

MAHARASHTRA AUTHORITY FOR ADVANCE RULING
GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai – 400010.
(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

- (1) Shri. Rajiv Magoo, Additional Commissioner of Central Tax, (Member)**
(2) Shri. T. R. Ramnani, Joint Commissioner of State Tax, (Member)

GSTIN Number, if any/ User-id	URD
Legal Name of Applicant	M/s. Jayshankar Gramin Va Adivasi Vikas Sanstha
Registered Address/Address provided while obtaining user id	1 st Floor, Madhav Parvati Complex, Veer Savarkar Marg, Sangamner, Dist-Ahmednagar.
Details of application	GST-ARA, Application No. 97 Dated 21.01.2020
Concerned officer	Ahmednagar Division, Commissionerate, Nasik
Nature of activity(s) (proposed/present) in respect of which advance ruling sought	
A Category	Service Provision
B Description (in brief)	Services to Orphanage, destitute women.
Issue/s on which advance ruling required	➤ Whether applicant is required to be registered under the Act.
Question(s) on which advance ruling is required	As reproduced in para 01 of the Proceedings below.

Outward No. NO.GST-ARA- 97/2019-20/B- 91

dated 10.11.2021

PROCEEDINGS

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by M/s. Jayshankar Gramin Va Adivasi Vikas Sanstha, the applicant, seeking an advance ruling in respect of the following questions.

1. Whether applicant is required to obtain registration under the Maharashtra Goods and Service Tax Act, 2017?
2. If answer to above question is affirmative, whether the applicant is liable to pay GST on the amounts received in the form of Donation / Grants from various entities including Central Government and State Government.
3. If answer to above question 2 is affirmative, what will be the rate at which the GST would be charged?

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same

provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

2. FACTS AND CONTENTION – AS PER THE APPLICANT

- 2.1 The applicant is Charitable trust registered under Maharashtra Public Charitable Trust Act 1950 w.e.f. 15-02-1993. The Trust, Jayshankar Gramin VA Adivasi Vikas Sanstha Sangamner (hereafter referred as trust) is also registered under Societies Act vide registration number Maha/2041/92 w.e.f. 23/12/1992. The applicant is registered under section 12AA of the Income Tax Act 1961 w.e.f. 08/10/2009.
- 2.2 The trust has its head office at 1st floor, Madhav Parvati complex, veer savarkar Marg, Sangamner. The destitute home for children is located at Akole bypass road, Sangamner.
- 2.3 The trust undertakes supply of services to 50 orphans and homeless children by way of shelter, education, guidance, clothing, food and health for the Women and Child welfare. The Govt of Maharashtra women and child welfare department pays a sum of Rs. 2,000/ per month per child. Other expenses for children are made from donations. The trust is also registered under Income Tax Act 1961 as Charitable trust vide registration number PN/CIT I/REGN./12A (a)/63/2009-10/5304. The trust is also registered under section 80G (5) of Income Tax Act.
- 2.4 The trust also render services to destitute women who are litigating divorce or homeless or the victim of domestic violence. Central Government also gives grants through Women and Child Welfare Ministry for awarding shelter, food, and medical facilities, clothing etc., to destitute women who are victims of domestic violence or are divorcee or are homeless and also to rape victims. The trust represents them before legal forums, including lodging FIR at police stations against the culprits, The trust also arrange for counselling them through expert counsellors to bring them out of the trauma and help them to lead normal life. These victim women's are sent by police stations or anybody who knows that women's are victims of violence.
- 2.5 Major source of income of the trust is from Government of Maharashtra's Woman and Child Welfare ministry and also the Central Government and other donations from public. The total funds received from Maharashtra Government and other sources in the financial year 2018-19 are as under:

Year	Nature of source of income	Amount
2018-19	Grants, Donations and other income	Rs. 26,63,960 /-

