KERALA AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX DEPARTMENT
TAX TOWER, THIRUVANANTHAPURAM

BEFORE THE AUTHORITY OF : Shri Jomy Jacob IRS &
: Shri. Mansur M.I.

Legal Name of the applicant	TRAVANCORE DEVASWOM BOARD
GSTIN	32AABTT5593J4Z2
ARN	AD3209230055567
Address	81/1100 AND 81/1101, DEVASWOM COMMISSIONER OFFICE ULLOOR, DEVASWOM BOARD JUNCTION, NANTHANCODE, THIRUVANATHAPURAM, KERALA- 695033.
Advance Ruling sought for	1. Whether GST is applicable on the consideration received by the Applicant for assignment, through auction or tender, of the right to collect remnant rice offerings at Sabarimala? 2. Whether GST is applicable on the consideration received by the Applicant for assignment, through auction or tender, of the right to collect coconuts and broken coconuts offered by devotees in temples under its administration? 3. Whether GST is applicable on the consideration received by the Applicant for assignment, through auction or tender, of the right to collect clothing left by pilgrims in the Pamba River? 4. Whether GST is applicable on the consideration received by the Applicant from auction or tender of agricultural produce, mainly

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	coconut yield from temple lands? 5. Whether GST is payable under the Reverse Charge Mechanism on honorarium and sitting fees paid by the Applicant to the President and Members of the Travancore Devaswom Board? 6. Whether GST is payable under the Reverse Charge Mechanism on advocate fees or legal fees paid by the Applicant to suppliers who are not registered under GST? 7. Whether GST is applicable on the consideration received by the Applicant for assignment, through auction or tender, of the right to perform temple rituals and customs such as Pulluvan Pattu and Balithara? 8. Whether GST is applicable on the consideration received by the Applicant for assignment, through auction or tender, of the right to operate and maintain public toilets and washrooms exclusively for devotees within temple premises? 9. Whether GST is applicable on the consideration received by the Applicant for assignment, through auction or tender, of the right to sell pooja items within temple precincts?
Date of Personal Hearing	26-11-2025
Authorized Representative	Shri. N.Vijayan, Chartered Accountant

ADVANCE RULING No. KER/01/2026 Dated 04/03/2026

1. The applicant, M/s TRAVANCORE DEVASWOM BOARD is a Society/ Club/ Trust/ AOP having GSTIN 32AABTT5593J4Z2.

2. In this Ruling, a reference hereinafter to the provisions of the CGST Act, Rules or the notifications issued there under shall include a reference to the

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corresponding provisions of the KSGST Act, Rules or the notifications issued there under.

3. The Applicant's earlier application for advance ruling on substantially similar questions was rejected invoking the proviso to Section 98(2) of the CGST Act on the premise that proceedings were pending/decided in the Applicant's case. The Applicant challenged the said rejection in writ petition, and the Hon'ble High Court of Kerala, by judgment dated 07.10.2025 in W.P.(C) No. 18624 of 2025, quashed the rejection order and directed this Authority to reconsider the application on merits, dehors the closure order relied upon earlier, observing inter alia that the earlier proceedings were closed upon payment without any adjudication on merits and hence could not be treated as a bar under Section 98(2). Accordingly, the present application is examined and decided on merits, subject to and in accordance with Section 98(2) of the CGST Act.

4. Further, as the questions raised in the application required certain clarifications and supporting particulars, additional details were sought from the applicant. In response, the applicant furnished the requisite information and documents vide e-mail dated 26.02.2026, including copies of tender notifications and guidelines, sample receipts, and copies of agreements executed with the contractors, which have been taken on record and duly considered in the present proceedings.

5. Background of the Applicant:

5.1. TRAVANCORE DEVASWOM BOARD ("the Applicant") is a statutory autonomous body constituted under the Travancore Cochin Hindu Religious Institutions Act, 1950 for the administration and management of temples of the erstwhile State of Travancore. The Board administers more than 1,250 temples situated in the southern parts of the State of Kerala.

5.2. The constitution of the Board is based on the Covenant entered into by the Maharaja of Travancore in May 1949, which was concurred in and guaranteed by the Government of India. The applicant submits that the Board functions as a statutory and autonomous authority with governmental characteristics and is not comparable to ordinary religious trusts or institutions.

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5.3. It is submitted that the activities of the Board are purely religious in nature and are confined to the administration, management, and conduct of religious affairs of temples under its control. According to the applicant, no activity undertaken by the Board involves trade, commerce, business, or any activity in the nature of business or in furtherance thereof.

5.4. The applicant is registered as a society/trust under the Central Goods and Services Tax Act, 2017, and is engaged in the business of religious services. While certain receipts of the Board have been subjected to GST, disputes have arisen in respect of the taxability of certain other receipts, and the applicant has been unable to conclusively determine whether such receipts are liable to tax under the GST law.

