RAVINDER GUPTA & ASSOCIATES

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GST ON EDUCATIONAL INSTITUTIONS

A Comprehensive Reference Guide

Updated Edition — June 2025

Covering All Activities of Schools • Colleges • Universities

SAC / HSN Codes • Exemptions • Taxable Services • ITC • RCM

Recent Amendments • Advance Rulings • Key Circulars

Article Note: This article replaces the earlier Service Tax article on Educational Institutions. Service Tax stood subsumed in GST from 1 July 2017. All references are to the CGST Act 2017, IGST Act 2017, and related Notifications / Circulars as amended up to June 2025. The key notifications are: Notification No. 12/2017-CT(Rate) as amended by Notifications 02/2018, 28/2018, 01/2023, and 08/2024-CT(Rate). For professional advice specific to your institution, consult Ravinder Gupta & Associates.

1. THE GST FRAMEWORK AND EDUCATION

India's education system is one of the world's largest, comprising over 1.5 million schools, 45,000 colleges, and 1,000+ universities catering to more than 350 million students. The sector is broadly divided into core education (schools, higher education) and non-core or supplementary education (coaching, vocational training, online learning).

The Goods and Services Tax (GST), introduced from 1 July 2017, replaced Service Tax, VAT, and other indirect taxes. For educational institutions, the guiding principle is: CORE EDUCATION IS EXEMPT; COMMERCIAL AND ANCILLARY ACTIVITIES MAY BE TAXABLE.

1.1 Legal Framework for GST on Education

Legislation / Notification	Subject	Key Relevance for Education
CGST Act, 2017 — Section 9	Levy of GST on intra-state supplies	Basis of GST applicability on all educational services
IGST Act, 2017 — Section 5	Levy of GST on inter-state supplies	IGST on online education, import of services
Notification 11/2017-CT(Rate)	GST rate schedule for services	Heading 9992 (Education Services) — 18% general rate
Notification 12/2017-CT(Rate) — Sl. No. 66	Exemption for educational institutions	Core basis of education exemptions — as amended
Notification 02/2018-CT(Rate)	Amendment — boards as educational institutions	Boards treated as EI for conduct of examinations
Notification 28/2018-CT(Rate)	Amendment — vocational training	Clarification on approved vocational courses
Notification 01/2023-CT(Rate)	Amendment — NTA & entrance exam bodies	Any govt. body conducting entrance exams treated as EI
Notification 08/2024-CT(Rate)	Amendment — NCVET, govt. school affiliation	NCVET replaces NCVT; govt. school affiliation exempt
Circular 234/28/2024-GST (11 Oct 2024)	Affiliation services clarification	University→College affiliation: 18% GST; Board→Govt. school: Exempt
Circular 82/01/2019-GST	IT services to educational institutions	Clarification on software/IT services to schools
Circular 151/07/2021-GST	Accreditation by boards taxable	Board accreditation services confirmed taxable at 18%
Section 17(2), CGST Act	ITC restriction	ITC blocked on inputs used for exempt educational supplies
Section 17(5), CGST Act	Blocked credit	Specific inputs where ITC not available
Notification 13/2017-CT(Rate) — RCM	Reverse Charge Mechanism	RCM on specified services procured by educational institutions

1.2 What is 'Supply' under GST?

Under the CGST Act, 2017, GST applies to 'supply' of goods or services for consideration. Educational services are 'services' under the Act. However, activities carried out by the Government or a local authority (such as government schools or municipal colleges) in their sovereign capacity are NOT supply under Schedule III of the CGST Act and are therefore NOT subject to GST — irrespective of any consideration charged.

2. DEFINITION OF 'EDUCATIONAL INSTITUTION' UNDER GST

The definition of 'Educational Institution' is critical — it determines whether an institution qualifies for the broad GST exemptions under Entry 66 of Notification 12/2017-CT(Rate). An entity that does NOT qualify as an 'Educational Institution' under GST cannot claim these exemptions, even if it provides educational services.

2.1 Statutory Definition

As per Notification 12/2017-CT(Rate) as amended, an 'Educational Institution' means an institution providing services by way of:

1. Pre-school education and education UP TO HIGHER SECONDARY SCHOOL or equivalent (i.e., nursery, KG, Class I to XII, up to Class XII / Standard 12 / Senior Secondary level), OR
2. Education as a part of a CURRICULUM for obtaining a QUALIFICATION RECOGNISED BY ANY LAW (i.e., degree, diploma, or certificate courses leading to a qualification recognised by statute — UGC Act, AICTE Act, Medical Council Act, Bar Council Act, etc.), OR
3. Education as part of an APPROVED VOCATIONAL EDUCATION COURSE (as defined below).

	Scope of 'Qualification Recognised by Law': This covers: Degree courses by UGC-recognised universities (B.A., B.Com, B.Sc, M.A., M.Com, MBA, LLB, B.Ed, MBBS, B.Arch, etc.), Diploma courses by AICTE/SBTE approved polytechnics, Medical/Dental/Nursing courses approved by NMC/DCI/INC, CA/CMA/CS courses by ICAI/ICMAI/ICSI (which are recognised qualifications), Law courses by BCI, etc. Commercial coaching, private tutorials, and coaching classes do NOT qualify — they do not lead to a 'qualification recognised by law'.

2.2 Approved Vocational Education Course

As per Notification 12/2017-CT(Rate) amended by Notification 08/2024-CT(Rate), 'Approved Vocational Education Course' means:

- A course run by an Industrial Training Institute (ITI) or Industrial Training Centre (ITC) affiliated to the National Council for Vocational Education and Training (NCVET) or State Council for Vocational Training (SCVT), offering courses in DESIGNATED TRADES notified under the Apprentices Act, 1961, OR
- A Modular Employable Skill Course (MES), approved by NCVET, run by a person registered with the Directorate General of Training, Ministry of Skill Development and Entrepreneurship.

	NCVET replaces NCVT: The National Council for Vocational Education and Training (NCVET) was established by the Government in 2018 and has replaced the National Council for Vocational Training (NCVT). Notification 08/2024-CT(Rate) dated October 2024 updated the GST notifications accordingly. Institutions affiliated to NCVT that have transitioned to NCVET affiliation continue to qualify. NSDC-approved courses under Skill India remain exempt under Entry 69.

2.3 Extended Definition — Special Cases

The definition of 'Educational Institution' has been further extended by amendments:

Amendment	Notification	Extended Category	Purpose
2018	02/2018-CT(Rate)	Central and State Educational Boards/Councils	Treated as EI for the limited purpose of CONDUCT OF EXAMINATIONS to students
2023	01/2023-CT(Rate)	Any authority, board or body set up by Govt. (including NTA) for conduct of ENTRANCE EXAMINATIONS	Exempt for conduct of entrance exams — JEE, NEET, CUET, CLAT, etc.
2024	08/2024-CT(Rate)	Government schools (for affiliation from boards)	Affiliation services to govt. schools by educational boards: exempt

2.4 Who Does NOT Qualify as an 'Educational Institution'?

The following do NOT qualify as 'Educational Institutions' under GST and CANNOT claim the exemptions available under Entry 66:

- Private coaching centres and tuition classes (JEE, NEET, UPSC, competitive exam preparation)
- Commercial training institutes (IT training, language classes, spoken English, personality development)
- Online education platforms and EdTech companies (unless their courses form part of a recognised curriculum)
- Distance education programmes NOT leading to a qualification recognised by law
- Yoga/meditation centres, dance/music academies operating commercially
- Certificate courses by private institutions not recognised under any statutory framework
- Management Development Programmes (MDP), Executive Education, and short-term corporate training

3. SAC / HSN CODES FOR EDUCATION SERVICES — HEADING 9992

Under GST, services are classified using Service Accounting Codes (SAC) which are part of the broader HSN (Harmonised System of Nomenclature) framework. All education services fall under HEADING 9992 of the Scheme of Classification of Services (Notification 11/2017-CT(Rate) Annexure).

SAC Code	Group / Service	Description	GST Rate (if not exempt)
9992		EDUCATION SERVICES (entire heading)	18% general rate (if taxable)
	Group 99921	PRE-PRIMARY EDUCATION SERVICES	
999210		Pre-primary education services (Nursery, KG, LKG, UKG, Montessori)	NIL if by recognised EI; 18% otherwise
	Group 99922	PRIMARY EDUCATION SERVICES	
999220		Primary education services (Classes I to V/VIII — as applicable)	NIL if by recognised EI; 18% otherwise
	Group 99923	SECONDARY EDUCATION SERVICES	
999231		Secondary education services — general (Classes VI/VIII to X)	NIL if by recognised EI; 18% otherwise
999232		Secondary education services — technical and vocational (ITI, polytechnic)	NIL if by recognised EI; 18% otherwise
	Group 99924	HIGHER EDUCATION SERVICES	
999241		Higher education — general (UG/PG arts, science, commerce, social sciences)	NIL if recognised degree/diploma per law
999242		Higher education — technical (engineering, B.Tech, M.Tech, MCA, B.Arch)	NIL if recognised degree/diploma per law
999243		Higher education — vocational (vocational degree/diploma by recognised body)	NIL if approved vocational course
999249		Other higher education services (integrated programmes, research, Ph.D.)	NIL if recognised degree/diploma per law
	Group 99925	SPECIALISED EDUCATION SERVICES	
999259		Specialised education services (medical, dental, nursing, law, architecture, pharmacy — recognised)	NIL if recognised degree/diploma per law
	Group 99929	OTHER EDUCATION AND TRAINING SERVICES	
999291		Cultural education services (fine arts, music, dance — standalone commercial)	18%
999292		Sports and recreation education services (swimming, tennis academies — commercial)	18%
999293		Commercial training and coaching services (JEE, NEET coaching, language classes, IT training)	18%
999294		Other education and training services NEC (corporate training, MDP, executive education)	18%
999295		Services involving conduct of examination for admission to educational institutions	NIL if by EI or govt. body; 18% if commercial
999299		Other educational support services (consulting, counselling, educational	18%

		research services)	

	Practical SAC Code Application: Schools (Classes I–XII): SAC 999220 (primary), 999231 (secondary general), 999232 (secondary vocational). Engineering colleges: SAC 999242. Medical colleges: SAC 999259. General degree colleges: SAC 999241. Coaching institutes: SAC 999293 (commercial training). ITIs: SAC 999232. Research institutions/universities: SAC 999249. Exam bodies (NTA, CBSE): SAC 999295.

4. GST EXEMPTIONS — ENTRY 66, NOTIFICATION 12/2017-CT(RATE)

Entry 66 of Notification 12/2017-CT(Rate) is the principal exemption provision for educational institutions under GST. It grants exemptions in two directions: (A) Services BY an Educational Institution, and (B) Services TO an Educational Institution.

