

Madras HC: University cannot be levied Service Tax for disseminating Educational Services

In *Madurai Kamaraj University v. Joint Commissioner GST and Central Excise [W.P.(MD) No.20502 of 2019 and W.M.P.(MD) No.17152 of 2019 dated August 16, 2021]*, Madurai Kamaraj University ("**the Petitioner**") has sought for a writ of Certiorari for quashing of the records on the file of Joint Commissioner GST and Central Excise ("**the Respondent**") in proceedings *Order in Original No. MDU- ST-JC-12-2019* dated May 30, 2019 in *File No. V/ST/15/50/2018-Adjn*, on account of being illegitimate and arbitrary.

To substantiate its case, the Petitioner contended that educational institutions are exempted from the ambit of Service Tax as stated under Clause 1 of Section 66-D of the Finance Act, 1994 (effective until May 14, 2016) and Clause (OA) of the "**Mega Services Exemption Notification**" dated June 20, 2012 issued by the Central Government. As opposed to the contentions made by the Petitioner, the Respondent counsel argued that the exemption provided under Section 66 - D (1) of the Finance Act, 1994 and the "Mega Services Exemption Notification" are concerned only with educational institutions that provide pre-school education and education up to higher secondary or equivalent. Furthermore, it was contended by the Respondent that the Petitioner institution does not impart education directly to the students and is only an affiliating body.

After perusal of all the facts and evidence, the Honorable Madras High Court adjudged that the Petitioner educational institution cannot be assessed for demanding any service tax for the services of education provided by them. The Court opined the ratio that Sub-Clause 2 of Clause 'I' of Section 66-D was relevant for the issue at hand, the reason being that, whatever be the education as a part of curriculum for obtaining a qualification recognized by law for the time being in force means whatever be the Degree, Diploma, PG diploma, Professional Degree or Post Graduate Degree are concerned, in order to obtain such qualification, if education being imparted as a part of curriculum, that education shall be part of service for the purpose Clause 'I' for getting exemption.

Online GST Course by Bimal Jain

Recorded: Certified Advanced GST Course

Course Details: Certificate of Participation will be Provided, Free GST Updates on E-mail, WhatsApp, Telegram for 1 Year, Background Material and PPT will be Provided on the

Flat no. 34B, Ground Floor, Pocket -1, Mayur Vihar, Phase -I, Delhi - 110091
Email: bimaljain@a2ztaxcorp.com; Web: www.a2ztaxcorp.com; Tel: +91 11 4242 7056

downloadable basis, Total 21 Recorded Sessions (60 Hours), will be available for 120 hours or 60 Days whichever expires earlier.

For Registration:- <https://cutt.ly/hxjl5Cu>

Recorded: GST Course on Exports, Deemed Exports, SEZ, Imports, Merchandise Exports, Inverted Duty Structure (including Refunds)

Course Details: 6 Online Recorded Sessions of 2.30Hrs each with Background Material (BGM)

For Registration:- <https://cutt.ly/pvw7mzl>

For more details, Call: +91-8076563802, E-mail: intern@a2ztaxcorp.com, Web: www.a2ztaxcorp.in

DISCLAIMER: The views expressed are strictly of the author and A2Z Taxcorp LLP. The contents of this article are solely for informational purpose and for the reader's personal non-commercial use. It does not constitute professional advice or recommendation of firm. Neither the author nor firm and its affiliates accepts any liabilities for any loss or damage of any kind arising out of any information in this article nor for any actions taken in reliance thereon. Further, no portion of our article or newsletter should be used for any purpose(s) unless authorized in writing and we reserve a legal right for any infringement on usage of our article or newsletter without prior permission.