

AUTHORITY FOR ADVANCE RULING, TAMILNADU
DOOR NO.32, INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX
5TH FLOOR, ROOM NO. 503, ELEPHANT GATE BRIDGE ROAD,
CHENNAI -600 003.

PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE
GOODS AND SERVICES TAX ACT, 2017.

Members present are:

1. Thiru Senthilvelavan B., I.R.S., Member/ Additional Commissioner,
Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -34.
2. Tmt. Padmavathi .T., Member/ Joint Commissioner (ST)
Authority for Advance Ruling, Tamil Nadu, Chennai-600 003.

ORDER No. 30 /ARA/2021 Dated 10.08.2021

GSTIN Number, if any / User id	33AAATT0691A1ZY	
Legal Name of Applicant	M/s. The Leprosy Mission Trust India	
Trade Name of the Applicant	M/s. The Leprosy Mission Trust India	
Registered Address / Address provided while obtaining user id	Vocational Training Center, Vadathorasalur, Thiyagadurga, Kallakurichi District, Tamil Nadu. 606 206.	
Details of Application	Form GST ARA - 001 Application Sl.No.13 dated 01.04.2021	
Concerned Officer	State: Commercial Tax Officer, Tirukoilur Assessment Circle. Centre: Chennai Outer Commissionerate.	
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Service Provision
B	Description (in brief)	The Leprosy Mission Trust India is a society, a Non-Governmental agency working with and for people affected by leprosy, other neglected tropical diseases (NTDs), people with disabilities and marginalized communities

	especially women. They conduct vocational training courses for them.
Issue/s on which advance ruling required	(i) Applicability of a Notification. (ii) Whether any particular thing done by the applicant with respect to any goods and /or services or both amounts to or results in a supply of goods and / or services or both within the meaning of that term.
Question(s) on which advance ruling is required	Whether services provided under vocational training courses recognized by National Council for Vocational Training (NCVT) or State Council of Vocational Training (SCVT) is exempt either under Entry No. 66 of exemption list of Goods and Service Tax Act 2017 or under Educational Institution defined under Notification 12/2017 Central Tax (Rate)

Note: Any appeal against the Advance Ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

M/s. The Leprosy Mission Trust India, Vocational Training Center, Vadathorasalur, Thiyagadurga, Kallakurichi District, Tamil Nadu 606 206. (hereinafter called the 'Applicant') is registered under the GST Vide GSTIN 33AAATT0691A1ZY. The applicant is engaged in the business of imparting vocational skills to young adolescents coming from families affected with leprosy and individuals with disabilities. Their project benefits Children self-affected with leprosy, Children of leprosy affected persons, differently abled, and Parentless Children with the objective of helping them find job, make them employable and to

help them earn better living. They have sought Advance Ruling on the following question:

Whether services provided under vocational training courses recognized by National Council for Vocational Training (NCVT) or State Council of Vocational Training (SCVT) is exempt either under Entry No. 64 of exemption list of Goods and Service Tax Act 2017 or under Educational Institution defined under Notification 12/2017 Central Tax (Rate).

The Applicant has submitted the copy of application in Form GST ARA - 01 and also submitted a copy of Challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017.

2.1 The applicant has stated that the Leprosy Mission Trust India (herein after referred as ('TLMTI') works closely with the Government of India, State Governments, World Health Organisation and other likeminded national and international organisations in the areas of Health, Education, Sustainable Livelihoods, Community Development, Advocacy and Research. TLMTI's 14 Leprosy Referral Hospitals, 6 Vocational Training Institutes, a Media Centre undertaking media advocacy and communication, a state of the art Molecular Biology Research Laboratory, 5 Mercy homes/ Snehalayas for the care of elderly leprosy disabled people, and a number of community-based development projects are spread over 9 States in India. The activities of the Society are charitable in nature and within the meaning of section 2(15) of the Income Tax Act, 1961 undertaking Medical Relief, Relief of Poor and Education. The Society, The Leprosy Mission Trust India (TLMTI), is registered under Section 12 A of the Income Tax Act 1961. Income of the Society is exempt u/s 11 of the Income Tax Act, 1961. TLMTI, established in the year 1973, is the largest Non-Governmental Organization (NGO) in India working with and for people affected by leprosy. All the twenty-two branches of The Leprosy Mission Trust India are registered under Goods and Service Tax Act 2017.

