
	<b>KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM</b>	
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**BEFORE THE AUTHORITY OF:** Shri. Sivaprasad.S, IRS &  
: Shri. Senil A.K. Rajan.

Legal Name of the applicant	M/s. SOUND ENGINEERING ACADEMY
GSTIN	32ADUFS5503M1ZM
Address	TC 16/760, Pooja House, C.S. Road, Jagathy, Thiruvananthapuram - 695014.
Advance Ruling sought for	<p>i. Whether the applicant engaged in providing educational service will come under the definition “Educational Institution” as defined in Notification No.12/2017-Central Tax (Rate) dtd.28-06-2017?</p> <p>ii. Whether the services provided by the applicant will come under sl.no.66 of Heading 9992 of Notification No.12/2017-Central Tax (Rate) dtd.28-06-2017 or under sl.no.80 of Heading 9996 of Notification No.12/2017-Central Tax (Rate) dtd.28-06-2017?</p> <p>iii. If the services provided by the applicant are not exempted, whether the course fee collected by the applicant is taxable and if so, the rate of tax applicable?</p> <p>iv. The course fee includes tuition fee, application processing fee, registration fee, ID card expenses, uniform, printed study material, study material including note book online journal charges – whether all the items are taxable, if so the rate of tax applicable?</p>

	v. If the services provided by the applicant are wholly exempted, is it mandatory for the applicant to take registration under the CGST / SGST Act, 2017?
Date of Personal Hearing	22-12-2020
Authorized Representative	Adv. Valsala Devi.S

**ADVANCE RULING No. KER/122/2021 Dated 31.05.2021**

M/s. Sound Engineering Academy, Thiruvananthapuram (**hereinafter referred to as “the applicant” or “M/s SEA”**) is engaged in conducting courses related to sound engineering.

2. At the outset, the provisions of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as CGST Act) and the Kerala State Goods and Services Tax Act, 2017 (hereinafter referred to as KSGST Act) are same except for certain provisions. Accordingly, a reference hereinafter to the provisions of the CGST Act, Rules and the notifications issued there under shall include a reference to the corresponding provisions of the KSGST Act, Rules and the notifications issued there under.

3. The applicant requested advance ruling on the following;

1. Whether the applicant engaged in providing educational service will come under the definition “Educational Institution” as defined in Notification No.12/2017-Central Tax (Rate) dated 28-06-2017?
2. Whether the services provided by the applicant will come under Sl.No.66 of Heading 9992 of Notification No.12/2017-Central Tax (Rate) dated 28-06-2017 or under Sl.No.80 of Heading 9996 of Notification No.12/2017-Central Tax (Rate) dated 28-06-2017?
3. If the services provided by the applicant are not exempted, whether the course fee collected by the applicant is taxable and if so, the rate of tax applicable?
4. The course fee includes tuition fee, application processing fee, registration fee, ID card expenses, uniform, printed study material, study material including note book online journal charges – whether all the items are taxable, if so the rate of tax applicable?

5. If the services provided by the applicant are wholly exempted, is it mandatory for the applicant to take registration under the CGST / SGST Act, 2017?

**4. Contentions of the Applicant:**

4.1. The applicant is an education institution, wherein the following courses are conducted; (a) Diploma in Sound Engineering and Sound Recording, (b) Certificate in Live Sound Reinforcement and (c) Certificate in Sound Recording. The first course is of one-year duration and the second and third are of three months duration. They invite applications, issue prospectus with specific course curriculum and after successful completion of course, issue certificates to the successful candidates. The catalogue containing the details of different courses, teaching methods, the details of different studio facility for practical classes, mode of admission, course curriculum, details of permanent and visiting faculties etc are enclosed. The degrees conferred by them are recognised by law and hence they are of the bonafide belief that the services provided by them come within the ambit of services provided by educational institution and hence exempted.

4.2. The principal activity of their institution is pre-dominantly academic and their institution squarely come under the definition "educational institution" under Notification No. 12/2017-Central Tax (Rate) dated 28-06-2017, wherein the term "educational institution" has been defined as follows:

"(y) 'educational institution' means an institution providing services by way of,-

- (i) pre-school education and education up to higher secondary school or equivalent;
- (ii) education as a part of a curriculum for obtaining a qualification recognized by any law for the time being in force;
- (iii) education as part of an approved vocational education course".

