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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

RESERVED ON : 02.02.2026

PRONOUNCED ON : 10.02.2026

CORAM:

THE HONOURABLE **DR.JUSTICE G. JAYACHANDRAN**
AND
THE HONOURABLE **MR.JUSTICE K.K. RAMAKRISHNAN**

W.P.(MD)Nos.27453, 27456 to 27458 of 2025

and

W.M.P.(MD)Nos.21370, 21371, 21379, 21381, 21395, 21396, 21376 and
21378 of 2025

Bharathidasan University,
Rep. By its Registrar,
Palkalaiperur,
Tiruchirappalli-620 024.

... Petitioner in all petitions

Vs.

1.The Joint Commissioner of GST (ST-Intelligence)
Trichy Division,
C/107 B3-II Floors North East Extension,
Sasthri Road, Thillainagar,
Tiruchirappalli-620 018.

2.The State Tax Officer,
Ponmalai Assessment Circle,
Khajamalai, Mannarpuram,
Tiruchirappalli-620 020

... Respondents in all petitions

COMMON PRAYER:- Writ Petitions- filed under Article 226 of the
Constitution of India, to issue a Writ of Certiorarified Mandamus, to call



for the records of the impugned notice of the first respondent dated 16.07.2025 in Form GST DRC 01 for the periods 2019-2020, 2021-2022, 2020- 2021 and 2022-2023 and quash the same as illegal and declare that affiliation fees and other related educational receipts collected by the petitioner are exempt under notification No.12/2017-CTR read with Articles 243G and 243W of the Constitution and not taxable by virtue of CBIC Circular No.234/28/2024/GST.

In all cases:

For Petitioner : Mr.V.R.Shanmuganathan
For Respondents : Mr.R.Sureshkumar
Additional Government Pleader

COMMON ORDER

(Order of the Court was made by **DR.G.JAYACHANDRAN, J.**)

These four writ petitions are directed against the notices of intimation of liability under Section 74(5) of Tamil Nadu Goods and Services Tax Act, 2017, issued by the Joint Commissioner (ST-Intelligence), Trichy Division calling upon the Bharathidasan University, writ petitioner herein to show cause to the Adjudicating Authority as to why tax due mentioned, together with 18% interest and penalty, should not be levied. Separate notices for the period 2019-2020, 2020-2021, 2021-22 and 2022 – 2023 were issued based on the defects found during the investigation followed by report of the Inspection Officer.



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2.The contention of the respondent Department is that the affiliation fees collected by the University is not exempted from Goods and Service Tax (GST) as it is not a service provided to the Students in connection with admission or conduct of examinations. Whereas, the petitioner University contends that affiliation fee collected from the colleges affiliated to the University is for the service provided to the Educational Institutions, which admit students and conduct examination for courses recognised under Law. Therefore, the fees collected for affiliation are exempted from Tax as per notification No.12/2017 dated 28.06.2017.

3.When these writ petitions came up for consideration before the Learned Single Judge, he after noticing that there is cleavage of opinion between Hon'ble Judges of this Court, one Honourable Mr.Justice R.Sureshkumar, who authored W.P.(MD)No.20502 of 2019 in ***Madurai Kamaraj University –vs- Joint Commissioner*** vide order dated 16.08.2021 and in W.P.(MD)No.8353 of 2019 and ***Bharathidasan University –vs- Joint Commissioner of GST and Central Excise***, vide order dated 21.09.2021 and another Honourable Mr.Justice C.Saravanan



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who authored W.P. (MD) No.19587 of 2021 (*Manonmaniam Sundaranar University –vs- The Union of India and others*), referred the matter to Division Bench for authoritative opinion for consideration of the following term of reference:

“Whether affiliation charges collected by an University from the affiliating Institution is amenable to levy of GST ?”.

4.We have the advantage of reading through the conflicting views expressed by the two Hon'ble Judges of this Court in their judgments cited above. The gist of their view is as under:

4.1.In *Madurai Kamarajar Univesity's* case, the Hon'ble Mr.Justice R.Sureshkumar, after tracing the history of GST Act qua the purpose of establishing the petitioner University, namely Madurai Kamarajar University, had held that the purposive interpretation of the Act is required while dealing with the provision of exemption for Educational Institutions. When the expression 'conduct of examination' is considered to be the service relating to educational Institutions and exempted from service tax, then the service of granting affiliation to the



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colleges, which conducts the examination, should also be considered as service relating to educational Institutions. A narrow and pedantic interpretation given by the Advance Ruling Authority would destroy the very concept of providing exemption to the services rendered by the educational Institutions. The word 'Educational Institutions' cannot denote only the college affiliated to the university alone, but it also includes the university which grants affiliation.

