

M/s IT Development Agency (ITDA), Govt. of Uttarakhand, Dehradun

Authority for Advance Ruling — Uttarakhand

Ruling No. 03/2018-19 Dated 29th May 2018

Dated 29.05.2018

Q Questions Before the Authority

- Whether the services or material procured by ITDA from Govt./Govt. Authority is exempt from GST.

F Facts

The applicant, IT Development Agency (ITDA), is an autonomous body under the administrative control of the Information Technology Department of the Uttarakhand Government and functions as a local authority. ITDA entered into a Memorandum of Understanding (MOU) with IIT Mumbai for the design, development, and field testing of an 'Aerostat Based Last Mile Communication System'. ITDA filed an advance ruling application seeking clarity on whether services or materials procured from government authorities or entities like IIT Mumbai are exempt from GST.

H Ruling

GST exemption on procurement of services from IIT Mumbai / Govt Authority

Exempted from GST

Services provided by a Government/Authority to another Government/Authority are nil-rated/exempted under GST Tariff Services

GST exemption on procurement of goods/material from Govt / Govt Authority

Not exempt

No GST exemption exists for supply of goods between government entities

The AAR held that services provided by one Government or Government Authority to another Government or Government Authority are **exempt from GST**, thereby exempting the services received by ITDA from IIT Mumbai. However, with respect to the supply or procurement of goods or materials, the authority held that there is **no exemption from GST** available for supplies between government entities.

R Reasoning

The authority determined that ITDA qualifies as a local authority under Section 2(69)(c) of the Uttarakhand Goods and Services Tax Act, 2017. It further observed that IIT Bombay, governed by the Institutes of Technology Act, 1961, falls within the definition of Government under Section 2(53) of the CGST/SGST Act, 2017. Referring to Part 3 of the GST Tariff-Services (Chapter 99), the authority noted that services provided by a Government/Authority to another Government/Authority are exempt from GST. In contrast, it found no statutory provision or notification granting a similar exemption for the supply of goods between government bodies.

P Provisions Relied On

Section 2(53) of the CGST/SGST Act, 2017

Section 2(69)(c) of the Uttarakhand Goods and Services Tax Act, 2017

Section 97(2)(e) of the CGST/SGST Act, 2017

Institutes of Technology Act, 1961

GST Tariff- Services (Chapter 99)

! For the Practitioner

This ruling clarifies that **inter-governmental service supplies** are exempt from GST when both provider and recipient qualify as Government or local authorities. However, practitioners must note that this exemption applies strictly to services and **does not extend to goods** or materials procured between government entities.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [uttarakhand 03-2018-19 dtd 29-05-18 itda.pdf](#)

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