



भारत सरकार /Government of India
वित्त मंत्रालय राजस्व विभाग
Ministry of Finance, Department of Revenue
कार्यालय आयुक्त /Office of the Commissioner
सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क
Central Goods Service Tax and Central Excise (CGST & CX)
२९, भरतपुरी प्रशासनिक क्षेत्र २९, Administrative Area, Bharatpuri
उज्जैन (मप्र)-४५६०१०/Ujjain (MP)-456010.

F.No. I(Gen) 19-04/GST/Trade Notice /18-19

Ujjain, Dated. 28.01.2019

व्यापार सूचना संख्या /Trade Notice No. 43/2018-19

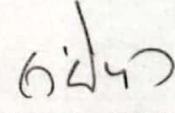
उज्जैन दिनांक/Ujjain, Dated 28.01.2019

Subject: Clarification on GST rate applicable on supply of food and beverage services by educational institution- reg

Attention of the Trade and Industry is invited to the Circular No. 85/04/2019-GST dated 01.01.2019 issued under F. No. 354/428/2018 -TRU by the Technical Officer TRU Ministry of Finance, Department of Revenue, Tax Research Unit New Delhi in respect of "Clarification on GST rate applicable on supply of food and beverage services by educational institution" (Copy enclosed).

2. The contents of the aforesaid Circular may please be brought to the notice of members of your association in particular and public in general.

Encls: As above.


(Dr. Sandeep Srivastava)
प्रधान आयुक्त

F. No. 354/428/2018-TRU

Government of India
Ministry of Finance
Department of Revenue
Tax research Unit

Room No. 156, North Block,
New Delhi, the 1st January, 2019

To,

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

Madam/Sir,

**Subject: Clarification on GST rate applicable on supply of food and beverage services
by educational institution- reg.**

Representations have been received seeking clarification as to the rate of GST applicable on supply of food and beverages services by educational institution to its students. It has been stated that the words "school, college" appearing in Explanation 1 to Entry 7 (i) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 give rise to doubt whether supply of food and drinks by an educational institution to its students is eligible for exemption under Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 Sl. No 66, which exempts services provided by an educational institution to its students, faculty and staff.

2. The matter has been examined. Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 7(i) prescribes GST rate of 5% on supply of food and beverages services. Explanation 1 to the said entry states that such supply can take place at canteen, mess, cafeteria of an institution such as school, college, hospitals etc. On the other hand, Notification No. 12/2017-Central Tax (Rate), Sl. No. 66 (a) exempts services provided by an educational institution to its students, faculty and staff. There is no conflict between the two entries. Entries in Notification No. 11/2017-Central Tax (Rate) prescribing GST rates on service have to be read together with entries in exemption Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017. A supply which is specifically covered by any entry of Notification No. 12/2017-Central Tax (Rate) dated 28-06-2017 is exempt from GST notwithstanding the fact that GST rate has been prescribed for the same under Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017.

2.1 Supply of all services by an educational institution to its students, faculty and staff is exempt under Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 66. Such services include supply of food and beverages by an educational institution to its students, faculty and staff. As stated in explanation 3 (ii) to Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 Chapter, Section, Heading, Group or Service Codes mentioned in column (2) of the table in Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 are only indicative. A supply is eligible for exemption under an entry of the said notification where the description given in column (3) of the table leaves no room for any doubt. Accordingly, it is clarified that supply of food and beverages by an educational institution to its students, faculty and staff, where such supply is made by the educational institution itself, is exempt under Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, vide Sl. No. 66 w.e.f. 01-07-2017 itself. However, such supply of food and beverages by any person other than the educational institutions based on a contractual arrangement with such institution is leviable to GST@ 5%.

3. In order to remove any doubts on the issue, Explanation 1 to Entry 7(i) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 has been amended vide Notification No. 27/2018-Central Tax (Rate) dated 31.12.2018 to omit from it the words "school, college". Further, heading 9963 has been added in Column (2) against entry at Sl. No. 66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, vide Notification No. 28/2018-Central Tax (Rate) dated 31.12.2018.

4. Difficulty, if any, in implementation of this Circular may be brought to the notice of the Board.

Yours Faithfully,

(Harish Y N)
Technical Officer, TRU
Email: harish.yn@gov.in
Tel: 011 2309 5547