M/s Haryana State Warehousing Corporation, Bay No. 15-18, Sector-2, Panchkula, Haryana

Authority for Advance Ruling — Haryana

ADVANCE RULING NO. HAR/HAAR/R/2019-20/09 (In Application No. 09/2… Dated **11.10.2019**

Q Questions Before the Authority

- Whether the definition of 'Government Entity' in Para 2(zfa) of Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017, as amended by Notification No. 32/2017 Central Tax (Rate) dated 13.10.2017, is applicable to the applicant?

F Facts

The applicant was incorporated under Section 18 of the Warehousing Corporations Act, 1962. Its equity is held equally by the Government of Haryana and the Central Warehousing Corporation, and the Central Government's equity share in the Central Warehousing Corporation is 55.02%. Its ten-member board comprises five directors nominated by the Central Warehousing Corporation and five by the Government of Haryana, plus a Managing Director.

H Ruling

Whether the Para 2(zfa) definition of 'Government Entity' applies to the applicant	**No. The applicant is not a 'Government entity'.**	It was set up by an Act of Parliament (limb (i)), but it does not meet the 90% or more equity or control requirement in limb (ii). Central Government equity is 55.02%, and at most eight of the ten directors are Government nominees.

The Authority held that Haryana State Warehousing Corporation is **not a 'Government entity'** within the meaning of Para 2(zfa) of Notification No. 12/2017-Central Tax (Rate), as amended by Notification No. 32/2017-Central Tax (Rate). Although the applicant was set up by an Act of Parliament, it failed the separate requirement of 90% or more participation by way of equity or control by the Governments.

R Reasoning

The Authority read the definition in Para 2(zfa), which has two limbs. Limb (i) covers a body set up by an Act of Parliament or State Legislature, and limb (ii) covers a body established by a Government with 90% or more participation by equity or control to carry out a function entrusted by a Government. The Authority accepted that the applicant was set up under an Act of Parliament but held that the 90% threshold in limb (ii) must still be met where the body is Union-established. Central Government equity of 55.02% fell short of that threshold. On control, five of the ten directors are State nominees, and at least one Central nominee must be non-official and one must be appointed in consultation with the State Bank, so the Central Government could not be said to control 90% of the board, even on a cumulative basis with the State.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

- Section 97(2)(b) of the CGST/HGST Act, 2017 (question raised on applicability of a notification)
- Para 2(zfa) of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 (definition of 'Government Entity')
- Notification No. 32/2017-Central Tax (Rate) dated 13.10.2017 (amendment to Para 2(zfa))
- Section 3 of the Warehousing Corporations Act, 1962 (establishment of Central Warehousing Corporation, as stated by the a…
- Section 18 of the Warehousing Corporations Act, 1962 (incorporation of the applicant, as stated)
- Section 20 of the Warehousing Corporations Act, 1962 (board composition)

! For the Practitioner

This ruling is useful for any state warehousing or similar corporation that is mixed-ownership and claims 'Government entity' status under Para 2(zfa). It shows that a statutory origin under an Act of Parliament is not enough, and that the 90% equity-or-control test in limb (ii) is applied strictly, with board nominee structure counted against the Government. The order does not decide whether the applicant's services are otherwise exempt or taxable, and it does not address bodies with different shareholding or board structures. It is an advance ruling on this applicant's facts, so its precedential weight is persuasive rather than binding on other taxpayers.

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 -> har_aar_09_2019-20_11.10.2019_hswc.pdf

Prepared 13-11-2026.

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Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com