

MAHARASHTRA AUTHORITY FOR ADVANCE RULING

(constituted under section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

- (1) Shri B. V. Borhade, Joint Commissioner of State Tax
(2) Shri Pankaj Kumar, Joint Commissioner of Central Tax

GSTIN Number, if any/ User-id	27AAAC17332J2ZH
Legal Name of Applicant	IMS PROSCHOOL PVT LTD.
Registered Address/Address provided while obtaining user id	704, G Square Business Park, Sector 30A, Plot No. 25 & 26, Vashi, Navi Mumbai 400 703.
Details of application	GST-ARA, Application No. 37 Dated 08.03.2018
Concerned officer	Dy. Commr. of SGST(RAI-VAT-E-008) Raigad division, Belapur, Navi Mumbai
Nature of activity(s) (proposed / present) in respect of which advance ruling sought	
A Category	Service Provision
B Description (in brief)	Educational Training and Skilling Services
Issue/s on which advance ruling required	(ii) applicability of a notification issued under the provisions of the Act (v) determination of the liability to pay tax on any goods or services or both
Question(s) on which advance ruling is required	As reproduced in para 01 of the Proceedings below.

PROCEEDINGS

(Under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act"] by IMS PROSCHOOL PVT LTD., the applicant, seeking an advance ruling in respect of the following questions :

- Q.1. - *"Whether educational courses offered by the Applicant which have been approved by National Skill Development Corporation (hereinafter referred to as "NSDC") would be construed as in relation to National Skill Development Programme implemented by NSDC?"*
- Q.2. - *"The Applicant offers certain educational courses for which qualification standards/framework i.e. QP/NOS has not been defined by NSDC and will be approved by NSDC as and when the relevant QP/NOS would be defined by NSDC. In the interim period, NSDC has given exceptional approval on such courses. Till the time QP/NOS are defined for such educational courses and are eventually approved by NSDC, whether such courses will be treated as in relation to National Skill Development Programme implemented by NSDC?"*
- Q.3. - *"In certain situations, NSDC approved educational courses are subsequently, upgraded by the Applicant within pre-defined QP/ NOS framework, by way of adding more topics/ content /modules. However, such modified version of NSDC approved educational courses have not been approved by NSDC yet. Whether such modified version will be treated as in relation to National Skill Development Programme implemented by NSDC?"*



Q.4.- "If the answer to Q.1, Q.2 and Q.3 are Yes, then whether the benefit of GST exemption as per Notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be available to the Applicant?"

Q.5.- "If answer to Q.4 is Yes, whether benefit of GST exemption as per Notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be still available if such educational courses are offered to corporates and business institutions?"

Q.6.- "Whether the NSDC approved educational courses which are actually imparted by the business partners of the Applicant, on behalf of the Applicant as sub-contractor of Applicant, at various centres located across the country, will be considered as offered by the Applicant?"

Q.7.- "If answer to Q.6 is Yes, whether benefit of GST exemption as per Notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be available to the Applicant?"

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / MGST Act would be mentioned as being under the "GST Act".

02. FACTS AND CONTENTION - AS PER THE APPLICANT

The submissions, as reproduced verbatim, could be seen thus -

STATEMENT OF RELEVANT FACTS HAVING A BEARING ON THE QUESTION(S) ON WHICH ADVANCE RULING IS REQUIRED.

- II.1 IMS Proschool Pvt Ltd, the Applicant is a company incorporated under the Companies Act, 1956 having its registered office at Mumbai, Maharashtra.
- II.2 The Applicant is an initiative of IMS Learning Resources and offers educational training and skilling courses through classroom training and virtual coaching, in many areas such as data science, digital marketing, IFRS, ACCA, Fitter - Mechanical Assembly, Basic Electrical, Sales Person Retail etc. across many cities in India including Mumbai, Pune, Chennai, Bangalore, Delhi, Hyderabad, Gurgaon, Kochi and several districts of Gujarat.
- II.3 The Applicant is engaged, in the business of skilling the youth with the objective of helping them find decent job, make them employable and to help them earn better living. This includes preparing graduates and working professionals to appear for various National and International certifications for career development needs, including NCFM Financial Modelling, Financial Analysis, Management Accounting, Business Analytics and various other post graduate programs, in areas of finance, business analytics and marketing as well as technical programs such as Fitter, Basic Electrical and Sales Person Retail.
- II.4 For imparting the aforesaid training, the Applicant has developed its own proprietary training formats, materials and methodology, which are conducted at its centers located in various cities and sometimes at location of business institutions and Govt. organisations. The clientele of the Applicant includes individuals, corporates, educational institutions, Govt. organizations.
- II.5 The technical and vocational educational courses offered by the Applicant are either funded by NSDC / Central Govt. / State Govt. or are paid up courses which are enrolled by individuals, corporates.
- II.6 The Applicant is an approved training partner of NSDC and till date, 12 educational courses offered by it have been approved by NSDC. Further, 2 educational courses for which QP/ NOS have not been defined by NSDC yet, have been conditionally approved by NSDC. All such courses offered by the Applicant are directed for skill development and to increase employability in India.
- II.7 The Applicant has tie-ups with various educational institutes / Govt. organizations, including NSDC, National Stock Exchange Academy, Symbiosis International University, Indira Institute of Management, Lovly Professional University, Chartered Financial Institute, Chartered Institute of Management Accountant.
- II.8 The Applicant has obtained registration under Goods and Service Tax (hereinafter referred to as 'GST') regime in states of Maharashtra, Haryana, New Delhi, Karnataka, Kerala, Tamil Nadu, Telangana and Gujarat.

STATEMENT CONTAINING APPLICANT'S INTERPRETATION OF LAW AND/OR FACTS, AS THE CASE MAY BE, IN RESPECT OF QUESTION(S) ON WHICH ADVANCE RULING IS REQUIRED.



Question of law

Question of law: (1) "Whether educational courses offered by the Applicant which have been approved by National Skill Development Corporation (hereinafter referred to as "NSDC") would be construed as in relation to National Skill Development Programme implemented by NSDC?"

IV.1. The Applicant submits that in the present case, the Advance Ruling sought by the Applicant relates to the matter as to:

"Whether educational courses offered by the Applicant which have been approved by National Skill Development Corporation (hereinafter referred to as "NSDC") would be construed as in relation to National Skill Development Programme implemented by NSDC?"

Services rendered by the Applicant

IV.2. The Applicant renders educational training and skilling services to individuals, corporates, educational institutions and Govt. institutions / organizations. As a part of such services, the Applicant conducts various professional, technical, vocational educational courses such as NCFM Financial Modelling, Financial Analysis, Management Accounting, Financial Planning, Business Analytics and various other post graduate programs in areas of finance, business analytics and marketing as well as technical programs such as Fitter, Basic Electrical and Sales Person Retail. Under GST law, the said education services rendered by the Applicant merit classification under HSN 9992.

IV.3. The Applicant is also, an approved training partner of NSDC. The certificate in relation thereto, has been enclosed herewith as **Exhibit 2**.

IV.4. The following educational courses (hereinafter referred to as 'approved educational courses') till date, have been already approved by NSDC:

- (1) Financial modelling
- (2) Financial analyst
- (3) Management accounting
- (4) Strategic management accounting
- (5) Business accounting
- (6) Financial planning
- (7) Business analytics
- (8) Sales person retail
- (9) Basic electrical training
- (10) CGSC Fitter Mechanical Assembly
- (11) Data Science
- (12) IFRS

Copy of the approval received from NSDC in relation to all the aforesaid educational courses have been enclosed herewith as "**Exhibit 3**."

GST provisions

IV.4. Entry 69 to the Notification No. 12/2017-Central Tax (Rate) dated 28th June 2017 ('the Notification') exempts from GST levy:

Education services (specified under HSN 9992) provided by:

- (a) the National Skill Development Corporation set up by the Government of India;
- (b) a Sector Skill Council approved by the National Skill Development Corporation;
- (c) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation;
- (d) a training partner approved by the National Skill Development Corporation or the Sector Skill Council in relation to:
 - (i) the National Skill Development Programme implemented by the National Skill Development Corporation; or
 - (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or
 - (iii) any other Scheme implemented by the National Skill Development Corporation transaction.

Copy of the Notification has been enclosed herewith as "**Exhibit 4**."