4.2.The Hon'ble Mr.Justice C.Saravhana has relied his earlier judgments in W.P.No.15333 of 2020 [*Pondicherry University, rep by its Registrar (I/c) vs. The Joint Commissioner of GST, Central Excise, Pondicherry, dated 12.10.2023*] reported in *2024 (121) GSTR 321* and *Sree Ramu College of Arts and Science vs. Authority for clarification and Advance Ruling* Reported in *(2024) 14 Centax 218 (Mad)*, wherein the issue is answered against the University.

5.The gist of the above two judgments rendered by the Hon'ble Mr.Justice C.Saravnan, are as follows:



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5.1.In ***Pondichery University's*** case the Pondichery University contended that the service provided by them falls within the purview of the negative list in Section 66-D(1)(ii) of the Finance Act, 1994 as it stood from 1st July, 2012 until its deletion in 2016. Hence, it is not liable to pay Service Tax on the amount collected towards affiliation charges from the colleges affiliated with the University. This plea was negated by distinguishing the earlier judgment rendered by this Court in *Madurai Kamaraj University (supra)*. According to the learned Judge, the notification issued by the Department being unambiguous, there is no scope for interpretation with the language in the notification.

5.2.In *Sree Ramu College of Arts and Science* case, the learned Judge has recorded his view on levy of service tax for the affiliation fee as below:

“..76.Deletion of “up to Higher Secondary” to entry 66(b) (iv) to Notification No.12/2017-CT (Rate), dated February 28, 2017 by Notification No.2/2018-CT (Rate), dated January 25, 2018 however did not mean service provided to the constituent colleges such as petitioner in W.P.No.11038 of 2022 and W.P.No.5967 of 2023 by the Bharathiyar University were exempted after amendment to



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entry (b)(iv) to entry No.66 to Notification No.12/2017-CT (Rate), dated February 28, 2017 vide Notification No.2/2018-CT (Rate), dated January 25, 2018.

77. There is no ambiguity in the language in entry (b)(iv) to entry 66 to Notification No.12/2017-CT (Rate), dated June 28, 2017 as amended by Notification No.2/2018-CT dated January 25, 2018. Entry (b)(iv) to entry 66 to Notification No.12/2017-CT (Rate) dated June 28, 2017 as amended by Notification No.2/2018-CT, dated January 25, 2018 is applicable only for services relating to examination or conduct of examination by the petitioner colleges in W.P.No.11038 of 2022 and W.P.No.5967 of 2023 and not to work relating to affiliation.”

6. When a similar issue came up for consideration before the Bombay High Court in ***Goa University Vs. Joint Commissioner of Central Goods and Service Tax*** reported in ***[2025 173 taxmann.com 562 (Bombay)]***, the Division Bench of the Bombay High Court, taking into consideration the circular dated 17.06.2021 and the further clarification dated 11.10.2024 issued by the Government of India, Ministry of Finance in respect of the Notification No.12/2017, Central Tax (Rate), dated 28.06.2017, had observed as below:

“54. In our view the impugned Circular dated 11.10.2024 in its application to the Petitioner University is contrary to the plain



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language of the notification which exempts services by educational institution to its students, faculty and staff and also services provided to educational institution. The Impugned clarifications issued by the Respondent No. 2, does not notice the existence of the exemption under clause (a) of entry 66 of the exemption notification no. 12/2017 in so far as it relates to demanding GST on affiliation fees. The university is also an educational institution and students of the university, include students studying through affiliated colleges. Thus, the activities of the university, in so far as it relates to levying of affiliation fees is exempt from GST. The Circular dated 11.10.2024 in its application to the Goa University where it is clarified that the affiliation services by universities to colleges are not by way of services related to the admission of students to such colleges or the conduct of examinations by such colleges, is erroneous.

55. The Hon'ble Supreme Court in *Bhartia Education Society v. State of H.P.*, (2011) 4 SCC 527, in the context of the NCTE Act, observed that "affiliation" enables and permits an institution to send its students to participate in the public examinations conducted by the examining body and secure the qualification in the nature of degrees, diplomas, certificates, etc. In *Principal and others Vs Presiding Officer and Others*, (1978) 1 SCC 498, the Hon'ble Supreme Court observed that affiliation is meant to prepare and present students for public examination. In our view, affiliation is essentially an activity relating to admission and examination of students and hence the Circular dated 11.10.2024 in its application to the petitioner University is contrary to the settled legal position. The circular cannot take away the effect of the notification statutorily issued. The Respondents cannot whittle down the exemption notification and



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restrict the scope of the exemption notification by issuing a circular, whereby a new condition is sought to be incorporated thereby restricting the scope of the exemption.”

