

**THE AUTHORITY FOR ADVANCE RULINGS
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU – 560 009**

Advance Ruling No. KAR ADRG 16/2022

Dated: 17.05.2022

Present:

1. Dr. M.P. Ravi Prasad
Additional Commissioner of Commercial Taxes Member (State)
2. Sri. T. Kiran Reddy
Additional Commissioner of Customs & Indirect Taxes Member (Central)

| | | |
|----|---|--|
| 1. | Name and address of the applicant | M/s. Fire Prevent Systems, No.20, Balram Central, 2 nd Floor, Kudlu Harlur Road, Kudlu, Bangalore Rural-560 068. |
| 2. | GSTIN or User ID | 29AFXPP5525P1Z8 |
| 3. | Date of filing of Form GST ARA-01 | 31-01-2022 |
| 4. | Represented by | Major Prashanth, Director |
| 5. | Jurisdictional Authority – Centre | The Principal Commissioner of Central Taxes, Bengaluru South GST Commissionerate, South Division-7, Range-ASD7 |
| 6. | Jurisdictional Authority – State | ACCT, LGSTO-016, Bengaluru |
| 7. | Whether the payment of fees discharged and if yes, the amount and CIN | Yes, discharged fee of Rs.5,000-00 under CGST Act and Rs.5,000-00 under SGST Act vide CIN BARB21122900099691 Dated 15-12-2021 |

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s. Fire Prevent Systems (hereinafter referred to as 'the applicant'), No.20, Balram Central, 2nd Floor, Kudlu Harlur Road, Kudlu, Bengaluru-560068, having GSTIN 29AFXPP5525P1Z8 have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in FORM GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.



2. The Applicant is a Proprietary concern registered under the provisions of Central Goods and Services Tax Act, 2017 as well as Karnataka Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act and KGST/SGST Act respectively). The Applicant is going to start Diploma courses and quality training to the trainees on fire prevention.

3. The applicant has sought advance ruling in respect of the following question:

- i. *Applicable rate of GST on (Training Academy) Fire Prevention & Emergency Training and Awareness Programmes.*

4. **Admissibility of the application:** The question is about the “determination of the liability to pay tax on any goods or services or both” and hence is admissible under Section 97(2)(e) of the CGST Act 2017.

5. **BRIEF FACTS OF THE CASE:** The applicant furnishes some facts relevant to the issue:

5.1 The applicant states that they are running the company Fire Prevent Systems since 2011 and already paying GST at the rate of 18%. For a small contribution towards spreading of awareness on ‘Fire Safety and Security’ which is becoming a major concern in the society and for generating employment opportunities for the young aspirants, they have commenced an academy in the name of Fire Prevent Systems Training Academy (IAO Certified) which is an integral part of Fire Prevent Systems.

5.2 The academy shall provide Diploma courses and quality training to the trainees on fire prevention and a merit certificate on having successfully completed the said course while abiding by the standards of International Accreditation Organisation (IAO) and NABET (National Accreditation Board for Education and Training).

5.3 The applicant states that the academy shall provide short term courses and quality training to the young aspirants which include students from Government School, colleges who are not financially strong enough to pay large sum of fees for carrying such vocational training which would help them in building their career. Students / Trainees will be issued a merit certificate on having successfully completed the said course while abiding by the standards of International Accreditation Organisation (IAO) and NABET (National Accreditation Board for Education and Training).

5.4 The applicant also states that the training is open to all persons who are interested and the consideration is charged for the training.

6. Applicant's Interpretation of Law:

6.1 The applicant is of the view that since the training will help the society for fire safety emergency response and life skills which will help Indian Society at large and have positive social impact and hence they are liable to GST at the rate of 5%. The applicant appeals that the rate of GST on training provided by them be fixed at 5% as per the notification which says the rate of GST for technical aids for education, vocational training is 5%.



PERSONAL HEARING / PROCEEDINGS HELD ON 10-02-2022

7. Major Prashanth, proprietor, appeared for personal hearing proceedings held on 10-02-2022 and reiterated the facts narrated in their application.

FINDINGS & DISCUSSION

8. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in pari-materia and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

9. We have considered the submissions made by the applicant in their application for advance ruling. We have also considered the issues involved on which advance ruling is sought by the applicant and the relevant facts along with the arguments made by the applicant and also their submissions made during the time of hearing.

10. The applicant states that they are running a business by name Fire Prevent Systems and now they have commenced an academy in the name of Fire Prevent Systems Training Academy which will provide Diploma courses and quality training to the trainees on fire prevention.

