

GIB/GJ/NATIONAL DAIRY/22.02.2019/AAR-285

Advance Ruling Category : Supply

State : Gujarat

Order No.: GIB/GJ/NATIONAL DAIRY/22.02.2019/AAR-285

Name of Entry :

National Dairy Development Board

Date : 22-02-2019

Breif Issue :

Issues And Facts Of The Case:

Whether NDDB would be qualified as „Governmental Authority? from GST perspective?

Whether renting of immovable property service provided by NDDB to an educational institute would be exempted under Sl. No. 4 of Notification No. 12/2017-Central Tax (Rate)?

As per the submission of the applicant, NDDB is a statutory body constituted by an Act of Parliament, namely the National Dairy Development Board Act, 1987 (NDDB Act). Besides providing technical assistance and administrative & managerial services to promote, plan and organize programmes for the purpose of development of dairy and other agricultural industries and biological industries on a nationwide basis It has allowed the „Anandalaya Educational Society?, an education institution created by NDDB by way of trust, to occupy and use the building and premise owned by NDDB within its campus through a lease deed at very nominal amount for enabling the institute to grow and prosper which eventually would encourage the activity of education

The applicant further submitted that Service Tax did not envisage any kind of fair value concept and therefore the trust did not have to suffer the burden of service tax on the receipt of renting of immovable property. The applicant believes that since the Anandalaya trust is indirectly controlled by NDDB, it would fall within the definition of „related party? as provided in the GST legislation and the applicant apprehends that there may arise GST liability on the fair value of rent of the immovable property given on lease to Anandalaya Educational Society.

The applicant then submitted that as it qualifies as a „governmental authority? under the GST legislature, the service of renting or leasing of its property to encourage the education institute within its campus provided by the applicant to the Anandalaya Educational Society would qualify for exemption under SR. No. 4 of Notification No. 12/2017-Central Tax (Rate).

Decision of Advance Ruling Authority :**Decision:**

National Dairy Development Board (24AADCN2029C1Z5) would be qualified as „government authority? from Goods and Services Tax perspective, if it fulfils the condition namely „with ninety percent or more participation by way of equity or control to carry out any function entrusted to a municipality under article 243W of the Constitution”.

Renting of immovable property service provided by National Dairy Development Board (24AADCN2029C1Z5) to an educational institute would be exempted under Sr. No. 4 of Notification No. 12/2017-Central Tax (Rate) and corresponding State Tax Notification, if it qualifies as „governmental authority?.