AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD, CHENNAI 600 006.

ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND UNDER SECTION 98(4) OF THE TNGST ACT, 2017

Members present:

Shri. R.V. Pradhamesh I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.	**Shri B. Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.**

Advance Ruling No. 49/ARA/2026, dated 27.07.2026

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 which 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) 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 Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the 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 Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.

GSTIN Number, if any/User id	33BYXPS6648Q2ZZ
Legal Name of Applicant	M/s. Gokulram Shanmugam Kantharajan
Trade Name of Applicant	M/s JAY KAY TRANS
Registered Address/ Address provided while obtaining User id	9/11, First Floor, Valarmathi nagar second street, Kolathur, Chennai-600099.
Details of Application	Advance Ruling Application No.60/2026/ARA dated 29.12.2025
Jurisdictional Officer	State - Tamil Nadu, Division – Chennai North, Zone – North-III, Circle – Perambur Centre- Zone – CHENNAI, Commissionerate – Chennai North, Division – Tiru vi ka Nagar, Range – Range II
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	A. Service Provision B. Applicability of a notification issued under the provisions of the Act.
Issues on which advance ruling required	1. Classification of goods and/or services or both 2. Applicability of a notification issued under the provisions of the Act.
Question(s) on which advance ruling is required	1. What is the classification of service under the GST Act viz., "upkeeping and maintenance" of Burial Ground in Zone 6 to 10 of Greater Chennai Corporation? 2. Whether the aforesaid service provided by the Applicant is entitled to exemption under Serial No. 3A of Notification No 12/2017- Central Tax (Rate)., dated 28.07.2017, as amended from time to time?

M/s JAY KAY TRANS, having place of business at 9/11, First Floor, Valarmathi Nagar Second Street, Kolathur, Chennai-600099 (hereinafter called as the "Applicant") has registered with GSTIN 33BYXPS6648Q2ZZ under the Goods and Services Tax Act. They have filed this application for advance ruling under Section 97 of the CGST Act, 2017, and corresponding provisions under the Section 97 of TNGST Act, 2017. The Applicant has made a payment of application fees of Rs.10,000/- under sub rule (1) of Rule 104 of CGST Rules, 2017 and TNGST Rules, 2017.

2. <u>Statement of relevant facts having a bearing on the questions raised.</u>

1. The applicant is a proprietorship concern of Mr. Gokul Ram, having its registered office at No. 09/11, Valarmathi Nagar, 2nd street, Kolathur, Chennai-600099. The applicant is engaged in the business of sanitation, solid waste management, and urban cleanliness. The Applicant is registered under the GST Act, 2017, with the GSTIN 33BYXPS6648Q2ZZ.

2. The Greater Chennai Corporation, established under the Chennai Municipal Corporation Act, 1919, floated a tender for appointment of an agency for upkeeping and maintenance of Burial Ground in Zone 6 to 10 for a period of twelve months from 20.08.2025 to 19.08.2026.

3. The Applicant herein submitted a bid for the aforesaid tender floated by the Greater Chennai Corporation which was accepted and approved vide Council Resolution No 845/2025 dated 30.07.2025.

4. The award of the aforesaid tender for upkeeping and maintenance of Burial Ground in Zone 6 to 10 was communicated to the Applicant by the Superintending Engineer, vide Letter of Acceptance dated 31.07.2025. The Work Order provided that:

    a) The total contract amount was Rs. 8,54,91,000/- (inclusive of all taxes) subject to the conditions mentioned therein.

    b) The parties were to execute and an agreement within seven days of the receipt of the work order.

5. Pursuant to the work order dated 31.07.2025, the Applicant entered into an Agreement for upkeeping and maintenance of Burial Ground in Zone 6 to 10

with the Greater Chennai Corporation represented by its Executive Engineer, Solid Waste Management Department, vide Agreement dated 16.09.2025 with the reference SWMC No A7/1790/2025.

