

**AUTHORITY FOR ADVANCE RULING**  
**TAMILNADU ADVANCE RULING AUTHORITY**  
**PAPJM Buildings, II Floor, No.1, Greams Road, Chennai-6**

**PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE  
GOODS AND SERVICES TAX ACT, 2017.**

**Members present are:**

1. Ms. Manasa Gangotri Kata, IRS Joint Commissioner/Member,  
Office of the Principal Chief Commissioner of GST & Central Excise, Chennai.

2. Thiru S. Vijayakumar, M.Sc., Joint Commissioner (CT)/Member (FAC),  
Enforcement / Inter-State Investigation Cell, Chennai-6

**ORDER No. 3/AAR/2018 DATED 30 .07.2018**

GSTIN Number, if any / User id		Unregistered
Legal Name of Applicant		Dr. Dathu Rao Memorial Charitable Trust
Registered Address/Address provided while obtaining user id		"Pathway" E-76/1, 12 <sup>th</sup> West Street, Kamaraj Nagar, Thiruvanmiyur, Chennai-600 041.
Details of Application		GST-ARA-01 Application dated 07.06.2018
Concerned Officer		State: The Assistant Commissioner (ST), Thiruvanmiyur Assessment Circle, Plot #141, 1 <sup>st</sup> Floor, Yazhini Complex, 1 <sup>st</sup> Main Road, Burma Colony, Perungudi, Chennai-600 096.  Centre: Chennai South Commissionerate- Perungudi Division
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Woks Contract
B	Description (in Brief)	Dr. Dathu Rao Memorial Charitable Trust, Chennai is a registered society registered under the Tamil Nadu Societies Registration Act 1975 and has been running institutions for dedicating to social welfare of society.
Issue/s on which advance ruling required		Liability to pay GST on purchase of Goods/services.
Question(s) on which advance ruling is required		Whether liable to pay GST for materials purchased and construction services availed, as they fall under exempted category.

**Note : Any appeal against the advance ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated**

**At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.**

1. Dr.Dathu Rao Memorial Charitable Trust, "PATHWAY" E-76/1, 12<sup>th</sup> West street, Kamaraj Nagar, Thiruvanmiyur, Chennai 600041 (hereinafter called the Applicant or the Trust) is a registered society registered under the Tamil Nadu Societies Registration Act 1975 and are engaged in activities related to providing of education to Mentally Retarded Children. They have preferred an application seeking Advance Ruling on the following question.

"Since they are coming under exempted category, as per GST provisions, are they liable to pay GST for the materials bought and construction services availed."

2.0 The Applicant are engaged in activities related to providing of education for mentally retarded children and their home is situated in Melmaruvathur, in a 65 acre land. Due to encroachments to their property, they have decided to construct a permanent boundary wall replacing the present barbed wire structure for the entire property, which will entail a capital expenditure of approximately Rs.1 Crore. They have also proposed to paint their entire existing building i.e. Interior as well as Exterior Building Walls, which will entail a capital expenditure of approximately Rs.2 Crores and there is also a proposal to renovate the school Toilets/ Bathrooms in their existing property with new sanitary-ware fittings, which will involve a capital expenditure of approximately Rs.25 Lakhs.

2.1 For the above cited works, they are awarding works contract to registered GST vendors, who will charge GST for the materials supplied including the installation-cum-labour charges. In the light of the aforementioned, the Applicant has sought Advance Ruling seeking determination of liability to pay tax on goods or services purchased, when their trust is exempt from GST.

3. The Authorised Representative of the Applicant was heard in the matter on 26.07.2018. They submitted that they will be receiving construction service for repair and maintenance of the premises. They also stated that they are charitable Trust for mentally disabled children and also stated that they are not making any of this supply.

4. The Advance Ruling sought is whether the Trust is liable to pay GST on receipt of Goods/Services, when the Charitable Trust is exempted under the GST Act 2017. It is made clear that the applicant does not make any of the supplies in question, but are in fact the recipients of the various supplies as stated in their application. Thus, the question is on the liability to pay tax on their purchase and not on the supply.

4.1 Section 95 (a) of CGST and TNGST Act defines 'advance ruling' as

*(a) "advance ruling" means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;;*

From the above, it is evident that an applicant can seek an Advance Ruling Authority in relation to supply of goods or services or both undertaken or proposed to be undertaken by the applicant. In the case at hand, the applicant is the proposed recipient of the proposed works contract and accordingly, does not fall within the definition of advance ruling. Hence, the Application is not liable for admission and therefore rejected without going into the merits of the case, on the issue of lack of jurisdiction.

## RULING

The Application for Advance Ruling dated 18.06.2018 of Dr. Dathu Rao Memorial Charitable Trust, Chennai is not admitted, under sub-section (2) of section 98 of the CGST Act, 2017 and the TNGST Act, 2017.

*M. Manasa*  
30/7/18

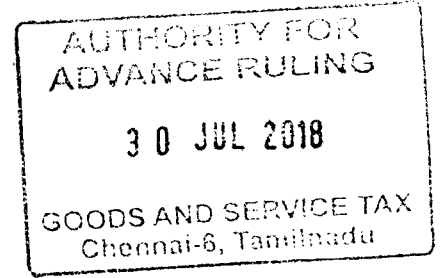
Ms. Manasa Gangotri Kata, IRS  
Member

*S. Vijayakumar*  
30/7/18

Shri. S.Vijayakumar, M.Sc.,  
Member (FAC)

To

M/s. Dr.Dathu Rao Memorial Charitable Trust,  
"PATHWAY" E-76/1, 12<sup>th</sup> West street,  
Kamaraj Nagar, Thiruvanmiyur,  
Chennai 600041. /By SPAD/



Copy Submitted to:

1. The Additional Chief Secretary / Commissioner of Commercial Taxes, II Floor, Ezhilagam, Chepauk, Chennai-600 005.
2. The Principal Chief Commissioner of GST & Central Excise, No 26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.

Copy to:

3. The Assistant Commissioner (CT), Thiruvanmiyur Assessment Circle, Plot No.141, 1<sup>st</sup> Floor, Yazhini Complex, 1<sup>st</sup> Main Road, Burma Colony, Perungudi, Chennai – 600 096.
4. The Commissioner of GST & C.Ex., Chennai South Commissionerate, 692, MHU Complex, Nandanam, Chennai-600035.
5. Master File/ Spare-2.