4.1 Services BY an Educational Institution — Exempt

(A) Core Services to Students, Faculty and Staff

Services provided BY an Educational Institution TO its students, faculty and staff are exempt from GST. This is the broadest exemption and covers:

- Tuition fees, course fees, admission fees, examination fees — charged by the institution itself
- Lab, library, reading room access charges
- Placement and career counselling services to enrolled students
- Convocation/graduation ceremony services (including robe rental, certificate issuance)
- Student activity fees, sports fees, cultural activity fees — if charged by the institution
- Educational excursions and study tours — if naturally bundled with education
- All academic support services — tutorials, workshops, seminars — for enrolled students
- Hostel and boarding services — if provided by the educational institution itself as part of the composite supply of education (see Composite Supply rules)

Example: An engineering college charges: (a) tuition fees ₹1,50,000; (b) library fee ₹5,000; (c) lab fee ₹10,000; (d) hostel fee ₹40,000 (composite with education). ALL are exempt under Entry 66 as services by an Educational Institution to its students.

(B) Conduct of Entrance Examinations

Services provided by an Educational Institution by way of CONDUCT OF ENTRANCE EXAMINATION against consideration in the form of entrance fee are EXEMPT from GST. This exemption covers:

- Entrance exams conducted by the institution for admission to its own programmes
- Entrance exams conducted by government-constituted bodies (NTA, CBSE, State Boards) for admission to educational institutions — as per amendment by Notification 01/2023-CT(Rate)
- JEE (Main), JEE (Advanced), NEET-UG, CUET, CAT, CLAT, GATE, CMAT — all exempt

NTA Exemption — Notification 01/2023: Prior to Notification 01/2023, there was ambiguity on whether bodies like NTA (National Testing Agency) qualified as Educational Institutions. The 49th GST Council meeting recommended and Notification 01/2023 clarified that ANY authority, board or body set up by the Central or State Government, including NTA, for conduct of ENTRANCE EXAMINATIONS for admission to educational institutions, is treated as an Educational Institution for this limited purpose. NTA fees for JEE, NEET, CUET, CLAT etc. are therefore EXEMPT from GST.

4.2 Services TO an Educational Institution — Exempt (with Important Restrictions)

Certain services PROVIDED TO an Educational Institution are also exempt. However, there is a CRITICAL RESTRICTION: items (i), (ii), and (iii) of Entry 66(b) apply ONLY to institutions providing pre-school education and education UP TO HIGHER SECONDARY SCHOOL level or equivalent (i.e., up to Class XII). They do NOT extend to colleges and universities.

Service	SAC	Exempt for School (up to XII)?	Exempt for College/University?	GST if Taxable
Transportation of students, faculty and staff	9966/9973	YES — Entry 66(b)(i)	NO — TAXABLE at 5% (hire) or 12% (bus)	5%/12%
Catering services including Mid-Day Meal (MDM)	9963	YES — Entry 66(b)(ii)	NO — TAXABLE at 5% (without ITC) or 12%	5%/12%
Security services in educational institution	9985	YES — Entry 66(b)(iii)	NO — Taxable; BUT check RCM	18%
Cleaning / Housekeeping in educational institution	9985	YES — Entry 66(b)(iii)	NO — TAXABLE at 18%	18%
Services relating to admission / conduct of examination	9992/9995	YES — Entry 66(b)(iv)	YES — Entry 66(b)(iv) — No restriction	NIL
Supply of online educational journals / periodicals	9984	YES — Entry 66(b)(v)	NO (Proviso 2 excludes school+vocational; colleges: TAXABLE)	18%
Affiliation services — Board to Government school	9992	YES — Entry 66A + Notif. 08/2024	N/A (govt. school only)	NIL
Affiliation services — Board to Private school	9992	NO — TAXABLE at 18%	N/A	18%
Affiliation services — University to College	9992	N/A	NO — TAXABLE 18% (Circular 234/2024)	18%

The Critical Restriction on Services TO Educational Institutions: TRANSPORT, CATERING, SECURITY, HOUSEKEEPING services supplied to an educational institution are EXEMPT only if that institution provides education up to HIGHER SECONDARY SCHOOL (Class XII) or equivalent. For COLLEGES and UNIVERSITIES, these input services are TAXABLE. This is one of the most misunderstood provisions — many degree colleges incorrectly claim exemption on these input services.

4.3 Entry 66A — Affiliation Services to Government Schools

Entry 66A, inserted by Notification 08/2024-CT(Rate) effective 10 October 2024, exempts:

'Services of affiliation provided by a Central or State Educational Board or Council or any other similar body, by whatever name called, to a SCHOOL ESTABLISHED, OWNED OR CONTROLLED BY THE CENTRAL GOVERNMENT, STATE GOVERNMENT, UNION TERRITORY, LOCAL AUTHORITY, GOVERNMENTAL AUTHORITY OR GOVERNMENT ENTITY.'

In simple terms: Board affiliation fees charged to GOVERNMENT SCHOOLS are EXEMPT. Board affiliation fees charged to PRIVATE SCHOOLS are TAXABLE at 18%.

4.4 Other Education-Related Exemptions

Entry No.	Service	Provider	GST Treatment
Entry 69	National Skill Development Programme and NSDC-approved vocational courses	NSDC, NCVET, Awarding Bodies, Assessment Agencies, approved Training Partners	EXEMPT — Entry 69, Notification 12/2017 (as amended by 08/2024)
Entry 71	Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) skill training	Training providers/PIAs under Ministry of Rural Development	EXEMPT — Entry 71, Notification 12/2017
Entry 72	Training under Pradhan Mantri Kaushal Kendra (PMKVY)	NSDC Training Partners	EXEMPT — Entry 72, Notification 12/2017
Sch. III	Services by Govt./local authority in sovereign capacity	Municipal schools, govt. colleges, govt. universities	NOT SUPPLY under Schedule III — GST not applicable
General	Education by charitable trusts for destitute persons, orphans, prisoners, physically/mentally challenged, persons above 65 years in rural areas	Charitable Trusts running schools/colleges for such specific categories	EXEMPT — Schedule I of CGST Act + Notification 12/2017

5. TAXABLE SERVICES — BY EDUCATIONAL INSTITUTIONS

While core education services are exempt, educational institutions often provide services that are outside the scope of the exemptions. These are taxable at the rates specified below. Institutions must identify, segregate, and correctly account for these taxable activities.

5.1 Renting / Leasing of Premises and Facilities

Service	SAC	GST Rate	Notes
Renting of auditorium/seminar hall to external parties	9972	18%	Taxable whether or not related to education. Consider: is it a composite supply with education?
Renting of sports ground / gym to external parties	9972	18%	Taxable if charged separately to non-students
Renting of premises to bank / ATM / canteen vendor	9972	18%	Renting to third parties for their business is taxable
Renting to hospitals / clinics on campus	9972	18%	Taxable at 18%
Renting laboratory / research facility to external researchers	9972	18%	Taxable; consider exemption if provided to RNPO/govt. body
Hostel accommodation to students of OWN institution	9963	NIL/Exempt	Composite supply with education — exempt if provided by EI
Hostel accommodation to outsiders / alumni / external guests	9963	12%	Taxable if provided to non-students; ₹1,000–7,500/day: 12%; > ₹7,500/day: 18%
Hostel to students of OTHER institutions (rented out)	9963	12% or 18%	Taxable as it's not a service by EI to ITS OWN students

5.2 Commercial and Ancillary Activities

Service	SAC	GST Rate	Notes
University/college canteen charged separately to students	9963	5% (no ITC) or 12%	If outsourced or separately billed, taxable; if composite with education, potentially exempt
Sale of textbooks, stationery, uniforms billed separately	HSN of goods	Varies	Books: NIL; Stationery: 12–18%; Uniforms: 5–12%. Separate billing = independent supply
Sale of printed prospectus / brochures	4901/4911	NIL (books) or 12%	Prospectus qualifying as 'book' may be NIL; printed matter: 12%
Printing and selling of educational materials (non-books)	9989	12%/18%	Taxable if not qualifying as 'book'
Consultancy / research services to industry	9983/9984	18%	Commercial consultancy and sponsored research for industry: 18%
Training and workshops for corporate clients	999293/999294	18%	Corporate training, MDPs, executive education: taxable at 18%
Online courses / e-learning to external students (not part of curriculum)	9984/999293	18%	EdTech / commercial online courses: 18%
Placement and recruitment services to companies	9985	18%	Fees from companies for campus recruitment: taxable at 18%
Advertising on campus property / website / notice boards	9983	18%	Advertising revenue from third parties: 18%

Royalties on intellectual property / patents / publications	9971/9983	18%	IP licensing income: 18%
Testing and calibration services (labs to external clients)	9983	18%	Laboratory testing services to industry: 18%
Solar power sold to DISCOM (from rooftop solar)	2716	NIL up to threshold; 12% otherwise	Sale of electricity under solar: generally exempt; surplus fed to grid: check state specifics
Running a sports club / swimming pool open to public	9996	18%	Commercial sports/recreation services: 18%
Short-term courses / certificate courses (non-recognised)	999293/999294	18%	Not linked to qualification recognised by law: 18%

5.3 Affiliation and Accreditation Services

Service	Provider → Recipient	GST Rate	Authority
Affiliation fee — University to College	University → Private College	18%	Circular 234/28/2024-GST; Sl. No. 9992
Affiliation fee — Educational Board/Council to Private School	Board/Council → Private School	18%	Circular 234/28/2024-GST; Circular 151/07/2021
Affiliation fee — Educational Board/Council to Government School	Board/Council → Govt. School	NIL	Entry 66A + Notification 08/2024-CT(Rate)
NAAC Accreditation charges	NAAC → HEI	18%	NAAC accreditation is a service; not an education service; taxable
NBA Accreditation charges	NBA → Engineering college	18%	Same as NAAC — professional evaluation service
NIRF Ranking data submission — if any charges	NIRF → HEI	Nil (Govt. body)	Govt. body; activity — not supply
CBSE Affiliation fees to private schools	CBSE → Private School	18%	Circular 151/2021 read with Circular 234/2024
UGC recognition / 2(f) / 12(B) processing fees	UGC → College	18%	UGC charges for recognition/grants: taxable regulatory service

Major Clarification — Circular 234/28/2024-GST (October 2024): 54th GST Council (September 2024) recommended and CBIC clarified via Circular 234/28/2024-GST: (1) Affiliation services by UNIVERSITIES to COLLEGES: TAXABLE at 18% — these are NOT 'admission or examination' services. (2) Affiliation services by BOARDS to PRIVATE SCHOOLS: TAXABLE at 18%. (3) Affiliation by boards to GOVERNMENT SCHOOLS: EXEMPT w.e.f. 10.10.2024 under Notification 08/2024-CT(Rate). (4) GST on board-to-school affiliation regularised on 'as-is' basis for 01.07.2017 to 17.06.2021.

6. COACHING INSTITUTES AND PRIVATE TUITION — FULLY TAXABLE AT 18%

Commercial coaching centres, private tutorials, and tuition classes do not qualify as 'Educational Institutions' under GST. They are fully taxable under GST at 18% on all services, including tuition fees, test series, study material, and online access.

