Vijay Baburao Shirke

Authority for Advance Ruling — Madhya Pradesh

NO.GST-ARA-12/2019-20/B-106, Mumbai Dated **04.10.2019**

Q Questions Before the Authority

- Whether receipt of prize money from horse race conducting entities, in the event a horse owned by the applicant wins the race, would amount to a supply under section 7 of the Central Goods and Services Tax Act, 2017, and consequently be liable to GST or not.
- If the transaction is a supply of services, whether it would be liable to GST or not.

F Facts

The applicant, a registered person, owns horses that race at clubs including Royal Western India Turf Club in Mumbai and Pune and clubs in Bangalore, Hyderabad, Calcutta and Chennai. He receives prize money when his horse wins. He paid service tax on such receipts until June 2017 and has paid GST on them since 1 July 2017, claiming input tax credit, though he now doubts whether the receipts are a supply at all.

H Ruling

Whether prize money received from race organisers when the applicant's horse wins is a supply under section 7 of the CGST Act, 2017, and liable to GST	**Yes. Supply under section 7; taxable supply of services; GST at 18 per cent (9 per cent CGST and 9 per cent SGST).**	The conclusion rests on the facts stated by the applicant, namely that the horses are specialised and trained and that the organiser receives a direct benefit from the event.

The authority held that the prize money is consideration for a supply under section 7 of the CGST Act, 2017. It treated the applicant's supply as a supply of services, namely providing specialised and trained horses to the race organiser, and held that this falls under the residuary entry for taxable services. The tax rate is 18 per cent, split equally between CGST and SGST.

R Reasoning

The authority applied the three elements of supply in section 7(1)(a): supply of goods or services, for consideration, and in the course or furtherance of business. It found that the horses are provided to the organiser for racing, that the prize money is the consideration, and that rearing and training horses for racing is business under section 2(17)(a). On that basis it held that the activity is a supply of services under section 2(102), which covers anything other than goods, money and securities. Because the activity is not exempt under Notification No. 12/2017 CT (Rate), it was placed under the residuary entry at Sr. no. 35 of Notification No. 11/2017 CT (Rate) and taxed at 18 per cent under section 9.

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

P Provisions Relied On

Section 7(1)(a) of the CGST Act, 2017

Section 2(17)(a) of the CGST Act, 2017 (definition of business)

Section 2(102) of the CGST Act, 2017 (definition of services)

Section 9 of the CGST Act, 2017 (charge of tax)

Notification No. 12/2017 CT (Rate) dated 28.6.2017 (exemption notification, found not to apply)

Notification No. 11/2017 CT (Rate), Sr. no. 35 (residuary entry for other services, 18 per cent)

! For the Practitioner

A horse owner who wins prize money can rely on this order as the authority's view that such receipts are taxable supplies at 18 per cent, which supports continued GST payment and input tax credit. The order binds only the applicant and does not address whether prize money paid by other clubs or in other forms is a supply. It also does not deal with valuation, the timing of tax, or the position of other owners, who the applicant said were not paying GST. An appeal lies to the Maharashtra Appellate Authority for Advance Ruling.

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 -> mh_aar_12_2019-20_b-106_04.10.2019_vbs.pdf

Prepared 12-11-2026.

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