NATION TAX MARKET	KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM	KERALA GST State Goods & Services Tax

BEFORE THE AUTHORITY OF : Shri Jomy Jacob IRS &

: Shri Mansur M.I.

Legal Name of the applicant	TIFFOT PRIVATE LIMITED
GSTIN	32AAICT5856E1ZA
ARN	AD320525007957Z
Address	6/497/A, Karumaloor, Kaitharan Warehouse, Karumaloor.P.O, Paravur, Ernakulam, Kerala, 683511
Advance Ruling sought for	A. **Questions on classification and applicability of notification** 1) Whether the solid waste management services rendered by Tiffot Private Limited to Clean Kerala Company Limited, including the collection, storage, transportation, processing, and bundling of non-recyclable plastic waste for co-processing, are exempt from GST under Entry 3B of Notification No. 13/2023 – Central Tax (Rate) dated 19th October 2023, considering that the recipient is a Governmental Authority? 2) Further, in case such services are not explicitly covered under the aforementioned notification, whether they may qualify for GST exemption under any other notifications or circulars issued under the CGST Act, 2017, specifically where services provided to governmental authorities for public sanitation or environmental protection are covered?

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Date of Personal Hearing	08-08-2025.
Authorized Representative	Shri.Lijose Panikulangara, Chartered Accountant

ADVANCE RULING No. KER/33/2025 Dated 10.10.2025

1. M/s TIFFOT PRIVATE LIMITED (hereinafter referred to as "the applicant" is a Private Limited Company having GSTIN 32AAICT5856E1ZA, engaged in the business of solid waste management. The principal activity of the applicant is the systematic collection, handling, storage, bundling, transportation, and final disposal of non-recyclable plastic waste generated in various Panchayats and Municipalities across Kerala.

2. In this Ruling, a reference hereinafter to the provisions of the CGST Act, Rules or the Notifications issued thereunder shall include a reference to the corresponding provisions of the KSGST Act, Rules or the Notifications issued thereunder.

3. The issue on which advance ruling sought are as stated above.

4. The facts of the issue: The brief facts of the matter, as submitted by the applicant, are as follows.

4.1 Tiffot Private Limited ("the Applicant") is a company incorporated and registered in the State of Kerala, engaged in the business of solid waste management. The principal activity of the applicant is the systematic collection, handling, storage, bundling, transportation, and final disposal of non-recyclable plastic waste generated in various Panchayats and Municipalities across Kerala.

4.2 The Applicant has entered into a work agreement with Clean Kerala Company Limited (CKCL), a public sector undertaking wholly owned by the Government of Kerala. CKCL is entrusted with coordinating waste management

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operations across local self-government bodies and functions under the directions of the State Government. More than ninety percent of the Applicant's revenue is derived from services performed pursuant to this contractual arrangement.

4.3 In terms of the agreement, the Applicant collects non-recyclable plastic waste from designated collection points identified by CKCL and the concerned local self-government institutions. The collected material is transported to the Applicant's facilities, where it is segregated, compacted, and baled in accordance with technical specifications required for cement kiln co-processing. The baled waste is then transported, in covered vehicles conforming to the norms of the State Pollution Control Board, to cement plants approved by CKCL. Disposal is effected strictly through cement kiln co-processing or other methods approved by CKCL, ensuring scientific treatment and complete destruction of the waste without landfill residue.

4.4 The entire operational cost, including manpower, wages, logistics, fuel, and vehicle maintenance, is borne by the Applicant. Detailed records of the quantities collected, transported, and disposed of are maintained and periodic reports along with disposal certificates issued by cement factories are submitted to CKCL and other competent authorities. All activities are performed in compliance with the Solid Waste Management Rules, 2016 and as per the directions of CKCL, which exercises supervision over the operations.

4.5 The Applicant's services are rendered exclusively under a statutory arrangement with CKCL, a wholly government-owned entity qualifying as a "Governmental Authority" under GST law, and constitute an integral part of the State's statutory obligations for scientific waste management and environmentally sound disposal and are fully aligned with the objectives of the Solid Waste Management Rules, 2016.