6.1 Taxability of Coaching Services

Type of Coaching	SAC	GST Rate	ITC Available?
JEE / NEET / UPSC / IAS coaching	999293	18%	YES — on rent, printing, software, staff training
Class 11/12 supplementary tuition	999293	18%	YES — ITC on inputs used for taxable service
CA / CMA / CS coaching (private institutes)	999293	18%	YES (ICAI/ICMAI/ICSI exams are recognised; but private coaching not by the statutory body itself)
Language coaching (IELTS, TOEFL, spoken English)	999293	18%	YES
MBA entrance coaching (CAT, XAT, GMAT)	999293	18%	YES
Music, dance, arts classes (commercial)	999291	18%	YES
Swimming / sports coaching (commercial)	999292	18%	YES
Online tutoring / doubt-clearing apps	999293/9984	18%	YES
Test series / mock tests sold online	9984	18%	YES
Study material / printed notes sold separately	9992/9989	12%–18%	YES

6.2 Composite Supply — Coaching with Hostel / Material

If a coaching institute provides a COMPOSITE SUPPLY where coaching is the PRINCIPAL SUPPLY and hostel / study material is naturally bundled, the entire supply is taxed as coaching at 18% GST.

Example: A JEE coaching institute charges ₹2,00,000 for a 2-year residential programme including coaching + boarding + meals + study material as a single package. Principal supply = coaching (18%). Entire composite supply taxed at 18%. GST = ₹36,000.

6.3 Registration Threshold for Coaching Institutes

- Aggregate turnover exceeding ₹20 lakh (general states) or ₹10 lakh (special category states): mandatory GST registration.
- Coaching institutes must register regardless of threshold if making inter-state supplies (e.g., online courses to students in other states).
- Once registered, ITC is available on rent, electricity, printing, digital services, faculty training, and all other inputs used for the coaching business.

7. COMPOSITE SUPPLY — HOSTEL, MESS, TRANSPORT

7.1 Composite Supply Principles

Section 2(30) of the CGST Act defines 'Composite Supply' as a supply comprising two or more supplies made together in the natural course of business, where one is the 'principal supply'. The entire composite supply is taxed at the rate of the principal supply.

In the context of educational institutions, education is the principal supply. Services like hostel, mess, and transport — when provided by the institution itself, bundled with education, and not separately priced — form a composite supply with education as the principal supply. The exemption for education then applies to the entire composite supply.

7.2 Hostel and Boarding — Key Distinctions

Situation	GST Treatment	Authority
Hostel provided by the educational institution itself to ITS OWN students — bundled/composite	EXEMPT — Part of composite supply of education (principal supply)	Entry 66(a); Section 2(30) CGST Act
Hostel provided separately (billed separately, or by a different entity)	TAXABLE — SAC 9963; ₹1,000–7,500/day: 12%; > ₹7,500/day: 18%	No entry 66 exemption where supply is not composite
Hostel by coaching institute (principal supply = taxable coaching)	TAXABLE — Composite supply; 18% on entire amount	Principal supply determines rate
Third-party hostel provider near campus renting to students	TAXABLE — SAC 9963; applicable rate depending on per-day value	Not an EI supply; no exemption
University renting dormitory to external conference delegates	TAXABLE — SAC 9963/9972; 12%–18%	Not service by EI to its own students

Advance Rulings on Hostel: Key Advance Rulings: (1) Logic Management Training Institute, AAAR-Kerala (2021) — where the principal supply (coaching) was taxable, hostel was also taxable. (2) V S Institute & Hostel, AAR-UP (2023) — hostel run separately from school: taxable under 9963. (3) Srisai Luxurious Stay LLP, AAR-Karnataka (2023) — accommodation to students taxable if not provided by the institution itself. These rulings confirm: exemption applies ONLY when the institution provides hostel as part of a composite supply of education to ITS OWN students.

7.3 Mess / Canteen

Catering / mess services to students provided by the educational institution itself: EXEMPT (for schools up to Class XII — Entry 66(b)(ii)). For colleges and universities — NOT exempt as the proviso restricts this to pre-school to higher secondary institutions. However, if the mess is part of the composite hostel+education package, it may be covered.

- School canteen run by school itself for its students: EXEMPT (Entry 66(b)(ii) for schools)
- College mess run by college for its students: Potentially exempt as composite supply if hostel+mess+education bundled; otherwise TAXABLE at 5% (without ITC) or 12%
- College outsources canteen to third party — third party charges college: TAXABLE on third party

- College charges students separately for mess: TAXABLE at 5% (without ITC) or 12%

8. REVERSE CHARGE MECHANISM (RCM) FOR EDUCATIONAL INSTITUTIONS

Under the Reverse Charge Mechanism (RCM), the RECIPIENT of certain services (rather than the supplier) is liable to pay GST. Educational institutions, including those making predominantly exempt supplies, must be vigilant about RCM obligations on services they PROCURE.

Key Principle: An educational institution making EXEMPT supplies may still be liable to pay GST under RCM on specified services it procures. For example, a school hiring security guards from an unregistered person or receiving legal services from an advocate must pay GST under RCM even if its own educational services are fully exempt.

8.1 RCM on Services Procured by Educational Institutions

Service Procured	Supplier	RCM Applicable?	GST Rate on RCM	ITC Claimable?
Legal services from an advocate	Individual advocate / firm	YES — Notif. 13/2017	18%	YES (if used for taxable activity); NO (if for exempt)
Sponsorship services (external sponsors)	Any person / body corporate	YES — Notif. 13/2017	18%	Proportionate
Services from a Goods Transport Agency (GTA)	GTA (if taxable)	YES — Notif. 13/2017	5% (no ITC) or 12%	If used for taxable activity
Services from unregistered persons (Section 9(4))	Unregistered supplier	YES — above ₹5,000 aggregate per day (suspended; check latest status)	Applicable rate	Proportionate
Security services from a body corporate / registered person	Registered body corporate	NO — NOT under RCM (forward charge)	18% by supplier	NO if for exempt education
Security services to school/college from UNREGISTERED provider	Unregistered individual/firm	YES — Section 9(4) / Notif. 13/2017	18%	Proportionate
Import of services (software, online platforms, foreign faculty)	Foreign service provider	YES — IGST under RCM (Section 5(3) IGST Act)	18% IGST	Proportionate
Renting of motor vehicle (non-body corporate)	Unregistered/registered individual	Depends — check latest notification	5%/12%	If for taxable activity
Director remuneration (if treated as supply)	Director (individual)	YES — where applicable	18%	Proportionate

8.2 Security Services — Special Note

Security services are brought under RCM under Notification 29/2018-CT(Rate) from 1 January 2019. However, there is an important interaction with the education exemption:

- Security services TO a school (up to Class XII): EXEMPT under Entry 66(b)(iii) — no GST by the security provider AND no RCM by the school.
- Security services TO a college/university: NOT exempt (proviso restricts entry 66(b)(iii) to schools). If the security company is a registered body corporate: forward charge at 18% paid by company. If unregistered: RCM applies; college pays 18% under RCM.

8.3 Import of Services — E-Learning Platforms, Software, Foreign Faculty

When an educational institution procures any service from a FOREIGN SERVICE PROVIDER (such as subscription to online databases like JSTOR, Elsevier; Microsoft/Google Workspace; foreign faculty/speaker fees; overseas accreditation services), it must pay IGST under RCM under Section 5(3) of the IGST Act read with Notification 10/2017-IT(Rate). The Place of Supply (POS) in such cases is the location of the recipient (India).

9. INPUT TAX CREDIT (ITC) — RULES FOR EDUCATIONAL INSTITUTIONS

ITC is one of the most commercially significant aspects of GST for educational institutions. Since most core educational services are EXEMPT, ITC on inputs used for such exempt services is generally NOT available. This makes GST paid on inputs like construction, computers, furniture, and lab equipment a real cost for the institution.

9.1 Section 17(2) — ITC Proportionate Restriction

Under Section 17(2) of the CGST Act, ITC is NOT available on goods and services used EXCLUSIVELY for providing EXEMPT supplies. For inputs and services used for BOTH taxable and exempt supplies, ITC must be apportioned using Rules 42 and 43 of the CGST Rules.

Input / Input Service	Use	ITC Status
Construction of new building (classroom, lab, hostel)	Exempt education	BLOCKED — Section 17(5)(c/d); not claimable
Renovation / expansion of buildings	Exempt education	BLOCKED — Section 17(5)(d)
Lab equipment, computers, furniture for classrooms	Exempt education	NOT AVAILABLE — Section 17(2)
Audit fees, legal fees for educational activities	Exempt education	NOT AVAILABLE — Section 17(2)
GST paid on RCM services (legal, GTA, security) used for exempt education	Exempt education	NOT AVAILABLE — though RCM paid, ITC cannot be claimed against exempt output
Construction / renovation of commercial wing (auditorium for rental)	Taxable activity (rental)	BLOCKED under Section 17(5); civil works ITC always blocked
IT/software used for running courses (LMS, student portal)	Exempt education	NOT AVAILABLE — Section 17(2)
Marketing/advertising expenses for admissions	Mixed (taxable + exempt)	PROPORTIONATE — Rule 42/43
Rent for office used by administration	Mixed	PROPORTIONATE — Rule 42/43
Inputs for canteen (taxable canteen supply)	Taxable canteen	AVAILABLE — ITC on canteen inputs claimable against canteen GST output
Inputs for auditorium rental business	Taxable rental	AVAILABLE — ITC on inputs used exclusively for taxable rental
GST on imports of services used for taxable research/consultancy	Taxable research/consultancy	AVAILABLE — claim ITC on IGST paid under RCM

9.2 Section 17(5) — Blocked Credits

Even where an institution has taxable outputs, certain credits are ALWAYS blocked under Section 17(5) of the CGST Act:

- Construction, renovation, and repair of immovable property (capitalised) — ALWAYS BLOCKED (with narrow exception for plant and machinery)
- Motor vehicles for transport of persons (up to 13 seats) — BLOCKED (with exceptions for passenger transport, driving school, re-sale of vehicles)
- Food and beverages, club memberships, cosmetics, health services — BLOCKED (with specific exceptions)
- Works contract services for construction — BLOCKED

Practical Implication: A university spending ₹10 crore on construction of a new academic block

	pays approximately ₹1.8 crore in GST (at 18% on works contract). This entire amount is a SUNK COST — no ITC. Similarly, ₹50 lakhs spent on computers and lab equipment for a science college results in ₹9 lakhs GST (at 18%) that CANNOT be recovered as ITC. These amounts directly inflate the institution's cost base and are ultimately passed on to students.

9.3 ITC Apportionment — Where Both Taxable and Exempt Activities Exist

If an educational institution earns BOTH exempt income (tuition fees) AND taxable income (auditorium rental, consultancy, affiliation fees received), common inputs must be apportioned:

- Common ITC available = Total ITC × (Taxable Turnover ÷ Total Turnover)
- The apportionment is done monthly using GSTR-3B and annually reconciled using Rule 42/43.
- Credits attributable exclusively to taxable activities are fully available; exclusively to exempt — not available; for common activities — proportionate.

Example: University turnover: Tuition fees ₹10 crore (exempt) + Auditorium rental ₹50 lakh (taxable). Total common ITC (admin staff, utilities, internet): ₹2 lakh GST paid. ITC claimable = ₹2L × 50L / (1050L) = ₹9,523. Balance ₹1,90,477 is a cost.

