

GIB/TN/Dream Runners/22.01.2019/AAR-345

Advance Ruling Category : Exemption

State : Tamil Nadu

Order No.: GIB/TN/Dream Runners/22.01.2019/AAR-345

Name of Entry :

Dream Runners Foundation Limited

Date : 22-01-2019

Breif Issue :

Facts & Issue Of The Case :

Dream Runners Foundation is a Charitable Trust involved in charitable objects such as Health ca-re, Rural Development, Women Empowerment, Education facility etc , They have stated to have engaged in conducting public charitable activities such as Health care, Rural development, Women empowerment, Education facility etc, either directly or through various public charitable institutions for the common good of the general public of and in India, irrespective of caste, religion, creed, gender and without any motive for profit. The Applicant has sought Advance ruling on the following questions:

- I. Whether the conduct of marathon events by the Trust through which donations are raised for charity is an exempted service under GST?
- II. When the Trust is approved under Sec 12AA of the Income Tax Act 1961 which means that the service of the Trust is charitable in nature, does it not automatically become a charitable activity that is exempted under GST?
- III. As the service rendered by the Trust is a charitable activity within the definition of Clause 2(r) of Notification No.12/2017-Central Tax (Rate), is registration under GST required?
- IV. Are donations received from participants of the marathon event exempted from GST as it is money paid for conduct of a marathon event for raising funds for charity?

The money collected by the Applicant, from the participant in the Marathon is used for the expenses of organizing the Marathon in terms of paying the registration partner, event management charges, prize money, publicity, other organizing expenses such as T-shirts, banners and other related materials etc. as seen in their balance sheets, The Applicant has claimed that their activities are exempted under Sl. No. 1 of Notification No.12/2017-

Central Tax (Rate) dated 28th June 2017.

Decision of Advance Ruling Authority :

Decision :

- The conduct of Marathon event by the Applicant for the participants is a not an exempt supply under CGST/TNGST Act.
- Only those activities of Applicant, who is a Trust is under Sec 12AA of the Income Tax Act 1961, which fall under the definition of "charitable activities" as per Clause 2(r) of Notification 12/2017 Central Tax(Rate) dated 28th June 2017 and Notification No. II(2)/CTR/532(d-15)/2017 vide G.O. (Ms) No. 73 dated 29.06.2017 are exempt.
- As the Applicant is supplying taxable supply of services such as organizing marathon etc. and has aggregate turnover in a financial year exceeding twenty lakh rupees, the Applicant is required to be registered under CGST/TNGST Act.
- The money collected from the participants for conduct of the Marathon in the event organized by the Applicant and therefore is not exempted from CGST/SGST.