

**THE AUTHORITY FOR ADVANCE RULING  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU - 560 009**

**F. No. KAR.AAR 10/2026**

**Order No. KAR.ADRG 09/2026**

**Date: 11.02.2026**

Present:

1. **Shri. Kalyanam Rajesh Rama Rao**  
Additional Commissioner of Customs & Indirect Taxes . . . Member (**Central**)
2. **Shri. Sivakumar S Itagi**  
Additional Commissioner of Commercial Taxes . . . Member (**State**)

1.	Name and address of the applicant	M/s. Annonymous Indian Charitable Trust, No.22, W202, Sunrise Chambers, Ulsoor Road, Bengaluru-560042.
2.	GSTIN or User ID	29AACTA3936D1ZW
3.	Date of filing of Form GST ARA-01	02.07.2025
4.	Represented by	C.A. Jayaram Srinivas Bhat assisted by C.A Anil H.V, Authorised Representative vide letter dated 01.07.2025
5.	Jurisdictional Authority - Centre	The Commissioner of Central Tax, Bangalore East Commissionerate, Bengaluru. (Range-AED2)
6.	Jurisdictional Authority - State	ACCT, LGSTO-45, Bengaluru.
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act & Rs.5,000/- under KGST Act through debit from Electronic Cash Ledger vide reference No. DC2907250009636 dated 02.07.2025

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 & UNDER SECTION 98(4) OF THE KGST ACT, 2017**

The applicant M/s. Annonymous Indian Charitable Trust, No.22, W202, Sunrise Chambers, Ulsoor Road, Bengaluru-560042 has sought advance ruling under Section 97 of the CGST/KGST Act, 2017, seeking clarification on the applicability of GST exemption for solid waste management services provided to a Gram Panchayat under Notification No. 12/2017 dated 29.06.2017.& Under Section 98(4) of the KGST ACT, 2017.

2. The applicant is engaged in providing solid waste management services to Gram Panchayat in Gantiganahalli Grama Panchayat, Yelahanka Taluk, North Bengaluru. Further, the applicant states that the services as mentioned below

M/s Annonymous Indian Charitable Trust



are "pure services" and do not involve the supply of goods or works contract. The activities provided by the applicant are directly related to functions entrusted to panchayats under Article 243G of the constitution, specifically health and sanitation (including solid waste management). The services provided by the applicant are as follows: -

- a) Collection and transportation of solid waste from designated rural areas.
- b) Segregation, recycling and disposal of waste at authorised facilities.
- c) Maintaining cleanliness and sanitation in rural areas under the panchayat's jurisdiction.

3. In view of the above, the applicant has sought advance ruling in respect of the following questions:

**a) Whether the pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Gram Panchayat in Karnataka by way of solid waste management services qualify as an exempt supply under Notification No. 12/2017 KGST Act dated 29.06.2017, under the scope of activities entrusted to a Panchayat under Article 243G of the Constitution of India?**

4. **Admissibility of the Application:** - The applicant, under column 13 of the application ARA-01, selected the following issues "Applicability of a notification issued under the provision of this act", and "Determination of the liability to pay tax on any goods and services", which are covered under Section 97(2) (b) & 97(2) (e) and hence the instant application is admissible.

5. **BRIEF FACTS OF THE CASE:** The applicant furnishes the following facts relevant to the issue:

5.1 The applicant submits that Gram Panchayat, as local authority, is responsible for ensuring cleanliness, sanitation and solid waste management under Article 243G of the constitution. The applicant engaged into service agreement with Gram Panchayat in Gantiganahalli Grama Panchayat, Yelahanka Taluk, North Bengaluru.

5.2 Further, the applicant submits that the primary service provided to Gram Panchayat is solid waste management, which includes ensuring Cleanliness & Hygiene Maintaining zero-waste rural areas by following proper waste disposal techniques, Reducing Environmental Pollution, promoting waste segregation and recycling to minimize landfill usage and Enhancing Public Health & Safety.

- a) **Waste Collection & Transportation:** - Daily door-to-door collection of waste from households, markets, and public spaces, use of designated garbage trucks, auto tippers, and pushcarts, ensuring segregation at source (wet, dry, and hazardous waste).



- b) **Waste Segregation & Processing:** - Sorting of collected waste into recyclables, organic waste, and non-recyclables, processing of biodegradable waste through composting or biogas generation, disposal at Authorized Facilities, non-recyclable and hazardous waste is sent to government-approved landfill sites, recyclables are handed over to authorized recycling centres.
- c) **Street Sweeping & Drain Cleaning:** - Regular sweeping of roads, marketplaces, public areas, removal of plastic waste, construction debris, and open garbage dump.
- d) **Public Awareness & Community Engagement:** - Conducting awareness campaigns on waste segregation, training of local communities to follow scientific waste disposal management.

**6. Applicant's Interpretation of Law:** - The Applicant submits the following facts relevant to the issue:

**6.1** The applicant claims exemptions, under entry No.3 of Notification 12/2017-Central Tax (Rate) dated 29.06.2017 as amended, for providing pure services (excluding works contract services or other composite supplies involving supply of any goods) provided to the Central Government, State Government, 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.