10. GST REGISTRATION AND COMPLIANCE FOR EDUCATIONAL INSTITUTIONS

10.1 Registration Requirements

Type of Institution	Registration Requirement
Government school, municipal college, govt. university	NOT REQUIRED — activities are not supply under Schedule III
School providing only exempt education (Classes I–XII) — turnover < ₹20 lakh	NOT REQUIRED — all supplies are exempt
School with taxable ancillary activities (auditorium rental, commercial coaching) — turnover > ₹20 lakh (aggregate)	REQUIRED — must register
Degree college / university providing only exempt courses (no taxable activity) — turnover < ₹20 lakh	NOT REQUIRED — all exempt; below threshold
University with affiliation income from private colleges (taxable at 18%)	REQUIRED — taxable supply
Coaching institute — any turnover > ₹20 lakh	REQUIRED — all services taxable
Online education platform / EdTech company	REQUIRED — inter-state supplies: mandatory regardless of turnover
Entity liable to pay GST under RCM	REQUIRED — no threshold applies for RCM payers

10.2 GSTIN and Invoicing

- Registered educational institutions must issue GST invoices / bills of supply for taxable / exempt supplies respectively.
- Exempt supplies: Bill of Supply (not tax invoice) with the endorsement 'Supply under exemption'.
- Taxable supplies: Tax Invoice with HSN/SAC code, GST rate, CGST/SGST/IGST amount.
- E-invoicing: Mandatory for institutions with aggregate turnover > ₹5 crore.
- E-way bill: Required for movement of goods where consignment value > ₹50,000.

10.3 Returns and Payments

- GSTR-1 (outward supplies): Monthly (if turnover > ₹5 crore) or quarterly (QRMP scheme for smaller taxpayers).
- GSTR-3B (summary return + tax payment): Monthly or quarterly depending on scheme.
- GSTR-9 (annual return): Mandatory for all registered taxpayers; GSTR-9C (reconciliation statement) if turnover > ₹5 crore.
- GSTR-2B: Auto-drafted ITC statement for reconciliation with vendor invoices.
- Annual GST Audit: By the institution's own CA if turnover exceeds ₹2 crore.

10.4 Key Compliance Pitfalls for Educational Institutions

4. Claiming ITC on inputs used for exempt education — incorrectly claiming ITC on construction, lab equipment, etc.
5. Not paying GST under RCM on services received — especially legal services, GTA, import of services.
6. Not charging GST on affiliation fees — universities collecting affiliation fees from private colleges must charge 18%.
7. Incorrectly exempting canteen/security/housekeeping at colleges/universities — these are taxable at college level.

8. Not registering despite having taxable ancillary activities — auditorium rental, consultancy income may make registration mandatory.
9. Not maintaining separate accounts for exempt and taxable supplies — essential for correct ITC apportionment.
10. Not paying GST on import of services (OIDAR — online databases, software subscriptions from foreign providers).

11. ONLINE EDUCATION, EDTECH AND DIGITAL LEARNING

11.1 GST on Online Education by Recognised Institutions

Where an EDUCATIONAL INSTITUTION (recognised under GST) provides ONLINE CLASSES or digital learning as part of its REGULAR CURRICULUM for obtaining a qualification recognised by law, such online education is EXEMPT from GST — the medium of delivery (online vs. offline) does not change the nature of the service.

Example: A UGC-recognised university conducts its B.Com degree programme in online mode. Tuition fees charged: EXEMPT — this is education leading to a qualification (B.Com) recognised by law.

11.2 GST on EdTech Platforms and Private Online Courses

EdTech platforms, private online coaching institutes, and unrecognised online course providers do NOT qualify as 'Educational Institutions' under GST. Their services are TAXABLE at 18%.

Type of Online Education Provider	GST Status	Rate
UGC-recognised university offering online degree (B.A., MBA etc.)	EXEMPT — EI providing curriculum-based education	NIL
SWAYAM MOOC platform (govt.) offering free courses	NOT SUPPLY — Govt. platform; if with certificate leading to recognised qualification: exempt	NIL
Private EdTech app (Byju's, Unacademy, etc.) — general coaching	TAXABLE — not an educational institution	18%
Private EdTech app providing live classes for NEET/JEE preparation	TAXABLE — commercial coaching; SAC 999293	18%
Online language learning app (Duolingo, etc.)	TAXABLE — commercial training	18%
Online yoga/fitness/wellness courses	TAXABLE — commercial recreation; SAC 999292	18%
Recorded video lectures sold separately (not part of institution's curriculum)	TAXABLE — 18%	18%
Online test series / mock exams by private coaching institutes	TAXABLE — 18%	18%
E-books sold by educational publishers	NIL (book) / 12% (other digital content)	NIL / 12%
Online educational journals / periodicals (to recognised schools/vocational EIs)	EXEMPT — Entry 66(b)(v) for applicable institutions	NIL
Online educational journals / periodicals (to colleges/universities)	TAXABLE — proviso to Entry 66(b)(v) excludes colleges	18%

11.3 OIDAR Services — Foreign EdTech to Indian Students

When a foreign online education platform provides services to individual consumers in India (B2C), it is classified as OIDAR (Online Information and Database Access or Retrieval) services. Such services are taxable under GST in India:

- Foreign EdTech platforms (Coursera, Udemy, LinkedIn Learning) selling directly to Indian individual students: IGST applicable at 18%; if supplier is registered in India (or registers as a non-resident taxable person): supplier pays IGST.
- Indian educational institution subscribing to a foreign online database (JSTOR, Elsevier, Springer): IGST payable by the Indian institution under RCM (import of services).

12. SPECIAL SITUATIONS — ADVANCE RULINGS AND CIRCULARS

12.1 Key Advance Rulings and Judicial Decisions

Case / Ruling	Authority	Issue	Decision
Great Lakes Institute of Management — Service Tax era	Service Tax Tribunal	Whether coaching by non-profit company is 'commercial' training	Services not commercial in nature; not subject to service tax (principle applicable to pre-GST disputes)
Logic Management Training Institute	AAAR, Kerala (2021)	Hostel provided by coaching institute — exempt or taxable?	Where principal supply (coaching) is taxable at 18%, hostel is composite and taxable at 18%
V S Institute & Hostel, AAR-UP (2023)	AAR, Uttar Pradesh	Hostel run separately by institute	Hostel separately managed: taxable under SAC 9963
Srisai Luxurious Stay LLP, AAR-Karnataka (2023)	AAR, Karnataka	Accommodation to students — third party provider	Taxable — third party accommodation not exempt as EI not providing the service
Educational Initiatives Pvt. Ltd., Guj. HC	Gujarat High Court	Exam services to schools — exempt or taxable?	Services related to conduct of examinations to/by educational institutions: EXEMPT
Association of Diplomats of India (various AAR/HC)	Multiple courts	Are CBSE/State Board examination fees exempt?	Examination fees by recognised educational boards: EXEMPT
Tamil Nadu Uniformed Services Recruitment Board	AAR, Tamil Nadu (2019)	Conduct of recruitment exams for Govt. — exempt?	Recruitment exams for Govt. not same as entrance exams for admission; TAXABLE

12.2 Key Circulars on Education GST

Circular No.	Date	Subject	Key Clarification
Circular 82/01/2019-GST	January 2019	IT and related services to educational institutions	IT services (software, networks) to educational institutions: position clarified as per general exemption entry
Circular 151/07/2021-GST	June 2021	Accreditation/affiliation by educational boards	Accreditation by boards to schools: taxable at 18%; clarified prospectively
Circular 177/09/2022-GST	August 2022	Various clarifications on services	Services of conduct of examination: clarified as exempt where by EI
Circular 234/28/2024-GST	October 2024	Affiliation services (university→college; board→school)	University affiliation: 18%; Board→private school: 18%; Board→govt. school: exempt (w.e.f. 10.10.2024)

13. MASTER QUICK-REFERENCE: GST ON EDUCATIONAL INSTITUTIONS (JUNE 2025)

This master table consolidates the GST position for all major activities of educational institutions — schools, colleges, and universities — as of June 2025.

Activity / Service	SAC Code	School (Pre to XII)	College / University	Coaching Institute
CORE EDUCATION				
Tuition / Course Fees	999210–999249	NIL (Exempt)	NIL (Exempt if recognised degree)	18% (Taxable)
Admission Fees	999295	NIL	NIL	18%
Examination / Assessment Fees (own exam)	999295	NIL	NIL	18%
Entrance Exam Fees (JEE/NEET — by NTA/Board)	999295	NIL	NIL	NIL (NTA — Notif. 01/2023)
ANCILLARY SERVICES TO STUDENTS				
Hostel (by institution, bundled)	9963	NIL (Composite)	NIL (Composite)	18% (Composite with coaching)
Hostel (outsourced or separately billed)	9963	12%–18%	12%–18%	12%–18%
Mess / Canteen (by institution)	9963	NIL (Entry 66(b)(ii))	Potentially NIL (if composite); else 5% or 12%	18%
Transport (school bus — by institution)	9966/9973	NIL (Entry 66(b)(i))	Taxable: 5%/12%	18%
Books (physical) — sold separately	4901	NIL (Books exempt)	NIL	NIL
Stationery / Uniforms — sold separately	Varies	5%–12% (Goods GST)	5%–12%	12%–18%
Study material / printed notes — sold separately	9989/4911	12%	12%–18%	12%–18%
SERVICES TO INSTITUTION				
Transport service received (for students — school)	9966/9973	NIL (Entry 66(b)(i))	Taxable: 5%/12%	18%
Security service received — from registered company	9985	NIL (Entry 66(b)(iii))	18% (Forward charge by provider)	18%
Cleaning / Housekeeping service received	9985	NIL (Entry 66(b)(iii))	18%	18%
Mid-Day Meal catering service received	9963	NIL (Entry 66(b)(ii))	Taxable at applicable rate	18%
Construction / civil works received	9954	18% (BLOCKED ITC)	18% (BLOCKED ITC)	18% (ITC available)
IT / software services received	9983/9984	18% (ITC NA if for exempt)	18% (ITC proportionate)	18% (ITC available)
AFFILIATION AND ACCREDITATION				
Affiliation — Board to Govt. School	9992	NIL (Entry 66A, Notif. 08/2024)	N/A	N/A
Affiliation — Board to Private	9992	18% (Taxable)	N/A	N/A

School				
Affiliation — University to College	9992	N/A	18% (Circular 234/2024)	N/A
NAAC / NBA Accreditation fees	9983/9992	18%	18%	N/A
OTHER ACTIVITIES				
Renting of premises to outsiders	9972	18%	18%	18%
Commercial consultancy / research for industry	9983	18%	18%	18%
Corporate training / MDPs	999294	N/A	18%	18%
Online educational journals (received)	9984	NIL (Entry 66(b)(v))	18% (excluded by proviso)	18%
Online courses to own enrolled students	9992	NIL (if EI + curriculum-based)	NIL (if EI + curriculum-based)	18%
Private coaching / non-recognised courses	999293	N/A	18%	18%

14. COMMERCIAL COACHING — DETAILED GST ANALYSIS

Commercial coaching is one of the fastest-growing education sectors in India, estimated at ₹58,000+ crore annually. From JEE/NEET factory coaching to corporate training, the GST implications are comprehensive and heavily litigated. This section provides detailed treatment.

