

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.**

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND
UNDER SECTION 98(4) OF THE TNGST ACT, 2017**

Members present:

Shri C.Thiyagarajan, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.	Shri B.Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
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Advance Ruling No.40/ARA/2025, dated 25.09.2025

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

2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-

- (a) On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.
- (b) On the concerned officer or the Jurisdictional Officer in respect of the applicant.

3. In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.

5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the 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 Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.

GSTIN Number, if any/User id	33AAAK1295N1ZH
Legal Name of Applicant	M/s. K L N Sourashtra College of Engineering Council
Trade Name of Applicant	NA
Registered Address/ Address provided while obtaining User id	6, South Veli Street, Madurai, Tamil Nadu-625 001.
Details of Application	Application Form GST ARA-01 received from the applicant on 08.02.2025.
Jurisdictional Officer	State – Madurai Division, Vengalakadai Street Circle.
	Center – Madurai Commissionerate, Madurai-I Division.
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	<p>Service Provision</p> <p>The application seeks a ruling regarding the amount collected for the services of Hostel accommodation and food supplies by one charitable Educational institution to the students of another charitable educational institution are taxable or exempted. Circular No.228/22/2024-GST and F.No.CBIC-190354/94/2024-TO (TRU-II)-CBEC dated 15.07.2024 does not clarify this issue. It dealt with the services rendered by Services Apartments, Hostels and Lodges. There is no answer about the exemption on hostels for poor and middle class students by charitable Trust.</p>
Issues on which advance ruling required	<ol style="list-style-type: none"> 1. Applicability of a notification issued under the provisions of this Act 2. Determination of the liability to pay tax on any goods and services of both 3. Whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply in a supply of good or services or both, within the meaning of that term.

<p>Question(s) on which advance ruling is required</p>	<ol style="list-style-type: none"> 1. What is the present position for levy of GST on hostels for poor and middle class students run by charitable Trusts? 2. What is the present position for levy of GST on hostels for High class students run by charitable Trusts? 3. What is the yardstick to classify the students as Poor, Middle and High class? 4. What is the position for levy of GST if one college accommodate the students of another College, Please note both Colleges are Charitable Institutions. Is it taxable or exempt Service? The agreement for Hostel accommodation has been entered into between the two Colleges and one College make the payment to the other College. There is no agreement between the Service Provider and the accommodated Students and no separate bills/receipts will be issued to them. Bill will be raised only in the name of College whose students are accommodated. If it is exempt whether the same is exempt with effect from 15.07.2024 as per Notification No.4/2024-CT(R) dated 12.07.2024. 5. Similarly what is the position for levy of GST for the food supplied to Hostel students of another College residing in this College? Please note both colleges are Charitable Institutions. Is it taxable or exempt service? The agreement of Food Supply has been entered into between the two Colleges and one College make the payment to the other College. There is no agreement between the Service Provider and the accommodated Students and no separate bills/receipts will be issued to them. Bill will be raised only in the name of College whose students are accommodated. If it is exempt whether
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	<p>the same is exempt with effect from 15.07.2024 as per Notification No.4/2024-CT (R) dated 12.07.2024.</p> <p>6. What is the applicable rate/rates of GST if the Council decides it is taxable for both the Hostel accommodation and food supplies to the students?</p>
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M/s K L N SOURASHTRA COLLEGE OF ENGINEERING COUNCI, No. 6, South Veli Street, Madurai, Tamil Nadu-621 001 (hereinafter called as the "Applicant") are registered under the GST Act with GSTIN 33AAAK1295N1ZH. The applicant, is a registered Educational Trust engaged in providing higher education to Students and also educational services, transportation services, Mess Services and Hostel Services to the Students. The Applicant has entered into an agreement to accommodate the girl students of an educational institution imparting higher education, in the Hostel of the applicant, as there is no accommodation for the girls students in the other College. The Applicant has stated that the agreement is between the two educational institutions and not between the Service Provider and the Students of the other College. So, it has been stated that one Educational Institution will have to raise bill in favour of the other Educational institution and not on the Students.