2.2 The Leprosy Mission Trust of India provide following Vocational Training Courses at Regional Industrial Training Institute, Vadathorasalur, Tamil Nadu 606206.

- Vocational Training Courses recognized by National Council for Vocational Training (NCVT) such as Mechanic Motor Vehicle, Electrician, and sewing Technology.

- Vocational Training Courses recognized by State Council of Vocational Training (SCVT) – Mechanic Refrigeration & Air Conditioning, Electrical Technician, Automobile Mechanic & Driving School – 2 Wheeler & 4 Wheeler.
- Informal trades with TLM Certification such as Mechanic Refrigeration & Air Conditioning, Electrical Technician, Automobile Mechanic and Tailoring.

2.3 The applicant has stated that Notification 12/2017 of Central Tax (Rate) dated 28th June 2017 defined Educational Institution and approved vocational education course as below:

- 2(y) “**educational institution**” means an institution providing services by way of, - (i) pre-school education and education up to higher secondary school or equivalent; (ii) education as a part of a curriculum for obtaining a qualification recognized by any law for the time being in force; (iii) education as a part of an approved vocational education course. The Appellant Society falls under Clause i as institution providing education services.
- 2(h) “approved vocational education course” means, - (i) a course run by an industrial training institute or an industrial training centre affiliated to the National Council for Vocational Training or State Council for Vocational Training offering courses in designated trades notified under the Apprentices Act, 1961 (52 of 1961); or (ii) a Modular Employable Skill Course, approved by the National Council of Vocational Training, run by a person registered with the Directorate General of Training, Ministry of Skill Development and Entrepreneurship.

2.4 The applicant has stated that Entry 64 of Exemption List under Goods and Service Tax, 2017 is in favour of them since Services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana implemented by the Ministry of Rural Development, Government of India by way of offering skill or vocational training courses certified by the National Council for Vocational Training are exempt vide Entry 64 and the applicant Society also provide courses approved by National Council for Vocational Training.

2.5 The applicants stated that in view of the above, they have come before this forum seeking ruling whether vocational training courses (under NCVT, JSS and Others) conducted by The Leprosy Mission Trust of India, Vocational Training Centre, Vadathorasalur are exempt under either educational service or vide entry 64 of Exemption list.

3.1 Due to the prevailing PANDEMIC situation and in order not to delay the proceedings, the applicant was addressed through the Email Address mentioned in the application to seek their willingness to participate in a virtual Personal Hearing in Digital media. The applicant consented and the hearing was held on 16.07.2021 virtually. The Authorized Representative, Shri Abhay Upadhye, appeared for the hearing virtually. He reiterated their written submissions. The applicant was asked to furnish the following documents:

- 1) List of courses conducted with relevant certifications
- 2) Course conducted under schemes and without schemes
- 3) Write up on each course conducted
- 4) Proof of registration as a society.
- 5) Financial Statements such as Balance sheet, Income and Expenditure account along with trail of accounts of each course.
- 6) Affiliation details.

3.2 In pursuance to the Personal hearing , applicant submitted their Audit Report and financial statements for the FY 2020-2021, Registration Certificate of the Leprosy mission Trust, prospectus of the Institution and Certificate of Registration u/s 12A(a) of the Income Tax Act. It was additionally submitted that

(i) in their question for advance ruling, entry no.64 in the Notification No.12/2017 was inadvertently mentioned and instead the same may be read as entry no.66 and,

(ii) they are offering following courses affiliated with the National Council for Vocational Training (NCVT) Vocational Training Courses and State Council of Vocational Training (SCVT) and produced Course details along with affiliation details as under:

1	Mechanic(Motor Vehicle)	NCVT/Central	Ministry of skill Development and Entrepreneurship
2	Electrician	NCVT/Central	Ministry of skill Development and Entrepreneurship
3	(Cutting and Sewing) Sewing Technology	NCVT/Central	Ministry of skill Development and Entrepreneurship
4	Mechanic Refrigeration & Air Condition and Central Plant	SCVT/State	Department of Employment and Training, Chennai, Government of Tamil Nadu
5	Electrical Technician	SCVT/State	Department of Employment and Training, Chennai, Government of Tamil Nadu
6	Automobile Mechanic	SCVT/State	Department of Employment and Training, Chennai, Government of Tamil Nadu

Mechanic Refrigeration and Air Conditioning (SCVT) (Duration – 1 year, Entry Qualification – 8th Pass)

Mechanic Refrigeration and Air conditioner Trade under State Council of Vocational Training is of one year duration. It imparts requisite domain skill & knowledge and life skills. After passing out of the training programme, the trainee is awarded Certificate by SCVT. This course is suitable for persons affected by Leprosy with mild deformity or without deformity; adaptations are made as per the need of the trainee.