4.3. The applicant is conducting training on art and cultural activities based on a course curriculum for a specific duration and after the training course, they conduct examination and issue certificate to the successful candidates. The certificate is a recognized one and more than 90% of the successful candidates get placements in the respective fields. The main activity of the applicant is conducting educational training courses related to sound and music production for art and cultural activities. Incidental to the predominant activity the applicant also issues ID cards, uniform, printed study material, online journals etc and the course fee collected is inclusive of the value of these items. When the principal activity of an institution is predominantly academic, subsidiary or incidental activities are an integral part of it and it is presumed

that the fee collected is not taxable. The expenses incurred towards ID card, uniform, printed study material, online journal etc are incidental to the predominant activity of the applicant. They are engaged in conducting training courses and as such it is presumed that they are eligible to get the benefit of exemption as per Notification No.12/2017 Central Tax (Rate) dated 28-06-2017.

4.4. The applicant submits that they were established under the auspices of the Ministry of Micro, Small and Medium Enterprises, Government of India and their services are classified under the following category;

Sl. No.	NIC 2 digit	NIC 4 digit	NIC 5 digit	Activity type
1	85 – Education	8530 – Higher Education	85301 – Higher education in science, commerce, humanity and fine arts leading to a university degree or equivalent	Service
2	85 – Education	8542 – Cultural Education	85420 – cultural education	Service

4.5. The National Skill Development Corporation has notified their Academy, as a registered centre on “SMART” [Skill Management & Accreditation of Training Centres for the job “Sound Engineer” (SSC name – Media; QP Code MES/Q3402)].

4.6. As per Sl.No.69 of Notification No. 12/2017 CT (Rate) dated 28.06.2017 the services mentioned therein are NIL rated. Since their institution is registered on SMART by the National Skill Development Corporation, the services provided by them are exempted by virtue of Sl.No.69 of Notification No.12/2017-Central Tax (Rate) dated 28-06-2017.

4.7. They are conducting educational training courses related to sound and music production for art and cultural activities and hence their services may otherwise be treated as coming under the exemption under item (a) of Sl No. 80 of Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017.

#### **5. Comments of the Jurisdictional Officer:**

The application was forwarded to the jurisdictional officer as per provisions of Section 98(1) of the CGST Act. The jurisdictional officer has not offered any comments and hence it is presumed that the jurisdictional officer has no specific comments to offer. It is also construed that there are no proceedings pending on the issue against the applicant.

## 6. Personal Hearing:

The applicant was granted opportunity for personal hearing on 22.12.2020. Smt. S. Valsala Devi, Advocate represented the applicant for personal hearing. She reiterated the contentions made in the application and requested to issue the ruling on the basis of the submissions made in the application.

## 7. Discussion and Conclusion:

7.1. The matter was examined in detail. The main issues to be decided are;

- (i) Whether the applicant would come within the definition of “educational institution” in Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017;
- (ii) Whether the services provided by the applicant are exempted under entry under Sl No. 66 or 69 or 80 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017; and
- (iii) If the services provided by the applicant are not exempted, what constitutes the taxable value of the services rendered by them?

The contention of the applicant is that the courses conducted by them are recognised by law and hence exempted under entry at Sl No. 66 of the Notification No. 12/2017 CT (Rate) dated 28.06.2017 or in the alternative, the services are exempted as per entry at Sl No. 69 of the Notification No. 12/2017 CT (Rate) dated 28.06.2017 as they are registered as a Skill Management and Accreditation Training Centre with the National Skill Development Corporation or as per entry at Sl No. 80 of the said notification as they are engaged in conducting courses related to sound and music production for art and cultural activities.

7.2. In order to decide the above issues, it is necessary to analyse the activity of the applicant with reference to the relevant provisions of Notification No. 12/2017 CT (Rate) dated 28.06.2017. Sl No. 66 of the Notification No. 12/2017 CT (Rate) dated 28.06.2017 reads as follows;

Sl No	Chapter, Section, Heading, Group or Service code	Description of Services	Rate	Condition (per cent)
66	Heading 9992	Services provided (a) by an educational institution to its students, faculty and staff; (aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee	Nil	Nil

(b) to an educational institution, by way of,-

(i) transportation of students, faculty and staff;

(ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;

(iii) security or cleaning or house-keeping services performed in such educational institution;

(iv) services relating to admission to, or conduct of examination by, such institution;

(v) supply of online educational journals or periodicals:

Provided that nothing contained in sub-items (i), (ii) and (iii) of item (b) shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent:

Provided further that nothing contained in sub-item (v) of item (b) shall apply to an institution providing services by way of, -

(i) pre-school education and education up to higher secondary school or equivalent;

or

(ii) education as a part of an approved vocational education course.