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5. Applicant's Interpretation of Law and Position on Taxability are as follows.

5.1 The applicant is providing solid waste management service to Clean Kerala Company Limited ("CKCL") (CIN: U90000KL2013SGC035624).

5.2 Rule 3(46) of the Solid Waste Management Rules, 2016, issued under the Environment (Protection) Act, 1986, defines "**solid waste management**" as "the collection, storage, transportation, processing, and disposal of solid waste in accordance with the prescribed procedures and standards." The scope of work undertaken by the Applicant under its contractual arrangement with CKCL, namely the collection, transportation, and scientific disposal of non-recyclable plastic waste, falls squarely within this statutory definition and constitutes solid waste management in its strict legal sense.

5.3 Further CKCL squarely qualifies as a **Governmental Authority** within the meaning of Section 2(16) of the IGST Act, 2017 and Clause (zf) of Paragraph 2 of Notification No. 12/2017–Central Tax (Rate). CKCL is a Government company incorporated under the Companies Act with its entire shareholding held by the Government of Kerala, thereby fulfilling the requirement of ninety percent or more Government participation by way of equity and control. Further, CKCL has been specifically entrusted by the Government with the functions of solid waste management and sanitation, which are functions enumerated under Article 243W of the Constitution as municipal responsibilities. The governmental character and statutory mandate of CKCL are evidenced by its Memorandum and Articles of Association, which record its waste management objectives, the shareholding pattern reflecting complete Government ownership, official certificates issued by CKCL's Managing Director affirming its status, and Government Orders assigning to it the responsibility of coordinating waste management across local self-government institutions in Kerala. Accordingly, CKCL meets all statutory conditions prescribed under GST law for recognition as a Governmental Authority.

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5.4 Now, the applicant is of the view that the services provided by them fall under SAC Code 9994(ii): "Sewage and waste collection, treatment and disposal and other environmental protection services". With reference to the rate of GST for the services provided by the applicant, they submitted that the services provided by them are exempted under Sl. No. 3 of Notification No. 12/2017 Central Tax (Rate) dt. 28.06.2017 as amended by Notification No. 13/2023-Central Tax (Rate) dt. 19.10.2023, Specifically under Entry 3B-Chapter 99: Services provided to a **Governmental Authority** by way of: (a) water supply (b) public health (c) sanitation conservancy (d) **solid waste management** (e) slum improvement and upgradation.

6. Comments of the Jurisdictional Officer

The application was forwarded to the jurisdictional officer as per provisions of section 98 (1) of the CGST Act. The jurisdictional officer reported that the questions raised in the Advance Ruling application are not pending or decided in any proceedings under any of the provisions of the Act, under the jurisdiction of that office.

7. Personal Hearing:

The applicant was granted an opportunity for a personal hearing on 08.08.2025. Shri.Lijose Panikulangara, Chartered Accountant represented for the applicant in personal hearing. In the hearing, he explained the nature of activity undertaken by the applicant and reiterated the contentions submitted in the written application..

8. Discussion and Findings:

8.1. On review of the application, facts, and hearing submissions, it is found that the questions fall under Section 97(2) (b) and (e) of the CGST Act, relating to notification applicability and tax liability determination. The application is therefore admitted for consideration on merits.

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8.2 The applicant is a solid waste management company providing services of collection, handling, storage, bundling, transportation, and final waste disposal to Clean Kerala Company Limited (CKCL) via a work agreement. The applicant claims that the services proposed to be rendered by them fall under the SAC Code 9994(ii): "Sewage and waste collection, treatment and disposal and other environmental protection services"; and is exempted under Sl.No.3B of the Notification No. 13/2023 Central Tax (Rate) dated 19.10.2023, considering that the recipient is a Government Authority.

