

**GSTIND GLOBAL SOLUTIONS LLP, RAIPUR**

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# AGENDA

1. EDUCATION INSTITUTION –EXEMPTION IN GST
2. SPONSORSHIP SERVICES - EDUCATIONAL INSTITUTES UNDER GST
3. GST ON REGISTRATION FEES FOR SHORT-TERM TRAINING PROGRAMMES (STTPS)
4. GST IMPLICATION ON TESTING AND CONSULTANCY SERVICES
5. GST ON SUPPLY OF ONLINE EDUCATIONAL JOURNALS / PERIODICALS
6. GST ON SUPPLY OF E-BOOKS TO EDUCATIONAL INSTITUTE
7. ADVANCE GST INVOICES – KEY CONCEPTS & COMPLIANCE
8. GST IMPLICATIONS ON RESEARCH PROJECTS

# DEFINITION OF EDUCATIONAL INSTITUTIONS

## CLAUSE 2(Y) OF NOTIFICATION NO. 12/2017-CT RATE

**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**.

# Educational Institution – Approved Vocational

## Courses

An “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 (52 of 1961); or

## Central and State educational boards

71 [(iv) for removal of doubts, it is clarified that the Central and State educational boards shall be treated as educational institution for the limited purpose of providing services **by way of conduct of examination to the students.**] **Notification No. 1/2023- Dated 28-02-2023**

# GST Exemptions - Educational Institutions

Basic exemption made available to Educational Institutions under GST is covered vide **Entry no. 66 of Notification no. 12/2017**- Central Tax (Rate) dated 28th June 2017. Notably, the entry provides an exemption to both i.e. –

- (i) Services provided **BY** the Educational Institutions (wherein, Educational Institution is the **service provider**); and
- (ii) Services provided **TO** the Educational Institutions (wherein, Educational Institution is the **service receiver**).

The said exemption provided vide entry no. 66 of notification no. 12/2017- Central Tax (Rate) dated 28th June 2017 is explained hereunder

## List of exemptions to services provided **BY** an Educational Institution

- Services provided by an Educational Institution **to its faculty, staff and students;**
- Services provided by an Educational Institution by way of **conduct of entrance examination against consideration in the form of the entrance fee.**

# List of exemption to services provided **TO** an Educational Institute

## CATEGORY I – Pre-School to Higher Secondary School

Exempt Services :

- (i) **Transportation** of students, faculty, and staff
- (ii) **Catering services**, including mid-day meal schemes sponsored by Government
- (iii) **Security, housekeeping, and cleaning services**

**Note: These exemptions do not apply to:**

- Colleges
- Universities
- Other higher education institutions

# List of exemptions to services provided **TO** an Educational Institution

**CATEGORY – II – Other Educational Institutions**  
(Institutions other than pre-school to higher secondary and not providing approved vocational courses)

❖ **Exempt services :**

Supply of **online educational journals/periodicals**

❖ **Not applicable to:**

Non recognized colleges

Private coaching centers, etc.





# List of exemptions to services provided to an Educational Institution

**CATEGORY – III – All Educational Institutions**  
(Applicable to all types of educational institutions)

## ❖ Exempt Services

- (i) Services relating to **admission**
- (ii) Services related to **conduct of examination**



GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc, when provided to such Boards [under S. No. 66 (b) (iv) of notif No. 12/2017-CT(R)].  
CIRCULAR NO. 151/07/2021-GST [CBIC-190354/36/2021-TRU SECTION-CBEC], DATED 17-06-2021

# Summary of Exemptions of services provided to Educational Institute

Type of Service	Preschool to Higher Secondary	Higher Education Institutions (Colleges, Universities, etc.)
<b>Transportation (Students, Staff, Faculty)</b>	✓ Exempt	❖ Not Exempt
<b>Catering (e.g., Mid-Day Meals Scheme)</b>	✓ Exempt	❖ Not Exempt
<b>Security, Housekeeping, Cleaning</b>	✓ Exempt	❖ Not Exempt
<b>Online Educational Journals/Periodicals</b>	❖ Not Exempt	✓ Exempt
<b>Admission &amp; Examination Services</b>	✓ Exempt	✓ Exempt

## Education Boards – Affiliation Services

Entry 66A – Notification NO. 12/2017  
(Inserted by Notification no. 8/2024 - Central tax (rate), dated 8-10-2024, w.e.f.. 10-10-2024.)

Services of **affiliation provided by a Central or State Educational Board** or Council or any other similar body, by whatever name called, to a school established, owned or controlled by the Central Government, State Government, Union Territory, local authority, Governmental authority or Government entity **are exempt from GST.**

To clarify by way of circular that **the affiliation services provided by universities to their constituent colleges are not covered within the ambit of exemptions** provided to educational institutions in the Notification No. 12/2017-C.T. (Rate), dated 28-6-2017 and GST at the rate of 18% is applicable on the affiliation services provided by the universities.