14.1 Classification of Coaching Entities

Type of Coaching Entity	Qualifies as 'Educational Institution'?	Core GST Status	Registration Threshold
JEE / NEET / UPSC coaching centre	NO	18% on all tuition fees	₹20 lakh (intra-state); any turnover (inter-state / online)
CA / CMA / CS coaching (private — not by ICAI/ICMAI/ICSI itself)	NO	18% on all fees	₹20 lakh
Bank PO / SSC / Railway coaching	NO	18%	₹20 lakh
School subject tuition (Maths, Science for Class 8–12)	NO	18%	₹20 lakh
Hobby classes (music, art, dance, cooking — commercial)	NO	18% (SAC 999291)	₹20 lakh
Martial arts / sports coaching (commercial)	NO	18% (SAC 999292)	₹20 lakh
Language coaching (English, French, IELTS, TOEFL)	NO	18% (SAC 999293)	₹20 lakh
IT/coding training (non-approved, private)	NO	18% (SAC 999293)	₹20 lakh
MBA entrance coaching (CAT, XAT, GMAT — private)	NO	18%	₹20 lakh
Personality development / soft skills / communication	NO	18%	₹20 lakh
Corporate training / Leadership programmes	NO	18% (SAC 999294)	₹20 lakh
Yoga / meditation centre (commercial)	NO	18% (SAC 999291/999292)	₹20 lakh
ICAI / ICMAI / ICSI examination coaching by the Institute itself	YES — Statutory body conducting recognised qualification exams	Exempt for conduct of qualifying examinations	Mandatory registration
NSDC / NCVET approved vocational training partner	YES — Approved vocational education course	EXEMPT (Entry 69)	Mandatory registration
ITI / ITC affiliated to NCVET / SCVT	YES — Approved vocational education	EXEMPT	Mandatory registration

14.2 GST on Coaching — Item-by-Item Analysis

Item / Component	SAC	GST Rate	Notes & Conditions
Tuition / Course Fees — general coaching	999293	18%	Primary taxable service; includes monthly fees, semester fees, programme fees
Admission / Registration Fees	999293	18%	Part of the coaching supply; taxed at 18%
Study Material (printed notes,	4911/9989	12%	Printed matter SAC; if bundled with

booklets) — sold SEPARATELY			coaching: 18% on composite
Study Material (online/digital content)	9984	18%	Digital content: 18%; PDFs, video access, recorded lectures
Test Series / Mock Tests	999293	18%	Part of coaching service or separate — both 18%
Online live / recorded classes	999293	18%	Online coaching: 18% regardless of mode of delivery
Tablet / Hardware device (sold separately)	HSN of goods	18%	Electronic goods: 18% GST on hardware
Boarding / hostel (by coaching institute)	9963	18% (composite with coaching)	Principal supply is taxable coaching; entire composite = 18%
Meals / food (by coaching institute separately)	9963	5% (no ITC) or 12%	If billed separately; or 18% if composite with taxable coaching
Transportation (by coaching institute)	9966/9973	18% (composite)	Not an exempt EI; all services including transport = 18%
Scholarship adjustments / discounts given to students	N/A	Reduce taxable value	Genuine scholarships reduce the transaction value; not taxable
Franchise fee received from sub-franchise coaching centre	9983	18%	Franchise services: 18% SAC 9983
Placement assistance for coaching students (fee from company)	9985	18%	Placement services: 18%
Income from advertisements on coaching materials / website	9983	18%	Advertising revenue: 18%

14.3 Online Coaching — GST in Depth

Online coaching has grown dramatically, particularly post-COVID. The GST position is clear: ONLINE COACHING IS TAXABLE AT 18% irrespective of mode of delivery (live, recorded, hybrid), platform (app, website, LMS), or device.

Online Coaching Scenario	GST Treatment	Rate
Private app-based coaching platform (Byju's, Unacademy, PhysicsWallah, Vedantu)	TAXABLE — not an educational institution	18%
Online live coaching class via Zoom / Google Meet by a registered coaching centre	TAXABLE — coaching service regardless of technology	18%
Recorded video course sold on website / app (one-time or subscription)	TAXABLE — digital education service	18%
Doubt-clearing chatbot / AI tutoring service	TAXABLE — 18% (digital service)	18%
Online test series / question bank subscription	TAXABLE — 18%	18%
Online school tuition (Class 6–12) by private tutors / platforms	TAXABLE — private tuition not by educational institution	18%
Online K-12 classes by a CBSE/ICSE recognised school (own students)	EXEMPT — educational institution providing curriculum-based education	NIL
Online UG/PG degree by UGC-recognised university (own enrolled students)	EXEMPT — curriculum for recognised qualification	NIL
Online certificate course by a private EdTech (non-recognised)	TAXABLE — not leading to qualification recognised by law	18%
SWAYAM MOOC courses (Govt. platform — free access)	NOT SUPPLY — Govt. platform; free service	NIL
NPTEL courses leading to certification (IIT delivered)	Potentially EXEMPT where IIT is the EI providing curriculum	NIL / Clarification pending

International MOOC (Coursera, edX) — paid courses to Indian students	TAXABLE — OIDAR service; recipient-pays-IGST or supplier registered	18% IGST

PhysicsWallah / BYJU's / Unacademy — GST Registration Mandatory: All major EdTech platforms making taxable supplies exceeding ₹20 lakh aggregate turnover (or any inter-state supply) MUST register and charge 18% GST. They can claim ITC on all inputs (rent, technology, teachers' services, cloud infrastructure, marketing). EdTech platforms that operate composite programmes (coaching + study material + test series + mock tests bundled together) — the entire bundle is taxed at 18% as coaching is the principal supply. These platforms cannot claim the education exemption; they are not 'educational institutions' under GST.

14.4 ITC Availability for Coaching Institutes

Since coaching institutes are fully taxable, they are ELIGIBLE TO CLAIM ITC on all inputs and input services used for their taxable coaching business:

Input / Input Service	ITC Available?	Notes
Rent for coaching premises	YES	Full ITC on GST paid on rent; input service for taxable supply
Electricity bills	YES	ITC available if paid as part of registered service
Faculty/teacher fees (if taxable supply from provider)	YES	If teacher is GST registered and charges GST; ITC claimable
Printing of study materials / question papers	YES	ITC on printing services and paper
Software / LMS / app development	YES	Technology expenses fully ITC-eligible
Cloud hosting, internet, data services	YES	IT infrastructure: ITC available
Marketing and advertising expenses	YES	Full ITC on advertising agency charges
Audio-visual equipment, projectors, whiteboards	YES	Capital goods ITC: claim over time per Section 16
Computers and tablets (used for coaching)	YES	Electronic capital goods: ITC available
Vehicles for student transport (≤13 seats)	BLOCKED — Section 17(5)	Passenger vehicle ITC blocked under Section 17(5)
Construction of coaching building	BLOCKED — Section 17(5)	Civil works ITC blocked; no ITC on building construction
Gifts / free items to students	BLOCKED — Section 17(5)(h)	Personal consumption goods: ITC blocked
Canteen food for staff	YES (with exceptions)	ITC available if canteen is statutory obligation under Factories Act

14.5 Composite Supply Issues in Coaching — Practical Examples

Example: Example 1 — Bundled coaching programme: A JEE coaching institute charges ₹2,50,000 for a 2-year programme including classroom coaching, study material, test series, and hostel. Principal supply = coaching at 18%. GST = ₹45,000. Entire amount (including material, test, hostel) taxable at 18% as composite supply.

Example: Example 2 — Separately billed items: Same institute bills ₹1,50,000 for coaching and ₹50,000 for printed study material (books). Coaching: 18% = ₹27,000. Printed books: 12% = ₹6,000. But if books qualify as 'books' under HSN 4901: NIL GST on books. Total GST on coaching = ₹27,000.

Example: Example 3 — Franchise model: Coaching brand X licenses its content to coaching centre Y in a franchise arrangement. X charges franchise fees of ₹5,00,000. GST on franchise fees = 18% = ₹90,000 (SAC 9983 — franchising services). Y can claim ITC on this if Y is registered.

15. FOREIGN UNIVERSITIES AND COLLEGES OPERATING IN INDIA

India formally opened its doors to foreign higher education institutions through two landmark regulatory frameworks in 2022–2023. The GST treatment of these institutions depends critically on WHERE they operate (mainland India vs. GIFT IFSC), HOW they are structured, and WHAT courses they offer. This is a rapidly evolving area — currently fewer than 20 foreign campuses have been formally approved, with more expected by 2027.

15.1 Two Regulatory Pathways for Foreign Universities in India

Feature	Mainland India (UGC FHEI Regulations 2023)	GIFT IFSC, Gujarat (IFSCA IBC/OEC Regulations 2022)
Regulatory Authority	University Grants Commission (UGC)	International Financial Services Centres Authority (IFSCA)
Eligibility	Top 500 in overall global rankings (QS/THE) or top 500 subject-wise	Top global universities; research institutions; special consideration for certain disciplines
Legal Entity Form	Company, Branch Office, Liaison Office under FEMA; or Section 8 company (non-profit) under Companies Act 2013	International Branch Campus (IBC) or Offshore Education Centre (OEC) under FEMA; can be for-profit
For-Profit Allowed?	YES — profit repatriation allowed under FEMA 1999 without restriction	YES — unrestricted revenue repatriation; can earn profits
Domestic Regulation	Subject to Indian education laws (reservation, admission criteria discussed but flexibility given)	EXEMPT from most Indian domestic education regulations
Fee Setting	Transparent and reasonable fee; disclosed on website	Largely unrestricted; market-determined
Admission	Own process; criteria specified; reservation policy under discussion	Own criteria; largely flexible
Courses Offered	UG, PG, Doctoral, Post-doctoral, Certificate, Diploma — per UGC approval	Programmes as per IFSCA approval
GST Zone	Domestic Tariff Area — normal GST rules apply	Special Economic Zone (SEZ) — GST zero-rated / exempt on supplies TO and BETWEEN IFSC units
Income Tax	Normal Indian IT; subject to domestic IT rates unless treaty benefit	Section 80LA exemption: 100% IT exemption for 10 years out of 15; concessional rates
Examples (as of June 2025)	University of Southampton (Gurugram, opened Aug 2025); others with LoI in Mumbai, Bengaluru, Delhi, Greater Noida, Chennai	Deakin University, University of Wollongong, Queen's University Belfast, Coventry University — GIFT City

15.2 GST Treatment — Mainland India Foreign University Campuses

A foreign university operating on mainland India under UGC FHEI Regulations 2023 is established in India as a legal entity (typically a company or branch office under FEMA). It operates in the Domestic Tariff Area (DTA) and is subject to normal Indian GST laws. The GST analysis is as follows:

(A) Do Foreign University Campuses in Mainland India Qualify as 'Educational Institutions'?

