

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE
TRIBUNAL
BANGALORE**

REGIONAL BENCH - COURT NO. 1

Service Tax Appeal No. 20077 of 2017

(Arising out of Order-in-Original No.MLR-EXCUS-000-COM-MS-11-16-17 dated 25.11.2016 passed by the Commissioner of Central Excise & Service Tax, Mangaluru.)

**M/s. Manipal Education & Medical
Group India Pvt. Ltd.**

Syndicate House,
Manipal - 576 104.
Udupi District

Appellant(s)

VERSUS

**The Commissioner of Central Excise
and Service Tax**

7th Floor, Trade Centre,
Bunts Hostel Road,
Mangaluru - 575 003.

Respondent(s)

APPEARANCE:

Shri Sajjan Kumar Tulsian, Advocate for the Appellant.

Shri M. A. Jithendra, Assistant Commissioner, (Authorised Representative) for the Respondent.

**CORAM: HON'BLE DR. D.M. MISRA, MEMBER (JUDICIAL)
HON'BLE MRS. R. BHAGYA DEVI, MEMBER
(TECHNICAL)**

FINAL ORDER NO. 20547 / 2026

DATE OF HEARING: 20.02.2026

DATE OF DECISION: 24.04.2026

PER: D.M. MISRA

This is an appeal filed against Order-in-Original No.MLR-EXCUS-000-COM-MS-11-16-17 dated 25.11.2016 passed by the Commissioner of Central Excise & Service Tax, Mangaluru.

2. Briefly stated the facts are that appellants are engaged in providing taxable services under the category of Commercial Training and Coaching Service, Franchisee Service, Rent-a-Cab Operator Service and Security Service during the relevant period 2010-11 to 2014-15. They provide education auxiliary service to Sikkim Manipal University like assisting the University in admission of students, operating helpdesk, imparting education to students through online, etc., for which they were paid a predetermined consideration as per the Agreement entered between them and the Sikkim Manipal University. Alleging that the amount of alumni fee collected along with the admission fees at the time of registration by Sikkim Manipal University from the student being taxable under Business Auxiliary Service for the period up to 30.06.2012 and thereafter, under the Negative List Regime with effect from 01.07.2012, show-cause notice dated 12.10.2015 was issued to the appellant for recovery of service tax amounting to Rs.97,56,372/- for the period from 01.04.2010 to 30.06.2012 and Rs.45,84,196/- for the period from 01.07.2012 to 30.06.2014 with interest and penalty. On adjudication, the learned Commissioner (A) has confirmed the demand of Rs.97,56,372/- with interest and penalty. Hence, the present appeal.

3. At the outset, the learned advocate for the appellant has submitted that appellants are primarily engaged in providing education related support services to various institutions, companies and individuals. For rendering such services to Sikkim Manipal University, the appellant was paid a predetermined fee / consideration as per the Agreement entered into between them and Sikkim Manipal University. In the Agreement, the appellant was required to receive 45.05% of the fee received for the period from April 2011 to September 2011 and 42.5% from October 2011 to September 2012 and 40% from October 2012 onwards as per Agreement dated 05.12.2011, which has been amended subsequently on 01.10.2012 and 01.11.2012. The

appellant during the period April 2010 to June 2012, rendered Commercial Training and Coaching Service and were claiming exemption under Notification No.10/2003-ST dated 20.06.2003. For the period from July 2012 to June 2014, they claimed their services to be Business Auxiliary Services and availed benefit of Mega Exemption Notification No.25/2012-ST dated 20.06.2012 and they have been filing Service Tax Returns Regularly.

4. On the basis of the audit and as required by the department, the detailed alumni fee collected by Sikkim Manipal University was provided by the appellant through their letter dated 09.04.2015. Since the alumni fee was not added to the Tuition Fee collected by Sikkim Manipal University while paying the consideration to the appellant for rendering various education auxiliary services, education related support services, demand was issued to the appellant alleging that the said alumni fee is liable to tax in the hands of the appellant. He has submitted that levy of service tax on alumni fee collected along with Tuition Fee is no more *res integra* and covered by the judgment of the Tribunal in the case of **Sikkim Manipal University vs. Commissioner of Customs, Central Excise and Service Tax, Siliguri: Order No.MO/75757/2016 and FO/A/76292/2016 dated 14.12.2016.**

5. Further, he has submitted that all the facts were within the knowledge of the department as periodically appellant has been subjected to audit and filed service tax returns within time; therefore, invoking extended period of limitation is bad in law.

