

IL&FS Education and Technology Services Ltd.

Authority for Advance Ruling — Maharashtra

NO.GST-ARA- 48/2017-18/B-55

Dated **25.06.2018**

Q Questions Before the Authority

- Whether the training services provided by the Applicant are covered under the scope of Entry No. 72 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 read with Entry No. 72 of Notification No. 12/2017-State Tax (Rate) dated 29.06.2017 to the services provided by the Applicant under the ICT @ School Project?

F Facts

The Applicant entered into an agreement on a Build, Own, Operate and Transfer (BOOT) model with the Director of Education (Secondary and Higher Secondary), Government of Maharashtra, to implement the ICT @ School Project across designated government-aided schools. The contract scope included supply and installation of computer hardware, software, site preparation (flooring, furniture, electrical fittings, LAN), equipment maintenance, and imparting computer training to students and teachers for five years. At the conclusion of the five-year period, the entire infrastructure was to be transferred to the government department at a nominal value of Re. 1/-.

H Ruling

Applicability of Entry No. 72 of Notification No. 12/2017-Central Tax (Rate) to services under ICT @ School Project

Answered in the negative

Supply of goods and services under the project is not in compliance with all conditions of the exemption notification

The Authority held that the exemption under Entry No. 72 of Notification No. 12/2017-Central Tax (Rate) is **not applicable** to the Applicant's supply under the ICT @ School Project. The project involves a combined supply of goods (hardware, software, infrastructure) and services rather than purely a service rendered under a training programme. Consequently, the transaction fails to fulfill the prerequisite conditions of the exemption notification and is subject to GST.

R Reasoning

Entry No. 72 of Notification No. 12/2017-Central Tax (Rate) exempts services provided to the Government under a training programme where total expenditure is borne by the Government. The Authority observed that the Applicant's contract involves distinct components including procurement of hardware, site setup, long-term equipment maintenance, and deployment of faculty. This arrangement constitutes a **composite supply of goods and services** where computer training is not the principal or sole supply. Furthermore, under Para 1(c) of Schedule II of the CGST Act, 2017, the agreement to transfer title in goods at a future date upon payment of consideration qualifies as a supply of goods. Because the contract encompasses taxable supplies of goods

alongside services, it does not qualify as purely a service provided under a training programme.

P Provisions Relied On

Entry No. 72 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Entry No. 72 of Notification No. 12/2017-State Tax (Rate) dated 29.06.2017

Schedule II Para 1(c) of the CGST Act, 2017

Section 97 of the CGST Act, 2017

! For the Practitioner

Turnkey contracts under BOOT models involving infrastructure creation, hardware supply, maintenance, and training cannot claim exemption under Entry 72 of Notification 12/2017-Central Tax (Rate) as **pure training services**. Practitioners should advise clients that bundling equipment supply and maintenance with educational training creates a composite taxable supply subject to standard GST rates.

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 -> mah_aar_48_2017-18_b-55_25.06.2018_il_fset.pdf

Prepared 19-10-2026.

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