

# **No GST applicable on Services of Waste disposal activities to Military Stations**

## **M/s Lokenath Builders vs. W.B AAR**

### **Fact of the Case**

- In the present case M/s Lokenath Builders is the assessee
- The assessee is stated to be providing conservancy service to the Station Commander, Bagrakot Military Station, Office of Chief Medical Superintendent N.F. Railway, Alipurduar Junction and Sukna Military Station.
- The applicant seeks a ruling on whether the supply is exempted in terms of SI No. 3 or 3A of Notification No. 12/2017-Central Tax (Rate) dated June 28, 2017 (corresponding State Notification No. 1136 – FT dated June 28, 2017), as amended from time to time.

### **Decision of the Case**

- The AAR observed that when the activity is in relation to any such function, the supply to the governments or governmental authorities/entities or local authorities is exempt from paying GST under SI No. 3 or 3A of the Exemption Notification, provided it is either a pure service or a composite supply, where the supply of goods does not constitute more than 25% of the value.
- The Authority noted that the applicant performs waste disposal activities by engaging garbage lifting vehicles and other cleaning equipment. There is, however, no reference to any supply of goods in the course of executing the work. The vehicles used and the fuel consumed and the machinery used do not result in any transfer of property in goods to the recipient.

The Authority observed that the applicant's supply to the recipient is a pure service. "The Applicant's supply to Bagrakote and Sukna Military Stations, therefore, is exempt under SI No. 3 of the Exemption Notification