8.3 The main issue under consideration is whether solid waste management services rendered by the applicant to Clean Kerala Company Limited, are eligible for exemption from GST under Entry 3B of Notification No. 13/2023 – Central Tax (Rate) dt. 19.10.2023. Now, Sl.No.3B of the Notification No. 13/2023 Central Tax (Rate) dated 19.10.2023 which amends the Notification No. 12/2017 CT (Rate) dated 28.6.2017, reads as follows:-

SI. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
3	Chapter 99	Pure services (excluding works contract service or other composite supplies involving supply of any goods) 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

3B	Chapter 99	Services provided to a **Governmental Authority** by way of – (a) water supply; (b) public health; (c) sanitation conservancy; **(d) solid waste management;** and (e) slum improvement and upgradation.	Nil	Nil

Now it must be established that the services rendered by the applicant Tiffot Private Limited to CKCL fall under the purview of **'solid waste management'** and that that CKCL falls under the definition of a '**Governmental Authority**'.

8.4 It needs to be determined whether the activities of the applicant merit to be classified as 'Solid Waste Management'. The Solid Waste Management Rules, 2016, issued under the Environment (Protection) Act, 1986, provide clear definitions of key terms related to solid waste and lay down guidelines for its segregation, collection, processing, and disposal. These rules apply to all urban local bodies, census towns, villages with a population of more than 3,000, notified areas and industrial townships, as well as areas under the control of Indian Railways, airports, ports, defence establishments, SEZs, government organisations, and places of pilgrimage or historical importance as notified by the State. The Rules extend to every domestic, institutional, commercial and other non-residential solid waste generator in such areas, except in respect of industrial waste, hazardous waste, biomedical waste, e-waste, lead acid batteries and radioactive waste. Under the Solid Waste Management Rules, 2016, the definition of "solid waste" is provided in Rule 3(46). It states:

"**solid waste**" *means and includes solid or semi-solid domestic waste, sanitary waste, commercial waste, institutional waste, catering and market waste and other non residential wastes, street sweepings, silt removed or collected from the surface drains, horticulture waste, agriculture and dairy waste, treated bio-medical waste excluding industrial waste, bio-medical waste and e-waste, battery waste, radio-active waste generated in the area under the local authorities and other entities mentioned in rule 2";*

8.5 Further, Solid Waste Management Rules, 2016, under Rule(3), provide various other definitions relating to management of solid waste as under:

8.5.1 Rule 3(34) "***primary collection***" *means collecting, lifting and removal of segregated solid waste from source of its generation including households, shops, offices and any other non-residential premises or from any collection points or any other location specified by the local body;*

8.5.2 Rule 3(25) **"handling"** *includes all activities relating to sorting, segregation, material recovery, collection, secondary storage, shredding, baling, crushing, loading, unloading, transportation, processing and disposal of solid wastes;*

8.5.3 Rule 3(52) "***transportation***" *means conveyance of solid waste, either treated, partly treated or untreated from a location to another location in an environmentally sound manner through specially designed and covered transport system so as to prevent the foul odour, littering and unsightly conditions;*

8.5.4 Rule 3(35) "***processing***" *means any scientific process by which segregated solid waste is handled for the purpose of reuse, recycling or transformation into new products;*

8.5.5 Rule 3(43) "***secondary storage***" *means the temporary containment of solid waste after collection at secondary waste storage depots or MRFs or bins for onward transportation of the waste to the processing or disposal facility;*

8.5.6 Rule 3(14) **"co-processing"** *means use of non-biodegradable and non recyclable solid waste having calorific value exceeding 1500 kcal as raw material or as a source of energy or both to replace or supplement the natural mineral resources and fossil fuels in industrial processes;*

8.5.7 Rule 3(16) "***disposal***" *means the final and safe disposal of post processed residual solid waste and inert street sweepings and silt from surface drains on land as specified in Schedule I to prevent contamination of ground water, surface water, ambient air and attraction of animals or birds;*

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8.6 Thus, from the submissions by the applicant read with the relevant provisions of law, we are of the opinion that the applicant is engaged in providing services of solid waste management including the services of collection, handling, storage, transportation, processing and final waste disposal to CKCL, a public sector undertaking wholly owned by the Government of Kerala.

