

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2819  
ANSWERED ON:26.11.2010  
SERVICE TAX FROM UNRECOGNIZED EDUCATIONAL INSTITUTIONS  
Devappa Anna Shri Shetti Raju Alias

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government is collecting service tax from unrecognized educational institutes; and
- (b) if so, the details of funds generated therefrom during each of the last three years. Statewise?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S. S. PALANIMANICKAM)

(a) Service Tax is levied on commercial training or coaching centres. Section 65 (27) of the Finance Act, 1994 defines `commercial training or coaching centre` as any institute or establishment providing commercial training or coaching for imparting skill or knowledge or lessons on any subject or field other than the sports, with or without issuance of a certificate and includes coaching or tutorial classes but does not include preschool coaching and training centre or any institute or establishment which issues any certificate or diploma or degree or any educational qualification recognized by law for the time being in force".

Therefore, any institute or establishment which issues any certificate or diploma or degree or any educational qualification recognized by law for the time being in force is not liable to pay service tax. The concept of the institute being unrecognized or recognized is not relevant for the purpose of leviability of service tax.

(b) As the status of educational institute (recognized or unrecognized) is not relevant to the leviability of service tax, the details of Service Tax that has been paid by the unrecognized educational institutes only are not available hence cannot be given.