- 2.6 As per the provisions of Section 9 of the CGST Act, basically the incidence of GST is on supply' as defined under Section 7 (1) of the CGST Act, 2017. The two most important terms used in definition of Supply are 'consideration' and business'. **Consideration** has been defined under Section 2(31) as any payment made or to be made, in response to the supply of Goods or services or both, whether by the said person or by any other person, but shall not include any subsidy given by Central or State Government.
- 2.7 In this connection a Circular bearing No. 127/9/2010-ST, dated 16-8-2010 was issued. The clarification in this regard was received for whether the Service tax on commercial training and coaching - Whether donation' is 'consideration'. The Text of the Circular is as follows:

1. A representation has been received seeking clarification whether donations and grants-in-aid received from different sources by a charitable Foundation imparting free livelihood training to the poor and marginalized youth, will be treated as 'consideration' received for such training and subjected to service tax under 'commercial training or coaching service'.
2. The matter has been examined. The important point here is regarding the presence. Or absence of a link between 'consideration' and taxable service. It is a settled legal position that unless the link or nexus between the amount and the taxable activity can be established, the amount cannot be subjected to service tax.
3. Donation or grant-in-aid is not specifically meant for a person receiving such training or to the specific activity, but is in general meant for the charitable cause championed by the registered Foundation. Between the provider of donation/grant and the trainee there is no relationship other than universal humanitarian interest. In such a situation, service tax is not leviable, since the donation or grant-in-aid is not linked to specific trainee or training.

2.8 Further, in the case of APITCO vs Commissioner of Service Tax, Hyderabad, the SC upheld the decision of Tribunal that assessee company implemented welfare schemes consisting of training, technology facilitation, etc. for the Government for the benefit of the vulnerable / weaker sections of the society and grant in aid received from the Government was utilized for this purpose alone. Tribunal had held that in implementation of the Governmental schemes, the assessee as implementing agency did not render any taxable "service" to the government. The judgment further stated that the department seems to be considering the Governments to be 'client'. The question now is whether there was "service provider-client" relationship between the assessee and the governments. Here, again, the nature of the amounts paid by the governments to the assessee is decisive. A client must not only pay the expenses of the service but also the consideration or reward for the service to the service provider. Admittedly, in the present case, there was no payment, by any government to the assessee, of any amount in excess of what is called "grant-in-aid". Thus any service provider-client relationship between the assessee and the governments is ruled out.

2.9 The trust has not obtained registration under MGST Act, 2017 on the following grounds.

- (i) The activity of supply by the applicant trust is fully exempted from levy of tax.

The Notification No. 12 of 26-06-2017 serial number 1 HSN 99 table is as under:

Sl. No.	Chapter, Section, Heading, Group Or Service Code (Tariff)	Description of Services	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	Services by an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961) by way of charitable activities:	Nil	Nil

2.10 Notification (supra) sr, no 1 exempts the services by trust. The applicant trust is registered under section 12AA Income Tax Act 1961. Section 23 of the MGST Act 2017 exempts the person from registration whose supply of goods and services are exempt from MGST Act.

2.11 From cumulative reading of the above factors, Hon'ble Advance ruling authority be pleased to hold that applicant trust is not liable for registration under MGST Act 2017 nor is liable to pay GST on the Grants received from Central / State Government. Also, the NGO is not liable to pay GST on the Donation received by the NGO for carrying out the Charitable Activity.

03. CONTENTION – AS PER THE CONCERNED OFFICER:

Submission on 27.11.2020:-

3.1 Applicant is Charitable Trust registered under Maharashtra Charitable Trust Act, 1950. They are also registered under the Society Act and Income Tax Act, 1961 as a charitable trust. The trust is also registered under section 80 G(5) of Income Tax Act along with section 12AA of the Act.

3.2 Applicant undertakes supply of services to 50 orphans and homeless children by way of shelter, education, guidance, clothing, food and health for the Woman and Child welfare ministry of Govt. of Maharashtra. The Govt. of Maharashtra pays sum of Rs. 2000/- per month per child in form of Grants and other expenses for children are made from donations Vide letter dated 12/03/2020, applicant also informed that they are also rendering services to destitute women who are litigating divorce or homeless or the victim of domestic violence. They represent them before legal forms, they also arrange for counseling them through expert counselors. These services are being rendered to destitute women at One Stop Crises Center, Near Ladies Observation Home, Nasardi Bridge, Nashik-422001. No such service is being provided at Sangamner, Dist. Ahmednagar, as they are authorized to provide such service in Nashik Jurisdiction only.