Sewing Technology (NCVT) (Duration – 1 year, Entry Qualification – 8th Pass)

‘Sewing Technology’ Trade under CTS is one of the courses delivered nationwide through a network of ITIs. The course is of one year duration. This trade is suitable for Persons affected by Leprosy with or without deformity. They are able to perform practicals as per syllabus with some adaptations in the tools used. The adaptations are customised as per the requirement of the student.

Electrician (NCVT) (Duration – 2 years, Entry Qualification – 10th Pass)

Electrician trade under CTS is one of the most popular courses delivered nationwide through network of ITIs. The course is of two years (04 semester) duration. At the end of the course trainee will be able to install, maintain and repair electrical

machinery equipment and fittings in factories, workshops power house, business and residential premises.

Mechanic Motor Vehicle (NCVT) (Duration – 2 years, Entry Qualification – 10th Pass)

The Course is of two years duration. At the end of the course the trainee will be able to read & interpret technical parameters/ documentation, plan and organize work processes, identify necessary materials & tools; Perform tasks with consideration to safety rules, accident prevention regulations and environmental protection stipulation; Apply professional knowledge, core skills & employability skills while performing the job and machining work; Check the job/components as per drawing for functioning identity and rectify errors in job/ components; Document the technical parameters related to the task undertaken.

Electrical Technician (SCVT) (Duration – 1 year, Entry Qualification – 8th Pass)

Electrical Technician trade under Sate Council of Vocational Training is of one year duration. After passing out of the training programme, the trainee is awarded Certificate by SCVT. Electrical Technician is trained in fitting and assembling of electrical machinery and equipment such as motors, transformers, generators, switchgears, fans etc., Studies drawings and wiring diagrams of fittings, wiring and assemblies to be made. Follows wiring diagrams, makes electrical connections and solders points as specified. Checks for continuity, resistance, circuit shorting, leakage, earthing, etc. at each stage of assembly using megger, ammeter, voltmeter and other appliances and ensures stipulated performance of both mechanical and electrical components filled in assembly.

Automobile Mechanic (SCVT) (Duration – 1 year, Entry Qualification – 8th Pass)

Automobile Mechanic trade under Sate Council of Vocational Training is of one year duration. After passing out of the training programme, the trainee is awarded Certificate by SCVT. The candidate will practice on dismantling Engine of Two and Four Wheeler as per given standard procedures. Able to achieve skill on Overhauling of Cylinder Head, Valve Train, Piston, connecting rod assembly, crankshaft, flywheel and mounting flanges, spigot and bearings, camshaft etc. practice reassembling all parts of engine in correct sequence as per workshop manual. Practice servicing of Fuel Tank and its components, repair and overhaul

Steering and suspension system of three wheelers. The trainee will overhaul brake system, transmission system, Perform servicing and maintenance.

3.3 The Registry vide letter dt. 29.07.2021 called for details regarding validity of affiliation certificates/renewals as on date (Present validity) which have been issued by NCVT/SCVT recognizing the courses conducted by the applicant. Applicant vide mail dated 02.08.2021 has clarified that the affiliation of their Institute with National Council of Vocational training is a permanent one. The Institute will be de-affiliated only on the de-affiliation request raised by the Institute or if not admitting students for three consecutive years or if the Institute not found meeting the affiliation requirements stated by the NCVT. With respect to SCVT/State affiliation of the Institute, the applicant has stated that the approved affiliation period of 3 years was expired on 30.06.2021 and they have applied for re-affiliation on 26.02.2021 with application No.210144 and in support of their claim, produced the copy of the application downloaded from Department of Employment and Training, Government of Tamil Nadu official website (DET/Home(tn.gov.in)).

3.4 The applicants in their mail dated 04.08.2021 have sent a communication to correct an error in their application for advance ruling filed on 30th March 2021 and re-framed the query which is reproduced in verbatim as below:

“In the application as mentioned above, we inadvertently mentioned about Serial number 64 instead of Serial number 66 in notification no.12/2017 Central Tax (Rate) dated 28th June 2017.