6. Further, Clause 6(b) of the Agreement dated 16.09.2025 provided that the services specified in the Request for Proposal (hereinafter referred to as "RFP") document shall form an integrated part of the said agreement.

7. The agreement dated 16.09.2025 stipulated that the Applicant shall provide services (as specified in Clause 2 of the RFP) to the Greater Chennai Corporation in the following manner:

   a) The Applicant shall deploy 262 personnel for undertaking upkeeping and maintenance in the manner for each burial ground as prescribed by the corporation. In addition, supervisors shall also be provided for every 7 Burial ground.

   b) The aforesaid deployed personnel shall undertake sweeping and cleaning of all common areas on daily basis within the Burial ground campus and also undertake collection of waste, which should be dumped at the 1100 Lt compactor bins on daily basis.

   c) The Applicant shall provide 218 units of 120 Lt rotomac bins along with sweeping kits for each of the personnel for collecting wastage and garbage.

   d) The Applicant shall provide 92 units of 1100 litre capacity compactor bins (for both dry and wet waster) at the entry of each housing unit.

   e) The collected waste should be segregated and disposed as wet and dry waste in the compactor bin placed at each location which shall be further cleared by the Corporation.

   f) The Applicant shall provide 1308 nos. of Coco Broom, 872 nos. of Bass Broom, 872 nos. of Iron Rake, 872 nos. of Penku, 167.90 tons of Bleaching powder, 335.80 tons of Lime powder.

   g) Further, the Applicant also provides the welfare items required by the personnel deployed such as 524 Uniforms, 6288 gloves and mask, 524 shoe set, 1048 caps, 1048 reflecting PPE kit, 262 rain coat and

95630 mask are also procured by the bidder during the contract period of twelve months at his own cost of the agreement dated 16.09.2025.

8. It is submitted that Article 243 W of the Constitution of India provides powers, authority and responsibility of municipalities, etc. and subject to the provisions of this Constitution, the legislature of a state may, by law, endow 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 provision 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; and (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.

9. It is submitted that Section 4 of the Chennai City Municipal Corporation Act, 1919 provides the enumeration of authorities that – (1) There shall be a corporation charged with the Municipal Government of the City of Chennai, to be known as the Municipal Corporation of Chennai. (2) The Corporation shall be a body corporate with the name aforesaid having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property and may by the said name sue and be sued.

10. Therefore, the GCC being the Oldest Municipal Institution, the services provided by the applicant are in relation to a function entrusted to a Municipal corporation as laid down in Article 243W of the Constitution of India.

11. It is submitted that the service charge for the execution of work awarded under the agreement dated 16.09.2025 was proposed to be paid on pro rata basis in two stages: -

a) Stage 1: 60% of monthly service charge – Fixed payment – wherein it will be released ordinarily within 30 days of submission of invoices.

b) Stage 2: 40% of monthly service charge – Performance based payment – wherein it will be paid after evaluation by the independent agency and due deduction of any penalty if any based on the KPIs (Key Performance

Indicators) as defined in clause 22 of the Agreement. Further, the performance payment will also be released ordinarily in 30 days of submission of invoices.

12. In furtherance to the Agreement dated 16.09.2025, the work commenced in the month of August 2025 wherein the contract value of Rs. 8,54,91,000/- towards service charge of upkeeping and maintenance of Burial ground includes manpower, consumables, and welfare kit for a period of 12 months. Accordingly, the Applicant in pursuance of execution of the work raised the following invoices:

Invoice no.	Date of invoice	Period	Amount	GST collected
JK/2025/26/091	28.11.2025	20.08.2025 to 31.08.2025	2757780	Nil
JK/2025-26/092	28.11.2025	01.09.2025 to 30.09.2025	7124250	Nil

13. The applicant submitted that the above invoices have been raised after the approval of an individual evaluation agency appointed by the corporation to monitor and approve the services done by the applicant.

