

MAHARASHTRA AUTHORITY FOR ADVANCE RULING

(constituted under section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

(1) Shri B. V. Borhade, Joint Commissioner of State Tax

(2) Shri Pankaj Kumar, Joint Commissioner of Central Tax

GSTIN Number, if any/ User-id		27AAAAT5236EIZN / -271800000473ARP
Legal Name of Applicant		THE MAHARASHTRA RAJYA SAHAKRI SANG MARYADIT
Registered Address/ Address provided while obtaining user id		5, B. J. ROAD, PUNE, Maharashtra - 411001
Details of application		GST-ARA, Application No. 11 Dated 17.04.2018
Concerned officer		Division – VI, Koregaon Park, Commissionerate Pune – I.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Service Provision
B	Description (in brief)	The Maharashtra Rajya Sahakari Sangh Ltd is state level apex training institute registered under Maharashtra Co-operative Societies Act, 1960 on 13th of July 1918. The Maharashtra Rajya Sahakari Sangh Ltd. gives education to members of co-operative societies in the state (Total number is 1,95,301 as on 31.3.2017) and training to office-bearers
Issues on which advance ruling required		(i) classification of goods and/or services or both (v) determination of the liability to pay tax on any goods or services or both
Question(s) on which advance ruling is required		As reproduced in para 01 of the Proceedings below.

PROCEEDINGS

(under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act"] by THE MAHARASHTRA RAJYA SAHAKRI SANG MARYADIT, the applicant, seeking an advance ruling in respect of the following question.

The Maharashtra Rajya Sahakari Sangh Ltd. conducts education and training programmes through its 13 co-operative training centres and 33 district co-operative boards by charging fees to participants. Maharashtra Rajya Sahakari Sangh Ltd., is not profit making body and doing this activity as statutory requirement of Maharashtra Co-operative Societies Act, 1960. Therefore, it is requested to exempt GST to Maharashtra Rajya Sahakari Sangh Ltd.

At the outset, we would like to make it clear that the provisions of both the CGST Act and the GST Act are the same except for certain provisions. Therefore, unless a mention is specifically

made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / MGST Act would be mentioned as being under the "GST Act".

02. FACTS AND CONTENTION - AS PER THE APPLICANT

The submission (Brief facts of the case), as reproduced verbatim, could be seen thus -

FACTS OF THE CASE

The Maharashtra Rajya Sahakari Sangh Ltd is state level apex training institute registered under Maharashtra Co-operative Societies Act, 1960 on 13th of July 1918. The Maharashtra Rajya Sahakari Sangh Ltd. gives education to members of co-operative societies in the state (Total number is 1,95,301 as on 31.3.2017) and training to office-bearers : committee members/officers and employees of the co-operative societies. As per section 24 A of of M.C.S Act. 1960 and rules thereunder, every society has to give education & training through state apex training institute. Accordingly The Maharashtra Rajya Sahakari Sangh Ltd.is notified by the Government of Maharashtra on the 10 sep. 2014 for this purpose. Earlier, The Maharashtra Rajya Sahakari Sangh Ltd. was exempted by even income tax department. Income Tax tribunal order is enclosed for ready reference. As Maharashtra Rajya Sahakari Sangh Ltd.is doing work purely of education and training, it needs to be exempted from GST. This institute is not profit making organization and giving education and training by charging fees only. Anyway, Maharashtra Rajya Sahakari Sangh Ltd. is not doing commercial activity but catering needs of education and training as required u/s 24 A and rules thereunder i.e. rule 20B and 30A.

Additional submissions on 05.07.2018

As Per our personal hearing dated 12.06.2018, we would like to pay attention to the following points while considering our advance ruling.

Training programmes where expenditure borne by Government:

Services provided to the Central Government, State Government, Union territory administration under any training programme for which total expenditure is borne by the Central Government, State Government, Union territory administration are exempt.

Services provided by educational institution to its students, faculty and staff exempt: Service supplied by an educational institution to its students, faculty and staff is exempt from GST - Sr. No. 66(a) of Notification No. 12/2017-CT (Rate) and No. 9/2017-IT (Rate) both dated 28-6-2017.

a. Brief back ground of the appellant - the assessee is a co-operative educational institute registered under Maharashtra State Co-op. Societies Act, 1960. The Sangh conducts cooperative education and training through its 13 co operative training centres. These training programmes are recognised as the essential minimum educational qualifications for principles of co. Operations. (Its State Level Apex cooperative institution).

b. Educational institution existing solely for educational purposes and not for purposes of profit.