IV.5. On simple reading of the Notification, it is apparent that GST exemption is available to an approved training partner of NSDC, only if education services rendered by such partner, is in relation to:

- (i) the National Skill Development Programme implemented by NSDC; or
- (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or
- (iii) any other Scheme implemented by the National Skill Development Corporation



- IV.6. The Applicant would like to submit that the Scheme mentioned above under Sr. No. (ii) and (iii), has been specifically implemented by the respective Govt. department /organisation. For example, NSDC has implemented various Schemes such as PMKK, PMKVY, Udaan, International Skill Training, etc., which would get covered under Sr. No. (iii) mentioned above. Further, various courses have been announced under National Skill Certification and Monetary Reward Scheme which will get covered as vocational skill development courses at Sr. No. (ii) above. Therefore, any educational course which are in connection to such specified schemes or vocational courses, will be liable to GST exemption under the Notification.
- IV.7. The Applicant would like to further submit that, till date, NSDC has not announced explicitly any course / programme which would be considered as part of National Skill Development Programme implemented by NSDC. Therefore, in absence of any explicit National Skill Development Programme which can be considered as implemented by NSDC, one needs to determine under what circumstances, any programme / scheme/ educational course would qualify as in relation to National Skill Development Programme implemented by NSDC.

Information about NSDC

- IV.8. NSDC was set up by Ministry of Finance to narrow the gap between demand and supply of skilled resources, reduce unemployment in India and to fulfil the growing need of skilled manpower across various industries and sectors. Role of NSDC is to act as a catalyst for creation of quality skills training institutions across the country and also, to support private sector initiatives for skill development.
- IV.9. NSDC partners with various training institutions to achieve its mission and objectives of elevating skilled manpower. In this regard, NSDC develops partnerships with multiple stakeholders and build on current efforts of such stakeholders, rather than undertaking initiatives directly and duplicating efforts.
- IV.10. It is evident from the above that, NSDC to achieve its objectives, does not undertake / implement any schemes, programmes on its own, rather, it has partnered with various training institutions imparting training courses / programmes related to skill development.
- IV.11. Basis the information available on NSDC portal (hereinafter referred to as 'SDMS'), we understand that the educational courses offered by NSDC training partners, should contain pre-defined qualification standards / knowledge parameters. In this regard, Ministry of Human Resource Development has designed and notified qualification assurance framework i.e. National Vocational Education Qualifications Framework (hereinafter referred to as 'NVEQF'), which outlines qualifications / levels / competencies of knowledge and skills that a learner must possess, for the purpose of getting any given job role. Within such NVEQF framework, for each job role within identified skill sectors, NSDC has specified different level of skills and learning outcomes i.e. various National Occupational Standards, Qualification Packs, (hereinafter referred to as QP/NOS), to ensure that target level of skill is achieved in particular training program. Such skills / qualifications can be acquired either through formal, non-formal or informal education and training.
Copy of the NVEQF Release F. No. 1-4/2011-VE dated 3 September 2012, notified by Ministry of Human Resource Development is enclosed herewith as 'Exhibit-5'.
- IV.12. On SDMS (i.e. NSDC portal related to skill development educational courses), QP / NOS for each type of job role within identified skill sector has been mentioned. Since there are innumerable job roles and defining QP / NOS is a continuing task hence, QP/ NOS for many job roles have already been defined by NSDC and for many other job roles, they are yet to outline QP / NOS.
- IV.13. NSDC training partners are required to align their education courses with defined QP / NOS within identified skill sector. Accordingly, at time of seeking approval for educational courses, each NSDC training partner is required to give an affidavit / declaration to NSDC, giving reference of pre-defined QP / NOS to demonstrate alignment of such course with that is contained in such educational courses.
- IV.14. Having said that, the Applicant would like to submit that keeping in mind the objective of NSDC of focusing on employability through placement in industry or self -employment, the approved educational courses offered by the Applicant is linked with different sector or industry. Also, the curriculum of each of the educational courses offered by the Applicant, is aligned to pre-defined QP/ NOS.
Syllabus, training delivery plan and QP / NOS reference in relation to 12 NSDC approved educational courses which are offered by the Applicant have been enclosed herewith as 'Exhibit-6'.
- IV.15. The Applicant would like to further, submit that it is required to upload on SDMS i.e. NSDC portal, the details of approved educational courses offered by it along with the date of approval. The screenshot of all educational courses offered by the Applicant and approved by NSDC as appearing on SDMS is enclosed herewith as 'Exhibit-7'.
- IV.16. The Applicant would like to bring to your notice that, the performance review of all NSDC training partners is done by NSDC who in turn reports the same to Ministry of Skill Development and Entrepreneurship ('MSDE').
- IV.17. In this connection, for each month, quarter, financial year, in relation to each of the approved educational courses, the Applicant is required to report and upload the following details, on the SDMS (NSDC portal):
- Applicant's progress towards yearly skill achievement targets;
 - Annual and monthly performance of the Applicant such as number of students enrolled, trained, placed, up- skilled;
 - Quarterly and yearly training and placements achievements of the Applicant;
 - Details of each and every student who was enrolled with the Applicant such as personal details, date of enrolment, date of passing out, batch start and end date, training status, etc.;



- Status of active and inactive educational centres of the Applicant;
- Details of corporate training programs;
- Details of any other skilling schemes

The documentary evidence of sharing the aforesaid information by the Applicant with NSDC has been enclosed herewith as 'Exhibit-8'.

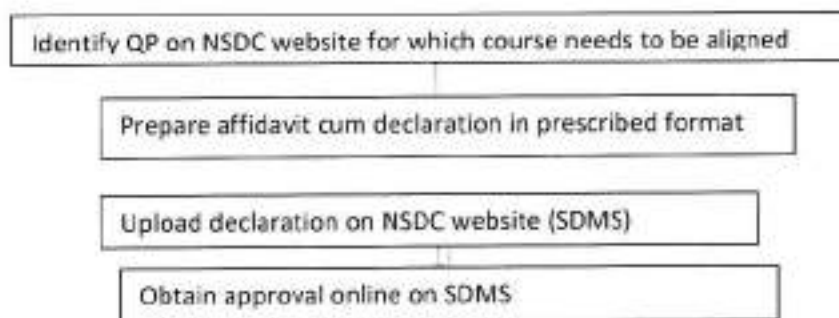
- IV.18. Further, NSDC conducts candidate data validation exercise every year, in which details of each candidate reported by the Applicant on SDMS (NSDC portal) is validated and verified. Furthermore, NSDC in their emails sent to the Applicant for sharing information related to target achievement of the Applicant, has specified that annual performance review of the Applicant will be done by MSDE and hence, the training and placements details will be shared with MSDE.
- IV.19. The Applicant would like to bring to your kind attention that each approved training partner is required to seek approval from NSDC for educational course conducted, upload information on SDMS (i.e. NSDC portal) periodically about its performance review with the intention that NSDC can monitor attainment of skill development targets of such approved training partners.
- IV.20. On simple reading of the above, it is evident that the activities of alignment of educational courses with QP / NOS, providing approval for such courses, seeking information of actual training and placements, comparison of yearly targets with the skill development achievements of approved training partners, are being undertaken by NSDC because it has not announced any programme which would be implemented by NSDC itself, to achieve its objectives of enhancing skilled manpower and reducing unemployment in India. Since, NSDC partners with training institutions and does not undertake any training programmes itself, therefore, achievement of approved training partners would be counted as accomplishment of the said objectives of NSDC. Accordingly, all the approved educational courses conducted by the Applicant should be construed as in relation to National Skill Development Programme implemented by NSDC.

I. Question of law: (2) "The Applicant offers certain educational courses for which qualification standards / framework i.e. QP/ NOS has not been defined by NSDC and will be approved by NSDC as and when the relevant QP/ NOS would be defined by NSDC. In the interim period, NSDC has given exceptional approval on such courses. Till the time QP/ NOS are defined for such educational courses and are eventually approved by NSDC, whether such courses will be treated as in relation to National Skill Development Programme implemented by NSDC?"

- V.1. The Applicant submits that in the present case, the Advance Ruling sought by the Applicant relates to the matter as to:
"The Applicant offers certain educational courses for which qualification standards / framework i.e. QP/ NOS has not been defined by NSDC and will be approved by NSDC as and when the relevant QP/ NOS would be defined by NSDC. In the interim period, NSDC has given exceptional approval on such courses. Till the time QP/ NOS are defined for such educational courses and are eventually approved by NSDC, whether such courses will be treated as in relation to National Skill Development Programme implemented by NSDC"
- V.2. As mentioned above under Para IV.11 to IV.13, NVEQF is qualification assurance framework that outlines different type of skill standards, a person should possess for a given job role and also, outlines learning outcomes to ensure particular target level of skill has been achieved in a training program. In this regard, NSDC has defined NOS / QP for many job roles. Such QP / NOS should be aligned to educational courses imparted by NSDC training partners. NSDC has defined QP / NOS for many job roles and they are in process to outline QP / NOS for other job roles.

NSDC's educational course approval process

- V.3. In connection to job role / educational course for which NOS / QPs has been already defined by NSDC, for the purpose of obtaining approval from NSDC, the approved training partner of NSDC is required to align their educational courses as per the listed QPs / NOS.
- V.4. At present, the step-by-step NSDC course approval process is explained by way of below flow chart:



V.4. In connection to job role for which NOS / QPs has not been outlined yet by NSDC, NSDC is providing conditional approval to such courses, by earmarking status of approval of such course on SDMS ('NSDC portal') as 'exception'. Later, as and when QP/ NOS would be defined by NSDC, the approved training partner would be required to follow the process mentioned above under Para V.3, to obtain approval.