14. Under these circumstances the applicant is filing the present clarification seeking to clarify whether the activity of the applicant in rendering the services of upkeeping and maintenance of Burial ground which includes manpower, consumables, and welfare kit, is eligible for exemption in Entry 3A of the Notification 12/2017 dated 28.06.2017.

The applicant has filed the present application for advance ruling seeking clarification on the following questions:

1. What is the classification of service under the GST Act viz., "upkeeping and maintenance" of Burial Ground in Zone 6 to 10 of Greater Chennai Corporation?

2. Whether the aforesaid service provided by the Applicant is entitled to exemption under Serial No. 3A of Notification No 12/2017- Central Tax (Rate)., dated 28.07.2017, as amended from time to time?

3. Applicant's interpretation of law:

1. Query on classification of services : The applicant has not furnished any proposed classification of impugned services in the application. However, during personal hearing, the applicant stated that the probable SAC would be *999424-General Waste collection services, other nowhere else specified.*

2. Query on applicability of sl.no.3A of Notification No 12/2017- Central Tax (Rate), Dated 28.06.2017:

2.1. The applicant submitted that the Central Government, in exercise of its powers under Sections 9(3), 9(4), 11(1), 15(5) &148 of the Act on being satisfied that it was necessary in the public interest so to do, on the recommendations of the Council, exempted the following intra-state supply of service as specified in column (3) of the Table below from so much of the central tax leviable thereon under sub-section (1) of section 9 of the said Act, as is in excess of the said tax calculated at the rate as specified in the corresponding entry in column (4) of the said Table, unless specified otherwise, subject to the relevant conditions as specified in the corresponding entry in column (5) of the said Table, namely:

Sl No.	Chapter, Section, Heading, Group of Service code (Tariff)	Description of Services	Rate (%)	Condition
(1)	(2)	(3)	(4)	(5)
3A	**Chapter 99**	**Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent. Of the value of the said composite supply 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

2.2. The applicant submitted that to qualify for exemption under sl.no. 3A of the Notification 12/2017 Central Tax (Rate), three conditions have to be cumulatively satisfied:

a) The supply must be a Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply.

b) Such service must be provided to the Central Government, State government or Union Territory or Local authority.

c) If provided to a local authority such service 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.

2.3. The applicant submitted that they satisfied all the three pre conditions stipulated in sl.no.3 of Notification No. 12/2017 Central Tax (Rate) and is entitled to the impugned exemption as discussed hereunder:

(a) **Supply is a composite supply of goods and services**

1. The applicant submitted that vide agreement dated 16.09.2025 they shall provide services (as specified in Clause 2 of the RFP) to the Greater Chennai Corporation in the following manner:

    a) The Applicant shall deploy 262 personnel for undertaking upkeeping and maintenance in the manner for each Burial ground as prescribed by the Corporation. In addition, supervisors shall also be provided.
    b) The aforesaid deployed personnel shall undertake sweeping and cleaning of all common areas on daily basis within the Burial ground and also undertake collection of waste from the Burial ground on daily basis.
    c) The Applicant shall provide 218 units of 120 Lt rotomac bins along with sweeping kits for each of the personnel for collecting wastage and garbage.
    d) The applicant shall provide 92 units of 1100 litre capacity compactor bins (for both dry and wet waste) at the entry of each housing unit.
    e) The collected waste should be segregated and disposed as wet and dry waste in the compactor bin placed at each location which shall be further cleared by the Corporation.
    f) The Application shall provide 1308 nos. of Coco Broom, 872 nos. of Bass Broom, 872 nos. of Iron Rake, 872 nos. of Penku, 167.90 tons of Bleaching powder, 335.80 tons of lime powder.
    g) Further, the Applicant also provides the welfare items required by the personnel deployed such as 524 Uniforms, 6288 gloves, 524 shoe set, 1048 caps, 1048 reflecting PPE kit, 262 rain coat and 95,630 mask are also procured by the bidder during the contract period of twelve months at his own cost of the agreement dated 19.09.2025.

