

No GST if school fees cover paper, milk, biscuits

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Mumbai: The Maharashtra bench of the Authority for Advance Rulings (AAR) has held that when food items are supplied to school kids, and their cost is part of the fees charged, they will not attract GST.

While advance rulings do not set a judicial precedent, they do have persuasive value. The ruling was sought by Rahul Ramchandran, who had set up a new business — Nashik Cambridge Pre-School.

To be more precise, the AAR has held that supply of books, stationery, drawing materials,

AAR RULING

sports goods, food items, milk and beverages provided by a school to its students without any consideration (as the cost is included in the fees charged) will not be subject to GST

It also held that transportation services provided to students, faculty & staff, whether free or for a consideration, would not attract GST as these are specifically notified at a nil rate. Similarly, canteen facilities provided to its staff and faculty would also attract a nil rate.