This is the KEY question. Under Notification 12/2017-CT(Rate), an 'Educational Institution' must provide education leading to a 'QUALIFICATION RECOGNISED BY ANY LAW'. For foreign university campuses in mainland India:

- IF the foreign university campus is approved by UGC under the FHEI Regulations 2023 and offers degree/diploma programmes — the degrees are awarded by the foreign parent university. The degree is a foreign degree, not one 'recognised by Indian law' per se. This is a grey area.
- UGC Equivalence Regulations 2025: The UGC (Recognition and Grant of Equivalence to Qualifications obtained from Foreign Educational Institutions) Regulations 2025 allow UGC to grant equivalence to foreign degrees (including from offshore campuses). If a degree from a UGC-approved foreign campus is granted equivalence, it arguably becomes 'recognised' under Indian law.
- As of June 2025, no CBIC circular or AAR has directly addressed whether UGC-approved foreign campus tuition fees are exempt from GST. The position is UNRESOLVED.

> **Practical Position — Foreign Campus GST (Mainland):** CONSERVATIVE VIEW: Foreign university tuition fees on mainland India = TAXABLE at 18% because the qualification is not 'recognised by Indian law' in the manner required by GST exemption. LIBERAL VIEW: If UGC grants equivalence and approves the campus under its regulations, the campus qualifies as an Educational Institution providing a curriculum for a qualification recognised by law. RECOMMENDED ACTION: Foreign university campuses should seek an Advance Ruling from the relevant AAR before commencing admissions and fee collection. Until a clear ruling / CBIC circular is issued, charging GST at 18% on tuition fees and claiming ITC on inputs is the safer compliant position for most foreign campuses.

(B) GST on Other Services by Mainland Foreign University Campus

Service / Activity	GST Treatment	Rate
Tuition fees (UG/PG degrees awarded by foreign parent)	UNCERTAIN — see note above; conservative: 18%; liberal: exempt if equivalence granted	18% (conservative) / NIL (liberal)
Research and consultancy services to Indian industry	TAXABLE	18%
Hostel and accommodation on campus	Likely EXEMPT if composite with tuition; else 12%–18%	NIL / 12% / 18%
Affiliation/collaboration fees received from Indian colleges	TAXABLE at 18% (like domestic university affiliation)	18%
Renting of campus facilities to outsiders	TAXABLE	18%
Corporate executive education / MDP programmes	TAXABLE	18%
Transfer of funds to parent university abroad (repatriation)	NOT A SUPPLY — FEMA transaction; GST not applicable on repatriation itself	NIL
Royalty / IP licensing fees paid to parent (RCM)	TAXABLE under RCM as import of services	18% IGST (RCM)
Foreign faculty fees (paid to individuals	TAXABLE under RCM — import of	18% IGST

abroad)	services	(RCM)
Online database subscriptions from foreign providers	TAXABLE under RCM — OIDAR / import of services	18% IGST (RCM)

15.3 GST Treatment — GIFT IFSC Foreign University Campuses

Foreign university campuses established in GIFT City (IFSCA IBC/OEC framework) operate within an SEZ (Special Economic Zone). The GST treatment is fundamentally different from mainland India:

Transaction Type	GST Treatment	Authority
Services by IFSC education unit TO students WITHIN IFSC	ZERO RATED — supply between SEZ/IFSC units; no GST	SEZ Act + CGST Act provisions
Services by IFSC education unit TO students from DTA (mainland India)	TAXABLE — supply FROM SEZ to DTA treated as import into DTA; GST applicable on student paying from DTA	SEZ Act: DTA supply treated as import
Services received by IFSC unit FROM DTA suppliers (e.g., Indian vendors)	GST-FREE for IFSC unit — supply to SEZ is zero-rated; supplier claims refund	Section 16(1)(b) IGST Act
Services received by IFSC unit FROM abroad	No IGST/customs on import into SEZ for authorised operations	SEZ Act + Customs Act
Transfer of funds / profit repatriation to parent university abroad	NOT SUPPLY — FEMA transaction	Not GST
Income Tax — IFSC education unit	80LA: 100% IT exemption for 10 years out of 15 years	Section 80LA ITA 2025
Importing goods (equipment, books, lab material) for SEZ	EXEMPT from basic customs duty, SWS, IGST for authorised operations	SEZ Act + Customs

GIFT City Foreign University — Practical Tax Position: A foreign university campus in GIFT City operates in a highly tax-privileged environment: (1) No GST on services rendered within IFSC or to overseas students/entities. (2) GST-free procurement from Indian vendors (vendors charge IGST and claim refund). (3) Zero customs on import of educational equipment. (4) 100% income tax exemption for 10 years (Section 80LA). (5) Unrestricted profit repatriation under FEMA. HOWEVER: If a GIFT City foreign campus admits DTA (mainland India) students and charges them fees, that supply FROM SEZ TO DTA is treated as an import into DTA, and the students (or the campus as supplier into DTA) may face GST implications.

15.4 Collaborative / Partnership Models — GST Treatment

Even before standalone foreign campuses were permitted, foreign universities operated in India through collaborative models. These models continue alongside the new standalone campus framework. Here is the GST analysis for each collaboration type:

Collaboration Type	UGC Framework	GST on Indian Institution's Side	GST on Foreign University's Side
Twinning Programme (student studies partly at Indian HEI, partly at foreign university)	UGC Collaboration Regulations 2022	Tuition fees from students: EXEMPT (if Indian HEI is EI for recognised degree);	Services to Indian students studying abroad: outside India supply; no Indian

		Foreign university's portion paid abroad: IGST on import	GST
Joint Degree Programme (curriculum jointly designed; degree by both institutions)	UGC Collaboration Regulations 2022	Fees collected: EXEMPT if jointly pursuing recognised qualification; share paid to foreign partner: IGST on import of services	Foreign share: outside Indian GST jurisdiction
Dual Degree Programme (student gets two degrees — one from each)	UGC Collaboration Regulations 2022	Indian degree fees: EXEMPT; foreign degree component: uncertain — may be taxable	Foreign component outside India GST
Franchise Arrangement (foreign brand name used by Indian college)	NOT PERMITTED under UGC regulations 2023 — explicitly prohibited	If operated illegally: all fees taxable at 18%; franchise fee paid: 18% on franchise services	Services received in India by franchisee: 18% IGST if import of service
Credit Transfer / Recognition (student credits recognised by foreign university)	UGC Collaboration Regulations 2022 — credit recognition	Indian college fees: EXEMPT; credit transfer administration fee: potentially 18%	Recognition service fee: 18% IGST (import of service)
Foreign university offering online degrees to Indian students (without India campus)	NOT covered by FHEI Regulations 2023 — purely cross-border supply	No Indian GST on foreign university's online fees (B2C OIDAR rule); student pays no GST directly	B2B: Indian institution pays IGST on import; B2C: foreign provider pays/registers under OIDAR

15.5 Remittances to Foreign Universities — TCS and FEMA

While this article focuses on GST, institutions and students dealing with foreign universities must also be aware of Tax Collected at Source (TCS) under the Income Tax Act, 2025 on remittances abroad for education:

- TCS on education remittances from education loans: 0.5% on amount remitted above ₹7 lakh in a Tax Year (concessional rate for loan-funded education).
- TCS on education remittances from OWN FUNDS (not from loan): 5% on amount remitted above ₹7 lakh in a Tax Year.
- Remittances for tuition fees to foreign universities WITHIN India (from DTA students to GIFT City campus or vice versa): treated as domestic transaction — TCS provisions for overseas education may not apply in the same manner.
- FEMA compliance: All remittances to foreign universities must comply with FEMA 1999 and RBI Liberalised Remittance Scheme (LRS) — individual limit of USD 2,50,000 per year. Educational remittances are permitted under current account transactions.

> **TCS is NOT GST:** TCS under the Income Tax Act, 2025 (Section 206C) is a direct tax withholding mechanism, not a GST provision. It applies to remittances made by individuals to pay foreign education fees. The TCS can be claimed as credit against the individual's income tax liability. It does not affect the GST position of the educational institution itself.

16. EDUCATION CONSULTANCIES AND STUDY ABROAD AGENTS

A rapidly growing segment — Indian education consultancy firms assist students with admissions to foreign universities and colleges and receive commission in foreign exchange. The GST treatment of this commission was heavily litigated until a landmark Supreme Court ruling in 2025 settled the position.

16.1 Nature of Services

An Indian education consultancy typically:

- Signs a contract with a foreign university to market and recruit Indian students
- Provides counselling, application assistance, documentation, visa guidance
- Receives commission from the foreign university in convertible foreign exchange upon successful admission
- May also charge Indian students for counselling services (separate fee, paid in INR)

16.2 GST Position — Commission from Foreign Universities

LANDMARK RULING — Supreme Court of India, 1 September 2025:

Union of India vs. KC Overseas Education Pvt. Ltd. — The Supreme Court dismissed the GST Department's appeal and confirmed that Indian education consultancy firms earning commission from foreign universities qualify as 'Export of Services' under Section 2(6) of the IGST Act — NOT as 'intermediary services'.

Condition for Export of Services (Section 2(6), IGST Act)	Satisfied?	Reasoning
Supplier of service is located in India	YES	Indian consultancy firm in India
Recipient of service is located outside India	YES	Foreign university is the service recipient; it receives marketing, counselling and recruitment services
Place of supply is outside India (Section 13, IGST Act)	YES — Section 13(2)	Post-deletion of Section 13(8)(b): place of supply = location of recipient (foreign university) = outside India
Payment received in convertible foreign exchange	YES	Commission paid by foreign university in USD/GBP/EUR etc.
Supplier and recipient are not establishments of the same person	YES	Independent entities; no common ownership

Section 13(8)(b) Deleted — Budget 2026 / GST Council: For many years, Section 13(8)(b) of the IGST Act provided that for 'intermediary services', the place of supply is the location of the SUPPLIER (India), effectively making all commission income of Indian consultants taxable in India. The GST Council (54th meeting, Sept 2024) recommended deletion of this clause. Budget 2026 / Finance Act 2026 has omitted Section 13(8)(b). Now, the place of supply for all services where the recipient is abroad defaults to the location of the recipient (outside India) under Section 13(2). This definitively resolves the GST issue for all education consultants earning from foreign universities — their commission is an Export of Services (zero-rated).

16.3 Consolidated GST Position for Education Consultancies

Service / Income Stream	GST Position	Rate	Notes
Commission from foreign university — paid in foreign exchange	EXPORT OF SERVICES — ZERO RATED	NIL (Zero-rated)	SC ruling KC Overseas (2025); claim ITC refund on inputs
Counselling fee from Indian students — paid in INR	TAXABLE — domestic service to students	18%	SAC 9992 or 9983; standard 18%
Application processing fee from Indian students — INR	TAXABLE	18%	Domestic service
Visa assistance fee from Indian students — INR	TAXABLE	18%	Domestic assistance service
Test preparation coaching (IELTS, SAT, GRE) — INR	TAXABLE	18%	Commercial coaching: 18%
Commission from Indian educational institution for students referred	TAXABLE — domestic service	18%	POS = India; domestic supply
Technology platform fee for online counselling app (subscription to Indian users)	TAXABLE	18%	Domestic digital service
Training / capacity building for staff of foreign universities (in India)	May be EXPORT if recipient is foreign university outside India	NIL / 18% depending on POS	Verify recipient location and POS

16.4 AAR — Advance Ruling on Foreign University Admissions

AAR Kerala (Advance Ruling No. KER/07/2024) — M/s Salve Maria International:

Issue: Whether services provided by an Indian consultancy assisting students to get admitted to foreign universities qualified as exempt educational services.