C. Assessee has over 100 years of establishment and had the memorable association with the honourable Mohandas Karamchand Gandhi, father of our nation.

d. Incorporation of the assessee has everything to do with the then ongoing cooperative movement during the period of the father of the nation and therefore, the main object of the assessee is to educate the people of India on the cooperative movement. Regarding finances to the trust, the assessee has by virtue of section 68 of the Maharashtra Co-op. Societies Act, every other member-society should mandatorily contribute annually towards the education fund of assessee as per the sums prescribed in the notification issued by the State Government. Such contributions to the education fund of the assessee are the sources of finance for the assessee-Sangh. Admittedly, the Sangh does not receive any funds or grants from the Government directly. As per the assessee, in brief, such supply of finance indirectly by way of mandatory contributions by the member co-operative societies by virtue of legislation i.e. Section 68 of the Maharashtra Co-op. Societies Act, meets the requirement of the said expression financed by the Government.

e. The assessee main object is to work for the furtherance of co-operative movement in India and supply of the relevant literature and training for the movement are the matter of the main object.

f. Regarding the sources of the finance, finances are provided by virtue of contribution by the member society by virtue of section 68 of the Maharashtra Co-operative Societies Act, 1960.

g. The main objects of the society read that (i) To provide education and training to members of various co-operative societies, be present or future to make the movement of co-operative more people friendly and (ii) To homogenize the education structure relating to co-operation and to act as nodal agency in this respect".

h. The Government provided the finance to the assessee by way of making of a legislation, which cast statutory responsibility on the member societies by way of compulsory contributions to the education fund of the assessee.

i. In the background of the above, the relevant provisions reads as follows, "any university or other educational institution existing solely for educational purposes and not for purposes of profit, and which is wholly or substantially financed by the Government; or As seen from the above, the legislature has not used the words such as direct or indirectly anywhere in the said clause meaning thereby the indirect financing by the Government is also a possibility not ruled out by the legislature.

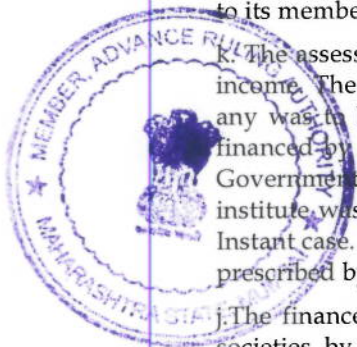
j. As per directive principles of the State policy mentioned in article 41 of the Constitution, it is the duty of the Government not only to establish educational institutions but also to effectively secure the right to education, by admitting students to the seats available in such institutions. Such obligation may be discharged through the State-owned institutions or the State recognized institutions. The Maharashtra Rajya Sahakari Sangh Maryadit are the institute established by the state and are commonly known as the state institution. Such institutions are necessary so that the principles of co. Operations is made available to its members.

k. The assessee had been set-up and managed by state apex body, there was excess of expenditure over income. The educational institution charged training fee as approved by the Government and deficit, if any was to be met through grants, this was sufficient to conclude that the institute was substantially financed by the Government. The requirement is that institute wholly or substantially financed by the Government. It does mean that one has to see the financing in each year. Financed here means that the institute was set-up with the finances made available by the Government. Such requirement was met in instant case. After setting-up infrastructure, the institute started imparting education and charged fees as prescribed by the Government.

l. The finances received by the assessee in the form of training receipts from the member cooperative societies by way of compulsory subscriptions in accordance with a State legislation tantamount to "financed by the Government".

m. The instant assessee earlier has also got the requisite finance out of the exclusive Education Fund of the State Federal Society created by way of law in the name of Maharashtra Co-operative Societies; 1960, which is a legislative enactment of the State Government of Maharashtra. Thus, there exists legislative nod this legislative participation constitutes an essential ingredient of any financing by the Government.

