HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

D.B. Civil Writ Petition No. 15124/2025

CNR: RJHC020836432025 | URN: CW / 34201U / 2025

Late Moolchand Meena Agriculture College, Near Sdm Court, Gangapur Road, Lalsot District Dausa (Raj.) Running By Late Moolchand Meena Kalyan Sansthan Through Its Secretary Sh. Satpal Meena S/o Sh. Brij Mohan Meena, Age About 48 Years, R/o Village Post Mahariya, Tehsil Lalsot, District Dausa (Raj.) - 303504.

----Petitioner

Versus

1. Union Of India, Through The Secretary, Ministry Of Finance, Department Of Revenue, North Block, New Delhi-110001.
2. State Of Rajasthan, Through The Joint Secretary (Tax), Finance Department, 1St Floor, Main Building, Government Secretariat, Jaipur-302005 (Raj.)
3. Principal Chief Commissioner, Central Goods And Service Tax, New Central Revenue Building, Statue Circle, C-Scheme, Jaipur-302005 (Raj.)
4. Commissioner Agriculture, Agriculture Commissionerate, Pant Agriculture Bhawan, Near Ambedkar Circle, Jaipur (Raj.)
5. Directorate Of Education, Through Director, Sri Karan Narendra Agriculture University, Jobner District Jaipur-302029 (Raj.)

----Respondents

For Petitioner(s)	:	Mr. Amit Kumar Sharma, Adv.
For Respondent(s)	:	Ms. Mahi Yadav, AAG with Ms. Chelsi Agarwal, Adv. Mr. Ajay Shukla, Adv. with Mr. Raghav Sharma, Adv., Mr. Shivam Sharma, Adv. & Ms. Jyoti Sharma, Adv. Mr. Rakesh Choudhary, Adv. for UOI Mr. Aditya Sharma, Adv. for Mr. Harish Chandra Sharma, Adv. for respondent No.5 Ms. Mahi Choudhary, AAAG with Ms. Shruti Pareek, AGC & Mr. Ramdhan, AGC for Mr. Basant Singh Chhaba, AAG

HON'BLE MR. JUSTICE ARUN MONGA
HON'BLE MR. JUSTICE ASHUTOSH KUMAR

Order(Oral)

23/07/2026

Per: Arun Monga, J.

1. Under challenge herein is the order dated 03.09.2025 passed by Respondent No. 5, whereby the petitioner has been directed to deposit GST on an annual affiliation fee. The petitioner contends that the proposed levy and demand of GST on affiliation fee is unsustainable in law. The affiliation does not fall under the category of taxable service, is the contention.

2. At the very outset learned counsels for the parties are *ad idem* that the controversy raised herein has already been put to rest vide another judgment of this court dated 23.02.2026 in **Rajasthan Technical University v. Union of India**[1], whereby it has been held as under:-

> *"42. Issue (i): Whether Grant of Affiliation is a Supply of Service- Section 7 of the CGST Act contemplates supply only when an activity is carried out in the course or furtherance of business. Grant of affiliation is a statutory function enabling the University to discharge its core mandate of imparting education through affiliated colleges. Applying the doctrine of ejusdem generis to Section 2(17), affiliation cannot be equated with trade, commerce, or any activity of commercial character. Accordingly, we hold that grant of affiliation does not constitute a "supply of service".*
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> *42.1. Issue (ii): Whether Affiliation Fees Constitute Consideration- Affiliation is compulsory for colleges; there is no element of choice, bargaining, or reciprocity. The fee is a statutory levy, not a payment fora negotiated service. We thus hold that in absence of quid pro quo, the essential element of "consideration" is missing.*
>
> *42.2. Issue (iii): Applicability of Exemption under Entry 66.*
>
> *Even assuming affiliation to be a service, it is inseparably connected with: curriculum approval, admission of students, conduct of examinations, and conferment of degrees. Students admitted through affiliated colleges are, in law, students of the University. We hold that entry 66 must be interpreted purposively to cover ser-*

vices forming the backbone of educational delivery, including affiliation.

42.3. Issue (iv): Validity of GST Levy:-

Circulars or executive clarifications cannot override statutory provisions or exemption notifications. Levy of GST on affiliation fees results in indirect taxation of education, which is impermissible. We hold that the impugned levy is therefore without authority of law.

CONCLUSION

43. As an upshot of the what is reasoned and discussed in the preceding part, it is held that grant of affiliation by a University is a statutory and regulatory function and does not constitute a supply of service under the CGST Act. Affiliation fees are not consideration for any taxable activity. Even otherwise, affiliation services are exempt under Entry 66 of Notification No. 12/2017-CT (Rate). Levy and collection of GST on affiliation fees is illegal and unsustainable.

44. Before we part, though we have already opined as above, but it bears reiteration, notwithstanding the views already recorded ,that under the Affiliation Bye-laws of the Central Board of Secondary Education, "affiliation" is expressly understood as an institutional arrangement enabling a school to prepare its students for admission to the Board examinations. A careful reading of the Bye-laws makes it abundantly clear that the conditions governing affiliation of schools with the Board are, in substance and effect, pari materia with those governing affiliation of colleges with a university. These conditions include adherence to the prescribed curriculum, maintenance of academic and infrastructural standards, and presentation of students for evaluation by the examining body.

44.1. Pertinently, by Revenue Notification No.14/2018 dated 26.07.2018, a clarification was introduced in the parent Notification No. 12/2017 whereby Central and State Educational Boards were deemed to be "educational institutions" for the limited purpose of providing services by way of conduct of examinations to students.

45. Thus, in this backdrop, any attempt to deny universities similar treatment at par with Central and State Educational Boards is manifestly arbitrary and ex facie discriminatory, particularly when universities equally discharge the function of conducting examinations for students of affiliated colleges as an integral step towards conferment of degrees.

46.Consequently, aside all above, for this reason too, the so-called service of affiliation rendered by a university to its affiliated colleges squarely falls within the ambit of exempt services under Entry 66(a) as well as Entry 66(b)(iv).

RELIEF

47. D.B.CWP No.9556/2024 and all other writ petitions as per Appendix 'A' are allowed. Proposed levy and demand of GST on affil-

iation fee is held to be unsustainable in law. Impugned show cause notice dated 26.12.2023 issued by Office of Commissioner, Central Excise & CGST Commissionerate is quashed. It is also directed that subject to the verification that the burden of the GST on affiliation fee has not been fastened / recovered from the students by factoring it in he tuition fee, any amount of GST on affiliation fee already paid by the petitioner shall be refunded within four months, failing which the same shall also attract interest @ 7% per annum from the date of payment till refund."

3. In view of the aforesaid, the present writ petition is disposed of in terms of the judgment, *ibid.*

4. All pending applications stand disposed of.

(ASHUTOSH KUMAR),J **(ARUN MONGA),J**

20/Mohita/Parshant