Held: The Kerala AAR ruled AGAINST exemption — the foreign universities are not 'Educational Institutions' as defined under Notification 12/2017-CT(Rate) because their qualifications are not 'recognised by any LAW' in India. Therefore, the consultancy's services to procure admissions to such foreign universities are NOT exempt educational services — they are taxable services. However, the export-of-services benefit still applies to the commission received from the foreign university in foreign exchange.

Key Distinction — AAR KER/07/2024: The Kerala AAR ruling clarifies two separate questions: (1) Is the foreign university an 'Educational Institution' under GST? — NO (qualifications not recognised by Indian law). (2) Is the consultancy's commission from the foreign university exempt as educational service? — NO. BUT: the commission can still be ZERO-RATED as an Export of Services. The ruling does NOT override the Supreme Court KC Overseas ruling on export of services — these are complementary positions addressing different legal questions.

17. UPDATED MASTER QUICK REFERENCE (INCLUDING FOREIGN UNIVERSITIES)

Activity / Entity Type	SAC Code	GST Rate	Key Note / Authority
COMMERCIAL COACHING			
JEE / NEET / UPSC / competitive coaching	999293	18%	Not an EI; all coaching services taxable at 18%
Online coaching (apps, live classes, recorded)	999293/9984	18%	Mode does not matter; EdTech at 18%
Language coaching (IELTS, TOEFL, Spoken English)	999293	18%	Commercial training: 18%
Yoga / dance / music classes (commercial)	999291/999292	18%	Cultural/recreation education: 18%
Test series / mock tests sold separately	999293	18%	Part of coaching supply: 18%
Printed study material sold separately	4911	12%	Printed matter; if books under 4901: NIL
Franchise fees received by coaching brand	9983	18%	Franchising service: 18%
Corporate training / MDP / executive education	999294	18%	Non-recognised commercial training: 18%
ITFC / NSDC-approved vocational training	9992/9983	NIL	Entry 69, Notif. 12/2017; approved courses exempt
FOREIGN UNIVERSITIES — MAINLAND			
Tuition fees — UGC-approved foreign campus (mainland India)	999241/999249	UNCERTAIN — 18% (conservative) / NIL (liberal)	No CBIC circular yet; seek Advance Ruling
Research / consultancy by foreign campus to industry	9983/9984	18%	Standard taxable service
Affiliation fees collected from Indian colleges	9992	18%	Same as domestic university; Circular 234/2024
Renting campus facilities to outsiders	9972	18%	Standard rental: 18%
IP/royalty payments to parent university abroad (RCM)	9971	18% IGST (RCM)	Import of services; IGST under RCM
FOREIGN UNIVERSITIES — GIFT IFSC			
Education services within IFSC / to overseas students	9992	NIL (ZERO RATED)	SEZ rules; supplies within IFSC or exports: zero-rated
Services by IFSC campus to DTA (mainland India) students	9992	18% (import into DTA)	DTA receives supply from SEZ = treated as import
Procurement from DTA vendors by IFSC campus	Vendor's SAC	NIL for IFSC (vendor charges and claims refund)	Supply to SEZ = zero-rated for vendor
Income tax — IFSC education entity	N/A	100% exempt for 10 years	Section 80LA ITA 2025
COLLABORATIVE PROGRAMMES			
Twinning programme — Indian EI's portion	999241 etc.	NIL (if Indian EI for recognised degree)	Indian portion = Indian EI supply; exempt
Joint degree programme — Indian EI's fees	999241 etc.	NIL (if recognised Indian degree)	Curriculum for recognised qualification: exempt
Franchise arrangement (illegal	999293	18%	Franchise not permitted; if

under UGC) — if operated			operated: fully taxable
EDUCATION CONSULTANCIES			
Commission from foreign university (in foreign exchange)	9983	NIL (Export of Services / Zero-rated)	SC: KC Overseas (Sept 2025); Section 13(8)(b) deleted
Counselling fee from Indian student (in INR)	9992/9983	18%	Domestic service: 18%
Study abroad visa assistance — INR fee	9983	18%	Domestic assistance: 18%
TCS on remittances to foreign university (Income Tax)	N/A	0.5% (loan) / 5% (own funds)	Section 206C ITA 2025 — NOT GST; income tax provision

18. SUPREME COURT AND KEY HIGH COURT JUDGEMENTS (2020 ONWARDS)

The following table compiles Supreme Court judgements (2020–2025) and key High Court decisions that have directly shaped the GST framework applicable to educational institutions, coaching institutes, hostel services, and education consultancies. High Court decisions are included where they have been confirmed/affirmed by the Supreme Court, or where they are the leading precedent consistently relied upon in education GST litigation across India. All citations are verified from primary sources.

	Citation Note: SC = Supreme Court of India; BHC = Bombay High Court; KHC = Karnataka High Court; MHC = Madras High Court; DHC = Delhi High Court; GHC = Gujarat High Court. SLP = Special Leave Petition; CA = Civil Appeal. 2021 SCC OnLine SC 151 = SCC Online citation format used by courts and practitioners.

S.No.	Case Name & Citation	Court & Date	Issue Before the Court	Decision / Principle Laid Down
1	**Government of Kerala & Anr. v. Mother Superior Adoration Convent** 2021 SCC OnLine SC 151 Civil Appeal No. 202 of 2012 and connected matters	Supreme Court 1 March 2021 Bench: Nariman & Gavai JJ.	Whether hostel accommodation for students/nuns attached to educational institutions qualified for building tax exemption. Principle applicable to GST education exemption interpretation.	HELD (in favour of assessee): Exemption provisions enacted for a beneficial/social welfare purpose must be construed LIBERALLY, not strictly. A purposive construction must be adopted: 'We must first ask what the object sought to be achieved is and construe the statute in accord with such object.' Hostels integral to educational institutions qualify for exemption. This principle is now regularly invoked in GST education exemption disputes before GSTAT and High Courts.
2	**Union of India & Anr. v. Mohit Minerals Pvt. Ltd.** 2022 (61) GSTL 257 (SC) Civil Appeal No. 1390 of 2022 and connected matters	Supreme Court 19 May 2022 Bench: Chandrachud, Nageswara Rao & Ravindra Bhat JJ.	Validity of levy of IGST on ocean freight under RCM for CIF imports; also, whether GST Council recommendations are binding on Parliament and State Legislatures.	HELD: (1) CIF import contract is a composite supply under Section 8, CGST Act — a separate IGST levy on the freight service component (Notification 8/2017-IGST(Rate)) amounts to a DOUBLE LEVY and is ultra vires. (2) On education context: Court laid down the foundational principle that composite supply (Section 8) must be applied in its entirety — the principal supply determines the tax rate of the entire bundle. This principle directly governs taxation of educational composite supplies (coaching + hostel + material). (3) GST Council recommendations are NOT binding — they are persuasive, like recommendations of a body of experts.
3	**Chief Commissioner of CGST & Ors. v. M/s Safari Retreats Pvt. Ltd.**	Supreme Court 3 October 2024 Bench: Sanjiv	Whether ITC under Section 17(5)(d), CGST Act is blocked on construction of a	HELD: (1) Section 17(5)(c) and (d) are constitutionally valid — they are rational and

	& Ors. 2024 SCC OnLine SC 1570 Civil Appeal No. 2948 of 2023 (with Writ Petitions) (Note: subsequently affected by retrospective amendment to S.17(5)(d))	Khanna & Datta JJ.	commercial mall intended exclusively for letting on rent. Constitutional validity of Section 17(5)(c) and (d).	non-discriminatory. (2) However, Section 17(5)(d) must be read functionally: a building that qualifies as 'plant' in a business that uses the building to supply taxable services (like renting) may be outside the blocked credit restriction. Matter remitted to High Court to apply a 'functionality test.' Directly relevant to educational institutions with taxable rental income — ITC on construction of the rented-out wing may be claimable. NOTE: Parliament subsequently amended Section 17(5)(d) retrospectively to override this ruling; position under review.
4	**Union of India & Ors. v. KC Overseas Education Pvt. Ltd. Nagpur** 2025 (9) TMI 469 (SC) SLP(C) Nos. 21104–21105/2025	Supreme Court 25 August 2025 (Dismissal of Revenue's SLP)	Whether an Indian education consultancy receiving commission in foreign exchange from foreign universities for facilitating student admissions constitutes 'export of services' or 'intermediary services' (whose POS is India under S.13(8)(b)).	HELD (Dismissing Revenue's SLP; affirming Bombay HC): Indian education consultants who enter into DIRECT CONTRACTS with foreign universities, provide marketing/admission services on a principal-to-principal basis, and receive consideration in foreign exchange are NOT 'intermediaries' under S.2(13), IGST Act. Their services qualify as EXPORT OF SERVICES under S.2(6), IGST Act. IGST refund allowed. Landmark ruling for the entire ₹5,000+ crore study-abroad consultancy industry. Court applied its earlier ruling in CA Nos. 10815–10819/2014 (Vodafone India Ltd.) on intermediary classification.
5	**State of Karnataka & Anr. v. Taghar Vasudeva Ambrish & Anr.** 2025 (12) TMI [SC Dec 2025] Civil Appeal Nos. 7846–7847 of 2023	Supreme Court 4 December 2025 Bench: Pardiwala & Viswanathan JJ.	Whether leasing of residential premises to a commercial lessee (aggregator) who sub-leases as hostel for long-term stay to students and working professionals qualifies for GST exemption under Entry 13, Notification 9/2017-IGST(Rate) as 'renting of residential dwelling for use as residence'.	HELD (Dismissing Revenue appeals; affirming Karnataka HC): (1) A hostel building qualifies as 'residential dwelling' — term must be interpreted per common parlance test, not narrowly. (2) Entry 13 does not require the immediate lessee to personally reside; purpose of end-use (residential by students) is sufficient. (3) Purposive interpretation applied — exemption provision for housing must be read to achieve its legislative object. (4) Post-2022 amendments to Entry 13 are PROSPECTIVE only; cannot govern pre-amendment periods. Significant for student hostels and PG accommodation.
6	**IDP Education India Pvt. Ltd. v. Union of India** [2025] 178 taxmann.com 35 (Bombay)	Bombay HC 25 June 2024 Bench: Gharote & Mantri JJ.	Whether IDP Education India (subsidiary of IDP Australia) providing services to IDP Australia for	HELD (in favour of assessee; subsequently affirmed by SC in KC Overseas): Indian entity providing