n. It is also relevant to mention that there is need for understanding the ingredients of the cooperative movement and the need for autonomy both in matters of finance as well as in day to day running of the connected institutions of this movement. Rules of the cooperative movements are different and they include that the movement must be independent in its operations, evolving policies, raising finances and the cooperative movement must be run with the finance by the members of the movement by their contributions. The same is required to avoid the control and management of the Government. The alternate financing mechanisms provided by the Government by way of a legislative. In such circumstances and considering the peculiarity of the cooperative movement, Governmental role in financing such educational institution rightly should stop with the role as a facilitator by providing requisite legislation for enabling the member societies to contribute to the assessee and contribute mandatorily. Therefore, in our opinion, it is a case of indirect financing of the educational institution of the cooperative movement by the Government and it is evolved in order to promote participation of the members and respect the financial independency of the movement in general and institution in particular. In any case, the provisions of the clause do not expressly bar the claim of tax exemptions to the cases of indirect financing by the Government in such cases of indirect financing to the educational institutions of the cooperative movement in India, the aspects of consolidated Fund of India to be the source of finance for claim of exemption become irrelevant for the reasons of minimum control of the Government on cooperative societies. Considering the



peculiarities of the cooperative movement characterized by the members/people's participation financially and administratively, the role of audit becomes minimal as the contributing people/members of the notified education fund/societies provide necessary audit/check. In any case, there is always internal audit mechanism to such institutions to play the role of a watchdog. In any case, it is not the intention of the Government to control and manage the educational institutions of the cooperative movement, which is ideally the movement of the people in general or member societies in particular.

Thus, the expression financed by the Government involves the legislative participation in financing the university or institution. Such participation may be by way of directly providing the grants to the institution out of the Governmental funds or may be by way of indirectly providing the alternative methods of financing the institution by virtue of state or central legislations as in the case of the assessee. Therefore, in the circumstances, where the Government created a special enactment i.e. Maharashtra Cooperative Societies, 1960 in general and section 68 of the said Act in particular, where by an education fund is created in this regard to constitute a fund set apart to be the source of finance to the institution. Further, we are also of the opinion, the assessee being the case of the society engaged in the running the educational institution for promoting the cooperative movement in India, liberal interpretation of the statute is the need of the time. The cases of this kind, where the Government legislates law to provide for compulsory contributions by the member societies to an Education fund which is set apart to be the source of finance for an educational institution of this kind engaged in the cooperative movement in India, which constitutes indirect financing by the Government.

Statement containing the applicant's interpretation of law and/or facts, as the case may be, in respect of the questions(s) on which advance ruling is required

On the similar lines of exemption granted to educational institutions registered under "Trust Act", Maharashtra Rajya Sahakari Sangh Ltd. should be treated as educational institute and GST should not be levied.

03. CONTENTION - AS PER THE CONCERNED OFFICER

The submission, as reproduced verbatim, could be seen thus-

1. M/s The Maharashtra Rajya Sahakari Sangh Maryadit, Pune, in the pre-GST regime, had obtained registration under Service Tax (No. AAAAT5236EST001) w.e.f. 16.07.2008 for service rendered, viz., "Renting of Immovable Property Service", falling under Sub-clause No. (zzzz) of clause (105) of Section 65 of the Finance Act, 1994.

2. The taxpayer, in their application dated 17.04.2018 to the Advance Ruling Authority has sought exemption from GST on the grounds that they are a State Level Apex Training Institute registered under the Maharashtra Cooperative Societies Act, 1960, imparting education / training to members of cooperative societies, office bearers, etc. and charging fees to participants for the same. They have claimed that they are not doing any commercial activity and are a non profit making organisation conducting this activity as a statutory requirement of Maharashtra Cooperative Societies Act, 1960.

3. On perusal of the documents submitted by the taxpayer in support of their claim, viz., Order dated 30.04.2010 by the Income Tax Appellate Tribunal, Pune Bench, it is seen that the taxpayer has been given the benefit of exemption only in respect of the funds received by the institution under section 10(23C)(iiiab) of the Act but were not granted exemption and denied registration under section 12AA (1)(ii) of the Income Tax Act, 1961 as a charitable trust.