7.3. The term “educational institution” is defined under clause (y) of Para 2 of Notification No. 12/2017 CT (Rate) dated 28.06.2017 as follows;

“educational institution” means an institution providing services by way of-

(i) pre-school education and education up to higher secondary school or equivalent;

(ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;

(iii) education as a part of an approved vocational education course.

7.4. The definition of approved vocational education course in clause (h) of Para 2 of the said notification is as follows;

“approved vocational education course” means-

- (i) a course run by an industrial training institute or an industrial training centre affiliated to the National Council for Vocational Training or State Council for Vocational Training offering courses in designated trades notified under the Apprentices Act, 1961; or
- (ii) a Modular Employable Skill Course, approved by the National Council of Vocational Training, run by a person registered with the Directorate General of Training, Ministry of Skill Development and Entrepreneurship.

7.5. Admittedly, the applicant is not engaged in providing any pre-school education or education up to higher secondary level or equivalent or it is the case of the applicant that they are providing any approved vocational education course. Therefore, the applicant would not come under the purview of sub-clauses (i) and (iii) of clause (y) of Para 2 of the said notification and hence they do not qualify to be considered as an ‘education institution’ as per the said sub-clauses. Now, it is to be examined whether the services rendered by the applicant would fall within the scope and ambit of sub-clause (ii) of clause (y) of Para 2 of the said notification to qualify as an educational institution. As per sub-clause (ii) *ibid*, institutions providing services by way of education as a part of curriculum for obtaining a qualification recognized by any law for the time being in force is covered by the definition of “educational institution”. Therefore, it is to be examined whether the services provided by the applicant is education as a part of curriculum for obtaining a qualification recognized by any law.

7.6. GST on services being a legacy carried forward from the Service Tax regime, the explanation given in Para 4.12.1 of the Taxation of Services: An Education Guide, 2012 issued by CBIC is relevant in the GST regime also. It is clarified that the terms ‘education as a part of curriculum for obtaining a qualification recognized by law’ means only such educational services that are in the negative list as are related to delivery of education as ‘a part’ of the curriculum that has been prescribed for obtaining a qualification prescribed by law”. It is important to understand that to be in the negative list, the service should be delivered as part of curriculum. Conduct of degree courses by colleges, universities or institutions which lead to grant of qualifications recognized by law would be covered. Training given by private coaching institutes would not be covered as such training does not lead to grant of a recognized qualification. This clearly implies that only those institutions, which provide training as a part of prescribed curriculum for obtaining qualification recognised by law shall only fall under the definition of “educational institution” as per sub-clause (ii) *ibid* and accordingly qualify for exemption.

7.7. The applicant has not produced any evidence or document to show that they are affiliated to any university or the courses conducted by them are recognised by any university or any statutory authority such as AICTE or by any Government. Admittedly, on completion of the courses the certificates are issued by the applicant themselves and not by any university or any other statutory authority. Further, nothing has been brought on record to show that the certificates so issued by them are either recognised by any university or Government. Therefore, neither the courses conducted by them can be considered as part of curriculum for obtaining a qualification recognised by law nor the certificate / diploma issued by them can be considered as in respect of a qualification recognized by law.

7.8. The only document produced by them in support of their contention that the certificate issued by them are recognised by law is letter dated 04.08.2010 of the Indira Gandhi National Open University [IGNOU]. It is stated in the said letter that Sound Engineering Academy with code CSE 6908 is a community college under community college scheme of IGNOU. It is further stated that on successful completion of the programmes the students will be awarded certificate / Diploma / Associate Degree from IGNOU. However, on verification of the copy of the certificates issued during 2019 by the applicant which was produced by the applicant as documentary evidence it is seen that the certificates are issued by the applicant themselves and not by IGNOU. Hence it cannot be considered that the courses conducted by the applicant are recognised by IGNOU on the basis of said letter.

7.9. On the basis of the discussion above, we conclude that the applicant is not engaged in providing services by way of education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force and therefore is not covered under the definition of “educational institution” in clause (y) of Para 2 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017. Accordingly, the applicant is not eligible for the exemption as per the entry at Sl No. 66 of the said notification.

