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

Legal Name of the applicant	M/s. Uralungal Labour Contract Co-op Society Ltd.
GSTIN	32AAAAU0170E1Z4
Address	10/323, Madappally College, Vatakara, Kozhikode - 673102.
Advance Ruling sought for	In view of the Notification No.12/2017-Central Tax (Rate) dated 28-06-2017, we would like to get clarified as to whether the educational courses which are conducted in Indian Institute of Infrastructure and Construction (IIIC) fall under the taxable service or not?
Date of Personal Hearing	05-01-2021
Authorized Representative	Mr. Shaju S

ADVANCE RULING No. KER/126/2021 Dated 31.05.2021

M/s. Uralungal Labour Contract Co-operative Society Ltd (hereinafter referred to as the applicant or M/s ULCCS) is registered under the Kerala Co-operative Societies Act, 1969 and an accredited agency for Government of Kerala.

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;

"In view of the Notification No.12/2017-Central Tax (Rate) dated 28-06-2017, we would like to get clarified as to whether the educational courses which are conducted in Indian Institute of Infrastructure and Construction (IIIC) fall under the taxable service or not?"

4. Contentions of the Applicant:

4.1. The applicant is primarily engaged in construction of roads, bridges and other public infrastructure to Government and other institutions. The applicant entered into an agreement with Kerala Academy for Skills Excellence [KASE], the State Skill Development Mission of the Government of Kerala, under Department of Labour and Skills for setting up and operation of Indian Institute of Infrastructure and Construction [IIIC], Chavara, Kollam.

4.2. The objective of M/s. IIIC is establishing a world class skill centre, as centre of excellence for imparting international quality skill sets to the personnel in construction industry of all cadre right from the labourers to the top management. M/s. IIIC is operated in public private partnership mode, with the basic infrastructure being provided by M/s. KASE and the applicant is the operational partner. M/s. IIIC started functioning in July, 2018 under the guidance of the National Academy of Construction, Hyderabad. The applicant is affiliated by National Skill Development Corporation [NSDC] as training partner for conducting various courses. The Government of Kerala by G.O.(P) No. 95/2019/LBR dated 24.10.2019 of the Labour and Skills Department has declared that Indian Institute of Infrastructure and Construction, Chavara is a Government owned institute and the courses that are being conducted in the institute are approved by the Government.

4.3. In this scenario, the applicant requests clarification, whether the educational courses which are conducted in M/s. IIIC will fall under the taxable service or not in accordance with the provision of the GST Act and Rules.

5. Comments of the Jurisdictional Officer:

5.1. The jurisdictional officer submitted that the question raised by the applicant for advance ruling is that whether the educational courses which are conducted in IIIC falls under the taxable service or not. On going through the application, it is assumed that, the applicant is seeking advance ruling placing their service under the entry at Sl No. 69 of Notification No. 12/2017 Central Tax (Rate) dated 28th June 2017. The relevant entry is reproduced below: -

Sl No	Chapter, Section, Heading, Group or Service code (Tariff)	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	

5.2 On going through the above entry it is clear that, the applicant is eligible for exemption, only when the services provided by applicant is in relation to either of the items listed under clause (i) to (iii) above. A similar issue in respect of M/s. Proschools (P) Ltd was considered by the Maharashtra Authority for Advance Ruling [Order No.GSTARA-37/2017-18/B-44 dated 05-06-2018] and the Maharashtra Appellate Authority for Advance Ruling [Order No.MAH/AAAR/SS-RJ/19/2019-19 dated 04-02-2019] and found that National Skill Development Programme would cover only the actual schemes and programmes that are undertaken by the Government through its various ministries, departments, directorates, attached offices and organizers and cannot in anyway be construed to be including each and every one under the sun which enhances skills in one way or other.