# SPONSORSHIP SERVICES - EDUCATIONAL INSTITUTES UNDER GST



## **DEFINITION:**

Sponsorship refers to a commercial arrangement where a sponsor supports an event, activity, person, or organization financially or through products/services in exchange for brand visibility or promotion.

## GST ON SPONSORSHIP SERVICES :

- Under GST, it's typically treated as a **supply of service**.
- Sponsorship services provided to or by an educational institute are **not exempt** under GST
- Taxable at **18% GST**
- Classified under **Heading 9983** (Advertising and Sponsorship services)
- RCM and Forward Charge Mechanisms** must be analyzed depending on the nature of the transaction.
- Who is liable to pay GST?**  Contracts should specify GST responsibility

## **RCM Applied to Sponsorship Services:**

### **Notification No. 13/2017 – Central Tax (Rate) dated 28-06-2017**

GST was payable under Reverse Charge Mechanism (RCM) when:

- Sponsorship services were provided **by any person**
- To a **body corporate** or **partnership firm**

The **recipient** of sponsorship (**body corporate or firm**) was liable to pay GST.

## **Key Amendments for Sponsorship Services : (w.e.f. 16/01/2025)**

### **Vide Notification No. 07/2025 – Central Tax (Rate) dated 16th Jan 2025**

- RCM no longer applies** when sponsorship is **provided by a body corporate**
- In such cases, GST shall be payable **under Forward Charge**
- If sponsorship is provided by any person other than a body corporate, RCM still applies.

# GST on Registration Fees for Short-Term Training Programmes (STTPs)

## NATURE OF ACTIVITY :

### Short-term training programme:

often includes workshops, certification courses, skill-building programs, etc.

Fee charged: known as registration fees, training fees, or course fees.



## GST APPLICABILITY – KEY FACTORS TO CONSIDER

Factor	Explanation
Who is offering the course?	Could be university or private college.
Who is attending?	May include <b>in-house students</b> or <b>external participants</b> .
Is it an approved vocational course?	If approved by NCVT or NSDC, may qualify for exemption under GST.



## WHEN BOTH IN-HOUSE STUDENTS & EXTERNAL PARTICIPANTS ARE INVOLVED:

Scenario	GST Applicability	Impact
Training is linked to regular curriculum	In-house students: Exempt from GST (composite supply with formal education)	No GST on in-house students' fees
Training is separate (open to both)	External participants: GST @ 18% applicable	GST applies to fees from external participants
Mixed: In-house & outsiders in same course	In-house students: Exempt; External participants: GST @ 18%	GST charged only to external participants

**Note - Mention the enrollment number of the in-house students on the invoice to clearly identify them as part of the formal education program.**

# GST IMPLICATION ON TESTING AND CONSULTANCY SERVICES

## Nature of Testing and Consultancy Services :

- **Testing Services:** Typically, this includes any form of **laboratory testing, examination, assessment, or validation services** offered to **third parties**. These could be in various fields, such as materials testing, product testing, environmental testing, etc.
- **Consultancy Services:** These include advisory or specialized expert services in fields like **engineering, management, design, or project planning**, typically offered to industry clients, other institutions, or government bodies.

# GST Applicability on Testing and Consultancy Services

## TESTING SERVICES:

**Testing Services provided by an educational institution** (such as NIT) **will be taxable under GST** if it is provided to **third-party clients** (i.e., not part of the curriculum for in-house students).

**GST Rate:** Testing services are **taxable at 18%** under **GST** (under HSN 9983).

## CONSULTANCY SERVICES:

Consultancy services provided by an engineering institute are taxable under GST as well, since consultancy is considered a service under the GST law.

**GST Rate:** Consultancy services are **taxable at 18%** under **GST** (under HSN 9982).

# GST on Supply of Online Educational Journals / Periodicals

## **NOTIFICATION NO. 12/2017 – CENTRAL TAX (RATE)**

**Sub-clause (v) of item (b) under entry 66** provided exemption for:

**“supply of online educational journals or periodicals to an educational institution”**

Then it adds a **proviso:**

**“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.”

# Who Gets the Exemption?

Type of Institution	Exemption on Online Journals/Periodicals	GST Status
Universities / Engineering Colleges	<input checked="" type="checkbox"/> Yes – Exempt	<input checked="" type="checkbox"/> No GST
Schools (up to Higher Secondary)	<input checked="" type="checkbox"/> Not Exempt (Excluded)	<input checked="" type="checkbox"/> GST @ 18%
Approved Vocational Training Institutions	<input checked="" type="checkbox"/> Not Exempt (Excluded)	<input checked="" type="checkbox"/> GST @ 18%

# GST on supply of E-Books to Educational Institute

## What is an e-book ?

 As per **Entry 22(i) of Notification no. 11/2017** – Central Tax (Rate)

(amended by Notification no. 13/2018 – CTR dated 26 July 2018)

**Explanation.**—For the purposes of this notification, "e-books" means an **electronic version** of a printed book [falling under tariff item 4901 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)] supplied online which can be read on a **computer or a hand held device**.