V.5. The Applicant offers few training programs such as Digital Marketing, Basics of Computers for which QP / NOS has not been currently defined by NSDC. Therefore, the Applicant has submitted an affidavit to NSDC that the Applicant is currently imparting the said educational courses for which QPs / NOS has not been defined. Later, as and when QP/ NOS for such educational courses would be declared by NSDC, then, the Applicant will undertake the required process to obtain approval from NSDC for such courses.

V.6. Therefore, both such courses have been conditionally approved by NSDC (hereinafter referred to as 'exceptional approved educational courses') and the approval status of such courses appear as 'exception' on the SDMS.

Copy of the affidavit submitted to NSDC in relation to exceptional approved educational courses and the screenshot of the approval status of such course on SDMS appearing as exception, have been enclosed herewith as 'Exhibit-9'.

V.7. The Applicant would like to submit that such exceptional approved educational courses are aimed to develop the skills of the candidates and help them to find a job or better job role. Further, the Company while reporting its achievement of skill developments targets to NSDC includes details of such courses as well.

V.8. Given this, the Applicant is of the opinion that such courses are directed towards the objectives of NSDC of skill development and reducing unemployment in India and accordingly, should be equated as in relation to National Skill Development Programme implemented by the NSDC.

II. Question of law: (3) "In certain situations, NSDC approved educational courses are subsequently, upgraded by the Applicant within pre-defined QP/ NOS framework, by way of adding more topics/ content/modules. However, such modified version of NSDC approved educational courses have not been approved by NSDC yet. Whether such modified version will be treated as in relation to National Skill Development Programme implemented by NSDC?"

VI.1. The Applicant submits that in the present case, the Advance Ruling sought by the Applicant relates to the matter as to:

"In certain situations, NSDC approved educational courses are subsequently, upgraded by the Applicant within pre-defined QP/ NOS framework, by way of adding more topics/ content/modules. However, such modified version of NSDC approved educational courses have not been approved by NSDC yet. Whether such modified version will be treated as in relation to National Skill Development Programme implemented by NSDC"

VI.2. For the purpose of remaining competitive in this evolving and dynamic world, the Applicant keeps on upgrading, modifying, adding variants to its already approved educational courses, by way of adding more topics/ modules / content to the same. As result of such modification, the basic premise of such modified courses remains constant, existing modules are not deleted from it, only, supplementary modules / programs are added to it and aligned with corresponding pre-defined QP/ NOS, in order to make the same, lucrative to the candidates, educational institutions, corporates, etc.

VI.3. The Applicant has obtained approval from NSDC at inception however, subsequent to up- gradation, in connection with such modified versions of already existing approved educational courses, the Applicant is yet to receive approval from NSDC.

VI.4. The Applicant would like to submit that the aforesaid modifications to the already approved educational courses does not change the primary structure of such courses. Such modified versions are aligned to QP / NOS and are more beneficial for students, to enhance their skill.

VI.5. The Applicant would like to further, submit that the modified versions of approved educational courses are included and reported by the Applicant to NSDC, as part of its performance review towards achievements of its skill developments targets, in the similar way as reported to NSDC for non-modified approved educational courses.

VI.6. It is apparent from the above, that the modified versions of already approved educational courses being aligned to QP / NOS, are directed towards skill development objectives of NSDC and hence, should be treated as in relation to National Skill Development Programme implemented by NSDC.



III. Question of law: (4) "If the answer to Q.1, Q.2 and Q.3 are Yes, then, whether the benefit of GST exemption as per notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be available to the Applicant?"

VII.1. The Applicant submits that in the present case, the Advance Ruling sought by the Applicant relates to the matter as to:

"If the answer to Q.1, Q.2 and Q.3 are Yes, then, whether the benefit of GST exemption as per notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be available to the Applicant"

GST Notification

VII.2. Entry 69 to the Notification No. 12/2017-Central Tax (Rate) dated 28th June provides that:

Education services (specified under HSN 9992) provided by:

(a) the National Skill Development Corporation set up by the Government of India;

(b) a Sector Skill Council approved by the National Skill Development Corporation;

(c) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation;

(d) a training partner approved by the National Skill Development Corporation or the Sector Skill Council

in relation to-

(i) the National Skill Development Programme implemented by the National Skill Development Corporation; or

(ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or

(iii) any other Scheme implemented by the National Skill Development Corporation transaction

Co-relation of the Notification with the facts of Applicant

VII.3. The Applicant is training partner approved by NSDC.

VII.4. As mentioned above under Paras IV.4 to IV.20, in absence of any specific National Skill Development Programme announced by NSDC as implemented by it, the educational courses offered by the Applicant which have been approved by NSDC, should be construed as in relation to National Skill Development Programme implemented by NSDC.

VII.5. Further, as elucidated above under Paras V.2. to V.8. and Paras VI.2 to VI.7., the conditional approved educational courses and the modified versions of already approved educational courses respectively, should be equated as in relation to National Skill Development Programme implemented by NSDC.

VII.6. Since, the approved educational courses including modified versions and conditional approved educational courses offered, by the Applicant who is an approved training partner of NSDC, are in relation to National Skill Development Programme implemented by NSDC therefore, the Applicant would like to submit that it is eligible for GST exemption in connection with such educational courses, in terms of the Notification.

Question of law: (5) "If answer to Q.4 is Yes, whether benefit of GST exemption as per notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be still available if such educational courses are offered to corporates and business institutions?"

VIII.1. The Applicant submits that in the present case, the Advance Ruling sought by the Applicant relates to the matter as to:

"If answer to Q.4 is Yes, whether benefit of GST exemption as per notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be still available if such educational courses are offered to corporates and business institutions"

VIII.2. The Applicant would like to mention that it renders education services to individuals, Govt. institutions and corporates. Certain educational courses such as management accounting, financial modelling, financial analyst, business accounting which are already approved by NSDC, are conducted by the Applicant for business institutions / corporates.

VIII.3. Such courses are reported by the Applicant to NSDC towards achievement of skill development targets of the Applicant and therefore, would get covered as in relation to the National Skill Development Programme implemented by NSDC.

VIII.4. Further, on simple reading of the Notification it can be demonstrated that the Notification mentions availability of GST exemption *interalia* on education services provided by approved training partner of NSDC, which is in relation to the National Skill Development Programme implemented by the NSDC. It does not specify class of recipients to whom services should be provided so that the benefit of the Notification would be available. The Notification does not specify that the services should be rendered by the approved training partner of NSDC, to individuals or to corporates or to colleges or to Govt. organisations, for availing GST exemption.

VIII.5. Accordingly, in absence of any such restriction it is evident that as long as the educational courses offered by the approved training partner are in relation to the National Skill Development Programme implemented by NSDC, GST exemption would be available, irrespective of constitution of the recipient.

VIII.6. The Applicant would like to submit that the educational courses which have been approved by NSDC and are reported to NSDC towards achievements of skill development targets of the Applicant and are in relation to the National Skill Development Programme implemented by NSDC, regardless of being offered to business corporates or colleges or individuals and GST exemption should be available on the same.



IV. Question of law: (6) "Whether the NSDC approved educational courses which are actually imparted by the business partners of the Applicant, on behalf of the Applicant as sub-contractor of Applicant, at various centres located across the country, will be considered as offered by the Applicant?"

IX.1. The Applicant submits that in the present case, the Advance Ruling sought by the Applicant relates to the matter as to:

"Whether the NSDC approved educational courses which are actually imparted by the business partners of the Applicant, on behalf of the Applicant as sub-contractor of Applicant, at various centres located across the country, will be considered as offered by the Applicant"

IX.2. The Applicant imparts educational courses from various centres which are run and managed by itself. The Applicant also, conducts educational courses from its other centres, for which it has appointed various business partners, who will manage and run such centres. Such business partners has been appointed by the Applicant with the intention of increasing business and to manage its centers effectively and efficiently.

IX.3. The business partners would provide infrastructural and other support services to the Applicant, for agreed fees. In this connection, the Applicant has entered into an agreement with business partners namely, Business Partner Agreement, wherein the scope of services rendered by business partners, responsibility and obligations of both namely, the business partners and the Applicant and other terms and conditions have been listed.

Sample copy of the Business Partner Agreement and corresponding invoices raised by such business partners upon the Applicant have been enclosed herewith as 'Exhibit-10'.