5.3. In the circumstances, the educational courses which are conducted in IIC by the applicant fall under NIL rated category only when the applicant produces satisfactory evidence to show that, the applicant is a training partner approved by the National Skill Development Corporation and the services provided by the applicant are in relation to either of the items listed under clause (i) to (iii) to the entry at Sl No. 69 of the Notification No.12/2017 Central Tax (Rate) dated 28-06-2017.

6. Personal Hearing:

The applicant was granted opportunity for personal hearing on 05.01.2021. The authorised representative represented the applicant. He reiterated the contentions made in the application and also stated that the courses conducted at IIC are approved by the Government of Kerala as per G.O.(P) No. 95/2019/LBR dated 24.10.2019 of the Labour and Skills Department. He requested to issue the ruling on the basis of the submissions made in the application and that made during personal hearing. Subsequent to the personal hearing the applicant submitted the following documents in support of their contention that the courses conducted by IIC are approved by the Government.

1. G.O.(MS) No. 13/2012/ LBR dated 21.01.2012 of the Labour and Rehabilitation Department, Government of Kerala.
2. G.O.(MS) No. 20/2012/ LBR dated 03.02.2012 of the Labour and Rehabilitation Department, Government of Kerala.
3. G.O.(P) No. 47/2018/Labour dated 28.05.2018 of the Labour and Skills Department, Government of Kerala.
4. Minutes of the Meeting dated 11.03.2019 of the Business Advisory Committee for Construction Sector.
5. Letter No. KASE-1993/2018-I dated 27.05.2019 of the Kerala Academy of Skills Excellence addressed to the Additional Chief Secretary, Labour and Skills Department, Government of Kerala.

7. Discussion and Conclusion:

7.1. The matter was examined in detail. The issue to be decided is the GST liability of the courses conducted by the Indian Institute of Infrastructure and Construction, Chavara, Kollam [IIC] an academy set up by the Government of Kerala on Public Private Partnership mode and of which the applicant was selected as the operational partner. Admittedly, the applicant has sought this advance ruling in its capacity as the operational partner of IIC. The claim of the applicant for exemption from GST for the courses conducted at IIC is on two grounds; firstly on the ground of being a training partner affiliated to the National Skill Development Corporation and secondly on the ground that the courses conducted by IIC are approved by the Government of Kerala. Various

documents have also been produced by the applicant in support of the contentions as above.

7.2. In order to decide the issue, it is necessary to examine the relevant entries in the exemption Notification No.12/2017-Central Tax (Rate) dated 28-06-2017 in the light of the documents submitted by the applicant.

7.3. The first contention of the applicant is that they are training partner affiliated to the National Skill Development Corporation and accordingly the courses conducted at IIC are exempted as per entry at Sl No. 69 of the Notification No. 12/2017 CT (Rate) dated 28-06-2017. The relevant entry is reproduced below;

Sl No	Chapter, Section, Heading, Group or Service code (Tariff)	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	Nil	

		the national Skill Certification and Monetary Reward Scheme; or (iii) any other Scheme implemented by the National Skill Development Corporation		
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7.4. On a plain reading of the above entry it is evident that 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 (SSC) 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.

The exemption provided under the entries under item (a), (b) and (c) of SI 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.

7.5. The applicant has not produced any evidence to show that the applicant is 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 and the courses conducted at IIC come under any of the specified categories. On the basis of the discussion above, we conclude that the courses conducted at IIC are not eligible for exemption as per entry at **Sl No. 69** of the Notification No. 12/2017 CT (Rate) dated 28-06-2017.

8. The second contention is that the courses conducted by IIC are approved by the Government of Kerala. The relevant entry at Sl No. 66 of the Notification No. 12/2017 CT (Rate) dated 28-06-2017 is reproduced as follows;

Sl No	Chapter, Section, Heading, Group or Service code	Description of Services	Rate (per cent)	Condition
66	Heading 9992	<p>Services provided</p> <p>(a) by an educational institution to its students, faculty and staff;</p> <p>(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee</p> <p>(b) to an educational institution, by way of-</p> <p>(i) transportation of students, faculty and staff;</p> <p>(ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;</p> <p>(iii) security or cleaning or house-keeping services performed in such educational institution;</p> <p>(iv) services relating to admission to, or conduct of examination by, such institution;</p> <p>(v) supply of online educational journals or periodicals:</p> <p>Provided that nothing contained in sub-items (i), (ii) and (iii) of item (b) shall apply to an</p>	Nil	Nil

	<p>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.</p>	
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8.1. 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.