As per the serial no.1 of notification no. 12/2017-Central Tax (Rate) dated 26-06- 2017 provides that services by an entity registered under section 12AA of Income-tax Act, 1961 (43 of 1961) by way of charitable activities are exempted from the tax.

"Charitable activities" means activities relating to:-

(i) Public health by way of,-

(A) Care or counseling of

(I) **Terminally ill person or person with severe physical or mental disability;**

(II) **Person afflicted with HIV or AIDS;**

(III) **Persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or**

(B) **Public awareness of preventive health, family planning or preventing of HIV infection;**

(ii) **Advancement of religion, spirituality or yoga;**

(iii) **Advancement of educational programmes or skill development relating to,-**

(A) **Abandoned, orphaned or homeless children;**

(B) **Physically or mentally abused and traumatized persons;**

(C) **Prisoners; or**


(D) **Person over the age of 65 years residing in a rural area;**

(iv) **Preservation of environment including watershed, forests and wildlife;**

3.4 From the information provided by the applicant, it cannot be concluded as to whether the services provided to orphan and homeless children is specifically for advancement of educational

programmes or skill development of orphan or homeless, as stated in point (iii) of "Charitable activities" means. Thus, it cannot be concluded that the services provided by the applicant are charitable services only.

- 3.5 Applicant vide its letter Vide letter dated 12/03/2020 also informed to jurisdictional office that they are also rendering services to destitute women who are litigating divorce or homeless or the victim of domestic violence. They represent them before legal forms, they also arrange for counseling them through expert counselors. These services are being rendered to destitute women at One Stop Crises Center, Near Ladies Observation Home, Nasardi Bridge, Nashik-422001.
- 3.6 From the above said information provided by the applicant, it cannot be concluded as to whether the services provided to destitute women who are litigating divorce or homeless or the victim of domestic violence are in relation to the sub point B of point (iii) of "Charitable activities" means or otherwise.
- 3.7 In view of the above, classification of the services would be decided on basis of Specific nature of the services provided by the applicant. Further, as per the details submitted the activities carried out by the appellant are specifically not covered under the exemption Notification serial no.1, Chapter 99 of notification no. 12/2017-Central Tax (Rate) dated 26-06-2017 though they are registered under section 12AA of Income-tax Act, 1961(43 of 1961) by way of charitable activities, thus it appears that all the activities of the applicant are not covered under said notification. Thus on the basis of details submitted by the applicant it cannot be concluded that they are not liable to take registration.



04. **HEARING**

- 4.1 Preliminary e-hearing in the matter was held on 03.12.2020. Shri.Rajendra Hase, Chairman appeared, and requested for admission of the application. Jurisdictional Officer was absent.
- 4.2 The case was admitted and Final Hearing was held on 07.09.2021. Shri Durgesh Kalantri, C.A., appeared and made oral and written submissions. Jurisdictional Officer Shri B. Jadhav, Ahmednagar also appeared and made submissions.
- 4.3 The matter was heard.

05. **OBSERVATIONS AND FINDINGS:**

- 5.1 We have considered the submissions made by the Applicant as well as the submissions made by the jurisdictional officer. We have also considered the issues involved and the facts of the matter. The applicant has sought advance ruling in respect of the questions with regard to the requirement of registration under the GST Act, the taxability of amounts received in the form of Donation / Grants from Central Government or State Government as the case may be and the rate of tax on such supply.
- 5.2 The Applicant is a Charitable Trust registered under section 80 G (5) of Income Tax Act and also under section 12AA of the Income Tax Act. The Applicant is also registered under Maharashtra Charitable Trust Act, 1950 vide Registration Number F-2378 w.e.f. 15-02-1993, and under the Societies Registration Act, 1860.
- 5.3 The applicant has submitted that, they are supplying services to 50 orphans and homeless children by way of shelter, education, guidance, clothing, food and health, for which the