8.7 Now the next condition to be fulfilled is whether Clean Kerala Company Limited (CKCL) can be considered a Governmental authority. As per Section 2(16) of the IGST Act, 2017 and clause (zf) of Para 2, Notification No. 12/2017-CT (Rate):

"Governmental Authority" *means an authority or a board or any other body— (i) set up by an Act of Parliament or State Legislature; or (ii) established by any Government, with ninety per cent or more participation by way of equity or control, to carry out any function entrusted to a municipality under Article 243W or to a Panchayat under Article 243G of the Constitution.*

8.8 The Twelfth Schedule to the Constitution of India, enacted under Article 243W, enumerates the powers, authority and responsibilities of Municipalities in respect of 18 specified matters. Entry 6 of the said Schedule pertains to *public health, sanitation, conservancy and solid waste management.*

8.9 CKCL is a Public Limited Company incorporated under the Companies Act with 100% equity owned and controlled by the Government of Kerala, through the Local Self-Government Department (LSGD). It has been entrusted with the responsibility of carrying out municipal functions, including solid waste management and sanitation, which are functions expressly falling within the scope of Article 243W of the Constitution. In view of its complete government ownership, control, and discharge of functions constitutionally entrusted to municipalities, CKCL squarely falls within the ambit of clause (ii) of the definition of "Governmental Authority" under GST law, and therefore qualifies as such.

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8.10 Legislative Evolution and Judicial Guidance:

It is pertinent to refer to the consistent enlightenment emerging from judicial and quasi-judicial pronouncements on the issue of exemption to services rendered to Governmental Authorities in relation to functions entrusted to Panchayats and Municipalities under Articles 243G and 243W of the Constitution. From the inception of the GST regime in 2017 up to 2021, *pure services* provided to the Central Government, State Government, Union Territory, local authority, Governmental Authority or Government Entity by way of any activity in relation to such constitutional functions were squarely covered under Entries 3 and 3A of Notification No. 12/2017-Central Tax (Rate), dated 28 June 2017. However, by Notification No. 16/2021-Central Tax (Rate), dated 18 November 2021 (effective 1 January 2022), the words *"or a Governmental Authority or a Government Entity"* were omitted from these entries, thereby withdrawing the exemption hitherto available to services rendered to such bodies even when those services pertained to municipal or panchayat functions. This amendment led to divergence in advance-ruling outcomes and substantial tax exposure for contractors performing essential civic duties on behalf of Governmental Authorities.

In this background, a consistent stream of rulings illustrates the legislative trajectory. In ***In re Zigma Global Environ Solutions Pvt. Ltd.*** **[(2021) KER AAR 58]**, the Kerala AAR held that bio-mining and clearing of legacy waste dumpsites for Kollam Municipal Corporation constituted *pure services* squarely covered under Entry 3 of the 2017 Notification. Likewise, in ***In re Srinivas Waste Management Pvt. Ltd.*** **[(2022) 57 GSTL A405 (TN AAR)]**, integrated solid-waste and legacy-waste bio-mining services for city corporations were found exempt, whereas the Bio-CNG component was taxable as it entailed supply of goods. Following the 2021 amendment, however, identical activities undertaken for Governmental Authorities were held taxable—as in ***In re Zigma Global Environ Solutions Pvt. Ltd.*** **[(2022) AP AAR]** and ***In re AIIMS, Bibinagar*** **[(2024) TS AAR]**—on the ground that the recipients, though government-owned, no longer fell within the exempted class. The **Rajasthan AAR** in ***Raghubala Construction Co.*** **[(2023) GSTL A265 (Raj.)]** similarly denied exemption to works-contract services rendered to a Government Entity (Urban Improvement Trust, Kota).

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Recognising the resulting hardship and the incongruity of taxing essential municipal functions merely because they were executed through Governmental Authorities, the Central Government issued **Notification No. 13/2023-Central Tax (Rate), dated 19 October 2023**, inserting **Entry 3B** in Chapter 99, to restore exemption for services provided *to a Governmental Authority by way of* (a) water supply, (b) public health, (c) sanitation conservancy, (d) solid waste management, and (e) slum improvement and upgradation.