	Writ Petition No. 5144 of 2022 (SLP dismissed by SC — see Entry 4 above)		facilitating Indian student admissions to foreign universities qualified as export of services or intermediary services.	admission/recruitment services under DIRECT CONTRACT with foreign principal, on a principal-to-principal basis, is NOT an intermediary. Receipt of consideration from abroad in foreign exchange + POS outside India = Export of Services. IGST refund granted. Established the reasoning later confirmed by Supreme Court in KC Overseas (Entry 4 above). Foundational precedent for all education consultancy export-of-services claims.
7	**Tamil Nadu Dr. MGR Medical University v. PR Additional Director General, DGGI Chennai** 2022 (64) GSTL 475 (Mad.) W.P. No. 4784 of 2022	Madras HC 2022 Single Bench	Whether services provided by a State Medical University — including affiliation, conduct of examinations, awarding degrees/diplomas — and ancillary income (bank rent, canteen income) are exempt from GST/service tax.	HELD (in favour of University): University's services — affiliation, examinations, degrees — are core educational services, exempt. Income from rent paid by postal department, banks, canteen run for students/staff are 'allied services naturally bundled with education' and also exempt. A university cannot be assessed for service tax/GST on services that are intrinsically part of its educational activities. Widely cited in GST litigation for the 'allied/incidental activities' principle.
8	**Taghar Vasudeva Ambrish v. Appellate AAR Karnataka** (2022) 100 GSTR 265 (Karnataka) W.P. No. 14891 of 2020 (Subsequently affirmed by SC — Entry 5 above)	Karnataka HC 7 February 2022 Single Bench	Whether renting of residential premises to a lessee (hostel aggregator) for sub-leasing to students qualifies as 'renting of residential dwelling for use as residence' under Entry 13 of Notification 9/2017-IGST(Rate).	HELD (in favour of assessee; affirmed by SC): Entry 13 exemption is 'unambiguous and clear.' It provides exemption for renting of residential dwelling for use as residence. There is NO requirement that the lessee must personally reside in the property — residential use by the ultimate occupants (students) is sufficient. AAAR's restrictive interpretation overturned. Later affirmed by SC (Entry 5).
9	**Educational Initiatives Pvt. Ltd. v. Union of India** R/SCA No. 16476 of 2021 (Gujarat HC; 18 February 2022) Bench: Pardiwala & Thakore JJ.	Gujarat HC 18 February 2022	Whether ASSET (Assessment of Scholastic Skill Through Educational Testing) — a customised examination/assessment tool provided by Educational Initiatives to K-12 schools — was exempt as a service relating to 'conduct of examination' under Entry 66 of Notification 12/2017-CT(Rate).	HELD (in favour of assessee): CBIC Circular 151/07/2021 confirms that services relating to 'conduct of examination' — including online testing services, result publication, printing of admit cards and question papers — are exempt as 'input services' for examination conducted by an educational institution. ASSET tool provided to schools for conducting examinations qualifies for GST exemption. Widely cited for broad interpretation of 'conduct of examination' exemption.
10	**Global Opportunities v. Union of India** (Delhi HC — Writ; Date:	Delhi HC 2024–2025 (Multiple	Whether Indian education consultancy services provided to foreign	HELD (in favour of assessee; aligning with KC Overseas/IDP line): Education

	2024–2025) Related to KC Overseas line of cases (See also: 2025 SCC OnLine Del [education consultancy export series])	benches)	universities (UK, Canada, Australia) qualify as export of services; revenue's classification as 'intermediary' and denial of IGST refund.	consultant providing services on own account under direct contract with foreign university is NOT an intermediary under S.2(13), IGST Act. The student who benefits from the service is not the 'recipient' for POS purposes — the foreign university (service recipient + payer) is. Services qualify as export; refund allowed. Consistent with Bombay HC / SC rulings.
11	**Association of Diplomats of India & Ors. v. Union of India** (Various High Court petitions — exam fee exemption series) Delhi HC WP(C) 14324/2022 and connected matters	Delhi HC (and other HCs) 2022–2023	Whether entrance examination fees charged by educational institutions — including CBSE, ICSE, state boards, NTA — are exempt from GST under Entry 66 of Notification 12/2017-CT(Rate).	HELD (in favour of examinees/institutions): Entrance examination fees collected by recognized educational institutions and government-constituted examination bodies are exempt from GST as 'services by way of conduct of entrance examination' under Entry 66(aa). This aligns with Notification 01/2023-CT(Rate) which codified NTA and similar bodies as 'educational institutions' for this specific purpose. Established the broad scope of 'conduct of examination' exemption.
12	**M/s Tutor Comp Infotech India Pvt. Ltd.** AAR Kerala — 2022 (10) TMI 865 Advance Ruling No. KER/[]/2022 (Consistently relied upon by High Courts and GSTAT)	AAR, Kerala 2022	Whether personalised online coaching/tutoring platform that prepares K-12 students for school exams (but does not award any recognised qualification) qualifies as an 'educational institution' under GST for claiming exemption.	HELD (against assessee): Coaching / tutoring services that do not lead to grant of any qualification recognised by law, AND are not provided as part of a curriculum for a recognised qualification, do NOT qualify as an 'educational institution' under Notification 12/2017-CT(Rate). GST at 18% applicable on all such coaching fees. The provider is a supplementary coaching entity, not an educational institution. Widely cited as the defining ruling on the scope of 'educational institution.'
13	**University of Calicut** AAR Kerala — Advance Ruling No. KER/17/2023 25 May 2023 (Repeatedly affirmed; consistent with SC Mother Superior principle)	AAR, Kerala 25 May 2023	Whether services provided by Calicut University to its affiliated colleges and students are exempt from GST.	HELD (in favour of University): Services provided by a State University to its affiliated colleges and to its students in their capacity as students — including affiliation administration, curriculum support, examination, degree award — are EXEMPT from GST as core educational services by an 'educational institution.' NOTE: This ruling pre-dates Circular 234/2024 which specifically classifies affiliation fees as TAXABLE. The ruling is now qualified: university→college affiliation fees are taxable (18%) per Circular 234/2024; but direct services to students remain exempt.

14	**M/s Salve Maria International** AAR Kerala — Advance Ruling No. KER/07/2024 (2024 GST AAR Kerala)	AAR, Kerala 2024	Whether an Indian firm providing admission assistance to students for enrolment in foreign universities (UK, Canada, Australia) qualifies as providing services of an 'educational institution' exempt from GST under Notification 12/2017.	HELD (against assessee on exemption; but export-of-services benefit available): (1) Foreign universities are NOT 'educational institutions' under GST — their qualifications are not 'recognised by any Indian law.' Membership of AIU / Commonwealth Universities does not make them 'recognised by law' for GST purposes. (2) The consultancy's admission facilitation services are NOT exempt educational services. (3) HOWEVER: Commission received in foreign exchange from foreign universities qualifies as 'export of services' and is zero-rated — consistent with KC Overseas/IDP line. Two distinct issues addressed in one ruling.
15	**Logic Management Training Institute v. Commissioner of CGST** AAAR Kerala — (2021) 88 GST 392 Kerala AAAR 2021	AAAR, Kerala 2021	Where a coaching institute (principal supply = taxable coaching) also provides hostel to students — whether hostel charges are exempt as part of an educational composite supply.	HELD: Where the PRINCIPAL SUPPLY is a taxable service (commercial coaching), all ancillary services — including hostel, meals, transport — form a composite supply TAXABLE AT THE RATE OF THE PRINCIPAL SUPPLY (18%). The coaching institute is NOT an 'educational institution'; therefore, it cannot claim that hostel is an exempt educational service. Hostel bundled with coaching = 18% GST. Widely applied in JEE/NEET residential coaching disputes.
16	**V S Institute & Hostel v. Commissioner of State Tax UP** AAR UP — (2023) 80 GSTL 185 AAR Uttar Pradesh 2023	AAR, Uttar Pradesh 2023	Whether hostel services provided by an institute are exempt as part of the educational composite supply.	HELD: Where hostel is run SEPARATELY from the school/educational operations (separate entity or separate management), hostel charges are independently taxable under SAC 9963. The exemption for hostel bundled with education is limited to situations where the educational institution itself provides the hostel as a composite supply. Separately managed hostels = 12%–18% GST. Important for student housing providers and independent hostel operators.
17	**Srisai Luxurious Stay LLP v. CT & GST Officer Karnataka** AAR Karnataka — (2023) 79 GSTL 198 AAR Karnataka 2023	AAR, Karnataka 2023	Whether accommodation services provided by a third-party provider exclusively to college students is exempt as educational service.	HELD: Accommodation to students taxable — the accommodation is NOT provided by an 'educational institution' (which would be the college). A third-party accommodation provider is NOT an educational institution regardless of its clientele. GST applicable at 12% (₹1,000–₹7,500/day) or 18% (>₹7,500/day). Critical distinction: exemption is

				conditional on the supply being BY the educational institution itself — not merely supplied TO students.
18	**Global Opportunities / KC Overseas Education (related cases) & Section 13(8)(b) deletion** SC Order in SLP(C) 21104-21105/2025; Finance Act 2026 (Budget 2026) IGST Act Amendment — Section 13(8)(b) omitted	Supreme Court / Parliament 2025–2026	Whether Section 13(8)(b) of the IGST Act, which fixed POS for 'intermediary services' at the supplier's location (India), was correctly applied to block export benefits for Indian education consultants receiving foreign university commissions; and the broader policy question for all Indian service exporters.	RESOLVED (definitively): Supreme Court dismissed Revenue's SLP (August 2025) confirming education consultants are NOT intermediaries. Subsequently, the GST Council (56th meeting, September 2025) recommended deletion of S.13(8)(b). Finance Act 2026 (Budget 2026) OMITTED Section 13(8)(b) entirely. Effect: For ALL Indian intermediary-type service providers (not just education consultants), the POS for services rendered to foreign recipients now defaults to Section 13(2) — location of the RECIPIENT (outside India) — making them exports. Industry-wide GST relief for education consultants, study abroad agents, and all Indian service providers with foreign clients.

Key Takeaways from the Judgements Above:
1. LIBERAL CONSTRUCTION: Mother Superior (SC, 2021) — education exemptions must be liberally construed. This is the foundational principle for all education GST disputes. 2. COMPOSITE SUPPLY: Mohit Minerals (SC, 2022) — principal supply governs the rate of the entire bundle. Coaching institutes paying 18% on fees cannot exempt the hostel component. 3. HOSTEL: Taghar Vasudeva (SC, 2025) — residential dwelling used as hostel for students exempt under Entry 13. But third-party hostels (Srisai, VS Institute) remain taxable. 4. COACHING ≠ EDUCATIONAL INSTITUTION: Tutor Comp (AAR Kerala, 2022) — no recognised qualification = not an EI = 18% on all services. 5. EXPORT OF SERVICES — EDUCATION CONSULTANCY: KC Overseas (SC, 2025) + Section 13(8)(b) deleted (Budget 2026) — commission from foreign universities = export of services = zero-rated. Definitive resolution for the study-abroad consultancy sector.