8. The next contention raised by the applicant is that the National Skill Development Corporation has notified their Academy, as a registered centre on “SMART” [Skill Management & Accreditation of Training Centres for the job “Sound Engineer” (SSC name – Media; QP Code MES/Q3402)] and accordingly the services provided by them are exempted by virtue of Sl.No.69 of Notification No.12/2017-Central Tax (Rate) dated 28-06-2017. The entry at Sl No. 69 of the said notification is reproduced below;



Sl No	Chapter, Section, Heading, Group or Service code	Description of Services	Rate (per cent)	Condition
69	Heading 9992 or Heading 9983 or Heading 9991	Any services provided by,- (a) the National Skill Development Corporation set up by the Government of India; (b) a Sector Skill Council approved by the National Skill Development Corporation; (c) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation; (d) a training partner approved by the National Skill Development Corporation or the Sector Skill Council, in relation to – (i) the National Skill Development Programme implemented by the National Skill Development Corporation; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any other scheme implemented by the National Skill Development Corporation”.	Nil	Nil

8.1. The exemption under the above entry is applicable only for the entities specified therein who are engaged in providing the specified services. The exemption is available to the services provided by;

- (a) National Skill Development Corporation;
- (b) Sector Skill Council approved by NSDC;
- (c) An assessment agency approved by Sector Skill Council or NSDC and
- (d) A training partner approved by NSDC or SSC in relation to the (i) National Skill Development Programme implemented by the NSDC; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any other Scheme implemented by the National Skill Development Corporation.

8.2. National Skill Development Corporation [NSDC] is a not-for-profit public limited company incorporated under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Companies Act, 2013) by the Ministry of Finance of the Government of India as Public Private Partnership (PPP) model. It was set up as part of national skill development mission to fulfil the growing need in India for skilled manpower across sectors and narrow the gap between demand and supply of skills. The exemption provided under the entries under item (a), (b) and (c) of Sl No. 69 of the said notification is in respect of services provided by the National Skill Development Corporation or a Sector Skill Council approved by the National Skill Development Corporation or an assessment agency approved by the Sector Skill Council or the National skill Development Corporation. Admittedly, the applicant does not come under the category of any of the above specified entities. Now it is to be examined whether the applicant would come under any of the categories specified in item (d) of the said entry. In order to qualify for exemption under the said item of the entry the applicant must be approved as a training partner by the National Skill Development Corporation or the Sectoral Skill Development Council in relation to; (i) the National Skill Development Programme implemented by the National Skill Development Corporation; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any other Scheme implemented by the National Skill Development Corporation.

8.3. The claim of the applicant for exemption under the said entry is based on a letter of Registration dated 13.12.2019 of NSDC stating that "Sound Engineering Academy having TC ID: TC 108538 under TP ID: TP 035562 is a registered centre on SMART for the Job Role; Sound Engineer, Media with QP code MES /Q 3402. The letter further states that the centre is yet to undergo physical inspection process and complete other requirements for accreditation and affiliation in the above-mentioned job roles. It is also stated that the letter will remain valid for a period of one year from the date of issue of the letter or till the completion of the process of centre accreditation and approval whichever is earlier. In the letter it is further stated that "Ministry of Skill Development and Entrepreneurship, Government of India and National Skill Development Corporation incurs no obligation or liability whatsoever to allocate target to the centre under any scheme run by them. This letter does not reveal that the applicant is a training partner approved by NSDC or SSC for any of the functions specified under item (d) of Sl No. 69 of the Notification No. 12/2017 CT (Rate) dated 28.06.2017.

8.4. The Skill Management and Accreditation of Training Centres [SMART] Programme of the NSDC is a single window IT application for Accreditation, Grading, Affiliation and Continuous Monitoring of the Training Centres in the Skill Ecosystem to address issues like quality benchmarks, fostering excellence

in Training Centres enabling trainees to make informed choices with regard to training centres. The Centre Accreditation ensures that the Training Centre has met prescribed quality standards pre-set by NSDC and the respective Sector Skill Councils. The NSDC Training Partnership Scheme is intended to catalyse the creation of sustainable and quality training institutions through financial, technical, operational and advisory support. Under the scheme, NSDC has; (i) funded partnerships where it provides funding support for commercially viable, scalable and sustainable businesses in the skill domain run by any registered legal entity; (ii) non-funded partnerships where it partners with reputed entities, not requiring financial assistance and (iii) innovation partners where it identifies and provides support to extraordinary innovative enterprises. Therefore, the Skill Management and Accreditation of Training Centres [SMART] Programme and the Training Partnership Programme are different and distinct schemes of NSDC and the exemption under item (d) of Sl No. 69 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 applies only in respect of training partners approved by NSDC or SSC who are engaged in the specified activities.