IX.4. The key features of the Business Agreement are elucidated below:

- business partner to conduct educational courses and training services for specified courses, under the instructions of the Applicant, in the designated area, for definite period.
- for facilitating provision of such services under the Business Partner Agreement, the Applicant has permitted the business partner to use 'PROSCHOOL' training materials, training formats, know-how and expertise.
- the Applicant has granted non-exclusive, non-transferable, non-assignable, royalty free, limited term, to business partner, to use its trade marks for sole purpose of discharging its obligations under the business partner agreement.
- Business partner is required to charge course fees to students for which invoice / acknowledged receipt will be issued by business partner in the name of the Applicant.
- Subsequent to collection, the business partner is required to deposit such fees to the bank account of the Applicant.
- The Applicant shall intimate to business partner details of all programmes for which business partner is required to render services.
- The Applicant shall provide programme structures for each academic year which business partner is required to follow and assist business partner in preparing time table for programme and services to be rendered in connection therewith.
- The Applicant shall provide students course material application form, brochure, advertisement materials, student's identity card, login credentials to access course material electronically, to the business partner who in turn will give the same to the students.
- Business partner is required to maintain financial and other records in the specified format, as required by the Applicant.
- The premises that will be used by business partner under the said agreement would be acquired by the Applicant, under a lease arrangement. In other words, the centre will be taken on lease basis for which lease agreement is in the name of the Applicant and the lease rentals will be paid by the Applicant.
- Business partner is required to make available requisite infrastructure such as office, classroom library, furniture, electricity, other amenities in the specified area as approved by the Applicant, which is mandatory for business partner to effectively render services for training students.
- Consideration payable to business partner is computed as specified percentage of net realised fee from student, depending upon nature of educational course offered.
- Business partner and the Applicant are not related to each other and shall act on principal to principal basis.
- To facilitate impart of educational courses to students by business partner in the desired manner, the Applicant may provide training to business partner or his team either free of cost or for agreed charges.
- Student counselling is done by business partner under direction of the Applicant.



IX.5. Furthermore, the Applicant is required to appoint faculty / teachers at centres which are managed and run by business partners, pay fees to such faculty and teachers, marketing of educational courses for such centres. All the correspondences, receipt / invoice are issued to students on the letterhead of the Applicant, by the business partner on behalf of the Applicant. In case of any issues, problems, issues faced by the students in course of training, the Applicant would be legally obligated to resolve the same.

Copy of the following have been enclosed herewith as 'Exhibit 11':

- agreement entered into between faculty and the Applicant,
- sample copy of invoice issued by such faculty upon the Applicant,
- lease agreement between landlord and the Applicant,
- sample copy of rent receipt issued by such landlord upon the Applicant.

IX.6. On simple reading of the aforesaid, it is clearly evident that by and large, all the activities related to the centres run by business partners such as managing faculty, marketing, leasing of centres' premises, providing educational materials, etc. are the responsibilities of the Applicant. Applicant has partnered with the business partner to share few of its obligations such as to provide educational courses to students using the materials, curriculum provided by the Applicant and under the direction of the Applicant, raise invoice upon students in the name and on behalf of the Applicant, collect fees from students on behalf of the Applicant.

IX.7. It is also, clearly visible that the business partner is required to use 'the Company i.e. PROSCHOOL' training materials, training formats, know-how and expertise. For the said purpose, the Applicant has granted non-exclusive, non-transferable, non-assignable, royalty free, limited term, to business partner, to use its trade marks.

IX.8. Further, the business partners receive fees for undertaking the abovementioned activities from the Applicant and raises invoice upon the Applicant.

IX.9. In light of the above, it is amply evident that, the Applicant has sub-contracted / outsourced few of its obligations of imparting educational services and training, to the business partners. Further, business partners are rendering services to the Applicant and not to the students, for which it is being compensated by the Applicant.

IX.10. Since the educational courses imparted by business partners are on behalf of the Applicant, accordingly, such educational courses should be construed as being offered and conducted by the Applicant itself.

IX.11. The Applicant would like to submit that the education courses which are conducted at centres managed and run by the business partner on behalf of the Applicant, are the same courses which have either been approved or conditionally approved by NSDC or the upgraded versions of such courses. Therefore, every year the Applicant has included such courses while reporting achievement of its skill development targets to NSDC and NSDC has not raised any objection to such inclusion.

IX.12. Therefore, education courses imparted at centres by business partners on behalf of the Applicant should be construed as in relation to the National Skill Development Programme implemented by the NSDC and GST exemption should be available on the same.

V. Question of law: (7) "If answer to Q.6 is Yes, whether benefit of GST exemption as per notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be available to the Applicant?"

X.1. The Applicant submits that in the present case, the Advance Ruling sought by the Applicant relates to the matter as to:

"If answer to Q.6 is Yes, whether benefit of GST exemption as per notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be available to the Applicant"

X.2. As discussed above under Paras IX.1 to IX.9, the education courses imparted by the business partner on behalf of the Applicant should be construed as conducted by the Applicant and hence, such courses should be considered as in relation to the National Skill Development Programme implemented by the NSDC.

X.3. Entry 69 to the Notification No. 12/2017-Central Tax (Rate) dated 28th June provides that:

Education services (specified under HSN 9992) provided by:

- (a) the National Skill Development Corporation set up by the Government of India;*
- (b) a Sector Skill Council approved by the National Skill Development Corporation;*
- (c) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation;*
- (d) a training partner approved by the National Skill Development Corporation or the Sector Skill Council in relation to-*
 - (i) the National Skill Development Programme implemented by the National Skill Development Corporation; or*
 - (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or*
 - (iii) any other Scheme implemented by the National Skill Development Corporation transaction*



X.4. Since, the educational courses by the Applicant through business partners, are in relation to National Skill Development Programme implemented by NSDC therefore, the Applicant is eligible for GST exemption in connection with such educational courses, in terms of the Notification.

PRAYER IN ADVANCE RULING

Given the facts and circumstances, the Applicant prays before the Hon'ble Authority that:

- The educational courses approved by NSDC and conducted by the Applicant should be treated as is in relation to National Skill Development Programme implemented by NSDC.
- The educational courses conducted by the Applicant which have been conditionally approved by NSDC should be treated as is in relation to National Skill Development Programme implemented by NSDC.
- The upgraded versions of educational courses conducted by the Applicant which have been approved prior to modification by NSDC should be treated as is in relation to National Skill Development Programme implemented by NSDC.
- The educational courses approved by NSDC and conducted by the business partners on behalf of the Applicant should be treated as is in relation to National Skill Development Programme implemented by NSDC.
- The aforesaid courses should be exempt from levy of GST in terms of Notification No 12/2012 - Central tax (Rate) dated 28th June, 2017.
- Any other or further relief as Hon'ble Authority deems fit, proper and reasonable, on the facts of the case, may be granted.
- The Applicant be granted the opportunity of a personal hearing.

03. CONTENTION - AS PER THE CONCERNED OFFICER

The submission, as reproduced verbatim, could be seen thus-
IMS Preschool Pvt Ltd the applicant is a company incorporated under the Companies Act, 1956 having its registered office at Mumbai, Maharashtra.

The Applicant is an initiative of IMS Learning Resources and offers educational training and skilling courses through classroom training and virtual coaching, in many areas such as data science, Digital marketing, IFRS, ACCA, Fitter-Mechanical Assembly, Basic Electrical, Sales Person Retail etc. across many cities in India including Mumbai, Pune, Chennai, Bangalore, Delhi, Hyderabad, Gurgaon, Kochi and several districts of Gujarat.

The Applicant is engaged, in the business of skilling the youth with the objective of helping them find decent job, make them employable and to help them earn better living. This includes preparing graduates and working professionals to appear for various National and international certifications for career development needs, including NCFM Financial Modelling, Financial Analysis, Management Account, Business Analytics and various other post graduate programs in areas of finance, business analytics and marketing as well as technical programs such as Fitter, Basic Electrical and sales person Retail.

For imparting the aforesaid training, the applicant has developed its own proprietary training formats, materials and methodology, which are conducted at its centers located in various cities and sometimes at location of business institutions and Govt. organisations. The clientele of the Applicant includes individuals, corporates, educational institutions, Govt. organizations.

The technical and vocational educational courses offered by the applicant are either funded by NSDC/Central Govt. / State Govt. or are paid up courses which are enrolled by individuals corporates.

The Applicants is an approved training partner of NSDC and till date, 12 educational courses offered by it have been approved by NSDC. Further, 2 educational courses for which QP/NOS have not been defined by NSDC yet, have been conditionally approved by NSDC. All such courses offered by the Applicant are directed for skill development and to increase employability in India.

The Applicant has tie-ups with various educational institutes/Govt. organizations, including NSDC., National Stock Exchange Academy, Symbiosis International University, Indira Institute of Management, Lovely Professional University, Chartered Financial Institute, Chartered Institute of Management Accountant.