4. Section 10 of the Income Tax Act, 1961 provides for income which shall not be included in the total income. Section 10(23C)(iiiab) provides that income of any university or other educational institution existing solely for educational purposes and not for purposes of profit, and which is wholly or substantially financed by the Government does not include in total income. However the Appellate Authority in its

Order dated 30.04.2010 has extended the exemption benefit stating that “ in cases where Government legislates law to provide for compulsory contribution by the member societies to an “education fund” engaged in cooperative movement in India, constitutes indirect financing by the Government and are thus entitled for the exemption”. Further, vide Order dated 31.07.2007, the Commissioner of Income Tax, Pune, did not consider the activity carried out by the taxpayer to be of charitable nature and accordingly denied the taxpayer the exemption under section 12AA (1)(ii) of the Income Tax Act, 1961 which is accorded to a charitable trust.

5. Thus in view of the above it is seen that the service provided by the taxpayer is not free but carried out against a consideration received from the members of the cooperative society and accordingly fall under the purview of GST as detailed below:

5.1 Under CGST Act, 2017, Section 2 (84), the definition of “Person” includes –

- (a) an individual;
- (b) a Hindu Undivided Family;
- (c) a company;
- (d) a firm;
- (e) a Limited Liability Partnership;
- (f) an association of persons or a body of individuals, whether incorporated or not, in India or outside India;
- (g) any corporation established by or under any Central Act, State Act or Provincial Act or a Government company as defined in clause (45) of section 2 of the Companies Act, 2013 (18 of 2013);
- (h) any body corporate incorporated by or under the laws of a country outside India;
- (i) a co-operative society registered under any law relating to co-operative societies;
- (j) a local authority;
- (k) Central Government or a State Government;
- (l) society as defined under the Societies Registration Act, 1860 (21 of 1860);
- (m) trust; and
- (n) every artificial juridical person, not falling within any of the above;

5.2 Under CGST Act, 2017, Section 7 (1), the definition of “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;
- (b) import of services for a consideration whether or not in the course or furtherance of business;
- (c) the activities specified in Schedule I, made or agreed to be made without a consideration; and
- (d) the activities to be treated as supply of goods or supply of services as referred to in Schedule II.

Excludes –

- (a) activities or transactions specified in Schedule III; or



(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council.

5.3 Under CGST Act, 2017, Section 2 (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) services provided by a race club by way of totalisator or a licence to 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;

5.4 Under CGST Act, 2017, Section 2 (31), "consideration" in relation to 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;

(b) the monetary value of any act or forbearance, 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;

Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply.

6. A cooperative society (being a person as defined above) provides services to its members in the form of facilities or benefits to its members (in course of business) for a consideration. It has been admitted by the taxpayer in their application that they charge a fee from the participant members to whom the training is being imparted.

7. Thus it appears that the said training is against a consideration, i.e., a payment made in money (fee collected from the members) for supply of services and thus the cooperative society also gets covered under the ambit of GST and is leviable to GST under Section 9(1) of the CGST Act, 2017.

8. This service provided by the taxpayer falls under the Service Accounting Code 999293 – Commercial Training and Coaching. In terms of Notification no. 11/2017-Central Tax (Rate) dated 28.06.2017, Commercial Training and Coaching is subject to GST @ 18% (CGST 9% and SGST 9%) or IGST 18%. There has been no exemption granted / recommended to this service by the GST Council.

04. HEARING

The case was taken up for preliminary hearing on dt. 12.06.2018, with respect to admission or rejection of the application when Sh. Dnyesh Shinde, C.A. along with Sh. Sadashiv Bodke, Chief Officer and Sh. Pranit Pansare Asstt. To Sh. Shinde appeared and requested for admission of application as per ARA. They were informed that they need to reframe their question which was in request form at the earliest. The jurisdictional officer was not present for the hearing. Sh. Sunil Khandare, Sr. Clerk from MRSSM was also present.

The application was admitted and final hearing was held on 17.07.2018, Sh. Dnyesh Shinde, C.A. along with Sh. Pranit Pansare Asstt. To Sh. Shinde and Sh. Sunil Khandare, Sr. Clerk appeared and stated that they are making written submissions today. The jurisdictional officer, Ms. Sujata Sunderrajan, Supt., Pune -I Commissionerate appeared and made written submissions.

05. OBSERVATIONS

We have perused the records on file and gone through the facts of the case and the submissions made by the applicant and the department.