8.5. The applicant has not produced any evidence or documents to show that they are a training partner approved by the NSDC or SSC in relation to any of the activities specified in sub-items (i), (ii) or (iii) of item (d) of entry at Sl No. 69 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017. On the basis of the discussion above, we conclude that the services supplied by the applicant do not qualify for exemption under entry at Sl No. 69 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017.

9. The next contention raised by the applicant is that the services provided by them are educational training courses related to sound and music production for art and cultural activities and hence will come under the entry at Sl No. 80 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 and accordingly is eligible for exemption. The entry at Sl No. 80 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 is extracted below;

Sl No	Chapter, Section, Heading, Group or Service code	Description of services	Rate (per cent)	Condition
80	Heading 9996	Services by way of training or coaching in recreational activities relating to- (a) arts or culture, or (b) sports by charitable entities registered under section 12AA of the Income-tax Act.	NIL	NIL

9.1. As per the above entry services provided by way of training or coaching in recreational activities relating to arts or culture or sports by a charitable entity will be exempt from GST. The claim of the applicant is based on item (a) of the entry on the ground that the registration under the Income Tax Act is mandated only for item (b) as the conjunction used is "or" and not "and". Admittedly, the applicant is not a charitable entity registered under Section 12AA of the Income Tax Act. Therefore, what is required to be examined is whether the services provided by the applicant can be considered as training or coaching in recreational activities relating to arts or culture as claimed by them.

9.2. The term "Art" and "Culture" are not defined in the Act and notifications. In common parlance; "Art" would encompass disciplines including, but not limited to, dance, design, music, theater, media, literature, visual arts, folk arts etc. Culture is a combination of beliefs, behaviour, objects, and other characteristics which are common to the members of a particular sect, group or community of the society. Thus, culture includes many societal aspects including but not limited to language, custom, values, norms, mores, rules, rituals etc. The exemption under the above entry is in respect of the training in recreational activities relating to arts or culture. The applicant is providing educational services-namely training in the technical and engineering aspects of sound recording so that the individuals who undergo such training can become sound recording professionals providing recording and sound processing services in various events including that of art and cultural events. Therefore, the education services provided by the applicant in relation to technical and engineering aspects of sound recording and processing cannot by any stretch of imagination be considered as training or coaching in recreational activities relating to arts or culture. On the basis of the discussion above, we conclude that the services supplied by the applicant will not come under the scope of the entry in Sl No. 80 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 and accordingly not eligible for the exemption contained therein.

9.3. It is well settled by various judgments of the Hon'ble Supreme Court that exemption notification has to be construed strictly so far as the eligibility is concerned and that the person who claims the exemption has to establish his case. It is also settled law that the exemption notification needs to be interpreted strictly within the plain words and language provided therein and there is no scope of intendments. The Hon'ble Supreme Court in case of H.M.M Ltd Vs Collector - 1986 (87) ELT 593 (SC) held that "Exemption Notification is not only to be construed strictly but also reasonably having regard to the language employed therein".

10. Now, we proceed to determine the classification and the rate of tax of the services rendered by the applicant. As per the scheme of classification of

services Higher education services are classified under Heading, Group and Service Code as detailed below;

Chapter Heading	Group	Service Code	Service Description
9992 Education services	99924	999241	Higher education services, general
	Higher education services	999242	Higher education services, technical
		999243	Higher education services, vocational
		999249	Other higher education services

As per explanatory notes to scheme of classification of services, the Higher education services, technical classified under SAC 999242 includes higher education services, above higher secondary level, in technical fields such as engineering, medical, bio-technology etc. The applicant is conducting courses in sound engineering and sound recording namely; (i) Diploma in Sound Engineering and Sound Recording; (ii) Certificate in live Sound Reinforcement; (iii) Certificate in Sound Recording for which the eligibility prescribed for admission is 10 + 2 or 10 + diploma in any discipline. Therefore, the educational services provided by the applicant are appropriately classifiable under SAC 999242.

10.1. In the rate Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017 educational services are specified under Sl No. 30 as detailed below;

Sl No	Chapter, Section, Heading or Group	Description of service	Rate	Condition
30	9992	Education services	18% (9 + 9)	Nil

Therefore, the services rendered by the applicant are liable to GST at the rate of 18% [9% - CGST + 9% - SGST] as per Sl No. 30 of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017.