7. The High Court of Telungana, when called upon to decide the issue of levying service tax affiliation fee collected by the University in ***Care College of Nursing and others Vs. Kaloji Narayana Rao University and others*** reported in **2024 (121) GSTR 106**, held as below:

“34. Relying upon the constitutional decision of the Hon'ble Apex Court also, we are of the firm view that firstly, the Notification No.12 of 2017, dated 28.06.2017, cannot be made applicable upon inspection and affiliation fees charged by the 1st respondent-University from the educational institutions. Secondly, since so far as inspection and affiliation fees charged by the 1st respondent-University from the educational institutions has not been specifically exempted in terms of the Constitution Bench judgment in M/s. Dilip Kumar and Company (6 supra), the said benefit cannot be extended to the petitioners. As regards the two decisions rendered by the Karnataka High Court in M/s. Rajiv Gandhi University of Health Sciences (1 supra) and in M/s. Bangalore University (2 supra), which was heavily relied upon by the learned counsel for the petitioners, we are in complete agreement to the contentions raised by the learned counsel for the respondent- Department that the learned Single Judge of the Karnataka High Court while passing orders in the aforesaid two decisions, has relied upon the provisions of



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Finance Act, 1994 (Section 66D) clause (I) of Section 66D of the Finance Act, 1994 which in fact, first of all, stood omitted by the Finance Act, 2016 w.e.f. 14.05.2016. Secondly, what also needs to be mentioned is that under the G.S.T. law there is no such provision as Sub-Clause (ii) of Section 66D of the Finance Act. Therefore, we are inclined to respectfully disagree with the view taken by the Karnataka High Court in the aforesaid two decisions. Therefore, the said decisions are distinguishable in facts and law.”

8.From the judgments cited above and from the reasonings given, we answer the order of reference as below:

8.1.Affiliation to the colleges by University is pre requisite for any college to admit students for the course offered by the College. It is a pre requisite to admit student and conduct examination for them in respective courses. Only after affiliation is granted, the interface with the University and the admission of students in the affiliated college will commence. Imparting education commences from admission and ends on conferment of degree by the University to which the college is affiliated. In India, there are Universities, which are affiliating universities and there are Educational Institutes, which are standalone



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Universities, which admit students directly, conduct examination and confer degree, but they are not permitted to grant affiliations to college. They are deemed to be Universities. No doubt Universities fall within the definition of Educational Institutions. However, the service of granting affiliation is not part of admission of students or conduct of examination for them.

8.2.The definition of 'service' under Section 2(102) of the Act, reads as below:

“2(102) “Services” means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which separate consideration is charged.

[Explanation -For the removal of doubts, it is hereby clarified that the expression “Services” includes facilitating or arranging transactions in securities;]”

8.3.The power to grant exemption from tax is vested with the Government. On satisfaction of the recommendation of the counsel, by notification, the Government can exempt generally either absolutely or



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subject to such condition as may be specified thereon, any goods of service or both in exercise of power under Section 11 of the Act.

8.4. Accordingly, the service provided by Educational Institutions to its students, faculty and staffs were exempted through notification No.12/2017-CTR, which is relied by the petitioner University to seek exemption from paying tax for the affiliation fee collected by the University from colleges seeking affiliation from the said University. However, this exemption is not for all services rendered by the University, but restricted to admission and examination of students only.

8.5. For easy reference, the notification No.12/2017 relied by the petitioner University is extracted below:

In exercise of the powers conferred by [sub-section (3) and sub-section (4) of section 9, sub-section (1) of Section 11, sub-section (5) of section 15 and section 148] of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the intra-State supply of services of description as specified in column (3) of the Table below from so much of the central tax

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leviable thereon under sub-section (1) of section 9 of the said Act, as is in excess of the said tax calculated at the rate as specified in the corresponding entry in column (4) of the said Table, unless specified otherwise, subject to the relevant conditions as specified in the corresponding entry in column (5) of the said Table:-

66	Heading 1992 or Heading 9963	Services provided
		(a) by an educational institution to its students, faculty and staff; [(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee;] (b) to an educational institution, by way of,- (i) transportation of students, faculty and staff; (ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory; (iii) security or cleaning or house- keeping services performed in such educational institution; (iv) services relating to admission to, or conduct of examination by, such institution; [(v) supply of online educational journals or periodicals:]



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		<i>Provided</i> that nothing contained in [sub-items (i), (ii) and (ii) of item (b)] shall apply to an educational institution other than an Institution providing services by way of pre-school education and education up to higher secondary school or equivalent: <i>[Provided further</i> that nothing contained in sub-item (v) of item (b) shall apply to an institution providing services by way of,- (i) pre-school education and education up to higher secondary school equivalent; or (ii) education as a part of an approved vocational education course.]
66 A	Heading 9992	<i>Services of affiliation provided by a Central or State Educational Board or Council or any other similar body, by whatever name called, to a school established, owned or controlled by the Central Government, State Government, Union Territory, local authority, Governmental authority or Government entity.”</i>



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8.6.The exemption notification indicates that services relating to admission or conduct of examination by the Educational Institutions alone are exempted from service tax. Therefore, any services prior to admission of candidates or conduct of examination cannot be brought within the scope of expression “services relating to admission to, or conduct of examination by, such Institution”.

