M/s The Nursery Men Co-operative Society

Authority for Advance Ruling — Karnataka

KAR ADRG 18 / 2018 Dated **06.08.2018**

Q Questions Before the Authority

- Whether landscaping and gardening work for government departments like BBMP, KSRTC, etc, through works contract attracts GST from this society?

F Facts

The applicant is a co-operative society under the Horticulture Department of Karnataka executing works such as land levelling, deweeding, landscaping, and park formation/maintenance on lands belonging to the Government and Government Undertakings (e.g., BBMP, KSRTC). The applicant sought clarity on whether landscaping and gardening services executed through works contracts for these bodies attract GST.

H Ruling

Maintenance of parks provided to Govt or Local Authority (pure services)	**Exempt under Entry 3 of Notification No. 12/2017-Central Tax (Rate)**	Must not involve transfer of property in goods in any form
Landscaping/gardening involving transfer of goods or supplied to PSU/undertakings (e.g., KSRTC)	**Taxable (exemption not available)**	Works contract/composite supplies and supplies to non-local bodies/PSUs are excluded

The authority held that park maintenance provided to State/Central Government, Local Authorities (like BBMP), or Governmental Authorities is **exempt from GST** only if provided as **pure services** without transfer of property in goods. The exemption is **not available** if the activity involves any transfer of property in goods (works contract or composite supply) or if supplied to entities other than Government/Local Authorities (such as KSRTC).

R Reasoning

Entry 3 of Notification No. 12/2017-Central Tax (Rate) exempts pure services provided to the Central/State Government, Local Authority, or Governmental Authority in relation to functions entrusted under Article 243G or 243W of the Constitution. Maintenance of urban parks and gardens is a municipal function covered under Entry 12 of the Twelfth Schedule (Article 243W). However, if the contract involves any transfer of goods, it becomes a **works contract** under Section 2(119) or composite supply under Section 2(30) of the CGST Act, thereby failing the condition of being a 'pure service'. Furthermore, Government Undertakings like KSRTC are neither Government nor Local Authorities, making supplies to them ineligible for this exemption.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

Entry 3 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Section 2(30) of the CGST Act, 2017

Section 2(90) of the CGST Act, 2017

Section 2(119) of the CGST Act, 2017

Article 243W and Twelfth Schedule of the Constitution of India

! For the Practitioner

This ruling clarifies that **pure service contracts for park maintenance** given to municipal corporations are exempt from GST under Notification No. 12/2017. However, if materials/plants/goods are transferred under the contract (making it a works contract), or if the client is a PSU/corporation like KSRTC rather than a local authority, **full GST liability applies** .

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 -> krntk_18_2018_tnmcs.pdf

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