2. It is submitted that the Applicant is supplier of composite supply of goods and services in the nature of supplying manpower for the upkeeping and maintenance of Burial ground along with the consumables, tools, materials and the Equipment as prescribed in clause (3) of the agreement dated 19.09.2025.

3. It is submitted that the value of goods in the present case does not exceed 25% of the value of composite supply that has been provided to the Greater Chennai Corporation. Further, in order to prove the same, the Applicant is enclosing the certificate from the Chartered accountant to establish the fact that the value of goods as per the tender agreement dated 16.09.2025 does not exceed 25% of the value of composite supply.

4. Additionally, the consumables that have been provided by the Applicant to the personnel is only for the purpose of completion of work with regard to the upkeeping and maintenance of burial grounds. It is pertinent to note that with respect to the consumables, welfare kit used for the purpose of upkeeping and maintenance of burial grounds, there is no transfer of ownership or possession to the Greater Chennai Corporation. It is merely used for the purpose of work and the same is left as such once the contract period expires.

5. Therefore, it is submitted that the Applicant satisfies the first pre-condition for entitlement to the exemption under Serial No 3 of Notification 12/2017-Central Tax (Rate). The supply is a composite supply of goods and services.

(b) Such service is provided to a local authority

(i) The applicant submitted that Section 2(69) of the Act defines "local authority" to mean:

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

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

c) A Municipal Committee, a Zila 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 (41 of 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 and article 371J of the Constitution; or

g) A Regional Council constituted under Article 371A of the Constitution;

(ii) The term "municipality" is defined under Article 243-P(e) to mean an institution of self-government constituted under Article 243Q stipulates that there shall be constituted in every state, in accordance with the provisions of Part IX-A; (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.

(iii) The Applicant herein is supplier of composite supply of goods and services involving upkeeping and maintaining the burial grounds in zones 6 to 10 under the control of the GCC. The Madras Municipal Corporation Act, 1919 (as amended) provides the basic Statutory authority for the administration now.

(iv) Section 4 of the 1919 enactment constitutes the Corporation in the following manner:

I. "There shall be a Corporation charged with the Municipal Government of the City of Chennai, to be known as the Municipal Corporation of Chennai.

II. The Corporation shall be a body corporate with the name aforesaid having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold, and dispose of property and may by the said name sue and be sued."

(v) The Madras Municipal Corporation Act, 1919 was rechristened by The Tamil Nadu Act of 1996 as the Chennai City Municipal Corporation Act, 1919.

(vi) The Greater Chennai Corporation (GCC) is a "municipality" as defined under Article 243-P(e) read with Article 243Q. Therefore, they satisfied the second pre-condition for entitlement to the exemption under Serial No 3A of Notification 12/2017-Central Tax (Rate): The Supply rendered to a "local authority".

(c) Supply is made in relation to a function entrusted to a Municipal Corporation under Article 243-W of the Constitution.

(i) The applicant submitted that the third pre-condition for entitlement to the exemption is that such pure services rendered to a local authority must be in relation to a function entrusted to a Municipal Corporation under Article 243-W of the Constitution.

(ii) Part IX-A of the Constitution of India, inserted by the Constitution (Seventy Fourth) Amendment Act, 1992, deals with local-self Government and bears the title "municipalities". The term "municipality" is defined under Article 243-P(e) to mean an institution of self-government constituted under Article 243Q.

(iii) Article 243Q stipulates that there shall be constituted in every state, in accordance with the provisions of Part IX-A: (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; and (c) a Municipal Corporation for a larger urban area.

(iv) Article 243W provides for the powers, authority and responsibilities of municipalities. It states that, subject to the other provisions of the Constitution, the Legislature of a state may, by law, endow 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; and (ii) the performance of functions and implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule.

(v) The Twelfth Schedule to the Constitution contains 18 entries which are constitutionally designated as the functions of municipalities. Most notably, Entry 6 in the Twelfth Schedule provides for "Public health, sanitation conservancy and solid waste management" shall be a municipal function.

