

M/s MANIPAL ACADEMY FOR HIGHER EDUCATION

Authority for Advance Ruling — Karnataka

KAR ADRG 07 / 2018 Dated 23rd April, 2018

Dated 23.04.2018

Q Questions Before the Authority

- Whether the amount recovered from post graduate course candidates as compensation on certain contingencies, is liable to GST in the hands of Manipal Academy of Higher Education?
- Whether the amount recovered from employees as notice pay recovery for not serving agreed notice period is liable for GST?
- Whether fees forfeited from students on discontinuing the course, before the term, is liable to GST?

F Facts

The applicant is engaged in providing educational and healthcare services to the general public. It enters into agreements with post-graduate course candidates to undergo studies and subsequently serve in its constituent units or affiliated hospitals for a minimum period of three years. The applicant recovers liquidated compensation, notice pay, or forfeited fees if candidates or employees discontinue courses, fail to join employment, or leave before completing the mandatory notice or service periods.

H Ruling

The Authority for Advance Ruling **dismissed the application as withdrawn** upon the written request of the applicant. No substantive ruling was pronounced on the taxability of compensation, notice pay recoveries, or forfeited fees.

R Reasoning

During the course of the proceedings, the applicant submitted a letter dated 19.02.2018 informing the Authority of its intent to withdraw the application. Since the applicant explicitly requested permission to withdraw the Form GST ARA-01, the Authority permitted the withdrawal without adjudicating the questions on merits.

P Provisions Relied On

Section 97 of the CGST Act, 2017

Section 98(4) of the CGST Act, 2017

Section 98(4) of the KGST Act, 2017

! For the Practitioner

This order carries **no legal precedent** on the GST implications of notice pay recoveries, course fee forfeitures, or candidate breach compensation, as the matter was dismissed as withdrawn before adjudication.

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 -> 07-manipal_academy-1-aar-order.pdf

Prepared 17-10-2026.

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