11. The next issue to be determined is the taxable value of the services rendered by the applicant. The applicant has raised the question if the services provided by them are not exempted, whether the course fee including tuition fee, application processing fee, registration fee, ID card expenses, uniform, printed study material, study material including note book, online journal charges etc are liable to tax.

11.1. The value of taxable supply of goods and/ or services is governed by the provisions of Section 15 of the CGST Act, 2017. The provisions of sub – section (1) and (2) of Section 15 are reproduced below;

(1) The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply,

(2) The value of supply shall include-

- (a) any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, the State Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier;
- (b) any amount that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods or services or both;
- (c) incidental expenses, including commission and packing, charged by the supplier to the recipient of a supply and any amount charged for anything done by the supplier in respect of the supply of goods or services or both at the time of, or before delivery of goods or supply of services;
- (d) interest or late fee or penalty for delayed payment of any consideration for any supply; and
- (e) subsidies directly linked to the price excluding subsidies provided by the Central Government and State Governments.

11.2. As per the provisions of Section 15 of the CGST Act the entire consideration received by the applicant from the recipient of services under any head is liable to GST. As per section 2(30) of the CGST Act "composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply. Section 8 of the CGST Act governs the tax liability on composite and mixed supplies. As per the provision, the tax liability on a composite or a mixed supply shall be determined in the following manner, namely: —

- (a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and
- (b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.

In the instant case the principal supply is of educational services and all other services that are mentioned by the applicant are naturally bundled and supplied

in conjunction with each other in the ordinary course of business and hence all the amounts collected under different heads for the services rendered by the applicant are liable to GST at the rate of 18% [9% - CGST + 9% - SGST] as applicable for the education services as per entry at Sl No. 30 of Notification No.11/2017 Central Tax (Rate) dated 28.06.2017.

In view of the observations stated above, the following rulings are issued

### **RULING**

1. Whether the applicant engaged in providing educational service will come under the definition “Educational Institution” as defined in Notification No.12/2017-Central Tax (Rate) dated 28-06-2017?

No. The applicant will not come under the definition of the term “educational institution” under clause (y) of Paragraph 2 of Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017.

2. Whether the services provided by the applicant will come under Sl No. 66 of Heading 9992 of Notification No.12/2017-Central Tax (Rate) dated 28-06-2017 or under Sl No. 80 of Heading 9996 of Notification No.12/2017-Central Tax (Rate) dated 28-06-2017?

The services provided by the applicant will neither come under Sl No. 66 nor under Sl No. 80 of the Notification No. 12/2017 Central Tax (Rate) dated 28.06.2017.

3. If the services provided by the applicant is not exempted, whether the course fee collected by the applicant is taxable and if so, the rate of tax applicable?

The services provided by the applicant are not exempted. The services are appropriately classifiable under SAC 999242 and liable to GST at the rate of 18% [9% - CGST + 9% - SGST] as per Sl No. 30 of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017.

4. The course fee includes tuition fee, application processing fee, registration fee, ID card expenses, uniform, printed study material, study material including note book, online journal charges – whether all the items are taxable, if so the rate of tax applicable?

The entire course fee collected by the applicant including tuition fee, application processing fee, registration fee, ID card expenses, uniform, printed study material, study material including note book online journal charges

services are liable to GST at the rate of 18% [9% - CGST + 9% - SGST] as per Sl No. 30 of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017.

5. If the services provided by the applicant are wholly exempted, is it mandatory for the applicant to take registration under the CGST / SGST Act, 2017?

The question is not relevant in view of the answers to Q. Nos. 1 to 4 above.



Siva Prasad.S

Joint Commissioner of Central Tax  
Member



Senil A.K. Rajan

Additional Commissioner of State Tax  
Member

To,

M/s. Sound Engineering Academy,  
TC 16/760, Pooja House,  
C.S.Road, Jagathy,  
Thiruvananthapuram - 695014.

**Copy to:**

1. The Chief Commissioner of Central Tax and Central Excise, Thiruvananthapuram Zone, C.R.Building, I.S.Press Road, Cochin-682018. [E-mail ID: cccochoin@nic.in]
2. The Commissioner of State Goods and Services Tax Department, Tax Towers, Karamana, Thiruvananthapuram - 695002.
3. The Jurisdictional Officer, CGST/SGST Department, Thiruvananthapuram.