F. No. 354/428/2018-TRU
Government of India
Ministry of Finance
Department of Revenue
Tax research Unit
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Room No. 146, North Block,
New Delhi, the 1st January, 2019

To:

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/ Commissioner of Central Tax (All) /
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

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

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I am directed to invite your attention to the Indian Institutes of Management Act, 2018 which came into force on 31st 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 31st January, 2018, all the IIMs are "educational institutions" as defined under notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017 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 1st July, 2017 to 30th January, 2018, IIMs were not covered by the definition of educational institutions as given in notification No. 12/ 2017 Central Tax (Rate)

dated 28.06.2017. 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- Central Tax (Rate): –

(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 1st July, 2017 to 30th January, 2018, GST exemption would be available only to three long duration programs specified above.

4. It is further, clarified that with effect from 31st January, 2018, all IIMs have become eligible for exemption benefit under Sl. No. 66 of notification No. 12/ 2017- Central Tax (Rate) dated 28.06.2017. As such, specific exemption granted to IIMs vide Sl. No. 67 has become redundant. The same has been deleted vide notification No. 28/2018- Central Tax (Rate) dated, 31st December, 2018 w.e.f. 1st January 2019.

5. For the period from 31st January, 2018 to 31st December, 2018, two exemptions, i.e. under Sl. No. 66 and under Sl. No. 67 of notification No. 12/ 2017- Central Tax (Rate), dated 28.06.2017 are available to the 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 31st January, 2018 to 31st 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 the 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 also 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	1st July, 2017 to 30th 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- Central Tax (Rate), dated 28.06.2017. iii. All short duration executive development programs or need based specially designed programs (less than one year).	Not exempt from GST
2	31st 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

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		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, UTGST, SGST exemption notifications. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.

Yours Faithfully,

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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.

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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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