11. The applicant states that the academy shall provide short term courses and quality training to the young aspirants which include students from Government School, colleges who are not financially strong enough to pay large sum of fees for carrying such vocational training which would help them in building their career. The applicant desires to know the applicable rate of GST on Fire Prevention & Emergency Training and Awareness Programmes conducted by their Training Academy.

12. The applicant states that the training provided by them is subjected to GST at 5% as per the notification which says the rate of GST for technical aids for education, Vocational Training is 5%. We can see that the applicant is referring to Serial No. 257 of Schedule I of the Notification No.1/2017-Central Tax (Rate) dated 28th June, 2017 which is reproduced below:

Schedule I-2.5%

| Sl.No | Chapter, Section, Heading, Group or Service Code (Tariff) | Description of Goods |
|-------|---|--|
| 257 | 90 or any other Chapter | Assistive devices, rehabilitation aids and other goods for disabled, specified in List 3 appended to this Schedule |



List 3 [See S.No.257 of the Schedule I]

(E) (1)-----

(2)-----

(3)-----

(4)-----

(5)-----

(6) Technical aids for education, rehabilitation, vocational training and employment of the blind such as Braille typewriters, braille watches, teaching and learning aids, games and other instruments and vocational aids specifically adapted for use of the blind

It is observed that, the above notification pertains to CGST to be levied on intra-State supplies of goods. But the applicant is providing training to the trainees on fire prevention which is not goods. Hence the notification referred supra cannot be applied to this case.

13. Now we verify whether the activity of providing training to the trainees on fire prevention is covered under Serial No.69 of the Notification No.12/2017-Central Tax (Rate) dated 28th June, 2017 which is reproduced below:

| Sl. No | Chapter, Section, Heading, Group or Service Code (Tariff) | Description of Services | Rate (per cent.) | Condition |
|--------|---|---|------------------|-----------|
| 69 | Heading 9992 | <p>Any services provided by, -</p> <p>(a) the National Skill Development Corporation set up by the Government of India;</p> <p>(b) a Sector Skill Council approved by the National Skill Development Corporation;</p> <p>(c) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation;</p> <p>(d) a training partner approved by the National Skill Development Corporation or the Sector Skill Council,</p> <p>in relation to-</p> <p>(i) the National Skill Development Programme implemented by the National Skill Development Corporation; or</p> <p>(ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or</p> <p>(iii) any other Scheme implemented by the National Skill Development Corporation.</p> | Nil | Nil |

As per entry No. 69 of Notification No.12/2017 mentioned supra, GST is exempt on any services provided by a training partner approved by the National Skill Development Corporation or the Sector Skill Council in relation to-



- (i) the National Skill Development Programme implemented by the National Skill Development Corporation; or
- (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or
- (iii) any other Scheme implemented by the National Skill Development Corporation.

However the applicant has not furnished any information whether they are a training partner approved by the National Skill Development Corporation or the Sector Skill Council and hence the activity of providing training to the trainees on fire prevention is not covered under this entry.

14. Now we verify whether the activity of providing training to the trainees on fire prevention is covered under Serial No.30 of the Notification No.11/2017-Central Tax (Rate) dated 28th June, 2017 which is reproduced below:

| Sl. No | Chapter, Section, Heading, Group or Service Code (Tariff) | Description of Services | Rate (per cent.) | Condition |
|--------|---|-------------------------|------------------|-----------|
| 30 | Heading 9992 | Education services. | 9 | - |

As per the Explanatory notes for classification of services under GST (Chapter 99)

SAC 999293: Commercial training and coaching services

This service code includes any training or coaching provided by any institute or establishment providing commercial training or coaching for imparting skill or knowledge or lessons on any subject or field other than the sports, with or without issuance of a certificate and includes coaching or tutorial classes.

Since the Applicant is providing training to the trainees on fire prevention, the same is covered under SAC 999293 and is liable to GST at 18% as per Serial No.30 of the Notification No.11/2017-Central Tax (Rate) dated 28th June, 2017 mentioned supra.

15. In view of the foregoing, we rule as follows

RULING

Training and Awareness Programmes on Fire Prevention & Emergency attracts GST at 18% as per Serial No.30 of the Notification No.11/2017-Central Tax (Rate) dated 28th June, 2017.

(Dr. M.P. Ravi Prasad)

Member

(T. Kiran Reddy)

Member



Karnataka Advance Ruling Authority
Bengaluru - 560 009

To,
The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Principal Commissioner of Central Taxes, Bengaluru South GST Commissionerate, South Division-7, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-016, Bengaluru.
5. Office Folder.