6. Heard both sides and perused the records. The short question involved in the present appeal for consideration is, whether the alumni fee collected by Sikkim Manipal University be taken as consideration paid to the appellant for rendering education auxiliary services, education related support services to Sikkim Manipal University. The allegation of the department rests mainly on the ground that the appellant has rendered

services against the Alumni Fees collected by Sikkim Manipal University, since Alumni Fees not included in the amount of consideration paid to the appellant as tuition fees, hence, liable to pay service tax under the taxable category as applicable during the respective period. To appreciate the controversy, it is relevant to read the relevant clauses of the Agreement between the appellant and the Sikkim Manipal University, which reads as follows:

CLAUSE 4

DEVELOPMENT AND PROVISION OF SMU'S PROGRAMMES BY MAGE

4.1 On the terms and subject to the conditions contained herein, MaGE shall minister, co-operate and assist in the development and provision of the distance education programmes duly approved by the academic senate of SMU within the prescribed framework and in compliance with the regulatory requirements:

- a) Development of learning methodologies and processes in order to increase effectiveness of educational system and provide students with an interactive learning experience by utilizing e-learning, multimedia and other learning technologies;
- b) Providing coaching through distance on-line and e-learning programs through the infrastructure facilities available with MaGE on the terms and subject to the conditions of this Agreement;
- c) Developing and providing adequate course materials and e-learning content to the students to improve the overall quality of education and its delivery, developing and managing Content using the services of Subject Matter Experts, External panel of reviewers, co-ordinating with publishers for the content publication and getting it approved by SMU;
- d) Digitisation of course content, making it available to SMU students, facilitating technology-based engagement between SMU Faculty, academic counsellors and SMU students;
- e) Developing and enabling technological platform for delivery of online content, maintenance and up-gradation of these

technological platforms, identifying technology partners, utilising their services for education delivery to SMU students.

- f) Ensuring that the Academic Counsellors and non-teaching staff meet the required quality and technical standards as specified by SMU so as to improve the overall quality of education and its delivery;
- g) Identifying, areas where SMU may develop initiatives/activities, including areas of improvement of SMU's programmes;
- h) Identifying methods of faculty and academic counsellor development, faculty mobility, adoption of best practices and similar initiatives;
- i) Identifying the various programmes of SMU which can be better developed for distance education including internet based, study programmes of other institutions carrying on higher education etc.,
- j) Preferential or non-preferential consideration of students to enrol in the SMU distance courses by virtue of their satisfactory completion of a preparatory, foundation or other distance education programme of SMU and vice versa;
- k) Constant review of processes with a view to incorporate the best practices, co-ordinate with students as well as prospective employers across industries to identify their needs;
- l) Helping develop effective relations systems and establishing and fostering alliances, co-operation with other institutions, on behalf of SMU, subject to the approval of SMU;
- m) Working with Prospective Participants of SMU, to take initiatives/activities from the conceptual stage to reality; and
- n) MaGE undertakes that it has the necessary infrastructure as specified in Annexure 1 to provide the above assistance of development and provision of e-learning and on-line coaching.

CLAUSE 5

IDENTIFICATION OF LEARNING CENTRES AND RENDERING INCIDENTAL ASSISTANCE

5.1 MaGE will assist SMU to identify and recognise Learning Centres at various locations, who would provide the classroom coaching services to SMU.

