

GIB/TN/M/S. SUMEET FACILITIES/05.03.2021/AAAR-49

Appellate Advance Ruling Category : Classification of Services

State : Tamil Nadu

Order No.: GIB/TN/M/S. SUMEET FACILITIES/05.03.2021/AAAR-49

Name of Entry :

M/S. SUMEET FACILITIES LIMITED

Date : 05-03-2021

Breif Issue :

FACTS OF THE CASE:

The appellant M/s. Sumeet Facilities Limited has stated that they are engaged in supplying services of Waste Management, Mechanized Road Sweeping, Business Support Staffing and other services relating to Integrated Facility Management to private sector entities as well as public sector entities and Governmental organizations.

ISSUE OF THE CASE:

What is the classification for supply of services by the Applicant relating to waste collection, segregation, treatment, transportation and disposal services under the service agreements entered with both concessionaries in terms of notification 11/2017- C.T.(Rate) dated 28th June 2017?

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?

Decision of Advance Ruling Authority :

DECISION:

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.

Appellant is a totally different entity than from 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 too are ineligible for the exemption, being the provider of composite supply of goods and services to GCC anyway.

In light of the above, the subject appeal is disposed of accordingly.