(vi) The services supplied by the Applicant to the Greater Chennai Corporation are in relation to a function entrusted to a Municipal Corporation under Article 243-W of the Constitution in as much as they pertain to upkeeping and maintenance of burial ground in the city of Chennai.

4. The applicant falls under the administrative control of State. The concerned 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. Remarks have been received from the State Authority that there are no pending proceedings on the questions raised in their Advance Ruling Application; that the classification of impugned services would be SAC 9997-Other services not elsewhere specified; that the applicant would qualify for exemption under sl.no.3A of impugned Notification subject to the condition that the value of goods supplied does not exceed 25% value of composite supply. As remarks have not been received from Centre authority, it is assumed that there are no pending proceedings against the applicant on the issues raised by the applicant in the ARA application.

5. Personal Hearing

5.1 The applicant was given an opportunity to be heard in person on 06.07.2026. Shri. S. Ramamurthy, Advocate, appeared for personal hearing as the authorized representative (AR) of M/s. JAY KAY TRANS, Chennai. The AR reiterated the submissions made in their application for advance ruling and submitted copies of relevant notification and legal provisions. Regarding Query raised on classification of services, the AR said that the probable SAC would be 999424-General Waste collection services, other not elsewhere specified.

5.2 On second query on eligibility of exemption, the AR said that the value of goods involved in the impugned services is only around 1.23% which is way below the 25% stipulated in the notification no.12/2017 CT(Rate) also backed by a Chartered Accountant certificate.

5.3 The AR also submitted a few images of sweeping and cleaning of roads between tombs, cleaning activities in burial grounds and removal of garbage undertaken by the applicant.

5.4 The applicant was requested to furnish complete set of tender/Agreement copies with Greater Chennai Corporation by email.

6. Discussions and Findings:

6.1 We have carefully examined the submissions made by the applicant in their advance ruling application and the submissions made during personal hearing. We have also considered the issues involved, the relevant facts and the applicant's submissions/interpretation of law with respect to the questions on which the advance ruling is sought.

Admissibility of queries raised in the application:

6.2 We find that the queries involving Classification of Composite supply of goods and services supplied by the applicant comprising of upkeeping and maintenance of burial ground in Zones 6 to 10 under a contract with the Greater Chennai Corporation (GCC) and query on applicability of exemption under Entry 3A in Notification No 12/2017-Central Tax (Rate), dated 28.06.2017 issued under the provisions of the Central Goods and Services Tax Act, 2017, and the Tamil Nadu Goods and Services Tax Act, 2017, are liable for admission as they get covered under Section 97 (2) (b) of CGST/TNGST Act, 2017 under "Classification of goods and/or services or both and Applicability of a notification issued under the provisions of the Act".

6.3 We find that the applicant has entered into an agreement with Greater Chennai Corporation (GCC) vide SWMC No.A7/1790/2025 dt.16.09.2025 as per which work order has been issued to the applicant for upkeeping and maintenance of burial ground in Zones 6 to 10 under the control of GCC. It has been stipulated therein for the applicant to provide the said services by deploying 262 personnel for sweeping and cleaning the burial grounds on daily basis; to collect wastage and garbage; to provide 218 units of 120Lt rotomac bins alongwith sweeping kits for each of the personnel for collecting garbage; to provide 92 units of 1100 ltr capacity compactor bins (for both dry and wet waste); to segregate and dispose the collected waste in the compactor bin placed in each location which shall further be cleared by the GCC; to provide 1308 nos. of coco broom, 872 nos. of bass broom, 872 nos. of iron rake, 872 nos. of penku, 167.90 tons of bleaching powder, 335.80 tons of lime powder; to provide the welfare items required by the personnel deployed such as 524 uniforms, 6288 gloves and mask, 524 shoe set, 1048 caps, 1048 reflecting PPE kit, 262 rain coats and 95,630 masks during the entire contract period at the applicant's own cost. The tenure of the contract is for 12 months from 20.08.2025 to 19.08.2026.