**6.2** Further, the applicant states that Gram Panchayat qualifies as a "local Authority" under Section 2(69) of the CGST Act/KGST Act. The applicants claims that activities provided to the Gram Panchayat falls under health and sanitation functions listed in the 11<sup>th</sup> Schedule of the Constitution (Article 243G). Hence, the applicant is in the opinion that the services provided to the Gram Panchayat are exempted from GST under Notification 12/2017-Central Tax (Rate)/Karnataka Tax dated 29.06.2025.

#### **PERSONAL HEARING PROCEEDINGS HELD ON 18.12.2025**

**7.** C.A. Jayaram Srinivas Bhat, Authorised Representative of the applicant, assisted by C.A. Anil H.V, appeared for personal hearing proceedings and reiterated the facts narrated in their application. Further, the authorised representative have explained the applicant's position with reference to the issues raised in the AAR application.

#### **FINDINGS & DISCUSSION**

**8.** *At the outset we would like to make it clear that the provisions of the CGST Act, 2017 and the KGST Act, 2017 are in pari materia and have the same provisions in like matters and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar*



provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

**9.** We have considered the submissions made by the applicant in their application for advance ruling. We have also considered the issues involved on which advance ruling is sought by the applicant, relevant facts, and the arguments made by the applicant and the submissions made by their learned representative during the time of hearing.

**10.1** The applicant states that they are providing solid waste management services which includes waste collection & transportation, waste segregation & processing, street sweeping & drain cleaning and public awareness & community engagement services to Gram Panchayats.

**10.2** Whether solid waste management services provided to Gram Panchayat is exempted under entry no.3 of the Notification No.12/2017- Central Tax (Rate) dated 28.06.2025 as amended, is to be examined and the said entry reads as under:

*“Pure Services (excluding works contract service or other composite supplies involving 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.”*

**11.1** From the above said entry of the notification it is observed that, in order to claim exemption on supply of Solid Waste Management Services two conditions should be satisfied: -

- i. *Pure Services (excluding works contract service or other composite supplies involving any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority*
- ii. *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.”*

**11.2** Now we examine one by one. The applicant provides Solid Waste Services to Gram Panchayat in Gantiganahalli Grama Panchayat, Yelahanka Taluk, North Bengaluru which is a local authority as per section 2(69) of CGST/KGST Act, 2017. Thus, the applicant is providing services to Gram panchayats are covered under local authorities and hence the first condition is satisfied.

**11.3** Now, we discuss Article 243G of the constitution as below: -



*Powers, authority and responsibilities of Panchayats subject to the provisions of this Constitution the Legislature of a State may, by law, endow the Panchayats with such powers and authority and 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 Panchayats, at the appropriate level, subject to such conditions as may be specified therein, with respect to-*

- (a) *The preparation of plans for economic development and social justice;*
- (b) *The implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.*

Matters listed in Eleventh schedule are:

1. *Agriculture, including agricultural extension.*
2. *Land improvement, implementation of land reforms, land consolidation and soil conservation.*
3. *Minor irrigation, water management and watershed development.*
4. *Animal husbandry, dairying and poultry.*
5. *Fisheries.*
6. *Social forestry and farm forestry.*
7. *Minor forest produce.*
8. *Small scale industries, including food processing industries.*
9. *Khadi, village and cottage industries.*
10. *Rural housing.*
11. *Drinking water.*
12. *Fuel and fodder.*
13. *Roads, culverts, bridges, ferries, waterways and other means of communication.*
14. *Rural electrification, including distribution of electricity.*
15. *Non-conventional energy sources.*
16. *Poverty alleviation programme.*
17. *Education, including primary and secondary schools.*
18. *Technical training and vocational education.*
19. *Adult and non-formal education.*
20. *Libraries.*
21. *Cultural activities.*
22. *Markets and fairs.*
23. **Health and sanitation**, *including hospitals, primary health centres and dispensaries.*
24. *Family welfare.*
25. *Women and child development.*
26. *Social welfare, including welfare of the handicapped and mentally retarded.*
27. *Welfare of the weaker sections, and in particular of the Scheduled Castes and the Scheduled Tribes.*
28. *Public distribution system.*
29. *Maintenance of Community assets.*



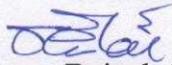
**11.4** The applicant provides Solid Waste Services to Gram Panchayat in relation to the functions entrusted to a panchayat under Article 243G of the Constitution which is covered by 23rd entry of 11th schedule which says **Health and sanitation, including hospitals, primary health centres and dispensaries.** Thus, the second condition is also fulfilled.

**12.** From the above, it is evident that, the applicant provides pure services to Gram Panchayat by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution and the same is covered under entry No.3 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017 as amended, and hence the same is exempted.

**13.** In view of the foregoing, we pass the following.

### **R U L I N G**

*The applicant provides Solid waste Management Services to Gram Panchayat in Gantiganahalli Grama Panchayat, Yelahanka Taluk, North Bengaluru are pure services exempted under entry No.3 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017 and hence not taxable under GST Act.*



(Kalyanam Rajesh Rama Rao)

**Member**

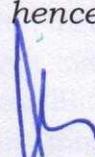
MEMBER

Karnataka Advance Ruling Authority

Bengaluru - 560 009

Place: Bengaluru,

Date: 11.02.2026



(Sivakumar S Itagi)

**Member**

MEMBER

Karnataka Advance Ruling Authority

Bengaluru - 560 009

To,  
The Applicant,

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bangalore East Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-45, Bengaluru.
5. Office Folder.