2.0 The Applicant has made a 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 sought advance ruling on the following question:

1. What is the present position for levy of GST on hostels for poor and middle class students run by charitable Trusts?
2. What is the present position for levy of GST on hostels for High class students run by charitable Trusts?
3. What is the yardstick to classify the students as Poor, Middle and High class?
4. What is the position for levy of GST if one college accommodate the students of another College, Please note both Colleges are Charitable Institutions. Is it taxable or exempt Service? The agreement for Hostel accommodation has been entered into between the two Colleges and one College make the payment to the other College. There is no agreement between the Service Provider and the accommodated Students and no separate bills/receipts will be issued to them. Bill will be raised only in the name of College whose students are accommodated. If it is exempt whether the same is exempt with effect from 15.07.2024 as per Notification No.4/2024-CT(R) dated 12.07.2024

5. Similarly what is the position for levy of GST for the food supplied to Hostel students of another College residing in this College? Please note both colleges are Charitable Institutions. Is it taxable or exempt service? The agreement of Food Supply has been entered into between the two Colleges and one College make the payment to the other College. There is no agreement between the Service Provider and the accommodated Students and no separate bills/receipts will be issued to them. Bill will be raised only in the name of College whose students are accommodated. If it is exempt whether the same is exempt with effect from 15.07.2024 as per Notification No.4/2024-CT (R) dated 12.07.2024.
6. What is the applicable rate/rates of GST if the Council decides it is taxable for both the Hostel accommodation and food supplies to the students?

Interpretation of Law by the Applicant based on the statement of facts:

3.0) On interpretation of law, the applicant has stated that the Circular No.228/22/2024, dated 15.07.2024, F.No. CBIC-190354/94/2024-TO(TRU-II)-CBEC, dated 15.07.2024 applies only to Service Apartments, Hostels and Lodges. It does not supply to Charitable Trusts/Societies which run Educational Institutions. So the applicant has stated that they require a clarification that the Circular applies to Charitable Trusts/Societies also which accommodate other College Students where the agreement is between the two educational institutions and the service provider raise Bill on the other Educational Institution and paid by that Other Educational Institution on behalf of the Students.

3.1) Further, the applicant has stated that there is no doubt that the services provided by Educational Institutions to their own students are exempt from GST and the applicant is expecting the same point of view exempting the accommodation of other college Students also.

3.2) Similarly, the applicant has also same view that the food supplied to Students there will be no GST liability.

4.0) The applicant is under the administrative control of Central Tax Authority. The concerned Authorities of the State and Centre were addressed to report the detailed remarks and no pendency report on the questions raised by the applicant in their ARA application.

4.1) It is reported by the Joint Commissioner (ST), Madurai Intelligence that inspection under Section 67 of CGST Act, 2017 was conducted in respect of the taxpayer on 27.09.2023 and adjudication orders were passed by the Madurai Intelligence Wing Officer for the years 2018-19 to 2022-23 vide proceedings of the State Tax Officer (Adjudication-I), Madurai GSTIN:33AAAK1295N1ZH, dated 7.02.2024, 31.01.2024, 08.02.2024 and 09.02.2024. From the adjudication orders details, it is seen that the applicant had paid tax dues on accommodation and food supply services provided to the Postal Department and other private entity. The

questions raised by the applicant in their application for advance ruling pertain to the applicability of GST on accommodation and food supply services supplied to another educational institution. Therefore, the questions raised by the applicant are not decided in the proceedings reported by the Joint Commissioner (ST), Madurai Intelligence and are admissible, if otherwise eligible.

Personal Hearing

5.0) The applicant was given an opportunity to be heard in person on 11.08.2025 vide this office memorandum No.08/ARA, dated 29.07.2025 and Tvl. B.R.Chandrasekaran, CA and R.S.Premkumar, Clerk (Sr.Grade) appeared for the personal hearing as the authorized representative (AR) reiterated the submissions made in their application for advance ruling. The AR reiterated the submissions made under the Application for Advance Ruling filed by them. During the hearing, AR furnished additional submissions enclosing a copy of the "Lease cum Service Agreement" dated 12.06.2024 entered into between the Applicant and recipient college, the Order dated 22.03.2024 of the Hon'ble High Court of Chennai in the case of M/s. Thai Mookambikaa Ladies Hostel, and the Ruling dated 31.07.2024 of Maharashtra Authority for Advance Ruling in the case of M/s. Maharashtra Jain Education Society.

