

**GOVERNMENT OF ASSAM**  
**OFFICE OF THE COMMISSIONER OF TAXES, ASSAM :: KAR BHAWAN**  
**DISPUR, GUWAHATI-6**

\*\*\*\*

**CIRCULAR NO. 39/2019-GST**

Dated Dispur the 30th January, 2019.

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

**No. CT/GST-15/2017/290.** — 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-(Rate) [FTX.56/2017/24 dated 29.06.2017] 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-(Rate) [FTX.56/2017/25 dated 29.06.2017] 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-(Rate) [FTX.56/2017/24 dated 29.06.2017], 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-(Rate) [FTX.56/2017/25 dated 29.06.2017], 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-(Rate) [FTX.56/2017/24 dated 29.06.2017] prescribing GST rates on service have to be read together with entries in exemption Notification No. 12/2017-(Rate) [FTX.56/2017/25 dated 29.06.2017]. A supply which is specifically covered by any entry of Notification No. 12/2017-(Rate) [FTX.56/2017/25 dated 29.06.2017] is exempt from GST notwithstanding the fact that GST rate has been prescribed for the same under Notification No. 11/2017-(Rate) [FTX.56/2017/24 dated 29.06.2017].

2.1 Supply of all services by an educational institution to its students, faculty and staff is exempt under Notification No. 12/2017-(Rate) [FTX.56/2017/25 dated 29.06.2017], 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-(Rate) [FTX.56/2017/25 dated 29.06.2017] Chapter, Section, Heading, Group or Service Codes mentioned in column (2) of the table in Notification No. 12/2017-(Rate) [FTX.56/2017/25 dated 29.06.2017] 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-(Rate)

[FTX.56/2017/25 dated 29.06.2017], 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-(Rate) [FTX.56/2017/24 dated 29.06.2017] 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-(Rate) [FTX.56/2017/25 dated 29.06.2017], vide Notification No. 28/2018.
4. This Circular is clarificatory in nature and not meant for any interpretation of provisions of the Act and rules.
5. Difficulties, if any, in implementation of the above instructions may be brought to the notice of the Commissioner at an early date.
6. This Circular shall be deemed to have come into force with effect from the 1st January, 2019.


Sd/- Anurag Goel, IAS.,  
Commissioner of State tax, Assam,  
Dispur, Guwahati

Memo No. CT/GST-15/2017/290-A

Dated Dispur the 30th January, 2019.

Copy to :

1. The Additional Chief Secretary to the Government of Assam, Finance Department, Dispur, Guwahati-6 for favour of kind information.
2. The Commissioner & Secretary to the Government of Assam, Finance (Taxation) Department, Dispur, Guwahati-6 for favour of kind information.
3. The Commissioner of Central GST, Guwahati / Dibrugarh for information.
4. The Special Commissioner of State tax / Additional Commissioner of State tax (All) / Joint Commissioner of State tax (All) for information.
5. The Deputy Commissioner of State tax (All) / Assistant Commissioner of State tax (All) / Superintendent of State tax (All) / Inspector of State tax (All) for information and necessary action.
6. The Information Technology Officer, Office of the Commissioner of State tax, Assam for uploading it on the website of the Commissionerate for information of all concerned.

  
Commissioner of State tax, Assam,  
Dispur, Guwahati