Department of Women & Child Welfare, Government of Maharashtra pays a sum of Rs. 2,000/ per month per child. Other expenses for children are covered from donations received. The applicant also renders services to destitute women who may be litigating divorce or are homeless or are victims of domestic violence. The Central Government also gives grants to the applicant, through the Women and Child Welfare Ministry for providing shelter, food, and medical facilities, clothing etc., to such destitute women which may also include rape victims. The applicant represents such destitute women before legal forums, at police stations and arranges for counselling the said women through expert counsellors to bring them out of the trauma and help them to lead normal life.

- 5.4 Applicant's major sources of income are receipts from the Government of Maharashtra's Woman and Child Welfare ministry and also the Central Government in the form of grants. Applicant also receives donations from public.
- 5.5 The applicant is claiming exemption under Sr. No. 1 of Notification No. 12/2017 dated 28-06-2017 which provides exemption from tax to Services supplied by an entity registered under Section 12AA of the Income-Tax Act, 1961 (43 of 1961) by way of charitable activities.
- 5.6 We find that the applicant is registered under Section 12AA of the Income-Tax Act, 1961 (43 of 1961) as submitted by them. To avail the benefit of exemption under the said notification the services supplied should be by way of charitable activities.
- 5.7 The words "charitable activities" are defined in the said notification as, activities relating to:
- (i) public health by way of:
 - (A) care or counseling of
 - (I) terminally ill persons or persons with severe physical or mental disability;
 - (II) persons afflicted with HIV or AIDS;
 - (III) persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or
 - (B) public awareness of preventive health, family planning or prevention of HIV infection;
 - (ii) advancement of religion, spirituality or yoga;
 - (iii) advancement of educational programmes or skill development relating to:
 - (A) abandoned, orphaned or homeless children;
 - (B) physically or mentally abused and traumatized persons;
 - (C) prisoners; or
 - (D) persons over the age of 65 years residing in a rural area;
 - (iv) preservation of environment including watershed, forests and wildlife
- 5.8 The above said notification exempts the charitable trusts available for charitable activities more specific. While the consideration from only those activities listed above is exempt from GST, while from the activities other than those mentioned above is taxable. Thus, there could be many services provided by charitable and religious trust which are not considered as charitable activities and hence, such services come under the GST net.
- 5.9 We need to find out whether the activities undertaken by the applicant are covered under the definition of charitable activities or not.

