

Vishalsinh Mahendrasinh Atodariya (Trade Name: Envicure Environmental System)

Authority for Advance Ruling — Gujarat

GUJ/GAAR/R/2025/52

Dated **24.11.2025**

Q Questions Before the Authority

- Whether supply of goods to Anand Municipality Corporation (Local Authority of Anand City) attracts GST or it is exempt?
- If GST is applicable on the supply of goods to Anand Municipality Corporation, then what will be the rate of GST applicable on the following items?

F Facts

The applicant was awarded a contract by the Anand Nagarpalika for the supply and installation of machinery for a Fresh Waste Processing Plant. The applicant sought an advance ruling on whether this supply of goods to a local authority is exempt from GST under specific notifications. The applicant had already charged GST on their invoices but requested clarification following a query from the Nagarpalika.

H Ruling

Taxability of supply to Anand Municipality Corporation	Attracts GST	Not exempt
Applicable GST rate	18%	Applicable to the listed machinery under Chapter 84

The Authority ruled that the supply of goods to the Anand Municipality Corporation is not exempt and attracts GST. It further determined that the machinery supplied falls under Chapter 84 of the Tariff and is subject to a GST rate of 18%.

R Reasoning

The Authority examined the applicant's claim for exemption under Sr. No. 3 and 3A of Notification No. 12/2017-CT(R). It found that these exemptions are restricted to 'pure services' or 'composite supplies' where the value of goods does not exceed 25% of the total value. Since the contract in question was for the supply of machinery (goods) only, the conditions for exemption were not met. Consequently, the supply is taxable at the applicable rate for the machinery, which falls under Chapter 84.

P Provisions Relied On

Section 97(2)(e) of the CGST/GGST Act, 2017

Notification No. 12/2017-CT(R) dated 28.06.2017



For the Practitioner

This ruling clarifies that the supply of machinery to a local authority does not qualify for the 'pure services' or 'composite supply' exemptions under Notification No. 12/2017-CT(R) if the contract is strictly for the supply of goods. Practitioners should note that **supply of goods alone** to a local authority remains taxable. It confirms that such machinery is generally classified under Chapter 84 and attracts an **18% GST rate**.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 52 envicure environmental.pdf

Prepared 14-10-2026.

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