We would also like to mention here that our question is about “Whether services provided under Vocational Training courses recognized by National Council for Vocational Training (NCVT) or State Vocational training (SCVT) is exempt either Serial No 66 of exemption list of Goods and Service Tax Act 2017 or under Educational Institution defined under Notification 12/2017 Central Tax (Rate).

4. The applicant is under the administrative jurisdiction of State Tax Authorities. The State Tax Officer, Tirukoilur vide letter dated 30.04.2021 has submitted his remarks on the activities carried out by the applicant and stated that there are no proceedings pending against the applicant.

5. The Centre jurisdictional authority vide letter dt.15.07.2021 had reported that no proceeding is pending against the applicant.

6.1 We have carefully examined all the documents produced by the applicant along with application and further write up submitted by them in pursuance of personal hearing held on 16.07.2021 and their arguments put forth at the time of hearing. They have sought the ruling on the following question:

'Whether services provided under vocational training courses recognized by National Council for Vocational Training (NCVT) or State Council of Vocational Training (SCVT) is exempt either under Entry No. 66 of exemption list of Goods and Service Tax Act 2017 or under Educational Institution defined under Notification 12/2017 Central Tax (Rate).'

The question for ruling on the applicability of notification is admissible under Section 97 (2)(b) of the CGST Act, 2017.

6.2 The applicant Society, a Non-Governmental Organization was established in the year 1973. The Leprosy Mission Regional Vocational Training Centre at Vadathorasalur, Tamil Nadu was started in the year 1996. It trains and supports employment of young adolescents coming from families affected with leprosy and individuals with disabilities. Their project benefits Children self affected with leprosy, Children of leprosy affected persons, differently abled, Parentless Children. Applicant is conducting courses under formal Trades and informal trades. Course falling under formal trades are courses affiliated with the National Council for Vocational Training (NCVT) and State Council of Vocational Training (SCVT) which are as follows:-

1	Mechanic(Motor Vehicle)	NCVT/Central	Ministry of skill Development and Entrepreneurship, Government of India
2	Electrician	NCVT/Central	Ministry of skill Development and Entrepreneurship, Government of India
3	Sewing Technology (Cutting and Sewing)	NCVT/Central	Ministry of skill Development and Entrepreneurship, Government of India
4	Mechanic Refrigeration & Air Condition and Central Plant	SCVT/State	Department of Employment and Training, Chennai, Government of Tamil Nadu
5	Electrical Technician	SCVT/State	Department of Employment and Training, Chennai, Government of Tamil Nadu
6	Automobile Mechanic	SCVT/State	Department of Employment and Training, Chennai, Government of Tamil Nadu

6.3 Applicant has applied for ruling as to whether they are eligible to avail exemption under Sl.No.66 of the Notification no.12/2017 in respect of courses recognised by NCVT/SCVT as listed under the Table above. In order to examine their eligibility under Sl.No.66 of the said Notification, the said entry is extracted as below and analysed.

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
66	Heading 9992	<p>Services provided –</p> <p>(a) by an educational institution to its students, faculty and staff;</p> <p>(b) to an educational institution, by way of,-</p> <p>(i) transportation of students, faculty and staff;</p> <p>(ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;</p> <p>(iii) security or cleaning or housekeeping services performed in such educational institution;</p> <p>(iv) services relating to admission to, or conduct of examination by, such institution; up to higher secondary;</p> <p>Provided that nothing contained in entry (b) shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent</p>	Nil	Nil

From the above, it is seen that the applicant institute falls under the category (a) – services provided by an educational institution to its students, faculty and staff. To be considered as an educational institution, they should fall under the definition as in Clause 2(y) of the said Notification. The definition of educational institution under this Notification is as below:

“2(y) *“educational Institution” means an institution providing services by way of,-*

- (i) *Pre-school education and education up to higher secondary school or equivalent;*
- (ii) *Education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;*
- (iii) *Education as a part of an approved vocational education course;”*

In the instant case, the applicant's activity falls under '(iii) Education as part of an approved vocational education course' in respect of the courses listed as 'Formal Trades' for which they possess affiliation under NCVT/SCVT. Hence in respect of these courses, they fit under the definition of "educational Institution" under Clause 2(y) of the Notification No.12/2017 dated 28.06.2017.

