

Waste Collection, Segregation, Treatment, Transportation, Disposal Services under Service Agreements not exempted from GST : AAAR

Fact of the Case

The appellant, M/s. Sumeet Facilities Limited is engaged in waste collection, segregation, treatment, transportation, and disposal services.

The appellant sought the advance ruling on the issue in respect of the Classification of services and whether the activity of waste collection, segregation, treatment, transportation and disposal services carried out by the Applicant under the Service Agreements entered with both concessionaires is exempted from Goods and Services Tax in terms of entry no.3 of the Notification 12/ 2017- Central Tax (Rate) dated June 28, 2017.

The AAR ruled that the supply of services by the applicant relating to waste collection, segregation, treatment, transportation and disposal services under the Service Agreements entered with both concessionaires are classified under SAC 9994 in terms of Notification No. 11/ 2017 C.T. (Rate) dated June 28, 2017.

The Authority further ruled that the activity undertaken by the applicant under the Service Agreements entered with both concessionaires are not exempted from Goods and Services Tax in terms of entry no.3 of the Notification 12/ 2017- Central Tax dated June 28, 2017 on the grounds that the entry applies to Pure services provided to the defined clause of service recipients and the services are to be of any activity in relation to any function entrusted to a Panchayat/ Municipality under Article 243 G/ 243W of the Constitution.

The appellant has challenged the AAR's order on the ground that a supplier in the capacity of a recipient of his inward supplies only and not vice versa is only eligible to seek an advance ruling and not a mere recipient of goods or services in question even when he may otherwise be a supplier of his own goods or services.

Decision of the Case

The Coram while upholding the AAR's ruling held that Appellant is a totally different entity than concessionaires in as much as they are all separately incorporated and separately registered with GST and they are distinct persons as per GST Act. So, on the basis of holding equity, they cannot claim to be on par with the concessionaires, who otherwise to are ineligible for the exemption, being the provider of composite supply of goods and services to GCC anyway.

The Tamil Nadu Appellate Authority of Advance Ruling (AAAR) ruled that Waste Collection, Segregation, Treatment, transportation, Disposal Services under Service Agreements not exempted from GST.