The applicant has raised following query :-

Qs. N	Questions raised by the applicant	Submission as per ACT & RULE
1	Whether educational courses offered by the applicant which have been approved by National Skill Development Corporation would be construed as in relation to National Skill Development Programme implemented by NSDC?	Yes. As the applicant is engaged, in the business of skilling the youth with the objective of helping them find decent job, make them employable and to help them earn better living. It fulfils the norms of the NSDC.
2	The Applicant offers certain educational courses for which qualification standards/ framework i.e. QP/NOS has not been defined by NSDC and will be approved by NSDC as and when the relevant QP/NOS would be defined by NSDC. In the interim	No comment NOSs - National Occupational Standards (NOSs) specify the standard of performance, knowledge and understanding when carrying out a particular



	<p>period, NSDC has given exceptional approval on such courses. Till the time QP/NOS are defined for such educational courses and are eventually approved by NSDC, whether such courses will be treated as in relation to National Skill Development Programme implemented by NSDC?</p>	<p>activity in the workplace. Each NOS defines one key function in a job role. Example: For a Sales Associate, one of the NOS would be to 'To help customers choose right products'</p> <p>QPs - A set of NOSs, aligned to a job role, called Qualification Packs (QPs), would be available for every job role in each industry sector. These drive both the creation of curriculum, and assessments. These job roles would be at various proficiency levels, and aligned to the NSQF. Example would be Qualification Pack of a Sales Associate</p> <p>Sector Skill Councils are responsible for the creation of QPs and NOSs. These Occupational Standards are open for public viewing for a month on http://www.nsdcindia.org/nos. All those who have participated in development and validation of standards as well as the industry are informed by the SSC that the Occupational Standards have been published for comments. All comments/ feedback received during the period will be responded to by respective Sector Skill Council under intimation to NSDC. After one month of public viewing, these standards will be promulgated as National Standards.</p> <p>As of 31st March 2015, across 28 Sectors, standards for 1319 Job Roles pegged at NSQF levels 1 to 8 have been defined by the Sector Skill Councils. 14 SSCs have covered development of 80% of entry level workforce QPs.</p>
3	<p>In certain situations, NSDC approved educational courses are subsequently, upgraded by the applicant within pre-defined QP/NOS framework, by way of adding more topics/content/modules. However, such modified version of NSDC approved educational courses has not been approved by NSDC yet. Whether such modified version will be treated as in relation to National Skill Development Programme implemented by NSDC?</p>	<p>Decision will be taken by NSDC .</p>
4	<p>If the answer to Q.1, Q.2 and Q.3 are Yes, then whether the benefit of GST exemption as per Notification No 12/2017 - Central Tax (Rate), dated the 28th June 2017 would be available to the Applicant?</p>	<p>If all the norms of NSDC fulfills then yes.</p>
5	<p>If answer to Q.4 is Yes, whether benefit of GST exemption as per Notification No.12/2017-Central Tax (Rate), dated the 28th June 2017 would be still available if such educational courses are offered to corporates and business institutions?</p>	<p>No.</p>
6	<p>Whether the NSDC approved educational courses which are actually imparted by the business partners of the Applicant, on behalf of the Applicant as sub-contractor of Applicant, at various centers located across the country, will be considered as offered by the Applicants?</p>	<p>Should be approved by the NSDC not for sub-contract of the applicant.</p>
7	<p>If answer to Q.6 is Yes, whether benefit of GST exemption as per Notification No.12/2017-Central Tax (Rate), dated the 28th June 2017 would be available to the applicant?</p>	<p>Should be approved by the NSDC not for sub-contract of the applicant.</p>

NSDC (BACKGROUND) : Skill India is an initiative of the Government of India which has been launched to empower the youth of the country with skill sets which make them more employable and more productive in their work environment. Our National Skill Mission is chaired by the Hon'ble Prime Minister, Shri Narendra Modi himself. India is a country today with 65% of its youth in the working age group. If ever there is a way to reap this demographic advantage, it has to be through skill development of the youth so that they add not only to their personal growth, but to the country's economic growth as well.

Skill India offers courses across 40 sectors in the country which are aligned to the standards recognised by both, the industry and the government under the National Skill Qualification Framework. The courses help a person focus on practical delivery of work and help him enhance his technical expertise so that he is ready for day one of his job and companies don't have to invest into training him for his job profile.



The Skill Mission launched by the Prime Minister on 15 July 2015, has gathered tremendous steam under the guidance of Shri Rajiv Pratap Rudy, Union Minister of State for Skill Development and Entrepreneurship, during the last one year. The target to train more than a crore fresh entrants into the Indian workforce has been substantially achieved for the first time. 1.04 Crore Indians were trained through Central Government Programs and NSDC associated training partners in the private sector.

For the first time in 68 years of India's independence, a Ministry for Skill Development & Entrepreneurship (MSDE) has been formed to focus on enhancing employability of the youth through skill development. The skill ecosystem in India, is seeing some great reforms and policy interventions which is reinvigorating and re-energising the country's workforce today; and is preparing the youth for job and growth opportunities in the international market. The Hon'ble Prime Minister's flagship scheme, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) alone, has till date seen close to 20 lakh people get skilled and prepared for a new successful India.

Skill India harbours responsibility for ensuring implementation of Common norms across all skill development programs in the country so that they are all standardized and aligned to one object. The ITI ecosystem has also been brought under Skill India for garnering better results in vocational education and training.

The success of a nation always depends on the success of its youth and Skill India is certain to bring a lot of advantage and opportunities for these young Indians. The time is not far when India will evolve into a skilled society where there is prosperity and dignity for all.

04. HEARING

The case was taken up for Preliminary hearing on dt. 03.04.2018 with respect to admission or rejection of present application when Sh. Santosh Dalvi, Advocate alongwith Ms. Shradha Didwania, Sh. Sanjay Choudhary CEO, Sh. Ajay Nayak, C.A., Sh. Tanveer Bhagat, C.A. appeared and made submissions orally for admission of application as per contentions made in ARA. They were orally requested to confirm and obtain in writing from NSDC as to what are the programmes that are being undertaken by NSDC under National Skill Development Programme and submit the same. Jurisdictional Officer, Ms. R. S. Iyer Sales Tax Officer appeared and made written submissions.

The application was admitted and called for final hearing on 24.04.2018, Sh. Santosh Dalvi, Advocate alongwith Ms. Shradha Didwania, Sh. Sanjay Choudhary CEO, Sh. Ajay Nayak, C.A., Sh. Tanveer Bhagat, C.A. and Ms. Aarti Shetty appeared and made oral contentions as per their written submissions which were taken on record. Jurisdictional Officer, Ms. R. S. Iyer Sales Tax Officer appeared and stated that they have already made their written submissions.

05. OBSERVATIONS

We have perused the records on file and have gone through the facts of the case and oral and written submissions made by the applicant as well as the department.

We find that M/s IMS Proschool Private Limited, the applicant is a company under the Companies Act.

The applicant is claiming that they are in the business of skilling the youth with the objective of helping them find decent jobs, make them employable and to help them earn a better living. The applicant claims that this includes preparing graduates and working professionals to appear for various national and international certifications for career development needs, including MLFM Financial modelling, Financial analysis, management accounting, business analytics and various other post graduate programmes in areas of finance, business analysis and marketing as well as technical programmes such as fitter, basic electrical and Sales Person retail.

The applicant is further claiming that they are training partners of NSDC and till date 12 educational courses offered by them have been approved by NSDC and all these courses are directed to skill development and to increase employability in India.

After going through the details as given in their application by the applicant, we find that the main question of the applicant is:



Question No. 1:- Whether educational courses offered by the Applicant which have been approved by National Skill Development Corporation (hereinafter referred to as "NSDC") would be construed as in relation to National Skill Development Programme implemented by NSDC?

And in continuation of the same their further query is that whether they are eligible for exemption from GST as per Serial No. 69 of Notification No. 12/2017 Central tax (Rate) dated 28th June 2017 and if so, in respect of which services being provided by them would they be eligible for exemption under Sr.No. 69 of the above said Notification.

We find that rest of their queries in the present application would rest on their above two main queries. In view of this we would first be required to ascertain if the educational courses that are being offered by the applicant and approved by NSDC can be taken to be in relation to National Skill Development Programme implemented by NSDC.

We find that at the time of the preliminary hearing they were orally requested to confirm and obtain in writing from NSDC as to what are the programmes that are being undertaken by NSDC under National Skill Development Programme and submit the same. We find that they have not submitted anything in respect of the above request, from NSDC.

In view of this in order to ascertain the same, we are required to examine as to what is the exact nature and functions of NSDC and what services would be construed to be in relation to National Skill Development Programme implemented by NSDC.

We find that Notification No. 12/2017-CT in respect of the present matter reads as under:-

Notification No. 12/2017- Central Tax (Rate)

New Delhi, the 28th June, 2017

G.S.R.....(E):- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the intra-State supply of services of description as specified in column (3) of the Table below from so much of the central tax leviable thereon under sub-section (1) of section 9 of the said Act, as is in excess of the said tax calculated at the rate as specified in the corresponding entry in column (4) of the said Table, unless specified otherwise, subject to the relevant conditions as specified in the corresponding entry in column (5) of the said Table.

