the activity is a function entrusted to a municipality under Article 243W of the Constitution. Thus we find that the contracts are eligible for exemption from GST vide Sl.No.3 of Notification 12/2017-CT. (Rate) dated 28.06.2017(as amended). Further the contracts entered into for maintenance of Micro-composting and labour contracts for collection of bulk and wet waste are also found to be 'Pure services' rendered to local authorities and are activities entrusted to a municipality under Article 243W of the Constitution. However the contract pertaining to Bio-CNG carried at the Central Asphaltic plant being supply of goods and services together

does not qualify as 'Pure services' and hence it is found not to be eligible for exemption under Sl.No.3 of Notification 12/2017-CT. (Rate) dated 28.06.2017(as amended).

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

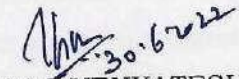
RULING

1. Contracts entered into with various city corporations and municipalities towards supply of pure services in relation to Solid waste management, except that of Bio-CNG carried on at the Central Asphaltic Plant for the Greater Chennai Corporation are exempted from GST vide Sl.No.3 of Notification 12/2017 CT(rate) dated 28.06.2017(as amended).

2. Contracts entered into with various city corporations and municipalities towards supply of pure services towards removal of legacy waste dumped at dump site through bio-mining process are exempted from GST vide Sl.No.3 of Notification 12/2017 CT(rate) dated 28.06.2017(as amended).

3. Question on TDS is not admitted for reasons cited in para 6.2 above.

  
Smt. K. LATHA  
Member (SGST)

  
Shri T. G. VENKATESH  
(Member CGST)



To  
SRINIVAS WASTE MANAGEMENT SERVICES PRIVATE LIMITED  
F-3 Harmony Enclave,  
No.8, M.P. Avenue,  
Abusali Street, Saligramam,  
Chennai-600083 **// BY SPEED POST WITH ACK.DUE //**

Copy Submitted to:

1. The Principal Chief Commissioner of GST & Central Excise,  
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Principal Secretary/Commissioner of Commercial Taxes/Member,  
IInd Floor, Ezhilagam, Chepauk, Chennai – 600 005.

Copy to:

3. The Commissioner of GST & Central Excise,  
Chennai South Commissionerate, MHU Complex, 692, Annasalai,  
Nandanam, Chennai – 600 035.
4. The Assistant Commissioner (ST),  
Saligramam Assessment Circle,  
No. 15 & 16, 100 feet Road,  
Malligai Avenue, Kolathur, Chennai – 600 099.
5. Master File/ Spare – 2.