

HC: Statutory University Fees for College Regulation Not Taxable Under GST.

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REFER THE DECISION OF THE HON'BLE BOMBAY HIGH COURT IN THE CASE OF

Goa University vs. Joint Commissioner of Central Goods and Service Tax dated 15th April, 2025, [2025] 173 taxmann.com 562 (Bombay)

FACTS:

The petitioner, Goa University, is a University established under the Goa University Act, 1984. The petitioner received a show cause notice demanding service tax on affiliation fee from the Deputy Director, DGGI, Goa. demanding service tax on certain incomes, such as affiliation fees collected by them for various programmes are meant for students and treated as student-related activity such as sale of prospectus, sale of old newspaper, various fees received towards sports, eligibility certificate, migration certificate, admission fee etc. from students. The petitioner challenged the same along with Circular dated 17/06/2021 and Circular dated 11/10/2024, where it was clarified that affiliation services provided by universities to their constituent colleges are not covered within the ambit of exemptions provided to educational institutions. The impugned circulars are challenged on the ground that they assume that the activity of affiliation/accreditation would amount to supply without clarifying as to how the same would be a supply of service.

Hon'ble High Court Judgement:

University functions under Goa University Act, 1984, performing statutory, non-commercial duties. Fees like affiliation, registration, and convocation are regulatory, not consideration under Section 7 of CGST/GGST Act. Court held GST Circular contrary to law; affiliation not a taxable "supply". Relied on SC ruling in *Sai Publication Fund*—dominant activity is education, not business. **Show Cause Notice quashed for lack of jurisdiction.**