8.2. 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.

8.3. 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 'educational institution' as per the said sub-clauses. Now, it is to be examined whether 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.

8.4. The term "educational institution" under sub-clause (ii) covers institutions providing services by way of education as a part of curriculum for obtaining a qualification recognised by any law for the time being in force. The conduct of degree courses by colleges, universities or institutions which lead to grant of qualifications recognized by law would be covered. Now it is to be examined, whether the courses conducted by IIC lead to grant of qualification recognised by law.

8.5. The applicant has produced the documents as listed in Para 6 above in support of their contention that the courses are recognised by law. As per G.O.(MS) No. 13/2012/ LBR dated 21.01.2012 of the Labour and Rehabilitation Department, Government of Kerala sanction was granted to set up an academy on public private partnership mode at Chavara, Kollam to address the shortage of skilled manpower in the construction infrastructure and allied industrial activities sector.

8.6. Subsequently, the Government of Kerala by G.O.(MS) No. 20/2012/ LBR dated 03.02.2012 of the Labour and Rehabilitation Department accorded administrative sanction to register a company in the name of Kerala Academy for Skills Excellence [KASE] under Section 25 of the Companies Act, 1956 to act as apex entity to initiate, regulate and co-ordinate focused skill development for different industrial domains.

8.7. The Government of Kerala further decided to create a centralised agency to co-ordinate the skill development activities performed by different departments and by G.O.(P) No. 47/2018/Labour dated 28.05.2018 of the Labour and Skills Department created a State Skill Secretariat and ordered that the Kerala Academy of Skills Excellence which is functioning as the State Skill Development Mission shall function as the State Skill Secretariat. Business Advisory Committees [BAC] were also ordered to be set up in various sectors to actively advice the skill secretariat with respect to the skill development activities in the concerned sector.

8.8. The Business Advisory Committee [BAC] so constituted for construction sector in its meeting held on 11.03.2019 reviewed the status of the courses conducted in IIC and approved 35 courses conducted by IIC.

8.9. On the basis of the approval granted by the Business Advisory Committee the Kerala Academy of Skills Excellence by letter No. KASE-1993/2018-I dated 27.05.2019 addressed to the Additional Chief Secretary, Labour and Skills Department, Government of Kerala requested for approval of the courses conducted by IIC. As per the request of the Kerala Academy of Skills Excellence, the Government of Kerala by G.O.(P) No. 95/2019/LBR dated 24.10.2019 of the Labour and Skills Department declared that IIC, Chavara is a Government – owned institute and the courses that are being conducted in the said institute are approved by the Government. The Government Order is reproduced below;

GOVERNMENT OF KERALA

Abstract

Labour & Skills Department - Kerala Academy for Skills Excellence (KASE) - Government recognition for the courses in Indian Institute of Infrastructure & Construction – Orders issued.

LABOUR & SKILLS (C) DEPARTMENT

G.O.(P) No. 95/2019/LBR Dated, Thiruvananthapuram, 24/10/2019

Read

1. G.O.(MS) No. 13/2012/ LBR dated 21.01.2012.
2. G.O.(MS) No. 20/2012/ LBR dated 03.02.2012.
3. G.O.(P) No. 47/2018/Labour dated 28.05.2018.
4. Letter No. KASE-1993/2018-I dated 27.05.2019 from the Managing Director, KASE.

