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CIRCULAR
(No. 21 / 2018-19 - GST)

Subject: Taxability of services provided by Industrial Training Institute (ITI) – reg.

Representations have been received requesting to clarify the following:

- (a) Whether GST is payable on vocational training provided by private ITIs in designated trades and in other than designated trades.
- (b) Whether GST is payable on the service, provided by a private Industrial Training Institute for conduct of examination against consideration in the form of entrance fee and also on the services relating to admission to or conduct of examination.

2. With regard to the first issue, [Para 1(a) above], it is clarified that Private ITIs qualify as an educational institution as defined under para 2(y) of notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30/06/2017 published in Extraordinary Official Gazette, Series I, No. 13 dated 30/06/2018 if the education provided by these ITIs is approved as vocational educational course. The approved vocational educational course has been defined in para 2(h) of notification ibid to mean a course run by an ITI or an Industrial Training Centre affiliated to NCVT (National Council for Vocational Training) or SCVT (State Council for Vocational Training) offering courses in designated trade notified under the Apprenticeship Act, 1961; or a Modular employable skill course, approved by NCVT, run by a person registered with DG Training in Ministry of Skill Development. Therefore, services provide by a private ITI in respect



of designated trades notified under Apprenticeship Act, 1961 are exempt from GST under Sr.No. 66 of notification No. 38/1/2017-Fin(R&C)(12/2017-Rate). As corollary, services provided by a private ITI in respect of other than designated trades would be liable to pay GST and are not exempt.

3. With regard to the second issue, [Para 1(b) above], it is clarified that in case of designated trades, services provided by a private ITI by way of conduct of entrance examination against consideration in the form of entrance fee will also be exempt from GST [Entry (aa) under Sr. No. 66 of notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) refers]. Further, in respect of such designated trades, services provided to an educational institution, by way of, services relating to admission to or conduct of examination by a private ITI will also be exempt [Entry (b(iv)) under Sr. No. 66 of notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) refers]. It is further clarified that in case of other than designated trades in private ITIs, GST shall be payable on the services of conduct of examination against consideration in the form of entrance fee and also on the services relating to admission to or conduct of examination by such institutions, as these services are not covered by the exemption *ibid*.

4. As far as Government ITIs are concerned, services provided by a Government ITI to individual trainees/students, is exempt under Sr. No. 6 of 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30/06/2018 as these are in the nature of services provided by the Central or State Government to individuals. Such exemptions are in relation to service provided by Government ITI would cover both -- vocational training and examinations conducted by these Government ITIs.

5. Difficulty if any, in the implementation of this circular may be brought to the notice of undersigned.



(Dipak M. Bandekar)

Commissioner of State Tax, Goa

Note: Similar circular will be issued under the Central Goods and Services Tax Act, 2017 by Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Government of India. New Delhi vide circular no. 55/29/2018-GST dated 10/08/2018.