



## JUDGEMENT

# Tree Plantation and Environmental Preservation by Charitable Trusts Held Exempt from GST in Non-Forest Areas

<b>Issued By:</b>	Gujarat AAR
<b>In Case Of:</b>	Sadbhavana Seva Foundation
<b>Order No:</b>	GUJ/GAAR/R/2025/64
<b>Order Date:</b>	23rd Dec 2025

N J JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

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## FACTS & OBSERVATIONS

- The applicant, Sadbhavana Seva Foundation, is a charitable organisation registered under Sections 12AA/12AB of the Income Tax Act and is a sister concern of Manav Charitable Trust, **engaged in activities aligned with environmental protection and social welfare.**

- The applicant was selected by the **Gujarat Forest Department under the “Harit Van Path Yojana” for the year 2025–26**, a large-scale afforestation initiative aimed at increasing tree cover and ecological balance across the State.

- Under the project, valued at approximately ₹113.65 crore, **the applicant was entrusted with the plantation and maintenance of over 7.6 lakh trees across non-forest areas** such as roadsides, barren land, vacant plots, private land, and other accessible locations.

- The applicant **sought an advance ruling on whether plantation and maintenance of trees undertaken as part of its charitable objectives would qualify as an exempt supply** under Entry No. 1 of Notification No. 12/2017–Central Tax (Rate), being activities relating to preservation of the environment.

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- The **Gujarat AAR examined the objectives of the Harit Van Path Yojana in light of the National Forest Policy**, which expressly promotes expansion of green cover through plantation along roads, canals, rivers, and unutilised lands, including those under private or institutional ownership.
- It was observed that **plantation and maintenance of trees in non-forest areas directly contribute to environmental preservation by preventing soil erosion**, improving microclimate, combating desertification, and enhancing ecological sustainability.
- On perusal of the applicant's Memorandum of Association, the **Authority noted that environmental protection and development of a clean environment through tree plantation formed an integral part of its stated charitable purposes**.
- Accordingly, the Gujarat AAR held that the **applicant's activities squarely fall under "preservation of the environment" as covered by Entry No. 1 of Notification No. 12/2017-CTR and are therefore exempt from GST**, relying also on the earlier AAR ruling in Vikas Centre for Development (2023) where mangrove plantation was similarly held to be exempt.



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