



**IN THE HIGH COURT OF KARNATAKA,
DHARWAD BENCH
DATED THIS THE 22ND DAY OF AUGUST, 2024
BEFORE
THE HON'BLE MS. JUSTICE JYOTI MULIMANI
WRIT PETITION NO. 105066 OF 2018 (T-TAR)**

BETWEEN:

M/S. VISVESVARAYA TECHNOLOGICAL
UNIVERSITY, "JNANA SANGAMA",
BELAGAVI-590 018, KARNATAKA,
(REPRESENTED BY DR.H.N. JAGANNATHA REDDY,
REGISTRAR, AGED ABOUT 48 YEARS,
S/O NARAYANA REDDY).

...PETITIONER

(BY SMT. BHANU MURTHY.J.S. AND
SRI. SHASHANK HEGDE., ADVOCATE)

AND:

1. ADDITIONAL DIRECTOR GENERAL,
DIRECTORATE GENERAL OF GST INTELLIGENCE,
BELAGAVI ZONAL UNIT, SHRI. LAXMI COMPLEX,
2ND, 3RD AND 5TH FLOOR, NO.4855/83,
APMC ROAD, 1ST CROSS,
SADASHIVNAGAR, BELAGAVI-590 019.
2. COMMISSIONER OF CENTRAL GST
AND CENTRAL EXCISE,
BELAGAVI CENTRAL GST COMMISSIONERATE,
2ND FLOOR, NO.71, CLUB ROAD,
BELAGAVI-590 001.
3. CENTRAL BOARD OF INDIRECT TAXES
AND CUSTOMS NORTH BLOCK,
NEW DELHI-110 001.
4. UNION OF INDIA,
MINISTRY OF FINANCE,





DEPARTMENT OF REVENUE
CENTRAL BOARD OF EXCISE
AND CUSTOMS, NORTH BLOCK,
NEW DELHI-110 001.

5. THE ASSISTANT COMMISSIONER OF CENTRAL TAX
AND CENTRAL EXCISE, BELAGAVI CITY DIVISION,
NO.71, CLUB ROAD, BELAGAVI-590 001.

...RESPONDENTS

(BY SRI. GIRISH.S.HULMANI., ADVOCATE FOR R1-3 & 5;
SRI. M.B.KANAVI., CGSC FOR R4)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226
AND 227 OF THE CONSTITUTION OF INDIA, SEEKING CERTAIN
RELIEFS.

THIS WRIT PETITION IS LISTED FOR PRELIMINARY
HEARING IN 'B' GROUP, THIS DAY, AN ORDER IS MADE AS
UNDER:

ORAL ORDER

Sri.Bhanu Murthy.J.S., learned counsel for the petitioner
has appeared through video conferencing.

Sri.Girish S.Hulmani., learned counsel for respondents 1
to 3 and 5 and Sri.M.B.Kanavi., learned CGSC for respondent
No.4 have appeared in person.

2. The show cause notice dated 29.03.2018 issued by
the first respondent vide Annexure-A and the show cause
notice dated 22.07.2019 issued by the fifth respondent vide
Annexure-S are called into question in this Writ Petition on
several grounds as set out in the Memorandum of Writ Petition.



3. Learned counsel for the respective parties urged several contentions. Heard the contentions and perused the Writ papers with utmost care.

4. Suffice it to note that a show cause notice was issued demanding service tax amounting to Rs.2,29,84,152/- (Rupees Two Crore Twenty-Nine Lakh Eighty Four Thousand One Hundred and Fifty-Two only) inclusive of cesses, for providing of taxable service during the period from July 2012 to March 2017 on the taxable value of Rs.19,33,99,442/- (Rupees Nineteen Crore Thirty-Three Lakh Ninety Nine Thousand Four Hundred and Forty-Two only) and another show cause notice was issued demanding service tax amounting to Rs.10,90,142/- (Rupees Ten Lakh Ninety Thousand One Hundred and Forty-Two only) (inclusive of cesses), for providing of taxable service during the period from April 2017 to June 2017.

The issue is squarely covered by the order of the division bench of this Court in ***PRINCIPAL ADDITIONAL DIRECTOR GENERAL, DIRECTORATE GENERAL OF GST INTELLIGENCE, BENGALURU ZONE UNIT AND OTHERS VS. M/S.RAJIV GANDHI UNIVERSITY OF HEALTH SCIENCES*** in **W.A.No.856/2022** disposed of on 30.07.2024.



The division bench has held that service tax cannot be levied on the income accruing on account of affiliation. Hence, the authorities concerned are not justified in levying service tax on the income accruing on account of affiliation during the academic year July 2012 to March 2017 and April 2017 to June 2017. Therefore, the show cause notices issued by the authorities concerned are liable to be set aside. Accordingly, they are set aside.

5. The Writ of Certiorari is ordered. The show cause notice dated 29.03.2018 issued by the Additional Director General, Directorate General of GST Intelligence, Belagavi Zonal Unit, Belagavi - first respondent vide Annexure-A and also the show cause notice dated 22.07.2019 issued by the Assistant Commissioner of Central Tax and Central Excise, Belagavi City Division, Belagavi - fifth respondent vide Annexure-S are quashed.

6. Resultantly, the Writ Petition is ***allowed***.

**Sd/-
(JYOTI MULIMANI)
JUDGE**

TKN
List No.: 3 Sl No.: 28