M/s Arivu Educational Consultants Pvt. Ltd.

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 116/2019, dated 30th September 2019 Dated **30.09.2019**

Q Questions Before the Authority

- Does the activity of collecting exam fee (charged by any university or institution) from the students and remitting it to that particular university or institution without any value addition to it amount to a taxable service?

F Facts

The applicant, a private limited company, provides coaching, learning and training services for undergraduate, graduate, post-graduate, diploma and professional courses. In the course of this work it collects exam fees from students and remits them in bulk to the relevant institution, university or college, or to CIMA in the case of CIMA exam fees, without any profit element. The exam fee is shown separately in the invoice issued to each student, and the applicant says it acts only on the student's authorisation.

H Ruling

Collecting exam fee from students and remitting it to the university or institution without value addition	**Is a service as a pure agent; the exam fee value is excluded from the taxable value**	Applies only where the Rule 33 pure agent conditions are met: payment on the student's authorisation, the payment separately shown in the invoice, and only the actual amount received and remitted. Coaching fees are outside this ruling.

The Authority held that collecting exam fee from students and remitting it to the university or institution without any value addition is a service as a **pure agent** . On that basis the exam fee value is **excluded from the taxable value** under Rule 33 of the CGST Rules and the corresponding KGST Rules. The ruling does not extend to the coaching or training fees, which the applicant accepts are taxable.

R Reasoning

The Authority recorded that the applicant's coaching fees attract GST at 18 percent, and that this was not the subject of the ruling. It then examined whether the applicant qualified as an educational institution under para 2(y) of Notification No. 12/2017-Central Tax (Rate) and concluded it did not, since it has no prescribed curriculum and awards no qualification. Turning to the exam fee, the Authority applied the pure agent definition in the Explanation to Rule 33 of the CGST Rules and found that the applicant collects and remits the exact amount on the student's authorisation, without profit, and shows it separately in the invoice. On that basis it held that all conditions of Rule 33 were satisfied and the exam fee was excluded from the value of supply.

P Provisions Relied On

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

Section 98(4) of the CGST Act, 2017 and the corresponding section of the KGST Act, 2017

Section 97 of the CGST Act, 2017 and the KGST Act, 2017 (basis of the application), read with Rule 104 of the CGST Rules…

Rule 33 of the CGST Rules, 2017 (value of supply of services in case of pure agent), with its Explanation, and the correspond…

Notification No. 12/2017-Central Tax (Rate), dated 28 June 2017, para 2(y) (definition of educational institution)

! For the Practitioner

This ruling helps coaching and education intermediaries that collect exam or registration fees for onward payment to universities, institutes or bodies such as CIMA. It confirms that the pass-through amount can be excluded from taxable value if the Rule 33 pure agent conditions are documented. It does not decide whether the applicant's own coaching fees are taxable at a particular rate, which the Authority left open. It also does not address cases where the intermediary retains a margin, lacks the student's authorisation, or does not show the exam fee separately on the invoice. As an advance ruling it binds only the applicant.

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_aar_116_2019_aecpl_30.09.19.pdf

Prepared 11-11-2026.

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