From the details of the relevant Notification we find that the applicant is claiming that they are eligible for exemption as given in Sr. No. 69 of the above said Notification. We find that the specific exemption that the applicant is claiming is as under:-

Any services provided by, _

(a)

(b)

(c)

(d) a training partner approved by the National Skill Development Corporation or the Sector Skill Council, in relation to-

(i) the National Skill Development Programme implemented by the National Skill Development Corporation; or



(ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or

(iii) any other Scheme implemented by the National Skill Development Corporation.

In view of this we need to examine if the applicant fulfils the conditions for exemption as given in Notification No. 12/2017 as detailed above.

With respect to the first requirement that the service provider has to be a training partner approved by the National Skill Development Corporation or the Sector Skill Council, we find that the applicant has submitted zerox copies of certificates which show that the applicant is the training partner of National Skill Development Corporation (NSDC) for the F. Y. 2014-15, 2015-16, 2016-17 and 2017-18. On the basis of these certificates it appears that the applicant is the training partner of M/s NSDC upto F. Y. 2017-18. However as no such certificate is produced for the F. Y. 2018-19, and therefore for F. Y. 2018-19, it is not clear whether the applicant continues to be a training partner of M/s NSDC for the current Financial Year.

Secondly we are required to examine if the applicant who is an approved training partner of M/s NSDC is providing any services in relation to National Skill Development Program implemented by M/s NSDC.

With regard to the above we are required to ascertain as to what is the National Skill Development Programme implemented by NSDC. We find that M/s NSDC is a non-profit company set up by the Ministry of Finance which aims to promote skill development by catalysing creation of large, quality and for profit vocational institutions. For this purpose it -

1. provides funding to build scalable and profitable vocational training initiatives
2. to enable support system which focuses on quality assurance, information systems and train the trainer academies either directly or through partnerships.
3. It acts as a catalysing skill development by providing funding to enterprises, companies and organizations that provides skill training.
4. It also develops appropriate modules to enhance, support and coordinate private sector initiatives.

Thus we find that NSDC was set up as a part of National Skill Development Mission to fulfil the growing need in India for skilled manpower across sectors and narrow the existing gap between the demand and supply of skills. Its main objective was and is to contribute significantly to the overall target of skilling up people in India mainly by fostering private sector initiatives in skill development, programmes and to provide funding.

Further we find that The National Skill Development Mission was launched on 15th July, 2015 with the objective to provide overall institutional framework to rapidly implement and scale up the skill development efforts across India. The Ministry of Skill Development & Entrepreneurship, through the National Skill Development Corporation (NSDC), has taken up multiple initiatives to connect with industries for partnership under the larger Skill India Mission. NSDC has a single-window facilitation system that offers a unique platform for the industries to partner on various such initiatives. NSDC works with diverse set of stakeholders such as Corporates, Foundations, Government and Community based Organisations in structuring high impact collaborative skill development projects.



We find that the benefit of exemption as given at Sr. No. 69 of Notification 12/2017-CT (Rate) as claimed to be applicable by the applicant in the present case is in respect of any services provided by a training partner approved by the NSDC or the Sector Skill Council in relation to the National Skill Development Program implemented by the NSDC or any other scheme implemented by the NSDC.

Thus we find that the matter rests on the fact as to what is National Skill Development Programme implemented by NSDC.

We find that Skill India is an initiative of the Government of India which has been launched to empower the youth of the country with skill sets which make them more employable and more productive in their work environment. Our National Skill Mission is chaired by the Hon'ble Prime Minister, Shri Narendra Modi himself.

India is a country today with 65% of its youth in the working age group. If ever there is a way to reap this demographic advantage, it has to be through skill development of the youth so that they add not only to their personal growth, but to the country's economic growth as well.

With respect to skill development, we find details on the site of Ministry of Skill Development and Entrepreneurship as under:-

Skill India offers courses across 40 sectors in the country which are aligned to the standards recognised by both, the industry and the government under the National Skill Qualification Framework. The courses help a person focus on practical delivery of work and help him enhance his technical expertise so that he is ready for day one of his job and companies don't have to invest into training him for his job profile.

The Skill Mission launched by the Prime Minister on 15 July 2015, has gathered tremendous steam under the guidance of Shri Rajiv Pratap Rudy, Union Minister of State for Skill Development and Entrepreneurship, during the last one year. The target to train more than a crore fresh entrants into the Indian workforce has been substantially achieved for the first time. 1.04 Crore Indians were trained through Central Government Programs and NSDC associated training partners in the private sector.

For the first time in 68 years of India's independence, a Ministry for Skill Development & Entrepreneurship (MSDE) has been formed to focus on enhancing employability of the youth through skill development. The skill ecosystem in India, is seeing some great reforms and policy interventions which is reinvigorating and re-energising the country's workforce today; and is preparing the youth for job and growth opportunities in the international market. The Hon'ble Prime Minister's flagship scheme, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) alone, has till date seen close to 20 lakh people get skilled and prepared for a new successful India.

Skill India harbours responsibility for ensuring implementation of Common norms across all skill development programs in the country so that they are all standardized and aligned to one object. The ITI ecosystem has also been brought under Skill India for garnering better results in vocational education and training.

The success of a nation always depends on the success of its youth and Skill India is certain to bring a lot of advantage and opportunities for these young Indians. The time is not far when India will evolve into a skilled society where there is prosperity and dignity for all.



We find that policy of the Government in respect of Skill Development is as under:-

Ministry is an integral part of the government policy on "Sabka Saath, Sabka Vikaas" and its commitment to overall human resource development to take advantage of the demographic profile of our country's population in the coming years. Developing a comprehensive and holistic policy document is an integral part of the process. This requires a fresh look at the already existing National Policy on Skill Development (NPSD), 2009.

The objective of the National Policy on Skill Development and Entrepreneurship, 2015 will be to meet the challenge of skilling at scale with speed and standard (quality). It will aim to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link the skilling with demand centres. In addition to laying down the objectives and expected outcomes, the effort will also be to identify the various institutional frameworks which can act as the vehicle to reach the expected outcomes. The national policy will also provide clarity and coherence on how skill development efforts across the country can be aligned within the existing institutional arrangements. This policy will link skills development to improved employability and productivity.

We find that various schemes of skill development that are being implemented by the Ministry of Skill Development and Entrepreneurship are:-

Schemes

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

Sankalp

Udaan

Star

Polytechnic Schemes

Vocationalization of Education.

With reference to the claim of exemption from GST by the applicant in respect of Sr. No. 69 of Notification 12/2017-Central Tax, we find that the applicant himself has stated that their claim of exemption under Sr. No. 69 of this Notification is only in respect of their claim that they are an approved training partner of NSDC and are providing services in relation to

- (i) The National Skill Development Programme implemented by NSDC. In their application itself they are claiming and stating clearly that the services being provided by them are not in relation to and are not covered under
- (ii) A Vocational Skill Developmental Course under the National Skill Certification and Monetary Reward Scheme
- (iii) Any other scheme implemented by the NSDC.

Thus it is clearly stated by them that they are not covered and are not eligible for exemption under Sr No (ii) and (iii) as mentioned in Sr. No. 69 of Notification 12/2017-Central Tax.

We find that the applicant is further claiming in their application that NSDC has not announced explicitly any course programme which would be considered as part of National Skill Development Programme implemented by NSDC. It is reiterated that at the time of hearing they were requested to confirm and obtain in writing from NSDC as to what are the programmes that are being undertaken by NSDC under



National Skill Development Programme and submit the same. However nothing in this regard had been submitted by the applicant from NSDC. Therefore in absence of any explicit National Skill Development Programme which can be considered as implemented by NSDC, we need to examine and determine under what circumstances any programme/scheme/educational course would qualify as in relation to National Skill Development Programme implemented by NSDC.

Thus now after having a detailed look at the functions of NSDC, the applicant and the exemption from GST as granted at Sr. No. 69 of Notification 12/2017-Central Tax, we find that as per facts in the present case, the exemption is available only when:-

"Any services are provided by a training partner approved by NSDC or the Sector Skill Council in relation to the National Skill Development Programme implemented by NSDC"

Here it is very apparent that services are to be provided by the training partner in relation to National Skill Development Programme implemented by NSDC.

Hence the claim of exemption as above would sustain only if the services are in relation to National Skill Development Programme implemented by NSDC. When a programme is being implemented by NSDC it would mean that the services are being provided to NSDC by the applicant with respect to implementation of its programme related to National Skill Development Programme.

But from the facts of the case as put up by the applicant before this authority, we find that some of the courses of vocational training that have been designed by the applicant are approved and certified by NSDC and thus we find that the services in this respect being in the nature of approval and certification of course being provided by NSDC to the applicant and not by the applicant to NSDC and thus there is no question of the applicant being eligible for any exemption in this respect as they are a services recipient and not service provider in relation to NSDC.

