Indian Institute of Management, Prabandh Shikhar, Rau-Pithampur Road, Indore (M.P.) 453556 (appellant; GSTIN 23AAAJI0057R1Z3)

Appellate Authority for Advance Ruling — Madhya Pradesh

Order No. MP/AAAR/01/2019/02 dated 02.02.2019 (the order's footer read… Dated **02.03.2019**

Q Questions Before the Authority

- Whether the Executive Post Graduate Programme in Management (EPGP) of IIM Indore, a one-year full-time diploma course, is exempt from GST after the Indian Institutes of Management Act, 2017 came into force w.e.f. 31-01-2018.

F Facts

IIM Indore runs the EPGP, an intensive one-year full-time diploma programme in management for executives, with successful candidates awarded an Executive Post Graduate Diploma at the annual convocation. The Authority for Advance Ruling had held the EPGP taxable at GST rates, reasoning that entry 67 of Notification 12/2017-CT(Rate) expressly excludes it from exemption. The appellant argued that the IIM Act, 2017 empowers IIMs to grant diplomas, bringing it within the 'educational institution' exemption at entry 66.

H Ruling

Whether the one-year full-time EPGP of IIM Indore is exempt from GST after the IIM Act, 2017 took effect on 31-01-2018	**Exempt from GST from 31-01-2018 onwards**	Relies on Circular 82/01/2019-GST paras 4.1 to 4.5 and 5. For 1 July 2017 to 30 January 2018 only the entry 67 programmes were exempt, and short executive programmes remain taxable. The position between 31 January and 31 December 2018 rests on the more-beneficial-exemption principle.

The Appellate Authority held that the **one-year full-time EPGP is exempt from GST from 31 January 2018 onwards** , in light of Circular No. 82/01/2019-GST. The order relies on the circular's view that all IIMs became 'educational institutions' from 31 January 2018 and that long-duration programmes conferring a degree or diploma, including one-year post-graduate programmes for executives, are exempt. The order appears to reverse the AAR's contrary ruling on the EPGP, though the prayer for setting aside the ruling is not expressly disposed of in the legible text.

R Reasoning

From 31 January 2018 the IIM Act, 2017 empowered IIMs to grant degrees and diplomas, so IIMs fall within clause 2(y)(ii) of Notification 12/2017-CT(Rate) as institutions providing education as part of a curriculum for a qualification recognised by law. The Authority accepted that entry 66 and entry 67 could both apply in that window, and that an assessee may take the more beneficial exemption. Relying on the circular, it treated

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long-duration programmes conferring a diploma, including the one-year PGPX, as exempt, and distinguished short executive development programmes. Entry 67 was later omitted by Notification 28/2018-CT(Rate) with effect from January 2019. The order also notes the rule of strict construction raised by the appellant.

P Provisions Relied On

- Central Goods and Services Tax Act, 2017, section 100 (appeal) and section 101 (appellate authority)
- Madhya Pradesh Goods and Services Tax Act, 2017 (corresponding provisions)
- Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, entry 66 (educational institutions), entry 67 (IIM programmes)...
- Notification No. 11/2017-Central Tax (Rate) dated 28.06.2018 (CGST rate on intra-State supply)
- Notification No. 28/2018-Central Tax (Rate) dated 31.12.2018 (deletion of entry 67)
- Indian Institutes of Management Act, 2017, section 7(f) (power to grant degrees and diplomas)
- Circular No. 82/01/2019-GST dated 01.01.2019, paras 4.1 to 4.9 and 5
- Minutes of the 31st GST Council meeting dated 22.12.2018

! For the Practitioner

This order is useful for IIMs and other institutes running one-year diploma programmes after 31 January 2018, since it treats them as exempt under entry 66 read with the circular. It also supports the view that short executive programmes remain taxable. It does not decide the position for the period 1 July 2017 to 30 January 2018 beyond the circular's summary, and it rests largely on a departmental circular rather than on the statutory text itself. Read the full order before relying on it for a particular programme, since the circular's classification of programmes is expressly presented as an example list.

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 -> mp_aaar_01_2019_02_iim.pdf

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