

M/s Karnataka State Agriculture Marketing Board

Authority for Advance Ruling — Karnataka

Order No. KAR.ADRG 45/2026

Dated 08.09.2026

Q Questions Before the Authority

- Does the maintenance and operations of corpus funds for Sharamiks by KSAMB as a nodal agency on behalf of the Government of Karnataka amount to a "service" under the Goods and Service Tax Act, 2017?
- Do the contributions collected from Agricultural Produce Market Committees (APMCs)- which are borne on behalf of farmers, hamalas (market labourers), weighmen, loaders, unloaders, and other stakeholders- attract Goods and Services Tax (GST)?

F Facts

The applicant is a statutory body constituted under the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966. It acts as a nodal agency for the implementation of welfare schemes for market functionaries, managing a Corpus Fund financed by contributions from various Agricultural Produce Market Committees (APMCs). The applicant sought an advance ruling on whether these activities constitute a taxable service under the GST regime.

H Ruling

Taxability of corpus fund maintenance	Rejected	Application rejected due to non-compliance with mandatory fee and procedural requirements
Taxability of APMC contributions	Rejected	Application rejected due to non-compliance with mandatory fee and procedural requirements

The Authority for Advance Ruling rejected the application in its entirety due to procedural non-compliance. Specifically, the applicant failed to remit the mandatory application fee and did not specify the category of issues for which the ruling was sought. Consequently, the application was deemed not maintainable.

R Reasoning

The Authority observed that the applicant failed to remit the prescribed application fee of INR5,000/- under the CGST and KGST Acts, despite multiple opportunities provided through various communications. Furthermore, the applicant failed to indicate the category of issues in Form GST ARA-01 as required by statute. The ruling turned on the mandatory nature of these requirements under Section 97(1) and 97(2) of the CGST/KGST Act, 2017, read with Rule 104 of the CGST/KGST Rules, 2017. Because these statutory conditions were not met, the authority held the application to be **not maintainable**.

P Provisions Relied On

Section 97(1) of the CGST/KGST Act, 2017

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

Rule 104 of the CGST/KGST Rules, 2017

! For the Practitioner

This order serves as a reminder that the Authority for Advance Ruling will **strictly enforce procedural prerequisites** such as the payment of prescribed fees and the correct completion of application forms. It does not provide any substantive guidance on the taxability of welfare corpus funds or APMC contributions. Practitioners should ensure all administrative requirements are satisfied before filing to avoid summary rejection.

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 -> 3-karnataka state agriculture marketing board.pdf

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