8.7.In the judgment of the *Madurai Kamaraj University* (supra), the learned Judge has differed with the view expressed by the Advance Ruling Authority stating that there cannot be a narrow or pedantic interpretation to the word 'conduct of examination'.

8.8.Contrary to that in the case of *Manonmaniam Sundaranar University*, which is latter in point of time, the learned Judge has taken into account the subsequent notification and observed that when there is no ambiguity in the language of legislation a taxing statute should be construed strictly while interpreting the exempting provisions.



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8.9. In the earlier judgment rendered in *Madurai Kamarajar University*, the learned Judge had no occasion to consider Circular No. 234/28/2024 GST-dated 11.10.2024, which clarifies the applicability of GST on the service of affiliation provided by Universities to colleges. Paragraph No.3 of the clarificatory circular by the Government of India pursuant to the recommendation of the GST Council in its 54th meeting conducted on 09.09.2024 issued in exercise of the powers conferred under Section 168(1) of the Central Goods and Services Tax Act, 2017, reads as follows:

“3.Applicability of GST on the service of affiliation provided by Central and State educational boards or Councils, or other similar bodies, to schools:

3.1.Representations have been received to clarify the applicability of GST on the service of affiliation provided by the Central and State educational boards or councils, or other similar bodies, to schools and to regularize the payment of tax on such services for the past period.

3.2.The activity of affiliation carried out by educational boards or councils, or other similar bodies, is to monitor and ensure whether the schools possess the required infrastructure, finances, faculty strength etc. and are thereby eligible for the privileges to



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operate under the aegis of said boards or councils. The services of affiliation provided to schools by educational boards or councils, or other similar bodies, are not by way of services related to the admission of students to such schools or the conduct of examinations by such schools.

3.3.The matter was placed before the GST Council in its 54th meeting held on 096 September 2024, and the GST Council recommended to clarify that such services of affiliation, provided to schools by Central or State educational boards or councils, or other similar bodies, by whatever name called, are taxable. At the same time, the GST Council recommended exempting the supply of affiliation services provided by Central and State educational boards or Councils, or other similar bodies, by whatever name called to government schools i.e. schools established, owned or controlled by the Central Government, State Government, Union Territory, local authority, Governmental authority or Government entity. The same has been exempted w.e.f. 10.10.2024 vide notification No. 08/2024-Central Tax (Rate) dated 08.10.2024.

3.4.In its 54th meeting, the GST Council further recommended regularizing the GST liability on such services provided to all schools for the period from 01.07.2017 to 17.06.2021, ie, the date of issuance of Circular No. 151/07/2021-GST wherein accreditation services of boards are clarified to be taxable at the rate of 18%. ”



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8.10. Thus, it is undoubtedly clear that the fees collected for affiliation and for inspection of colleges applied for affiliation, fall beyond the scope of service connected with admission of students and conduct of examination. The illustration given by the learned Single Judge in *Madurai Kamaraj University's* case that admission of students by affiliating college is controlled by universities while granting affiliation and if the affiliation is granted for admitting 100 students, the College cannot admit even one student more and therefore, the extended meaning should be given to the expression 'service in connection with admission of student', is fallacious. The number of students to be admitted in the affiliated college is determined by the statute namely, the University Act based on availability of necessary infrastructure, such as building, teaching faculty etc.. Admission of students commences only after the affiliation is granted on satisfaction of required infrastructure. Any service provided for granting affiliation is independent of admitting student and conduct of examination. Therefore, extended meaning to the expression 'admission of student or conduct of examination' is impermissible.



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9.As a result, we hold that the view expressed in the subsequent judgment namely, *Pondichery University's* case declares the correct legal position, since the affiliation fee collected by the Universities does not fall within exemption. Accordingly, the fee collected by the University from the Colleges as affiliation fees is amenable for levy of GST. Thus the order of reference is answered accordingly. The matter is sent back to the learned Single Judge to decide the case on other grounds, if any.

[G.J., J.] & [K.K.R.K., J.]
10.02.2026

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To

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