

SC BEGINS HEARING PETITION BY ORGANISERS OF PRIVATE HAJ TRIPS

Relevant for: Indian Polity | Topic: Judiciary in India: its Structure, Organization & Functioning, Judges of SC & High Courts, Judgments and related Issues

The Supreme Court on Thursday began hearing a petition filed by private Haj group organisers (HGOs) challenging the levy and collection of service tax and Goods and Services Tax (GST) for organising and providing pilgrims with amenities on their holy journey to Mecca.

The question posed before the Bench is whether tax can be collected for transport and hotel stay provided for the pilgrims abroad.

The petitioners argue that the onward journey is also part of the religious ceremony and cannot be separated from the pilgrimage, and is thus eligible for exemption. Besides, these amenities are provided in Saudi Arabia and outside the tax regime in India. They argued that Haj and Umrah privileges are a part of the religious ceremony. However, the court said it has to look into whether these amenities provided would indeed be part of the tax regime as the journey originates and concludes in India.

“What you are being charged in India is in respect of what service is offered from India and culminating in India — this is what the question is and this is what the department is looking at. Going there is itself a process, starting from here, originating from here,” the Bench observed.

The petition argues that the levy of tax is discriminatory to HGOs.

“The petitioner is mainly aggrieved by the discrimination caused by the levy and collection of service tax under the Finance Act, 1994 on HGOs which provide services to pilgrims performing Haj and Umrah in Saudi Arabia vis-a-vis those who perform Haj and Umrah through the Haj Committee constituted under the Haj Committee Act, 2002,” the petition said.

The petition said it wanted the court to quash the levy of the Central Goods and Services Tax and Integrated GST from July 1, 2017 on the services rendered by private tour operators while they undertake the pilgrimage of Haj and Umrah in Saudi Arabia as illegal and violative of the fundamental rights of equality, dignity and religious freedom.

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