Indian Institute of Management, Bangalore (appellant; GSTIN 29AAAAI0405N1ZQ)

Appellate Authority for Advance Ruling — Karnataka

ORDER NO. KAR/AAAR/08/2018-19, DATE: 08/03/2019 Dated **08.03.2019**

Q Questions Before the Authority

- Whether the long duration post graduate diploma/degree granting programmes offered by IIMB, other than those specifically mentioned in Sl. No. 67 of Notification No. 12/2017 CT(Rate) dated 28 June 2017, are exempt from GST in the light of the enactment of the IIM Act, 2017.
- Whether supply of online educational journals or periodicals to IIMB is exempt from reverse charge liability of GST under Sl. No. 66 of Notification No. 12/2017 CT(Rate) dated 28 June 2017 in the light of the enactment of the IIM Act, 2017.

F Facts

IIMB was a registered society until the Indian Institute of Management Act, 2017 came into force on 31 January 2018, after which it became a body corporate. It offers long duration programmes (a 5-year FPM, a 2-year PGP, a 1-year PGPPM, a 2-year PGPEM and a 1-year EPGP) and procures online journals and periodicals from both foreign and domestic publishers. IIMB sought a ruling on whether the Act's enactment brought these programmes and journal purchases within the GST educational exemptions.

H Ruling

Q1: Long duration PG diploma/degree programmes offered by IIMB (other than those in Sl. No. 67) — GST exemption after IIM Act, 2017	**Exempt under Sl. No. 66 of Notification 12/2017 CT(R), with effect from 31.01.2018**	Applies where a degree or diploma is conferred as recommended by the Board of Governors under the IIM Act. For 31.01.2018 to 31.12.2018, IIMB may claim either Sl. No. 66 or Sl. No. 67, whichever is more beneficial.
Q2: Supply of online educational journals or periodicals to IIMB — exemption from reverse charge under Sl. No. 66	**IIMB is eligible for exemption from IGST on supplies received from a person in a non-taxable territory, under Sl. No. 10 of Notification 09/2017 IT(R) as amended**	The order answers under Sl. No. 10 of Notification 09/2017 IT(R), not Sl. No. 66 as asked. For domestic supplies it refers to Sl. No. 66(b)(v) for intra-state supplies and Sl. No. 69 of 09/2017 IT(R) for inter-state supplies.

The Appellate Authority set aside the Advance Ruling of 25.10.2018. It held that, from 31 January 2018, long duration post graduate diploma/degree programmes where a degree or diploma is conferred under the IIM Act are **exempt under Sl. No. 66** of Notification 12/2017 CT(R). For 31 January 2018 to 31 December 2018, IIMB may choose between Sl. No. 66 and Sl. No. 67. It also held that IIMB is **eligible for IGST exemption** on online journals received from a supplier in a non-taxable territory under Sl. No. 10 of Notification 09/2017 IT(R).

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

R Reasoning

The Authority reviewed the history of IIMs, which before the IIM Act could not award recognised degrees and so did not fall within the 'educational institution' definition in clause 2(y) of Notification 12/2017 CT(R) for the period 1 July 2017 to 30 January 2018. Once the Act conferred degree-granting power from 31 January 2018, IIMB came within clause 2(y)(iii), which covers education as part of a curriculum for a qualification recognised by law. For the overlap period to 31 December 2018, when Sl. No. 67 was deleted, the Authority applied the principle that an assessee may claim the more beneficial of two available exemptions, citing H.C.L. Ltd, Collector of Central Excise Baroda v. Indian Petro Chemicals, Share Medical Care and CCE v. Maruthi Foam. On journals, IIMB was held to be an educational institution offering a recognised qualification, so Sl. No. 10 of Notification 09/2017 IT(R) applied.

P Provisions Relied On

- Section 101 of the CGST Act, 2017 and the KGST Act, 2017 (appellate powers)
- Section 100 of the CGST Act, 2017 and KGST Act, 2017 (appeal to the Appellate Authority)
- Section 99 of the KGST Act, 2017 (constitution of the Authority, by Government of Karnataka Order FD 47 CSL 2017)
- Indian Institute of Management Act, 2017 (Section 4 cited for body corporate status; power to confer degrees and diplomas)
- Notification No. 12/2017 CT(R) dated 28.06.2017, Sl. No. 66 (Heading 9992, services by and to educational institutions), as a…
- Notification No. 12/2017 CT(R) dated 28.06.2017, clause 2(y) (definition of 'educational institution')
- Notification No. 12/2017 CT(R) dated 28.06.2017, Sl. No. 67 (IIM programmes), deleted by Notification No. 28/2018 CT(R) da…
- Notification No. 09/2017 IT(R) dated 28.06.2017, Sl. No. 10(ba) (online journals from a non-taxable territory), as amended by…
- Notification No. 09/2017 IT(R), Sl. No. 69 (inter-state supplies of online journals, as cited in para 16)
- CBIC Circular No. 82/01/2019-GST dated 01.01.2019 (printed as 82/2019 in para 5)
- Case law: H.C.L. Ltd v. Collector of Customs (2001); Collector of Central Excise, Baroda v. Indian Petro Chemicals (1997); S…

! For the Practitioner

This order is useful for IIMs and other institutes that have acquired degree-granting powers by statute. It settles that IIMB's long duration degree and diploma programmes are exempt under Sl. No. 66 from 31 January 2018, and that the Sl. No. 66 and Sl. No. 67 exemptions could both be claimed until Sl. No. 67 was deleted. It does not decide the position for the period 1 July 2017 to 30 January 2018, which the Authority treated as outside Sl. No. 66, nor does it decide the position for executive education certificate programmes. Practitioners should read the order before relying on the journal ruling, since it answers under Sl. No. 10 of Notification 09/2017 IT(R) rather than Sl. No. 66 as framed.

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 -> kar_aaar_08-2018-19-iim-bangalore.pdf

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