In addition to this we also find secondly that, the claim of the applicant with respect to GST is also made by the applicant basing their contentions on the premise that there is no explicit National Skill Development Programme implemented by NSDC.

Here in view of the above we are required to examine National Policy on Skill Development, National Skill Development Mission and various organisations that are working with or under the Ministry of Skill Development and Entrepreneurship.

We find that Ministry of Skill Development and Entrepreneurship is responsible for coordination of all Skill Development efforts across the country, removal of disconnect between demand and supply of skilled manpower, building the technical and vocational training framework, skill upgradation, building of new skills and innovative thinking not only for the existing jobs but also jobs that are to be created.

It is aided in these initiatives by its functional arms which are:-

- National Skill Development Agency (NSDA).
- National Skill Development Council (NSDC).
- National Skill Development Fund (NSDF).
- 33 Sector Skill Councils (SSCs)
- 187 Training partners registered with NSDL.

We find that the National Policy on Skill Development and Entrepreneurship, 2015 provides as under:-



"Scope of the National Skill Development Policy

- a) Institution based skill development including ITIs/ITCs/vocational schools/technical schools/polytechnics/professional colleges, etc.
- b) Learning initiatives of sectoral skill development organized by different ministries/departments.
- c) Formal and informal apprenticeships and other types of training by enterprises.
- d) Training for self-employment/entrepreneurial development.
- e) Adult learning, retraining of retired or retiring employees and lifelong learning.
- f) Non-formal training including training by civil society organisations.
- g) E- web-based learning and distance learning.

The objective of the National Policy on Skill Development and Entrepreneurship, 2015 will be to meet the challenges of skilling at scale with speed and standard (quality). It would aim to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link the skilling with demand centres. In addition to laying down the objectives and expected outcomes, the effort will also be to identify the various institutional frameworks which can act as the vehicle to reach the expected outcomes. The National Policy will also provide clarity and coherence on how skill development efforts across the country can be aligned within the existing institutional arrangements. This policy will link skills development to improved employability and productivity.

Further we find that there is National Skill Development Mission which has broad aims as under:-

"The National Skill Development Mission was approved by the Union Cabinet on 01.07.2015, and officially launched by the Hon'ble Prime Minister on 15.07.2015 on the occasion of World Youth Skills Day. The Mission has been developed to create convergence across sectors and States in terms of skill training activities. Further, to achieve the vision of 'Skilled India', the National Skill Development Mission would not only consolidate and coordinate skilling efforts, but also expedite decision making across sectors to achieve skilling at scale with speed and standards. It will be implemented through a streamlined institutional mechanism driven by Ministry of Skill Development and Entrepreneurship (MSDE). Key institutional mechanisms for achieving the objectives of the Mission have been divided into three tiers, which will consist of a Governing Council for policy guidance at apex level, a Steering Committee and a Mission Directorate (along with an Executive Committee) as the executive arm of the Mission. Mission Directorate will be supported by three other institutions:

1. National Skill Development Agency (NSDA).
2. National Skill Development Corporation (NSDC) and
3. Directorate General of Training (DGT) -

all of which will have horizontal linkages with Mission Directorate to facilitate smooth functioning of the national institutional mechanism. Seven sub-missions have been proposed initially to act as building blocks for achieving overall objectives of the Mission. They are:

(i) Institutional Training, (ii) Infrastructure, (iii) Convergence, (iv) Trainers, (v) Overseas Employment, (vi) Sustainable Livelihoods, (vii) Leveraging Public Infrastructure.

Further we find that the functions of various organisations under or working in coordination with the Ministry of Skill Development and Entrepreneurship whose details in brief are as under:-



1.-- Directorate General of Training (DGT)

The Directorate General of Training consists of the Directorate of Training and Directorate of Apprentice Training. This includes a network of Industrial Training Institutes (ITIs) in States; Advanced Training institutes (ATIs), Regional Vocational Training Institutes (RVTIs) and other central institutes. A number of training programmes catering to students, trainers and industry requirements are being run through this network. The building blocks for vocational training in the country - Industrial Training Institutes - play a vital role in the economy by providing skilled manpower in different sectors with varying levels of expertise. ITIs are affiliated by National Council for Vocational Training (NCVT). DGT also operationalises the amended Apprentices Act, 1961.

2.-- National Skill Development Agency (NSDA)

The National Skill Development Agency (NSDA), an autonomous body, (registered as a Society under the Society's Registration Act 1860) was created with the mandate to co-ordinate and harmonise the skill development activities in the country, is part of the Ministry of Skill Development & Entrepreneurship (MSDE).

Functions : Gazette Notification of NSDA

- Take all possible steps to meet skilling targets as envisaged in the 12th Five Year Plan and beyond.
- Coordinate and harmonize the approach to skill development among various Central Ministries/Department, State Governments, the NSDC and the Private sector.
- Anchor and operationalize the NSQF to ensure that quality and standards meet sector specific requirements
- Be the nodal agency for State Skill Development Missions
- Raise extra-budgetary resources for skill development from various sources such as international agencies, including multi-lateral agencies, and the private sector.
- Evaluate existing skill development schemes with a view to assessing their efficacy and suggest corrective action to make them more effective.
- Create and maintain a national data base related to skill development including development of a dynamic Labour Market Information System (LMIS).
- Take affirmative action for advocacy.
- Ensure that the skilling needs of the disadvantaged and the marginalized groups like SCs, STs, OBCs, minorities, women and differently abled persons are taken care of and.
- Discharge any other function as may be assigned to it by the Government of India.

Besides anchoring and implementation, the National Skills Qualifications Framework (NSQF), some of the other actions taken by the NSDA are as under:

1. Rationalization of the Skill Development Schemes of the Government of India

2. Creation of an integrated Labour Market Information System

3. Engagement with States



4. Skills Innovation Initiative

3.--- National Skill Development Corporation

The National Skill Development Corporation India (NSDC) was setup as a one of its kind, Public Private Partnership Company with the primary mandate of catalysing the skills landscape in India. NSDC is a unique model created with a well thought through underlying philosophy based on the following pillars:

- **1. Create:** Proactively catalyse creation of large, quality vocational training institutions.
- **2. Fund:** Reduce risk by providing patient capital. Including grants and equity.
- **3. Enable:** the creation and sustainability of support systems required for skill development. This includes the Industry led Sector Skill Councils.

The main objectives of the NSDC are to:

- Upgrade skills to international standards through significant industry involvement and develop necessary frameworks for standards, curriculum and quality assurance
- Enhance, support and coordinate private sector initiatives for skill development through appropriate Public-Private Partnership (PPP) models; strive for significant operational and financial involvement from the private sector
- Play the role of a "market-maker" by bringing financing, particularly in sectors where market mechanisms are ineffective or missing
- Prioritize initiatives that can have a multiplier or catalytic effect as opposed to one-off impact.

NSDC operates through partnerships with multiple stakeholders in catalysing and evolving the skilling ecosystem.

- **Private Sector** – Areas of partnerships include awareness building, capacity creation, loan financing, creation and operations of Sector Skill Councils, assessment leading to certification, employment generation, Corporate Social Responsibility, World Skills competitions and participation in Special Initiatives like Udaan focused on J&K.
- **International Engagement** – Investments, technical assistance, transnational standards, overseas jobs and other areas.
- **Central Ministries** – Participation in flagship programmes like Make in India, Swachh Bharat, Pradhan Mantri Jan Dhan Yojana, Smart City, Digital India and Namami Ganga, among many others.
- **State Governments** – Development of programs and schemes, alignment to NSQF and capacity building, operationalization of program, capacity building efforts among others.
- **University/School systems** – Vocationalisation of education through specific training programs, evolution of credit framework, entrepreneur development, etc.



- **Non-profit organizations** - Capacity building of marginalized and special groups, development of livelihood, self-employment and entrepreneurship programs.
- **Innovation** - Support to early-stage social entrepreneurs working on innovative business models to address gaps in the skilling ecosystem, including programs for persons with disability.
- Over 5.2 million students trained
- 235 private sector partnerships for training and capacity building, each to train at least 50,000 persons over a 10-year period.
- 38 Sector Skill Councils (SSC) approved in services, manufacturing, agriculture & allied services, and informal sectors. Sectors include 19 of 20 high priority sectors identified by the Government and 25 of the sectors under Make in India initiative.
- 1386 Qualification Packs with 6,744 unique National Occupational Standards (NOS). These have been validated by over 1000 companies.
- Vocational training introduced in 10 States, covering 2400+ schools, 2 Boards, benefitting over 2.5 lakh students. Curriculum based on National Occupational Standards (NOS) and SSC certification. NSDC is working with 21 universities, Community Colleges under UGC/AICTE for alignment of education and training to NSQF.
- Designated implementation agency for the largest voucher-based skill development program, Pradhan Mantri Kaushal Vikas Yojana.

