



No. 5621/CT.
POL-56/3/2017-Policy

Dated 9/4/2018

To

**The Assistant Commissioner of Commercial Taxes
Nuapada Circle, Nuapada**

Sub: Clarification on levy of GST on the bills raised by the vendor organiser
for Organising PRI Training

Ref: Your office letter No. 157 dated 14.03.2018

Sir,

In inviting a reference to the letter referred to above on the
aforementioned subject, the issue raised is clarified below-

1. As understood from the information furnished, Sahavagi Vikas Abhiyan, Nuapada organised PRI training of the elected PRI representatives as per the tripartite MOU with SIRD and DRDA, Nuapada. The said Organisation raised bills for payment of the training cost. After receipt of the bills, DRDA, Nuapada sought for a clarification as to whether GST would be levied on the training bills.
2. DRDA, Nuapada and SIRD, Odisha are Governmental Authorities created by the State Government to carry out the functions entrusted to a Panchayat under Article 243G of the Constitution.
3. As per Notifications issued under sub-section (1) of Section 11 of the CGST/OGST Act, composite supply of goods and services (in which the value of goods does not exceed 25% of the supply value) to the Central Government, State Government, Local Authority or a Governmental Authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under Article 243G is exempted from levy of GST.

4. In the case under consideration, the bills raised by the vendor for conducting the training program in the mutually agreed manner are essentially towards composite supply of goods and services used in the training. Here, the direct recipient of the service (training) is DRDA, Nuapada and indirect recipients are SIRD, Odisha and PR Department, Government of Odisha. The objective of the training being to train the elected representatives of the PRIs on different aspects of Panchayati Raj, the said training service can be held as an activity in relation to a function entrusted to a Panchayat under Article 243G.

In view of the above, the training service availed by DRDA / SIRD will qualify for exemption from levy of GST and hence no GST should be charged by the training organiser.

Yours faithfully



Commissioner of Commercial Taxes
Government of Odisha, Cuttack

Memo No. 5622 /CT.,

Dated. 9/4/18

Copy to the Project Director, DRDA, Nuapada for information.



Commissioner of Commercial Taxes
Government of Odisha, Cuttack

Memo No. 5623 /CT.,

Dated. 9/4/18

Copy to the F.A.-cum- Additional Secretary, Panchayati Raj Department, Government of Odisha, Bhubaneswar for information with a request to circulate the clarification among all DRDAs and other Panchayati Raj Institutions for information.



Commissioner of Commercial Taxes
Government of Odisha, Cuttack

Memo No. 5624 /CT.,

Dated. 9/4/18

Copy to Addl. CCTs/JCCTs heading all Territorial Ranges and DCCTs/
ACCTs heading all Circles for information.



Commissioner of Commercial Taxes
Government of Odisha, Cuttack