The applicant has submitted that they are a state level apex training institute registered under Maharashtra Co-operative Societies Act, 1960 and as per the provisions of Section 24 A of of M.C.S Act. 1960, they are giving education/training, though their 13 training centres, to the members of co-operative societies in the state of Maharashtra and the same is not a commercial activity. They have submitted that they do not receive any funds or grants from the Government directly and their funding is indirectly by way of mandatory contributions by the member co-operative societies under the provisions of Section 68 of the Maharashtra Co-op. Societies Act and they are not a profit making organization but only an educational institution and therefore on the similar lines of exemption granted to educational institutions registered under 'Trust Act', they should be treated as educational institute and GST should not be levied.

The department has observed on perusal of the order dated 30.04.2010 by the Income Tax Appellate Tribunal, Pune Bench, submitted by the applicant in their favour, that they were not granted exemption and were denied registration under section 12AA (1)(ii) of the Income Tax Act, 1961 as a charitable trust. For reasons mentioned in their reply, the department has concluded that the training provided by the applicant is against consideration, i.e., fees collected from the members for supply of services and thus they are liable to GST under Section 9(1) of the CGST Act, 2017.

In their submissions they have stated that they would like this authority to pay attention to the following points while considering their case:-

1. Training programmes where expenditure is borne by Government:
2. Services provided to the Central Government, State Government, Union territory administration under any training programme for which total expenditure is borne by the Central Government, State Government, Union territory administration are exempt.

3. Services provided by educational institution to its students, faculty and staff are exempt: Service supplied by an educational institution to its students, faculty and staff is exempt from GST - Sr. No. 66(a) of Notification No. 12/2017-CT (Rate) and No. 9/2017-IT (Rate) both dated 28-6-2017.

We now reproduce Section 24 A of the Maharashtra Cooperative Societies Act is relevant in the present case as under:-

24A. Cooperative Education and training to members, etc. - (1) Every society shall organise co-operative education and training, for its members, officers and employees through such State federal societies or the State Apex Training Institutes, as the State Government may, by notification in the Official Gazette, specify. Such education and training shall,-

- (i) en-sure the effective and active participation of the members in the management of the society;*
- (ii) groom talented employees for leadership position;*
- (iii) develop professional skills through co-operative education and training.*

(2) Every member of the committee, whether elected or co-opted, shall undergo such co-operative education and training for such period and at such intervals as may be prescribed.

(3) Every society shall contribute annually towards the education and training fund of the State federal societies or State Apex Training Institutes, notified under subsection (1), at such rates as may be prescribed, and different rates may be prescribed for different societies or classes of societies.

A reading of the said section reveals that the same is applicable to members of societies so that they can effectively understand participate in the management of the society. The said section also says that every society shall contribute annually towards the education and training fund of such State federal societies/ State Apex Training Institutes, notified under subsection (1), at such rates as may be prescribed, and different rates may be prescribed for different societies or classes of societies. Hence it is clearly seen that there is no funding from the Government directly or indirectly to the applicant as claimed by them in their submissions and also that there may be other such State Federal Societies and State Apex Training Institutes which have been notified for providing such education/coaching/training.

We find from the submissions made by the applicant that they are neither providing any services to the Central Government, State Government, Union territory administration under any training programme nor is the expenditure borne by the Central Government, State Government, Union territory administration. In their case they are funded by the fees received from the societies for the training of their members. It is also seen from their submissions that they cannot be considered as an educational institution providing services to its students, faculty and staff and therefore the supply of services by them to the members of the cooperative societies do not get exemption given under Sr. No. 66(a) of Notification No. 12/2017-CT (Rate) and No. 9/2017-IT (Rate) both dated 28-6-2017.

We find from the applicant's submissions that there is no contention whether their activity of providing training, etc to the members of the cooperative societies constitute a supply or not. The two issues that they are contesting is that the fees recovered by them from the societies are actually an indirect form of funding by the Government. This would be stretching the issue a bit far if the same is accepted. There appears to be no funding by the Government whether direct or indirect. The Societies Act referred above, vide Section 24A has laid down that every society shall organise co-operative education and training, for its members, officers and employees from the applicant or other notified institutes and every society shall contribute annually towards the education and training fund of the State federal societies or



State Apex Training Institutes. Hence it is very clear that there is no funding by the Government in this case.

The second issue is that the services provided by them are not in respect of their own students, faculty and staff. Services supplied /provided by an educational institution to its students, faculty and staff is exempt from GST - Sr. No. 66(a) of Notification No. 12/2017-CT (Rate) and No. 9/2017-IT (Rate) both dated 28-6-2017. They are in fact supplying services to other cooperative societies and their members and not to their own faculty, etc. Hence there is no way that their remuneration recovered from the societies can be treated as non-taxable.

