

**GOVERNMENT OF ASSAM**  
**OFFICE OF THE COMMISSIONER OF TAXES, ASSAM :: KAR BHAWAN**  
**DISPUR, GUWAHATI-6**

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**CIRCULAR NO. 36/2019-GST**

Dated Dispur the 30th January, 2019.

**Subject : Applicability of GST on various programmes conducted by Indian Institute of Managements (IIMs) – Reg.**

**No. CT/GST-15/2017/287.** — Representations have been received seeking clarification as regards the scope and coverage of entry No. 195B of the Schedule II to notification No. 1/2017-(Rate) [FTX.56/2017/14 dated 29.06.2017]. The entry No. 195B was inserted vide notification No. 6/2018-(Rate) [FTX.56/2017/Pt-III/76 dated 21.02-2018].

I am directed to invite your attention to the Indian Institutes of Management Act, 2018 which came into force on 31<sup>st</sup> January, 2018. According to provisions of the IIM Act, all the IIMs listed in the schedule to the IIM Act are “institutions of national importance”. They are empowered to (i) grant degrees, diplomas, and other academic distinctions or titles, (ii) specify the criteria and process for admission to courses or programmes of study, and (iii) specify the academic content of programmes. Therefore, with effect from 31<sup>st</sup> January, 2018, all the IIMs are “educational institutions” as defined under notification No. 12/2017-(Rate) [FTX.56/2017/25 dated 29.06.2017] as they provide education as a part of a curriculum for obtaining a qualification recognised by law for the time being in force.

2. At present, Indian Institutes of Managements are providing various long duration programs (one year or more) for which they award diploma/ degree certificate duly recommended by Board of Governors as per the power vested in them under the IIM Act, 2017. Therefore, it is clarified that services provided by Indian Institutes of Managements to their students \_ in all such long duration programs (one year or more) are exempt from levy of GST. As per information received from IIM Ahmedabad, annexure 1 to this circular provides a sample list of programmes which are of long duration (one year or more), recognized by law and are exempt from GST.
3. For the period from 1<sup>st</sup> July, 2017 to 30<sup>th</sup> January, 2018, IIMs were not covered by the definition of educational institutions as given in notification No. 12/2017-(Rate) [FTX.56/2017/25 dated 29.06.2017]. Thus, they were not entitled to exemption under Sl. No. 66 of the said notification. However, there was specific exemption to following three programs of IIMs under Sl. No. 67 of notification No. 12/2017-(Rate) [FTX.56/2017/25 dated 29.06.2017] –
  - (i) two-year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of



Common Admission Test (CAT) conducted by the Indian Institute of Management,

- (ii) fellow programme in Management,
- (iii) five years integrated programme in Management.

Therefore, for the period from 1<sup>st</sup> July, 2017 to 30<sup>th</sup> January, 2018, GST exemption would be available only to three long duration programs specified above.

4. It is further, clarified that with effect from 31<sup>st</sup> January, 2018, all IIMs have become eligible for exemption benefit under Sl. No. 66 of notification No. 12/2017-(Rate) [FTX.56/2017/25 dated 29.06.2017]. As such, specific exemption granted to IIMs vide Sl. No. 67 has become redundant. The same has been deleted vide notification No.28/2018 dated, 31<sup>st</sup> December, 2018 w.e.f. 1<sup>st</sup> January 2019.
5. For the period from 31<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2018 two exemptions- under Sl. No. 66 and under Sl. No. 67 of notification No. 12/ 2017- Central Tax (Rate), dated 28.06.2017 available to IIMs. The legal position in such situation has been clarified by Hon'ble Supreme Court in many cases that if there are two or more exemption notifications available to an assessee, the assessee can claim the one that is more beneficial to him. Therefore, from 31<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2018, IIMs can avail exemption either under Sl. No 66 or Sl. No. 67 of the said notification for the eligible programmes. In this regard following case laws may be referred-
  - i. H.C.L. Limited vs Collector of Customs [2001 (130) ELT 405 (SC)]
  - ii. Collector of Central Excise, Baroda vs Indian Petro Chemicals [1997 (92) ELT 13 (SC)]
  - iii. Share Medical Care vs Union of India reported at 2007 (209) ELT 321 (SC)
  - iv. CCE vs Maruthi Foam (P) Ltd. [1996 (85) RLT 157 (Tri.) as affirmed by Hon'ble Supreme Court vide 2004 (164) ELT 394 (SC)]
6. Indian Institutes of Managements also provide various short duration/ short term programs for which they award participation certificate to executives/ professionals as they are considered as "participants" of the said programmes. These participation certificates are not any qualification recognized by law. Such participants are not considered as students of Indian Institutes of Management. Services provided by IIMs as an educational institution to such participants is not exempt from GST. Such short duration executive programs attract standard rate of GST @ 18% (CGST 9% + SGST 9%). As per information received from IIM Ahmedabad, annexure 2 to this circular provides a sample list of programmes which are short duration executive development programs, available for participants other than students and are not exempt from GST.
7. Following summary table may be referred to while determining eligibility of various programs conducted by Indian Institutes of Managements for exemption from GST.