Skill Development Management System (SDMS) with 1400 training partners, 28179 training centres, 16479 trainers, 20 Job portals, 77 assessment agencies and 4983 empanelled assessors. Hosting infrastructure certified by ISO 20000/27000 supported by dedicated personnel.

4--- National Skill Development Fund

The National Skill Development Fund was set up in 2009 by the Government of India for raising funds both from Government and Non Government sectors for skill development in the country. The Fund is contributed by various Government sources, and other donors/ contributors to enhance, stimulate and develop the skills of Indian youth by various sector specific programs. A public Trust set up by the Government of India is the custodian of the Fund. The Trust accepts donation, contribution in cash or kind from the Contributors for furtherance of objectives of the Fund. The Fund is operated and managed by the Board of Trustees. The Chief Executive Officer of the Trust is responsible for day-to-day administration and management of the Trust.”



5.-- Indian Institute of Entrepreneurship (IIE)

The Indian Institute of Entrepreneurship (IIE) was established in the year 1993 in Guwahati by the erstwhile Ministry of Industry (now the Ministry of Micro, Small and Medium Enterprises), Government of India as an autonomous national institute with an aim to undertake training, research and consultancy activities in small and micro enterprises focusing on entrepreneurship development.

6.-- National Institute of Entrepreneurship and Small Business Development (NIESBUD)

The National Institute for Entrepreneurship and Small Business Development is a society under the Ministry of Micro, Small and Medium Enterprises engaged in Training, Consultancy, Research and Publication, in order to promote entrepreneurship.

7.-- Sector Skill Councils (SSC)

Sector Skill Councils are set up as autonomous industry-led bodies by NSDC. They create Occupational Standards and Qualification bodies, develop competency framework, conduct Train the Trainer Programs, conduct skill gap studies and Assess and Certify trainees on the curriculum aligned to National Occupational Standards developed by them.

As on date 37 Sector Skill Councils are operational. There are over 600 Corporate Representatives in the Governing Councils of these SSCs.

In view of the above we clearly find that in broader terms there is National Policy on Skill Development which is very broad and has a very broad vision as well. It envisions the establishment of a National Skill Development initiatives with the following mission:-

"National Skill Development initiative will empower all individuals through improved skills, knowledge, nationally and internationally recognized qualifications to gain access to decent employment and ensure India's competitiveness in the global markets.

Within this broad policy framework, there is National Skill Development mission launched on 15.07.2015 by the Hon'ble Prime Minister.

The mission has been developed to create convergence across sectors and states in terms of skill training activities. It would not only consolidate and coordinate skilling efforts but also to expedite decision making across sectors to achieve skilling at scale with speed and standards.

Within this broad framework as discussed above there is in the nature of actual schemes, actions and quantifiable deeds that are to be undertaken by the Government, its organizations and agencies or institutions or in any other manner as decided and designed by the Government.

We find that in National Skill Development Programme there are two parts. One is Skill Development Programme which is very vast in scope and all public, private or individual efforts at skill development undertaken throughout the country by everybody would be covered under it. However once prefix 'National' is put before the phrase 'Skill Development Programme' it becomes National Skill development Programme and it limits its scope and restricts it only to the activities/efforts that are undertaken through Government funding, Government Schemes and specifically designed Government Programmes.

We find that National Skill Development Programme would consist of the schemes, actions and deeds that are actually done or are mandated to be done by various ministries, Government departments



or their attached offices, Directorates or other institutions as per their instructions and for which expenses in that regard are to be incurred by the Central or State Governments through budgetary provisions. The intent of the Notification No. 12/2017-CT as discussed above provides that exemption would be available only in respect of "Any services provided by a Training partner approved by National Skill Development Corporation in relation to the National Skill Development Programme implemented by the NSDC.

Here it would be worth to mention that NSDC is a non-profit company set up by the Ministry of Finance and its mandate is to promote Skill development in various ways and it is undertaking various activities with respect to promote skill development only. NSDC in addition to being the implementing agency for various government schemes and programmes under Ministry of Skill Development and Entrepreneurship is also supporting private initiatives in skill development which is clear when we see its activities as under:-

The National Skill Development Corporation provides skill development funding either as loans or equity, and supports financial incentives to select private sector initiatives to improve financial viability through tax breaks etc. NSDC's financing initiatives provide funding through:

- Loan
- Equity
- Grants

The NSDC will adopt a phased and detailed due diligence process to select proposals for funding to provide funds for vocational training.

Detailed evaluation will be done across six sets of criteria:

- Employer view of demand for the specific skills
- Alignment with the NSDC's mission
- Robustness of overall plan and operating model
- Ability to leverage partnerships
- Ability to leverage financial requirements
- Ability to leverage management capability

Thus we find that the above functions of NSDC are in the nature of encouraging and supporting private sector in skill development which is also one of its mandate and functions. Apart from this it is also the implementing agency for various schemes such as Pradhan Mantri Kaushal Vikas Yojana , Sankalp, Udaan, etc.

Thus it can be easily seen that if the intent of the Legislature had been to extend the benefit of exemption of present Notification in respect of all activities in relation to skill development done by NSDC, in that case the wordings of the Notification would not have been restrictive, which is very clear when we see that in the Notification, exemption benefit is restricted and would be applicable only in respect of services provided in relation to national Skill Development Programme implemented by NSDC.



In continuation of the above discussion, we find that the main schemes that would be covered under National Skill Development Programme would be —Pradhan Mantri Kaushal Vikas Yojana (PMKVY), SANKALP, UDAAN, STAR, Polytechnic Schemes, Vocationalization of education run by the Ministry of Skill Development and Entrepreneurship and similar other skill development schemes that may be and are run under or by various other ministries or departments, their attached or subordinate offices or institutions.

If the services in relation to the schemes as mentioned in above paragraphs are provided through the partner approved by NSDC, then only the benefit of Notification as claimed would be applicable to the applicant and it would not be applicable in respect of other services relating to skill development provided by the applicant.

In view of this we find that the National Skill Development Programme would cover only the actual schemes and programmes of skill development that are undertaken by the Government through its various ministries, departments, directorates, attached offices and organizations and cannot in any way be construed to be including each and every activity under the sun which enhances skills in one way or other.

06. In view of the deliberations as held hereinabove, we pass the order as under :

ORDER

(Under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA-37/2017-18/B- 44 Mumbai, dt. 05.06.2018

For reasons as discussed in the body of the order, the question is answered thus -

Q.1. - "Whether educational courses offered by the Applicant which have been approved by National Skill Development Corporation (hereinafter referred to as "NSDC") would be construed as in relation to National Skill Development Programme implemented by NSDC?"

Answer :- Answered in the negative.

Q.2. - "The Applicant offers certain educational courses for which qualification standards / framework i.e. QP/ NOS has not been defined by NSDC and will be approved by NSDC as and when the relevant QP/ NOS would be defined by NSDC. In the interim period, NSDC has given exceptional approval on such courses. Till the time QP/ NOS are defined for such educational courses and are eventually approved by NSDC, whether such courses will be treated as in relation to National Skill Development Programme implemented by NSDC?"

Answer :- Answered in the negative.

Q.3.- "In certain situations, NSDC approved educational courses are subsequently, upgraded by the Applicant within pre-defined QP/ NOS framework, by way of adding more topics/ content /modules. However, such modified version of NSDC approved educational courses have not



been approved by NSDC yet. Whether such modified version will be treated as in relation to National Skill Development Programme implemented by NSDC?"

Answer -> Answered in the negative.

Q.4.- "If the answer to Q.1, Q.2 and Q.3 are Yes, then whether the benefit of GST exemption as per Notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be available to the Applicant?"

Answer -> No, in view of answers to Q.No. 1, 2 and 3 above.

Q.5. - "If answer to Q.4 is Yes, whether benefit of GST exemption as per Notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be still available if such educational courses are offered to corporates and business institutions?"

Answer -> No, in view of answers to Questions above.

Q.6.- "Whether the NSDC approved educational courses which are actually imparted by the business partners of the Applicant, on behalf of the Applicant as sub-contractor of Applicant, at various centres located across the country, will be considered as offered by the Applicant?"

Answer -> Not relevant and not being answered in view of the answers to question above.

Q.7. - "If answer to Q.6 is Yes, whether benefit of GST exemption as per Notification No. 12/2017- Central Tax (Rate), dated the 28th June 2017 would be available to the Applicant?"

Answer -> No, in view of answers to Questions above.



— sd —
B. V. BORHADE
(MEMBER)

— sd —
PANKAJ KUMAR
(MEMBER)

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Jurisdictional Commissioner of Central Tax, Churchgate, Mumbai

Note -> An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India building, Nariman Point, Mumbai - 400021

CERTIFIED TRUE COPY


MEMBER
ADVANCE RULING AUTHORITY
MAHARASHTRA STATE, MUMBAI