



JUDGEMENT

Consultancy to Foreign Universities Treated as Export, Not Taxable Under Intermediary Rules

Issued By:	CESTAT, New Delhi
In Case Of:	M/s. Sannam S-4 Management Services India Pvt. Ltd.
Order No:	Service Tax Appeal No. 50666 of 2024
Order Date:	29 th April 2025

FACTS & OBSERVATIONS

- The appellant, an Indian consultancy firm, provided advisory and promotional services in India to help foreign universities attract and enroll Indian students, either through direct contracts or via its overseas group entities.
- In cases where the group entities held agreements with the universities, they subcontracted the Indian operations to the appellant, who managed outreach, counselling, and facilitation activities, and was compensated in convertible foreign exchange.
- The department alleged that the appellant was functioning as an “intermediary” under Rule 2(f) of POPS Rules, acting on behalf of the universities in dealings with Indian students.
- A Show Cause Notice was issued; adjudicating authority upheld the demand under Rule 9(c), concluding the services were rendered in India and hence taxable.

JUDGEMENT

- The Tribunal held the appellant acted in its own capacity and not as an agent; therefore, the services did not qualify as “intermediary.”
- Ruled that Rule 3 of the POPS Rules applied, not Rule 9, as the appellant’s services were directly provided to entities located outside India.
- Foreign universities or group entities were held as the sole service recipients, and the consideration was received in convertible foreign exchange.
- Since there was no contractual agreement or consideration from Indian students, the services qualified as “export of service” and were not liable to service tax.

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