6.4.1 Against this factual background, taking up first the applicant's query on classification of impugned services, it is seen that during personal hearing the applicant stated that the probable SAC for such services would be *999424-General*

Waste collection services, not elsewhere specified. Vide Remarks submitted by the jurisdictional State GST officer opines that, the classification of impugned services is covered under residuary heading *SAC 9997 – Other Services not elsewhere specified.*, the reasons being the activity involves maintenance, sanitation, conservancy and upkeep of burial ground; it does not amount to Works Contract as defined under Sec.2(119) of the CGST Act; it is not merely manpower recruitment or supply even if manpower is used to execute the work and it is also not transport service; that the impugned services done by the applicant qualifies for exemption under sl.no.3A of the impugned notification subject to the condition that the value of composite supply does not exceed 25% of total value of supply.

6.4.2 On examination, we find that the contract awarded to the applicant by the GCC is upkeep and maintenance of burial grounds in specified zones wherein the predominant activity is sweeping, cleaning, garbage collection. On a perusal of Annexure to Notfn. No.11/2017-Central Tax (Rate) dt.28.06.2017 enlisting the Scheme of Classification of Services, it is seen that the impugned services would merit to be classified as proposed by the applicant under *Heading 999424 as General cleaning services- others,* which is more appropriate and specific to the nature of services undertaken, rather than preferring a general heading under the not elsewhere specified category. The same is extracted below:

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

> ***Group 99942: Waste collection services***
>
> > ***999424: General Waste collection services – others not elsewhere specified***

6.4.3. Further, as per the Explanatory Notes to Classification of Services, following is the scope of coverage of services under the heading SAC 999424:

> ***999424 General waste collection services, other n.e.c.***
>
> ***This service code includes:***
>
> ***i. general collection of waste, garbage, rubbish, refuse, trash, and commingled materials from non- residential locations, on a regular or flexible schedule***

6.4.4 In view of the above, we conclude that the services of upkeeping and maintenance of burial grounds by the applicant encompassing sweeping and cleaning of all common areas on daily basis within the burial grounds and also collection of waste from the burial grounds on daily basis would appropriately be classifiable under SAC 999424 - ***General Waste collection services – others not elsewhere specified*** as proposed by the applicant.

6.5.1 Taking up next the applicant's query on admissibility of exemption contemplated in sl.no.3A of Notfn.No.12/2017-CT(Rate) dt.28.06.2017 as amended by Notfn. No. 2/2018- Central Tax (Rate) dt.25.01.2018, the relevant entry is extracted below:

(1)	(2)	(3)	(4)	(5)
"3A	Chapter 99	Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent. of the value of the said composite supply 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.	Nil	Nil";

6.5.2 It can be seen that the admissibility of exemption under sl.no.3A above, requires satisfaction of certain conditions, the foremost being discussed below:

<u>6.5.2.1 The supply should be in the nature of composite supply of goods and services.</u>

(a) On a perusal of the agreement with the GCC it is amply clear that the scope of work encompasses services undertaken by way of daily sweeping and cleaning of all common areas within the burial ground campus, including internal roads, open area, graveyard area, toilet, cremation area, or any building at least twice a day; the deployed staff shall also undertake collection of waste to be dumped at the compactor bins on daily basis. Further, the bidder shall procure and provide 120Ltr rotomac bins along with sweeping kits for each of the personnel for collecting waste and garbage and procure 1100 ltr capacity compactor bins for both dry and wet waste; the applicant shall provide the consumable, tools, materials, equipment etc like broom, iron rake, bleaching powder, lime powder etc and welfare items for the personnel like uniform sets, gloves, masks, caps raincoats, reflecting PPE kit, shoe etc. at applicant's own cost.