5.1) The AR stated that the recipient, an educational institution imparting higher education, has requested to accommodate their girl students in the hostel facility for women available at the premises of the applicant, and have accordingly entered into an agreement dated 12.06.2024 with them. They further reiterated the fact that the actual recipient of service in the instant case are the students of the recipient College, and that the applicant acts only as a conduit between their students and the service provider.

5.2) The Members explained the AR that the queries at No.3 and 6 viz.,

3. What is the yardstick to classify the students as Poor, Middle and High class?

6. What is the applicable rate/rates of GST if the Council decides it is taxable for both the Hostel accommodation and food supplies to the students?

of the application for advance ruling filed by the applicant, are both hypothetical in nature and that the said queries do not appear to be liable for admission, as they do not fall within the ambit of Section 97(2) of the CGST Act, 2017. The AR accepted that the foresaid queries are redundant and requested the members to ignore the same. The AR requested for a favourable ruling on the other queries raised in the application for advance ruling.

Discussion and Findings:

6.0 We have considered the submissions made by the applicant in their application, copies of the relevant documents furnished by them, the submissions made during the personal hearing. We find that the applicant, is a registered Educational Trust engaged in providing higher education to its Students along with consequential services like transportation services, Mess Services and Hostel

Services. The Applicant has entered into an agreement to lease out a part of their premises to another educational institution engaged in imparting higher education. The Applicant has stated that the agreement is between the two educational institutions and not between the Service Provider and the Students of the other College. So, it has been stated that one Educational Institution will have to raise bill in favour of the other Educational institution and not on the Students.

6.1 The applicant claims that theirs is an educational institution run by a Charitable Trust namely KLN Sourashtra College of Engineering Council, Madurai. The applicant asks about the position of levy of GST on hostels run by Charitable Trusts for poor, middle-class and high-class students; position of levy of GST if one college accommodates and provides food to the students of other college, etc.

6.2 Before setting out to reply the queries of the applicant, let us examine what is supply and whether the activity undertaken by the applicant is covered under the scope of 'Supply' as defined in the CGST Act, 2017. From Section 7 of the CGST Act, 2017,

Section 7. Scope of supply.

(1) For the purposes of this Act, the expression - "supply" includes-

(a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

.....

.....

6.3 Further, 'Business' is defined under Section 2(17) of the CGST Act, 2017 as:

(17) "business" includes

(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;

(b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);

(c) any activity or transaction in the nature of sub-clause (a), whether or not there is volume, frequency, continuity or regularity of such transaction;

(d) supply or acquisition of goods including capital goods and services in connection with commencement or closure of business;

(e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;

(f) admission, for a consideration, of persons to any premises;

(g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;

- (h) activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club; and
- (i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities

6.4 Also, 'consideration' is defined under Section 2(31) of the CGST Act, 2017 as:

(31) "consideration" in relation to the supply of goods or services or both includes

- (a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;

.....

6.5 Therefore, the activity of the applicant, i.e. leasing a part of their premises to another educational institution is a business activity performed for consideration and thus is covered under the scope of Supply as defined in the CGST Act, 2017.

6.6 The applicant claims to be a charitable trust and questions whether hostels run by charitable Trusts for poor and middle class students attract GST. Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, issued under Section 11 (1) of the CGST Act, 2017 and as amended from time to time, 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, namely –

Table

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	Services by an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961) by way of charitable activities.	Nil	Nil

6.7 The Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended, exempts the services by a Trust by way of charitable activities. The 'Charitable activities' is defined by the said Notification, wherein it states:

- (r) "charitable activities" means activities relating to –
- (i) public health by way of, -
 - (A) care or counselling of
 - I. terminally ill persons or persons with severe physical or mental disability;
 - II. persons afflicted with HIV or AIDS;
 - III. persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or
 - (B) public awareness of preventive health, family planning or prevention of HIV infection;
 - (ii) advancement of religion, spirituality or yoga;
 - (iii) advancement of educational programmes or skill development relating to, -
 - (A) abandoned, orphaned or homeless children; or
 - (B) physically or mentally abused and traumatized persons;
 - (C) prisoners;
 - (D) persons over the age of 65 years residing in a rural area;
 - (iv) preservation of environment including watershed, forests and wildlife;

6.8 From the above definition, it is clear that the activity of providing hostel facilities by a Trust to students is not covered under the definition of 'charitable activities'. Hence, exemption under GST is not available to other activities, except the activities as defined above, carried out by a 'Charitable Trust'.

6.9 However, it is noticed that through Notification No.04/2024-Central Tax (Rate) dated 12.07.2024, an entry as Sl. No. 12A was inserted in the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 with effect from 15.07.2024, which reads as follows:

Table

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
12A	Heading 9963	Supply of accommodation services having value of supply less than or equal to twenty thousand rupees per person per month provided that the accommodation service is supplied for a minimum continuous period of ninety days	Nil	Nil

6.10 From the above table, it is clear that the accommodation services having value of supply less than or equal to twenty thousand rupees per person per month is exempted from payment of GST provided that the accommodation service is supplied for a minimum continuous period of ninety days. So, the applicant has to ensure that both the situations, namely value of supply and period of stay, are satisfied before claiming exemption under this Sl. No. 12A of the said Notification.

6.11 Further, the applicant is of the view that Circular No. 228/22/2024-GST dated 15.07.2024 does not clarify the issue whether the amount collected for the services of Hostel accommodation and food supplies by one charitable educational institution to the students of another charitable educational institution are taxable or exempted. In this regard, it is clarified that the said circular reproduces the representations / requests received by the Board, as is seen from para 9.1 of the said circular. The relevant para is replicated below for reference:

9. GST liability on certain accommodation services.

9.1 Representations have been received requesting to clarify whether service by way of hostel accommodation, service apartments/hotels booked for longer period is a service of renting of residential dwelling for use as residence and exempted under entry at Sl. No. 12 of Notification No. 12/2017-CTR dated 28.06.2017. Requests have also been received for GST exemption on hostels for poor and middle-class students run by charitable trusts.

6.12 The representation was answered by the Government by way of an exemption Notification, as is clarified in para 9.2 of the Circular *ibid*. The relevant para is reproduced below for reference:

9.2 The matter was placed before the GST Council in its 53rd meeting held on 22nd June, 2024 and the GST Council recommended to exempt the supply of accommodation services having value of supply less than or equal to twenty thousand rupees per person per month provided that the accommodation service is supplied for a minimum continuous period of ninety days. The same has been exempted w.e.f. 15.07.2024 vide notification No. 4/2024-CT(R), dated 12.07.2024.

6.13 In the instant case,

- i. The applicant has leased out a part of its premises to another educational institution under an agreement.
- ii. The bills are raised only in the name of the college whose students are accommodated
- iii. The services are not directly provided to the students

6.14 Based on the above facts, it is concluded that the activity undertaken by the applicant is clearly that of supply of service by way of leasing of premises to an educational institution. Educational Services are covered under Heading 9992 in the scheme of classification of services and are taxable.

6.15 Nevertheless, Sl. No. 66 of the Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, as amended, exempts certain services listed therein, if they are provided to an educational institution. The relevant part of the said Notification is reproduced below for reference:

Table

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
13	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; upto higher secondary:</p> <p>Provided that nothing contained in sub-items (i), (ii) and (iii) of item (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> <p>Provided further that nothing contained in sub-item (v) of item (b) shall apply to an institution providing services by way of, -</p> <p>(i) pre-school education and education up to higher secondary school or equivalent; or</p> <p>(ii) education as a part of an approved vocational education course.</p>	Nil	Nil

6.16 The Notification lists out services which are exempted when provided to an educational institution. This list does not contain the activity of leasing of premises to an educational institution. In view of the discussion supra, it becomes clear that the leasing out of a part of premises to another educational institution imparting higher education is not covered under the exempted category, whereby the said supply of service attracts CGST @ 9% and SGST @ 9% under the Heading 9972 of the Scheme of classification of services under GST.