Sl. No.	Periods	Programmes offered by Indian Institutes of Management	Whether exempt from GST
(1)	(2)	(3)	(4)
1	1 <sup>st</sup> July, 2017 to 30 <sup>th</sup> January, 2018	i. two-year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the Indian Institute of Management, ii. fellow programme in Management, iii. five years integrated programme in Management.	Exempt from GST
		i. One- year Post Graduate Programs for Executives, ii. Any programs other than those mentioned at Sl. No. 67 of notification No. 12/2017-(Rate) [FTX.56/2017/25 dated 29/06/2017]. iii. All short duration executive development programs or need based specially designed programs (less than one year).	Not exempt from GST
2	31 <sup>st</sup> January, 2018 onwards	All long duration programs (one year or more) conferring degree/ diploma as recommended by Board of Governors as per the power vested in them under the IIM Act, 2017 including one- year Post Graduate Programs for Executives.	Exempt from GST
		All short duration executive development programs or need based specially designed programs (less than one year) which are not a qualification recognized by law.	Not exempt from GST

8. This clarification applies, *mutatis mutandis*, to corresponding entries of respective IGST and CGST exemption notifications. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.
9. This Circular is clarificatory in nature and not meant for any interpretation of provisions of the Act and rules.
10. Difficulties, if any, in implementation of the above instructions may be brought to the notice of the Commissioner at an early date.

11. This Circular shall be deemed to have come into force with effect from the 1st January, 2019.


Sd/- Anurag Goel, IAS.,  
Commissioner of State tax, Assam,  
Dispur, Guwahati

Memo No. CT/GST-15/2017/287-A

Dated Dispur the 30th January, 2019.

Copy to :

1. The Additional Chief Secretary to the Government of Assam, Finance Department, Dispur, Guwahati-6 for favour of kind information.
2. The Commissioner & Secretary to the Government of Assam, Finance (Taxation) Department, Dispur, Guwahati-6 for favour of kind information.
3. The Commissioner of Central GST, Guwahati / Dibrugarh for information.
4. The Special Commissioner of State tax / Additional Commissioner of State tax (All) / Joint Commissioner of State tax (All) for information.
5. The Deputy Commissioner of State tax (All) / Assistant Commissioner of State tax (All) / Superintendent of State tax (All) / Inspector of State tax (All) for information and necessary action.
6. The Information Technology Officer, Office of the Commissioner of State tax, Assam for uploading it on the website of the Commissionerate for information of all concerned.

  
Commissioner of State tax, Assam,  
Dispur, Guwahati

### **Annexure 1: (Programmes exempt under GST Law)**

The IIM- Ahmedabad refers such persons as their students who attend long duration programmes offered by the Institute for which diplomas / degrees are awarded by the Institute. These programmes are awarded based on the recommendation by the Board of Governors as per the power vested in them under the IIM Act, 2017. Such programmes are:

1. Post-Graduate Programme (PGP) – 2-year program
2. Post-Graduate Programme in Food and Agri-Business Management (PGP-FABM) – 2-year program
3. Fellow Programme in Management (FPM) – 4 to 5-year program
4. Post-Graduate Programme in Management for Executives (PGPX) – 12 months (1 year) full time program
5. ePost-Graduate Programme (ePGP) – 2-year online program.

This list is an example of long duration programs recognised under IIM Act, 2017 offered by IIM Ahmedabad. Similar programs offered by other IIMs of India may kindly be referred by IIMs and tax authorities during assessment.



## **Annexure 2: Programmes not exempt under GST Law**

The executives / professionals doing short term courses (less than one year) are considered as “participants” of the programmes of the IIM Ahmedabad:

1. Armed Forces Programme
2. Faculty Development Programme
3. Executive Education
  - a. Customized Executive Programmes
  - b. Open Enrolment Programme

This list is an example of short duration executive development programs offered by IIM Ahmedabad which are available to participants. Similar programs offered by other IIMs of India may kindly be referred by IIMs and tax authorities during assessment.

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