7.1 Now coming to the question of whether the courses conducted by the applicant are approved vocational education courses, the definition of approved vocational course may be examined. Clause 2 (h) of the notification defines approved educational course as follows:

- 2(h) "approved vocational education course" means, - (i) a course run by an industrial training institute or an industrial training center affiliated to the National Council for Vocational Training or State Council for Vocational Training offering courses in designated trades notified under the Apprentices Act, 1961 (52 of 1961); or (ii) a Modular Employable Skill Course, approved by the National Council of Vocational Training, run by a person registered with the Directorate General of Training, Ministry of Skill Development and Entrepreneurship.

In the instant case, the courses offered by the applicant namely Mechanic (Motor Vehicle), Electrician, Sewing Technology are courses approved by National Council for Vocational Training (NCVT/Central) which has been evidenced by the certificates issued to candidates on completion of courses as produced by the applicant. These certificates are issued by NCVT wherein the name of the applicant is mentioned as the name of the institute. In respect of Mechanic Refrigeration & Air Condition and Central Plant, Electrical Technician and Automobile Mechanic are approved by State Council of Vocational Training (SCVT), it is seen that the certificates are issued by the Department of Employment and Training of Government of Tamil Nadu wherein the name of the applicant figures as the institute imparting the training. Thus from the certificates issued to the candidates completing the above said vocational courses, it is clear that the courses are affiliated to the NCVT/SCVT which falls under Sl. No. 66 Notification 12/2017 Central Tax (Rate) as education as part of an approved vocational education course.

8. The applicant on being questioned about the validity of affiliation vide letter of the Registry dt. 29.07.2021, had replied vide their letter dt. 29.07.2021 that

they have been re-affiliated in the year 2016 to meet the requirements of Quality control of India. The affiliation with NCVT is a permanent one and de-affiliation will be done only if requested by the applicant institute. However in respect of SCVT affiliation, it was mentioned that the period of affiliation is 3 years which expired on 30.06.2021 and that they have applied for re-affiliation on 26.02.21, produced a copy of the application. Hence the courses recognised by SCVT are subject to re-affiliation being granted by the Department of Employment and Training of Government of Tamil Nadu.

9. To sum up, the services provided by the applicant under vocational training courses recognized by National Council for Vocational Training (NCVT) or State Council of Vocational Training (SCVT) are exempt under Serial Number 66 Notification 12/2017 Central Tax (Rate) as education as part of an approved vocational education course. In the instant case, courses affiliated to SCVT are exempt subject to re-affiliation by the Department of Employment and Training of Government of Tamil Nadu.

10. In view of the above, we rule that:

RULING

(i) The services provided by the Leprosy Mission Trust India, Regional Industrial Training Institute, Vadathorasalur under Vocational Training Courses pertaining to Mechanic (Motor Vehicle), Electrician, Sewing Technology recognized by National Council for Vocational Training (NCVT) are exempt under Serial Number 66 of Notification 12/2017 Central Tax (Rate) as education as part of an approved vocational education course.

(ii) Services provided by the applicant under Vocational training courses pertaining to Mechanic Refrigeration & Air Condition and Central Plant, Electrical Technician and Automobile Mechanic recognized by State Council of Vocational Training (SCVT) is exempt under Serial Number 66

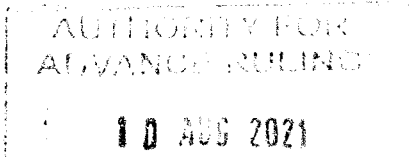
Notification 12/2017 Central Tax (Rate) as education as part of an approved vocational education course subject to re-affiliation pending being granted by the Department of Employment and Training of Government of Tamil Nadu.

Copy
10/8/2021

Smt. T. Padmavathi ,
Member, SGST

10/08/21

Shri B.Senthilvelavan,
Member, CGST



To
The Leprosy Mission Trust India, (By RPAD)
Vocational Training Center,
Vadathorasalur, Thiyagadurgam, Kallakurichi District,
Tamil Nadu.606 206.

Copy Submitted to:

1. The Principal chief Commissioner of GST & Central Excise,
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Principal Secretary/Commissioner of Commercial Taxes/Member,
II Floor, Ezhilagam, Chepauk, Chennai-600 005.

Copy to:

3. The Commissioner of GST & Central Excise, Newry Towers No.2054, I Block,
II Avenue, 12th Main Road, Anna Nagar, Chennai -40.
Chennai Outer Commissionerate.
4. State Tax Officer,
Tirukoilur Assessment Circle,
59A, Sannadhi Street, 2nd Floor,
Tirukoyilur - 605 557.
5. Master File/ Spare-4