- 5.10 The applicant has loosely submitted that they are supplying services to 50 orphans and homeless children by way of shelter, education, guidance, clothing, food and health for the Women and Child Welfare Department, Government of Maharashtra. They have nowhere mentioned or given details as to how their services can be treated as charitable activities. Only advancement of educational programmes or skill development relating to abandoned, orphaned or homeless children are covered under the definition of charitable activities. The applicant has nowhere mentioned that their activity particularly pertains to advancement of educational programmes or skill development only to abandoned, orphaned or homeless children. They also perform other activities for the homeless children such as shelter, guidance, clothing, food and health. We are bound by the definition of the term 'charitable activities' as defined under the above said notification and are of the opinion that the applicant is not performing 'charitable activities', strictly according to the definition mentioned above.
- 5.11 Further the supply of services by the applicant to destitute women who are litigating divorce or are homeless or are victim of domestic violence also are not covered under the definition of "charitable activities" mentioned above.
- 5.12 In view of the above we find that, the applicant does not satisfy the conditions mentioned at Sr. No. 1 of Notification No. 12/2017 dated 28-06-2017 which provides exemption from tax to Services supplied by an entity registered under Section 12AA of the Income-Tax Act, 1961 (43 of 1961) by way of charitable activities and hence the supply undertaken by the applicant is not exempt on this count.
- 5.13 From a perusal of the submissions made by the applicant it is seen that the main thrust of its argument is that the activity of supply by the applicant trust are fully exempted from levy of tax under the provisions of Sr.No. 1 of Notification No. 12/2017 C.T. (R) dated 28.06.2017 i.e. Services supplied by an entity registered under Section 12AA of the Income-Tax Act, 1961 (43 of 1961) by way of charitable activities. Since we have found that the activities undertaken by the applicant do not conform strictly to the definition of a 'charitable activity, the applicant shall obtain registration under GST Act.
- 5.14 The second question raised by the applicant is, if their activity is held to be taxable then, whether the applicant is liable to pay GST on amounts received as Donation/Grants from various entities including Central Government and State Government. To answer this question we discuss the present issue as under:-
- 5.14.1 The scope of supply is as per section 7 of the GST Act and same is as below,-
- 7. Scope of supply.** — (1) For the purposes of this Act, the expression supply includes—
- (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a **consideration** by a person in the course or furtherance of business;.....
- 5.14.2 Section 7(1) (a) refers to a supply 'made or agreed to be made for a consideration by a person in the course or furtherance of business'. Section 2(17) of the CGST Act defines 'business' and Section 2(31) of the CGST Act defines 'consideration' as follows,-
2. (17) "**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;
- (d) supply or acquisition of goods including capital goods and services in connection with commencement or closure of business;
- (e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;
- (f) admission, for a consideration, of persons to any premises;
- (g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;
- (h) services provided by a race club by way of totalisator or a licence to book maker in such club; and
- (i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities;

2(31) **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;

5.14.3 In order to arrive at a definitive conclusion on the taxability of service, the main ingredients which need to be necessarily present, as per GST statute, are the service (supply), the service provider (supplier), the service receiver (recipient) and the consideration for the service. In the instant case, if we refer to definition of "supply" (which is very much exhaustive), it covers almost all activities of the applicant. Moreover, definition of "consideration" includes grants and excludes only "subsidy". The profit motive is not important, if we make combined reading of all above definitions, including that of the "business".

5.14.4 The above provision provides that if there is supply of goods and services, made for a consideration in furtherance of business, then it is liable for GST. In present case all these

ingredients are met. The receipts are from Government in the form of grants and the activities for which the grants are received are not charitable activities as discussed above.

- 5.14.5 Regarding applicant's query with respect to donations received, we have not found any donation receipts or details as to what sort of donations are received (even after detailed perusal of the submissions made by the applicant). However, it is necessary to refer to Circular No 116/35/2019-GST dated 11.10.2019 issued vide F No 354/136/2019/TRU, by the Government of India, Ministry of Finance, Department of Revenue, (Tax Research unit in the matter which is self explanatory and reproduced as under:

Subject: Levy of GST on the service of display of name or placing of name plates of the donor in the premises of charitable organisations receiving donation or gifts from individual donors-Reg.

Representations have been received seeking clarification whether GST is applicable on donations or gifts received from individual donors by charitable organisations involved in advancement of religion, spirituality or yoga which is acknowledged by them by placing name plates in the name of the individual donor.

1. *The issue has been examined. Individual donors provide financial help or any other support in the form of donation or gift to institutions such as religious institutions, charitable organisations, schools, hospitals, orphanages, old age homes etc. The recipient institutions place a name plate or similar such acknowledgement in their premises to express the gratitude. When the name of the donor is displayed in recipient institution premises, in such a manner, which can be said to be an expression of gratitude and public recognition of donor's act of philanthropy and is not aimed at giving publicity to the donor in such manner that it would be an advertising or promotion of his business, then it can be said that there is no supply of service for a consideration (in the form of donation). There is no obligation (quid pro quo) on part of recipient of the donation or gift to do anything (supply a service). Therefore, there is no GST liability on such consideration.*

2.1 *Some examples of cases where there would be no taxable supply are as follows:-*

(a) "Good wishes from Mr. Rajesh" printed underneath a digital blackboard donated by Mr. Rajesh to a charitable Yoga institution.

(b) "Donated by Smt. Malati Devi in the memory of her father" written on the door or floor of a room or any part of a temple complex which was constructed from such donation.