The reinstatement of this relief has since been judicially endorsed. In ***Mahavir Shamrik & Nirman Swalambi Sahkari Samiti Ltd. v. State of Bihar*** **[(2023) 157 Taxmann.com 281 (Patna HC)]**, the Hon'ble High Court quashed a GST demand on door-to-door solid-waste and drain-cleaning contracts for a Nagar Parishad, holding such services to be integral to the functions enumerated under Entry 6 of the Twelfth Schedule and thus squarely exempt. Further clarity on the definition of *Governmental Authority* emanates from the Hon'ble Supreme Court's decision in ***Commissioner of CE & ST v. Shapoorji Pallonji & Co. Pvt. Ltd.*** **[(2023) 10 TMI 748 (SC)]**, wherein the Court held that bodies created by an Act of Parliament or a State Legislature and entrusted with constitutional functions qualify as Governmental Authorities and that the definition must be read **literally but purposively** to advance legislative intent. Viewed cumulatively, these precedents reaffirm that the **introduction of Entry 3B by Notification 13/2023** effectively reinstates the exemption originally available under Entries 3 and 3A for Governmental Authorities engaged in discharging essential civic functions, thereby restoring the statutory parity and purposive relief envisaged by the GST framework.

9. Based on the submissions of the applicant and facts of the case read with the relevant provisions of law, we find that the applicant is eligible for exemption under Notification No 12/2017 Central Tax (Rate) dated 28-06-2017 as amended vide Notification No. 13/2023-Central Tax (Rate) dated 19-10-2023 (Entry 3B).

10. In the light of the facts and legal position as stated above, the following ruling is issued:

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RULINGS

Question 1- Whether the solid waste management services rendered by Tiffot Private Limited to Clean Kerala Company Limited, including the collection, storage, transportation, processing, and bundling of non-recyclable plastic waste for co-processing, are exempt from GST under Entry 3B of Notification No. 13/2023 - Central Tax (Rate) dated 19th October 2023, considering that the recipient is a Governmental Authority??

Ruling- The afore mentioned services rendered by Tiffot Private Limited to Clean Kerala Company Limited(CKCL) are exempt from GST under Entry 3B of Notification No. 13/2023 – Central Tax (Rate) dated 19th October 2023.

Question 2- Further, in case such services are not explicitly covered under the aforementioned notification, whether they may qualify for GST exemption under any other notifications or circulars issued under the CGST Act, 2017, specifically where services provided to governmental authorities for public sanitation or environmental protection are covered?

Ruling- As the aforesaid services are squarely covered under Entry 3B of Notification No. 13/2023 – Central Tax (Rate) dated 19th October 2023, question No 2 is void ab initio.

Jomy Jacob, IRS
Addl. Commissioner of Central Tax
Member

Mansur M.I.
Joint Commissioner of State Tax
Member

OFFICE OF THE COMMISSIONER STATE G.S.T.D. ★ THIRUVANANTHAPURAM ★

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To

M/s TIFFOT PRIVATE LIMITED
6/497/A6/497/A,
Kaitharan Warehouse,
Karumaloor.P.O, Paravur, Ernakulam, Kerala, 683511.

Copy submitted to:-

1. The Chief Commissioner of Central Tax and Central Excise, Thiruvananthapuram Zone, C.R.Building, I.S.Press Road, Cochin- 682018. [E-mail ID: cccochin@nic.in; ccu-cexcok@nic.in]
2. The Commissioner of State Goods and Services Tax Department, Tax Towers, Karamana, Thiruvananthapuram – 695002.
3. The Commissioner of Central Tax and Central Excise, Cochin Commissionerate.

Copy to :

1. The Additional Commissioner, TPS, HQ, Thiruvananthapuram.
2. The Deputy Commissioner, ITMD, Thiruvananthapuram.
3. The Superintendent, Central Tax, Paravur Range, Aluva Division.
4. The Assistant Commissioner/State Tax Officer, Tax payer services Circle, North Paravur.

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