

Indemnity Bond

This Indemnity has been issued to Kodagu university (Set up under section 3 of the Karnataka State University Act 2000) by \_\_\_\_\_ (Name and address of the College on the \_\_\_\_\_ day of \_\_\_\_\_)

The Indemnity has been given in connection with the Goods and Service Tax (GST) or Service Tax that may become payable on the Affiliation Fees paid/payable by us to Kodagu University for the Academic Year 2023-24 and earlier years.

We hereby State and Undertake as under:

1. It has come to our knowledge that the GST department has issued a showcause notice to Mangalore University (Parent University of kodagu university) regarding Service Tax/GST liability on the Affiliation fees collected by the University from various colleges including our College/Institution. We are also aware that the matter of levy of GST/Service Tax on Affiliation Fees is not yet clearly decided in any judicial forum as on date and has not come to finality as to its applicability or not.
2. It has come to our knowledge that GST department has also issued notice regarding the Service Tax/GST payable by Mangalore University on Affiliation Fees collected by it from colleges since the Academic year 2017-18. These notices have been answered by Mangalore University regarding the inapplicability of Service Tax/GST to Affiliation Fees since Kodagu University is a new Institution established under law to grant degrees to eligible candidate upon successful completion of the academic course. Service Tax and GST are largely understood to be inapplicable to educational institutions that provide education for which degree or certificates are given and recognised by law in India. However, the tax department has not taken any final view on this matter till now.

3. We are given to understand that Kodagu University is in the process of representing before the concerned Authorities and impress on them the nature of activity undertaken by the University and the purpose of collecting Affiliation fees.
4. The outcome of the proceedings with the GST Department being uncertain, we have requested Kodagu University to collect Affiliation Fees for the current academic year without GST (Presently at 18%). Considering the current financial stress on the colleges arising from unprecedented challenge of pandemic Covid – 19, Colleges have represented to Kodagu University to keep the matter of GST in abeyance and collect only Affiliation fees as the financial conditions of some Institutions are very fragile and the finality of applicability of Service Tax/GST is not yet decided.
5. If the GST liability is crystalised/finalised at the end of various proceedings (legal or otherwise), we hereby undertake to pay the GST liability for current academic year and past years also (Including service tax for earlier years) along with the interest/penalty & other expenses/charges as the case may be and indemnity Kodagu University from any liability if any arising therefrom.
6. This undertaking has been issued in good faith and with proper consent of the Management and being fully aware of its contents and covenants and the college understands that Kodagu University shall not be put in any disadvantageous position due to any non performance of obligation by the college as committed under this Indemnity Bond.

On stamp paper of Rs 200 (Indemnity Bond)

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7. The College/Institution is committed to stand with Kodagu University till that matter attains finality and shall provide true and correct information to tax and Appellate authorities, if required from time to time without causing any obstacle/hindrance to the University.
  
8. This undertaking is valid for an indefinite period of time till the matter of GST/Service Tax on affiliation fees attains finality and shall not be revoked unilaterally by us.
  
9. The College/Institution shall provide undertaking for next academic year separately if the matter of GST/Service Tax has not been attained finally by then.

Place:

Date:

For \_\_\_\_\_ College

Principal/Member of Governing Body