

Private Coaching's for CMA, CA, CS not an 'Educational Institution', liable to pay GST, Affirms: The AAAR, Kerala

Fact of the Case

The appellant, Logic Management Training Institute is an institute imparting coaching to the students to facilitate them to obtain qualification such as Cost Accountant, Chartered Accountant, Company Secretary, certified Management Accountant, certified Public accountant, Association of Chartered Certified Accountant etc.

The Appellant has filed an appeal against the AAR, Kerala ruling wherein it was held that institutes imparting education to students for becoming Cost Accountancy (CMA), Chartered Accountant (CA), Company Secretary (CS) etc. are not covered under the definition of 'educational institution' in Para 2 (y) of the Notification No. 12/2017 Central Tax (Rate) dated June 28, 2017 which is in respect of Services Exemption Notification.

Decision of the Case

The Coram ruled that the Appellant is not providing any elementary education or pre-school or upto higher secondary level or equivalent, nor is it engaged in providing Education as part of approved vocational education course. Further, the Appellant is not issuing any certificate or degree and it is not mandatory for student to take coaching from institutions like that of Appellant's for becoming CMA, CA, CS etc.

The AAAR held that the Appellant cannot be categorized as 'education institution' and upheld the ruling of AAR, Kerala.

The Appellate Authority clarified that conduct of degree courses by colleges, universities or institutions which lead to grant of qualifications would be covered under the definition of "educational institution", and training given by private coaching institutes would not be covered, as such training does not lead to grant of recognized qualification.

The Kerala Appellate Authority of Advance Ruling (AAAR) ruled that the private coaching's for Cost Accountants (CMA), Chartered Accountants (CA), Company Secretary (CS), etc. not an "Educational Institution", liable to pay GST.