From the submissions we find that the applicant are providing services of coaching and training to the members of cooperative societies for which they receive remuneration in the form of annual fees. These fees received by them from the societies can in no way be considered as an indirect funding from the Government.

As per Section 7 of the CGST Act, 2017 *the expression "supply" includes 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.*

As per Section 2(17)(e) of the Act, the applicant, who are registered under the Societies Registration Act, 1860 can be termed as a society and supply service in the form of commercial training and coaching to the members of the cooperative societies, for a subscription/ fees (in this case Annual Membership Fees). Such provision of facilities or benefits to its Member Cooperatives, by the applicant is squarely covered under Section 2 (17) (e) of the GST Act.

It is clearly seen from their submissions that it is optional for the cooperative societies to obtain training for their members from the applicant or other similar institutes. It seems that it would be optional for societies to avail of such services either from the applicant of some other such institute. Thus the member societies are not under any legal compulsion to become members and get training from the applicant only. The obtaining of such membership by way of payment of annual fees implies that the applicant would supply such educational and training services only to societies who pay annual fees and not to those societies who do not pay the applicant such fees.

The applicant has submitted that The Maharashtra Societies Act, vide Section 24 provides for guidelines, which are mandatory for each and every Co-Operative Society in Maharashtra. The Applicant provides training to members of such cooperative societies which is in consonance with Section 24 of the said act, but this supply of service is provided only to those member cooperatives and not to non-members.

We find that they have submitted that the guidelines are for the benefit of members of cooperative societies. The obligation to see that such training is provided to its members are on the cooperative societies and the Applicant provides training only as per the societies act and only to those societies who pay an annual fee to them. It is mentioned here that all the cooperative societies are obliged to follow the guidelines issued under the Maharashtra Societies Act and the applicant are providing training within such guidelines. The receipt of annual fees is clearly in the form of benefit to Member societies only and not to non-member societies.

In view of the foregoing we find that the applicant is supplying services to their Member Societies, against a consideration received from them in the form of Annual fees and their supply is in furtherance of business as defined under Section 2 (17) (e) of the Act. ("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").

To summarise, the applicant, a co-operative educational institute registered under Maharashtra State Co-op. Societies Act, 1960, conducts cooperative education and training through its cooperative training centres and provides education to members of co-operative societies in the state of Maharashtra and training to office-bearers : committee members/officers and employees of the co-operative societies. For providing such education and training they charge annual fees/contribution from their members as provided under the provisions of the Maharashtra Co-op. Societies Act. Thus in view of the above discussions it is seen that the applicant is a person (as defined under Section 2(84) of the GST Act, who is supplying services (as defined under Section 7(1) of the GST Act) in the nature of educational, coaching and training to its members only (and not non members), for a consideration (as defined under Section 2(31)). The applicant is not funded in any way by the Government.

06. In view of the extensive deliberations as held hereinabove, we pass an order as follows :

ORDER

(under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA- 11/2018-19/B- 70 Mumbai, dt. 18/07/2018

For reasons as discussed in the body of the order, the questions are answered thus -

Question :- The Maharashtra Rajya Sahakari Sangh Ltd. conducts education and training programmes through its 13 co-operative training centres and 33 district co-operative boards by charging fees to participants. Maharashtra Rajya Sahakari Sangh Ltd. is not profit making body and doing this activity as statutory requirement of Maharashtra Co-operative Societies Act, 1960. Therefore, it is requested to exempt GST to Maharashtra Rajya Sahakari Sangh Ltd.

Answer :- The applicant's activity is covered within the scope of supply of services and there is no exemption in respect of their supply as per detailed discussions above and therefore the same is liable to

GST at applicable rates.

PLACE - Mumbai

DATE 18/07/2018




B. V. BORHADE
(MEMBER)


PANKAJ KUMAR
(MEMBER)

CERTIFIED TRUE COPY

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Chief Commissioner of Central Tax.
5. Jt. Commissioner of S.T., Mahavikas, Mumbai for website.


MEMBER
ADVANCE RULING AUTHORITY
MAHARASHTRA STATE, MUMBAI

Note :- An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India building, Nariman Point, Mumbai - 400021