6.17 Besides providing leasing of premises to educational institution, the applicant also supplies food to the students of the other educational institution under an agreement with the said institution. The Notification No. 12/2017-Central

Tax (Rate) dated 28.06.2017, as amended, exempts catering services provided to an educational institution with a restriction that the said exemption is available only when the recipient educational institution is engaged in providing pre-school education and education up to higher secondary school or equivalent. In the present case, the recipient college, being an educational institution imparting higher education, the services supplied to them by the applicant are not exempted and are liable to CGST @ 9% and SGST @ 9% under Heading 9963 of the scheme of classification of services under GST.

6.18 In their additional submissions, the applicant was of the view that the decision given in the case of Thai Moogambikaa Ladies Hostel (Hon'ble HC of Madras) and Maharashtra Jain Education Society (AAR, Maharashtra) is applicable to them. We have looked at the decisions in both the cases and have found that the facts in the cases cited differ from that of the instant case. The cases cited by the applicant relate to the accommodation and food supply services provided directly to the students. Whereas in the instant case, the services are provided to an educational institution. Therefore, the case laws do not apply as the facts and circumstances differ from the present case.

6.19 Based on the above discussion, we attempt to provide replies to the questions raised by the applicant

Question No. 1: What is the present position for levy of GST on hostels for poor and middle-class students run by charitable Trusts?

6.20 It is to be noted that not all the services supplied / provided by a charitable trust are exempt from payment of GST. The activities spelt out in the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 only are exempt and running a hostel is not one of the specified charitable activities under GST. But the hostels run by Trusts can claim exemption under Sl No. 12A of the said Notification as amended, provided the conditions prescribed therein are fulfilled.

Question No. 2: What is the present position for levy of GST on hostels for High class students run by charitable Trusts?

6.21 The reply provided to question No. 1 above is applicable to this question also as the Notification has not categorised any recipient of service as poor class, middle class or high class.

Question No. 3: What is the yardstick to classify the students as Poor, Middle and High class?

6.22 The Members explained the AR during the personal hearing that the question No.3 and 6 of the application for advance ruling filed by the applicant, are both hypothetical in nature and that the said queries do not appear to be liable for admission, as they do not fall within the ambit of Section 97(2) of the CGST Act, 2017. The AR accepted that the aforesaid queries are redundant and requested the members to ignore the same. Therefore, the query is not admitted and accordingly not answered.

Question No. 4: What is the position for levy of GST if one college accommodate the students of another College, Please note both Colleges are Charitable Institutions. Is it taxable or exempt Service? The agreement for Hostel accommodation has been entered into between the two Colleges and one College make the payment to the other College. There is no agreement between the Service Provider and the accommodated Students and no separate bills/receipts will be issued to them. Bill will be raised only in the name of College whose students are accommodated. If it is exempt whether the same is exempt with effect from 15.07.2024 as per Notification No.4/2024-CT(R) dated 12.07.2024.

6.23 A list of certain services supplied to an educational institution were exempted from payment of GST vide Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended; but leasing of premises is not one of the services listed in the Notification. Further, the applicant themselves state that the agreement for lease is entered between two educational institutions and the payment is made by one institution to the other. Moreover, it is clear that the applicant is not providing the accommodation service directly to the individual students, in order to claim exemption as prescribed under Sl.No.12A of the exemption Notification No.12/2017-Central Tax (Rate), dated 28.06.2017, as amended. Therefore, we are of the considered opinion that leasing out of the premises by the applicant to the recipient college is a taxable supply of service and attracts GST.

Question No. 5: Similarly what is the position for levy of GST for the food supplied to Hostel students of another College residing in this College? Please note both colleges are Charitable Institutions. Is it taxable or exempt service? The agreement of Food Supply has been entered into between the two Colleges and one College make the payment to the other College. There is no agreement between the Service Provider and the accommodated Students and no separate bills/receipts will be issued to them. Bill will be raised only in the name of College whose students are accommodated. If it is exempt whether the same is exempt with effect from 15.07.2024 as per Notification No.4/2024-CT (R) dated 12.07.2024.

