

GIB/MH/CHILDREN/04.10.2019/AAR-207

Advance Ruling Category : Exemption

State : Maharashtra

Order No.: GIB/MH/CHILDREN/04.10.2019/AAR-207

Name of Entry :

Children of The World India Trust

Date : 04-10-2019

Breif Issue :

Issue & Fact of the Case:

Whether the activities conducted by the children of the world trust are the charitable Activities exempted under the notification no. 12/2017-central tax (rate)?

Receipt of the adoption fee paid under regulation 46 of the Adoption Regulation, 2017 to the trust is exempted from the levy of Goods and Services tax?

Applicant is registered under section 12AA of the Income Tax Act as the trust purpose activities are covered under the charitable purpose as defined U/S 2(15) where they provide shelter to abandoned, orphaned or homeless children.

All the aspects regarding admission, registration, maintenance, nutrition, health, process of adoption of the children regulated. The activities programs or skill development relating to abandoned, orphaned or homeless children such activities covered under notification no 12/2017.

Services by an entity registered under section 12AA of the Income Tax Act , 1961 by way of charitable Activities are exempt from whole of the GST.

The term “Charitable Activity” is defined in clause (r) of Para 2 of the N/N 12/2017-Central Tax (Rate) dated 28.06.2017.

As per sec 2(17) of CGST Act,2017 business includes:

(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit.

(b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a).

(c) any activity or transaction in the nature of sub-clause (a), whether or not there is volume, frequency, continuity or regularity of such transaction.

As per Sec 2(31) of CGST ACT, 2017, “consideration” in relation to the supply of goods or services or both includes

(a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government.

(b) the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government: Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply.

Decision of Advance Ruling Authority :

Decision:

The applicant is not entitling to take credit of input tax charged on the inward supply of medicines which are used to provide medical facilities to the employees, pensioners and dependents in the in-house hospital.