**5% GST is applicable from 27 July 2018 onward**

# Advance GST Invoices – Key Concepts & Compliance

## What is an Advance GST Invoice?

An **Advance GST Invoice** (or advance receipt invoice) is issued when:

- An advance payment is **received before the supply of service**.
- 📌 GST becomes **payable at the time of receiving advance**, not at the time of service delivery.

## **Section 13(2) - Time of Supply for Services = earliest of**

<b>Clause</b>	<b>Provision</b>	<b>Trigger</b>
(a)	Invoice issued within due time (30 days)	📅 Earlier of invoice date or advance receipt
(b)	Invoice not issued on time	📅 Earlier of service date or advance receipt

# Issuance of Receipt Voucher

As per **Section 31(3)(d)** of **CGST Act, 2017**:

A **registered person** receiving advance payment must issue a **RECEIPT VOUCHER** or similar document with prescribed particulars.

## Contents of Receipt Voucher

### (Rule 50)

- Name, Address & GSTIN of Supplier
- Serial Number (max 16 characters)
- Date of Issue
- Name, Address & GSTIN/UIN of Recipient
- Description of goods/services
- Amount of advance received
- GST Rate & Tax Amount (CGST/SGST/IGST)
- Place of Supply with State & Code
- Signature/Digital Signature



## When Tax Rate or POS Not Known?

As per **Proviso to Rule 50:**

Situation	GST Treatment
Rate of tax not determinable	Charge GST @ 18%
Nature of supply not determinable	Treat as Inter-State Supply

## What If Supply Doesn't Happen?


Scenario	Action Required
No supply, no tax invoice issued	Issue Refund Voucher (Rule 51)
Tax invoice already issued	Issue Credit Note (Sec. 34)



Refund voucher **must reference** the original receipt voucher.

## GSTR-I Reporting – Table I I

Table	Purpose
I I A	Report new advances received (rate-wise, intra/inter)
I I B	Adjust advance reported earlier with current invoice.

 Report only if **invoice is not issued in same month as advance received.**

### Record Maintenance

- ◇ Every registered person must maintain a **separate account of:**
  - Advances received
  - Advances refunded
  - Adjustments made against invoices
  - Ensure internal tracking and reconciling with returns.

## **GROSSING UP GST ON ADVANCES :**

### **- WHAT DOES "GROSSING UP" MEAN?**

When an advance is received without GST being charged separately, it is treated as tax-inclusive under GST laws.

Hence, you must back-calculate the GST from the total amount received.

### **Grossing up formula :**

$$\text{GST Amount} = \frac{\text{Advance Received} * \text{GST Rate}}{100 + \text{GST Rate}}$$

## **GST Implications on Research Projects :**

- Research is a vital activity in educational & technical institutions.
- Let's understand when GST applies and when it's exempt under entry 44A of Notification 12/2017 – CTR.

### **Entry - 44A of Notification 12/2017 – CT(Rate).**

(Inserted by Notification no. 8/2024-Central Tax (Rate), Dated 8-10-2024, w.e.f. 10-10-2024.)

Research and development services against consideration received in the form of grants supplied by –

- (a) Government Entity; or
- (b) a research association, university, college or other institution, notified under clauses (ii) or (iii) of subsection (1) of section 35 of the Income-tax Act, 1961.

# GST Implications on Research Projects :

**Provided** that the research association, university, college or other institution, notified under clauses (ii) or (iii) of subsection (1) of section 35 of the Income Tax Act, 1961 is so notified at the time of supply of the research and development service

## Regularizing payment of GST on research and development services provided by Government Entities against consideration in the form of grants received from Government Entities.

4.1 The GST Council, in its 54th meeting held on 9-9-2024 recommended exempting research and development services provided by Government Entities or research associations, universities, colleges or other institutions, notified under clause (ii) or (iii) of sub-section (1) of section 35 of the Income-tax Act, 1961, against consideration in the form of grants. The same has been exempted w.e.f. 10-10-2024 vide Notification No. 8/2024-CT (Rate), dated 8-10-2024.

## GST Implications on Research Projects :

4.2 There were certain interpretational issues with respect to the taxability, or otherwise, of supply of research and development services by Government Entities against grants received from the Government Entities like DRDO, CSIR, SERB etc. These issues now stand resolved, for the period starting from 10-10-2024, with the issuance of Notification No. 8/2024-CT(Rate), dated 8-10-2024 which specifically exempted research and development services provided by Government Entities or research associations, universities, colleges or other institutions, notified under clause (ii) or (iii) of sub-section (1) of section 35 of the Income-tax Act, 1961, against consideration in the form of grants.

4.3 Accordingly, for the past period, the Council, in its 55th meeting, has recommended to regularize payment of GST on the supply of research and development services by Government Entities against grants received from the Government **Entities for the period 1-7-2017 to 9-10-2024** on 'as is where is' basis.

4.4 Thus, as recommended by the 55th GST Council, the payment of GST on the supply of research and development services by Government Entities against grants received from the Government Entities is regularized for the period 1-7-2017 to 9-10-2024, on 'as is where is' basis.

Thank you

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