- 2.2. *In each of these examples, it may be noticed that there is no reference or mention of any business activity of the donor which otherwise would have got advertised. Thus where all the three conditions are satisfied namely the gift or donation is made to a charitable organization, the payment has the character of gift or donation and the purpose is philanthropic (i.e. it leads to no commercial gain) and not advertisement, GST is not leviable.*

- 5.15.1 The third question raised by the applicant is if the applicant is liable to pay GST on the amounts received in the form of Donation / Grants from various entities including Central Government and State Government, what will be the rate at which the GST would be charged.

- 5.15.2 To find the rate of tax we need to classify the services supplied by the applicant.

- 5.15.3 The services supplied by the applicant as per its submissions includes supply of services to 50 orphans and homeless children by way of shelter, education, guidance, clothing, food and health for the Women and Child welfare.
- 5.15.4 The Service Accounting Code (SAC) is a system of classification framed by the Central Board of Indirect Taxes and Customs (CBIC) and these codes are used to identify services and GST Rates to compute tax liabilities.
- 5.15.4 SAC 9993 covers Human Health and Social Care Services. From the submissions made by the applicant, in respect of orphans and children it provides social services along with provision of accommodation. These types of services provided by the applicant are covered under SAC 999332 and this SAC includes, residential social assistance services involving round-the-clock care services to children and youths, e.g., social services provided by orphanages, homes for children in need of protection, homes for children with emotional impairments, juvenile correction homes etc.
- 5.15.5 The applicant has submitted that it also render services to destitute women who are litigating divorce or are homeless or are victims of domestic violence. The applicant provides shelter, food, and medical facilities, clothing etc., to such destitute women mentioned above and also to rape victims. The applicant represents them before legal forums, including lodging FIR at police stations against the culprits and also arranges for counselling them through expert counsellors to bring them out of the trauma and help them to lead normal life.
- 5.15.6 SAC 9993 covers Human Health and Social Care Services. From the submissions made by the applicant, in respect of destitute women it is seen that the applicant provides social services along with provision of accommodation. These types of services provided by the applicant are covered under SAC 999334 and this SAC includes,
- i. residential social assistance services involving round-the-clock care services to adults, e.g., social services provided by homes for single mothers
 - ii. other social rehabilitation services.
- 5.15.7 In view of the above we hold that the subject services supplied by the applicant are covered under SAC 9993 and attract GST @18% (CGST 9% and SGST/UTGST 9%/IGST 18%) as per Notification No. 11/2017 – C.T. (R) dated 28.06.2017 as amended.
06. In view of the above discussions, we pass an order as under:

ORDER

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

Mumbai, dt.

For reasons as discussed in the body of the order, the questions are answered thus –

Question 1:- Whether applicant is required to obtain registration under the Maharashtra Goods and Service Tax Act, 2017?

Answer:- Answered in the affirmative.

Question 2:- If answer to above question is affirmative, whether the applicant is liable to pay GST on the amounts received in the form of Donation / Grants from various entities including Central Government and State Government.

Answer:- Answered in the affirmative in cases of grants received. In case of donations, if the gift or donation is made to a charitable organization; the payment has the character of gift or donation and the purpose is philanthropic (i.e. it leads to no commercial gain) and not advertisement, then GST is not leviable. In all other cases GST is leviable.

Question 3:- If answer to above question 2. is affirmative, what will be the rate at which the GST would be charged.

Answer:- GST would be charged @18% (CGST 9% and SGST/UTGST 9%/IGST 18%).



**RAJIV MAGOO
(MEMBER)**

**T.R. RAMNANI
(MEMBER)**

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Pr. Chief Commissioner of Central Tax, Churchgate, Mumbai
5. Joint Commissioner of State Tax, Mahavikas for Website.

Note:- An Appeal against this advance ruling order shall be made before, The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India Building, Nariman Point, Mumbai – 400021. Online facility is available on gst.gov.in for online appeal application against order passed by Advance Ruling Authority.