(b) At this juncture it is imperative on our part to examine whether the impugned activities undertaken by the applicant would constitute 'Composite supply of goods and services' as stipulated in the impugned notification. Sec.2(30) of the CGST Act, 2017 defines Composite supply thus:

> *"Composite supply means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply"*

(c) On a perusal of the agreement with GCC, the applicant has to undertake upkeep and maintenance of burial grounds predominantly involving cleaning and garbage removal activities. The welfare kits consisting of mask, gloves, caps etc are part of specific requirement as dictated by the GCC to be supplied to the cleaning personnel as a safety measure. Further, the GCC also requires the applicant to provide other items like brooms, penkus, bins, bleaching powder etc., which are apparently consumables used in the process of rendering the cleaning service that are to be procured by the applicant at his own cost. Interestingly by the applicant's own admission/submission in the application 'with respect to the consumables, welfare kit used, there is no transfer of ownership or possession to the Greater Chennai Corporation and merely used for the purpose of work and the same is left as such once the contract period expires'. Hence it automatically follows that the instant case does not involve any supply of goods to the GCC by the applicant. At the most the GCC is only specifying deployment of certain number of personnel to carry out the cleaning work, provision of welfare kits and consumables, provision of fixed size bins in specified locations, in order to ensure satisfactory performance of services entrusted in the contract, the cost of which to be borne by the applicant. We do not find any conditions of the agreement that are indicative or suggestive of any supply of goods to the GCC to satisfy the definition of 'Composite supply' of goods and services. Consequently, we hold that the applicant does not qualify for the exemption contemplated under sl.no.3A of Notification ibid in respect of the impugned services rendered to GCC.

6.5.3 Having so held, when the first and foremost condition of composite supply is found to be not satisfied by the applicant, we deem it not necessary to discuss the other conditions of the impugned notification since it is mandatory that all the conditions have to be simultaneously satisfied to qualify for exemption.

6.6 In view of the foregoing discussions, we rule as under:

Ruling

1. The classification of services of upkeep and maintenance of burial grounds in Zone 6 to 10 of Greater Chennai Corporation undertaken by the applicant as part of an agreement with Greater Chennai Corporation would fall under SAC 999424: General Waste collection services – others not elsewhere specified.
2. The applicant is not eligible for exemption from GST under Sl.No.3A of Notfn.No.12/2017-CT(Rate) dated 28.06.2017 and the corresponding Notification issued under TNGST Act, 2017 for the impugned supply of services not being 'Composite supply of goods and services'.

AUTHORITY FOR ADVANCE RULINGS
GOODS AND SERVICES TAX
TAMILNADU

(B.SUSEEL KUMAR)
Member (SGST)

(R.V.PRADHAMESH BHANU)
Member (CGST)

To

M/s Jay Kay Trans,
9/11, First Floor
Valarmathi Nagar Second Street,
Kolathur, Chennai-600099

Copy submitted to:

1. The Principal Chief Commissioner of GST and Central Excise,
   26/1, Uthamar Mahatma Gandhi Road,
   Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
   Integrated building for Commercial Taxes and Registration,
   Nandanam, Chennai 600 035.
3. The Principal Commissioner of GST and Central Excise,
   Chennai North Commissionerate, Chennai – 600 034.

Copy to:

1. The Assistant Commissioner of CGST and C.Excise,
   Thiru Vi Ka Nagar Division,
   Chennai North Commissionerate
   Newry Towers, 2054 II Avenue, 12th Main Road,
   Anna Nagar, Chennai – 600 040.

2. The Joint Commissioner (ST),
   Chennai (North) Division,
   Integrated building for Commercial Taxes,
   Chennai – 600 003.

3. The Deputy Commissioner (ST),
   Zone – III,
   Integrated building for Commercial Taxes,
   Chennai – 600 003.

4. The State Tax Officer,
   Perumbur Assessment Circle,
   No.1, Greams Road, Chennai – 600 006.

5. Stock File – A1