

Office of the
Commissioner of State Tax.
Maharashtra State, 8th Floor,
GST Bhavan, Mazgaon,
Mumbai-400 010.

TRADE CIRCULAR

No. JC (HQ)-1/GST/2021/ADM-8 dated 27.7.2021.

Trade Circular No. 14 T of 2021.

To,

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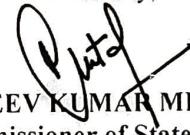
Subject: Clarification regarding GST on supply of various services by Central and State Board (such as National Board of Examination)

Ref: Circular No. 151/07/2021-GST dated the 17 th June, 2021 issued by the CBIC

Central Board of Indirect Taxes and Customs (CBIC) has issued the above referred circular. For the uniformity, it has been decided that the said circular issued by the CBIC is being made applicable, *mutatis mutandis*, in implementation of the MGST Act, 2017. Copy of the referred CBIC circular is attached herewith.

This Trade Circular is clarificatory in nature. Difficulty if any, in the implementation of this Circular may be brought to the notice of the office of the Commissioner of State Tax, Maharashtra.

Yours faithfully,


(RAJEEV KUMAR MITAL)
Commissioner of State Tax,
Maharashtra State, Mumbai.

No. JC (HQ)-1/GST/2021/ADM-8 dated 27.7.2021.

Trade Circular No. 14 T of 2021.

Copy forwarded to the Joint Commissioner of State Tax (Mahavikas) with a request to upload this Trade Circular on the Departments Web-site.

Copy submitted with compliments to,-

- (a) The Deputy Secretary, Finance Department, Mantralaya, Mumbai-21 for information.
- (b) Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.


(VISHAKHA BORSE)
Joint Commissioner of State Tax-HQ-1,
Maharashtra State, Mumbai.

CBIC-190354/36/2021-TRU Section-CBEC
Government of India
Ministry of Finance
Department of Revenue

North Block, New Delhi,
Dated the 17th June, 2021

To,

**The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/ Commissioner of Central Tax (All) /
The Principal Director Generals/ Director Generals (All)**

Madam/Sir,

Sub- Clarification regarding GST on supply of various services by Central and State Board (such as National Board of Examination)-reg.

Certain representations have been received seeking clarification in respect of taxability of various services supplied by Centre and State Boards such as National Board of Examination (NBE). These services include entrance examination (on charging a fee) for admission to educational institution, input services for conducting such entrance examination for students, accreditation of educational institutions or professional so as to authorise them to provide their respective services. The issue was examined by GST Council in its 43rd meeting held on 28th May, 2021.

2. *Illustratively*, NBE provides services of conducting entrance examinations for admission to courses including Diplomat National Board (DNB) and Fellow of National Board (FNB), prescribes courses and curricula for PG medical studies, holds examinations and grant degrees, diplomas and other academic distinctions. It carries out all functions as are normally carried out by central or state educational boards and is thus a central educational board.
3. According to *explanation 3(iv)* of the notification No. 12/ 2017 CTR, “Central and State Educational Boards” are treated as Educational Institution for the limited purpose of providing services by way of conduct of examination to the students.

Therefore, NBE is an 'Educational Institution' in so far as it provides services by way of conduct of examination, including any entrance examination, to the students.

3.1 Following services supplied by an educational institution are exempt from GST vide sl. No. 66 of the notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017,

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;*

3.2 Similarly, services provided to an educational institution, relating to admission to, or conduct of examination is also exempt from GST [sl. No. 66 (b)(iv)- 12/2017-CT(r)].

3.3 Educational institutions are defined at 2(y) of the said notification 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 a part of an approved vocational education course;";*

Further, clause (iv) of Explanation of said notification reads as below:

"(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"

4. Taking into account the above, the GST Council has recommended, to clarify as below:

- (i) GST is exempt on services provided by Central or State Boards (including the boards such as NBE) by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution [**under S. No. 66 (aa) of notif No. 12/2017-CT(R)**]. Therefore, GST shall not apply to any fee or any amount charged by such Boards for conduct of such examinations including entrance examinations.
- (ii) 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)].**

(iii) GST at the rate of 18% applies to other services provided by such Boards, namely of providing accreditation to an institution or to a professional (accreditation fee or registration fee such as fee for FMGE screening test) so as to authorise them to provide their respective services

5. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

(Rajeev Ranjan)
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Tel: 011 2309 5558