ORDER

“As per the Government Order read as 1st paper above, an academy was set up in Chavara, Kollam, which was later named as Indian Institute of Infrastructure & Construction (IIC), to cater to the skilling needs of the construction sector. As per the Government Order read as 2nd paper above, Kerala Academy for Skills Excellence (KASE) was set up as an apex entity to initiate, regulate & co-ordinate focused skill development in various industrial domains and consequently, IIC was brought under the overall supervision of KASE.

2) IIC, Chavara is operated in Public Private Partnership mode, with the basic infrastructure being provided by KASE and M/s Uralungal Labour Contract Co -

Operative Society (ULCCS) Ltd is being selected as the operational partner vide an agreement signed between the two institutions on 30.05.2018. IIC started functioning in July, 2018 under the guidance of the National Academy of Construction, Hyderabad.

3) As per the Government Order read as 3rd paper above, an administrative framework was constituted for the convergence of skilling activities under the various departments. As per the said framework, KASE is to function as a Skill Secretariat and Business Advisory Committees (BACs) are to be set up in various sectors to actively advice the Skill Secretariat with respect to the skill development activities in the concerned sector.

4) As per the agreement signed between KASE and M/s ULCCS Ltd, the overall performance of IIC will be under the supervision of the BAC constituted in the construction sector. As per the letter read as 4th paper above, the Managing Director, KASE has informed that the BAC has recommended for conducting 35 courses, including the existing 6 courses in IIC and has requested in-principle approval from the Government with respect to the recommendations of the BAC. The Managing Director, KASE has also requested to initiate necessary action to issue Government Order to the effect that IIC is a Government owned institute and the courses that are approved by the BAC and are conducted at IIC are approved by Government.

5) Government have examined the matter in detail and are pleased to accord in-principle approval for the 35 courses recommended by the BAC to be conducted in IIC, attached as Annexure. Further, taking into consideration the fact that IIC has initiated action to get affiliation under various Universities and that no formal recognition has been given to IIC and the courses conducted there, Government are pleased to declare that IIC, Chavara is a Government-owned institute and the courses that are being conducted in the said institute are approved by the Government.”

By Order of the Governor
Sd/-
Additional Secretary

8.10. The above Order states that taking in to consideration the fact that IIC has initiated action to get affiliation under various Universities and that no formal recognition has been given to IIC and the courses conducted there, the Government declares that IIC, Chavara is a Government – owned institute and the courses that are being conducted in the said institute are approved by the Government. In view of the above declaration that IIC is a Government – owned institute and the approval of the courses conducted by IIC by the Government of Kerala, IIC has attained the status of an institution providing services by way of education as a part of a curriculum for obtaining a qualification recognised

by law. Consequently, IIC qualifies to be classified as an educational institution as defined under sub-clause (ii) of clause (y) of Paragraph 2 of the Notification No. 12/2017 CT (Rate) dated 28.06.2017. Therefore, the courses conducted in Indian Institute of Infrastructure and Construction is exempted from GST as per entry at Sl No. 66 of Notification No. 12/2017 Central Tax (Rate) dated 28-06-2017.

In view of the observations stated above, the following ruling is issued;

RULING

“In view of the Notification No.12/2017-Central Tax (Rate) dated 28-06-2017, we would like to get clarified as to whether the educational courses which are conducted in Indian Institute of Infrastructure and Construction (IIC) fall under the taxable service or not?”

The Indian Institute of Infrastructure and Construction [IIC] qualifies to be classified as an educational institution as defined under clause (y) of Paragraph 2 of Notification No. 12/2017 CT (Rate) dated 28.06.2017 and accordingly the courses conducted in the institution are eligible for exemption from GST as per entry at Sl No. 66 of the said notification.



Sivaprasad.S

Joint Commissioner of Central Tax
Member



Additional Commissioner of State Tax
Member

To,

M/s. Uralungal Labour Contract Co-op. Society Ltd.
10/323, Madappally College,
Vatakara, Kozhikode - 673102.

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 Deputy Commissioner - 2, State Goods and Services Tax Department, Special Circle I, Kozhikode. [E-mail ID: acspl1kde@gmail.com]