6.24 The Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended, provides conditional exemption to catering services provided to an educational institution, meaning that the exemption is available only when the recipient educational institution is engaged in providing pre-school education and education up to higher secondary school or equivalent. In the instant case, the recipient college being an educational institution imparting higher education, the services supplied to them by the applicant are not exempted and are liable to GST.

Question No. 6: What is the applicable rate/rates of GST if the Council decides it is taxable for both the Hostel accommodation and food supplies to the students?

6.25 The Members explained the AR during the personal hearing that the question No.3 and 6 of the application for advance ruling filed by the applicant, are both hypothetical in nature and that the said queries do not appear to be liable for


admission, as they do not fall within the ambit of Section 97(2) of the CGST Act, 2017. The AR accepted that the foresaid queries are redundant and requested the members to ignore the same. Therefore, the query is not admitted and accordingly not answered.

7. Based on the above discussion, we rule as under.


RULING

Question No.	Question raised by the Applicant	Ruling of the Authority
1	What is the present position for levy of GST on hostels for poor and middle-class students run by charitable Trusts?	Hostels run by Trusts can claim exemption under Sl No. 12A of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended, provided the conditions prescribed therein are fulfilled
2	What is the present position for levy of GST on hostels for High class students run by charitable Trusts?	Hostels run by Trusts can claim exemption under Sl No. 12A of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended, provided the conditions prescribed therein are fulfilled
3	What is the yardstick to classify the students as Poor, Middle and High class?	The question does not fall within the ambit of Section 97(2) of the CGST Act, 2017, and therefore not answered.
4	What is the position for levy of GST if one college accommodate the students of another College, Please note both Colleges are Charitable Institutions. Is it taxable or exempt Service? The agreement for Hostel accommodation has been entered into between the two Colleges and one College make the payment to the other College. There is no agreement between the Service Provider and the accommodated Students and no separate bills/receipts will be issued to them. Bill will be raised only in the name of College whose students are accommodated. If it is exempt whether the same is exempt with effect from 15.07.2024 as per Notification No.4/2024-CT(R) dated 12.07.2024	Leasing out of the premises by the applicant to an educational institution imparting higher education is a taxable supply of service and attracts GST.

5	Similarly, what is the position for levy of GST for the food supplied to Hostel students of another College residing in this College? Please note both colleges are Charitable Institutions. Is it taxable or exempt service? The agreement of Food Supply has been entered into between the two Colleges and one College make the payment to the other College. There is no agreement between the Service Provider and the accommodated Students and no separate bills/receipts will be issued to them. Bill will be raised only in the name of College whose students are accommodated. If it is exempt whether the same is exempt with effect from 15.07.2024 as per Notification No.4/2024-CT (R) dated 12.07.2024	Supply of food by the applicant to students of other educational institution imparting higher education is a taxable supply of service and attracts GST.
6	What is the applicable rate/rates of GST if the Council decides it is taxable for both the Hostel accommodation and food supplies to the students	The question does not fall within the ambit of Section 97(2) of the CGST Act, 2017, and therefore not answered.


(B. Suseel Kumar)
Member (SGST)




(C. Thiyagarajan)
Member (CGST)

To

M/s. K L N SOURASHTRA COLLEGE OF ENGINEERING COUNCIL,
No.6, South Veli Street,
Madurai, Tamil Nadu-621 001.
(By RPAD)

Copy submitted to

1. The Principal Chief Commissioner of GST and Central Excise,
26/1, Uthathamar Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai 600 005.

3. The Commissioner of GST and Central Excise,
Madurai Commissionerate,
No.4, Lal Bahadur Shastri Road,
Bibi Kulam, Madurai – 625 002.

Copy to

1. The State Tax Officer,
Vengalakkadai Street Assessment Circle,
3rd. Floor, Commercial Taxes Building,
Dr Thangaraj Salai, K.K Nagar, Chennai 600 003.
2. Stock File – A1