- 5.2 The specific tasks, obligations, terms, and conditions with respect to Learning Centre shall be mutually decided on a case-by-case basis between SMU and MaGE.
- 5.3 In order for SMU to recognise or establish Learning Centres MaGE shall adhere to the documentation specified in Schedule-I
- 5.4 MaGE shall monitor and review of the operations of the various Learning Centres, on behalf of SMU, from time to time, as may be required by SMU.
- 5.5 MaGE shall facilitate in the design/formulation, development and implementation of standard operation procedures, guidelines, client charters, models, best practices, handbooks, processes, benchmarks, standards, performance assessment metrics, methodologies for undertaking and managing various activities, operations and processes associated with distance education Programme of SMU.
- 5.6 SMU will conduct regular audits and inspections of Participants. MaGE will, in consultation with SMU, be required to discuss the reports with Participants and ensure that steps towards rectification of gaps/inefficiencies in the operations of the Participant are undertaken.
- 5.7 MaGE shall provide SMU all the support, assistance and co-operation as may be required from time to time to run the distance education course of SMU and in particular to provide the services that are required of MaGE as per Learning Centre Agreement.

The financial terms for the administration, assistance and co-operation provided under the Agreement are specified in Annexure 2.

Annexure-I

Infrastructure

1. Studio
2. Content writing and writers
3. VSAT networking.
4. Logistics for distribution of Course material
5. Other administration and human resource.
6. Development of self-instruction study material, learning study materials, online resources and such other support services for facilitating learning.

7. Registration/re-registration of students, student facilitation and support.
8. Operation of help desk, grievance/complaint redress, effective tracking and escalation of issues, proactive improvements to reduce future complaints etc.
9. Furnishing on a periodic basis online or offline information and systemic reporting associated with key processes such as admissions, recognition of learning centers, examinations/results, learning progression, performance metrics relating to distance learning / Study centers and monitoring quality of education and related activities and litigation.
10. Developing and institutionalizing mechanisms for effective networking, maintaining stakeholder relationships, establishing and fostering alliances/co-operation with other institutions on behalf of SMU, subject to the approval of SMU;
11. Apprising the Senior Finance Officer of SMU and reporting to him on a quarterly basis of all the receipts and expenditures, as also assets and liabilities on account of Distance

7. A plain reading of the aforesaid Agreement between the appellant and Sikkim Manipal University, it reveals that the services rendered by the appellant does not relates to Alumni services to the ex-students, if any, provided by the Sikkim Manipal University against the alumni fees collected by the University along with Tuition Fees. Therefore, alleging that the Alumni Fee which has been collected along with the tuition fees should be included in the gross taxable value, in the absence of any service by the appellant, cannot be sustained.

8. Besides, levy of Service Tax on Alumni Fee collected by Sikkim Manipal Univeristy is no more *res integra* as this issue has been considered by the CESTAT's Kolkata Bench in **Sikkim Manipal University's** case (supra). After analysing the issue, it is observed as:

"4. After hearing both sides and perusal of record, it appears that the alumni association is a group of people who have graduated from the same institution. In future, they want to

maintain emotional bonds among themselves and with the institution through this association. Hence, it is desired by every graduate to be associated with the past educational institution, who made a valuable contribution to their growth as well as academic achievement. No association can survive without money. Hence, some money is required that can be expected in the form of fee/contribution taken from the students. In the instant case, the institution has collected some money in the name of alumni fee but without providing any service. When no Service is provided then applicability of the Service Tax is not in question. Needless to mention that Service Tax is applicable where any service is provided in lieu of consideration, but in the instant case, no service is provided. When no service is provided then applicability of Service Tax is not in question.”

Thus, the impugned order which confirms demand on the Alumni Fee collected by Sikkim Manipal University cannot be sustained. No contrary decision has been placed by the Revenue to substantiate the confirmation of demand. Also, we find that the demands have been confirmed invoking extended period when all the facts were within the knowledge of the department, records were subjected to periodical audit and filed their Returns regularly, hence, allegation of suppression of facts cannot be sustained. In the result, the appeal succeeds both on merit and limitation.

9. Consequently, the impugned order is set aside and the appeal is allowed with consequential relief, if any, as per law.

(Order pronounced in Open Court on 24.04.2026.)

(D.M. MISRA)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)