5.5. The Applicant undertakes certain activities incidental to temple administration, such as assignment of rights through tender or auction for collection of offerings' remnants, agricultural produce, provision of amenities, conduct of rituals, and facilitation of sale of pooja articles, which give rise to receipts whose taxability under GST is in dispute.

6. The facts of the issue: The brief facts of the matter, as submitted by the applicant, are as follows.

6.1. In certain temples, including Sabarimala, rice offered by devotees remains after rituals. Daily weighing and auctioning of such rice is impracticable due to operational constraints and hygiene concerns. Accordingly, the Applicant assigns, through auction or tender, the right to collect such remnants at pre-quoted rates, with consideration linked to weight. The remnants largely consist of loose, unpackaged mixed rice.

6.2. Similar practical constraints exist in respect of coconuts and broken coconuts forming part of offerings (Neeranjana Shishtam) collected from temples including Sabarimala and Pamba. The right to collect such coconuts for a specified period is therefore assigned through auction on a lump-sum basis.

6.3. Devotees leaving clothes in the Pamba River obstruct ritual bathing and affect river hygiene. To regulate collection and prevent indiscriminate retrieval,

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the Applicant assigns the right to collect such abandoned clothes through auction or tender.

6.4. The Applicant owns agricultural produce such as coconuts from temple properties. As routine auctions are impracticable, an estimated annual value is fixed and the right to collect such produce is assigned through auction, subject to the auction value not being below the estimated value.

6.5. The Applicant is a statutory religious body constituted under the Travancore Cochin Hindu Religious Institutions Act, 1950 and does not have corporate status. Payments made towards honorarium, sitting fees, advocate fees, and legal expenses arise from statutory and temple administration functions.

6.6. The Applicant makes payments towards advocate fees and legal expenses, incurred in connection with statutory and temple administration matters.

6.7. The Applicant facilitates sacred rituals such as Pulluvanpattu and Balithara. The right to perform such rituals within temple premises is periodically assigned through auction or tender to qualified priests or Acharyans. Devotees make voluntary offerings directly to such priests during rituals.

6.8. The Applicant provides basic amenities such as toilets and washrooms at major temples including Sabarimala, Pamba and Nilakkal. The right to manage and maintain these facilities is assigned annually through auction or tender for use by devotees.

6.9. To facilitate religious offerings, the Applicant permits selected vendors, chosen through annual or period-specific auctions, to sell pooja items within temple precincts, and provides necessary infrastructure for such stalls.

7. Applicant's Interpretation of Law and Position on Taxability are as follows.

7.1. The Applicant submits that under the GST law, the supply of loose and unpackaged rice is not exigible to tax. The Applicant submits that the use of an auction or tender mechanism for identifying the person responsible for collection

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of such rice remnants is merely a method of price discovery and does not alter the nature of the goods supplied. Accordingly, the supply of weighed, loose, and unpackaged rice remnants arising from temple offerings at Sabarimala falls outside the scope of GST.

7.2. The Applicant submits that coconuts, including broken coconuts forming part of offerings (Neeranjana Shishtam), are goods which are not taxable under the GST law. The assignment of the right to collect such coconuts through auction, whether on a weight basis or on a lump-sum basis for a specified period, is only a mechanism for determining a higher consideration and does not render the underlying supply taxable.

7.3. The Applicant submits that the assignment of the right to collect abandoned clothes left by pilgrims in the Pamba River is undertaken solely to regulate removal, prevent unhygienic conditions, and preserve the sanctity and cleanliness of the river. Such assignment is not in the nature of a commercial activity but is incidental to temple and pilgrim management, and therefore falls outside the ambit of GST.

7.4. The Applicant submits that agricultural produce, including coconuts harvested from coconut palms attached to temple properties, is either exempt from GST or subject to a nil rate as per the relevant schedules to the GST Acts. The annual auction conducted for assigning the right to collect such agricultural produce is merely a mode of valuation and does not attract GST.

7.5. The Applicant, being constituted under the Travancore Cochin Hindu Religious Institutions Act, 1950, does not possess the status of a body corporate. Accordingly, payments made by the Applicant towards honorarium, sitting fees, or similar payments to the President and Members of the Board, arising from statutory functions, do not attract GST under the reverse charge mechanism.

7.6. For the same reasons, the Applicant submits that payments made towards advocate fees and legal expenses, incurred in connection with statutory and temple administration matters, are not liable to GST under the reverse charge

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mechanism, as the Applicant is not a body corporate within the meaning of the relevant GST provisions.

7.7. The Applicant submits that rituals such as Pulluvanpattu and Balithara are integral religious ceremonies conducted within temple premises. The assignment of the right to perform such rituals to qualified priests or Acharyans is intrinsically connected with religious practice. Monetary offerings made by devotees during such rituals are voluntary religious contributions. Hence, the consideration, if any, relating to such ritual performance is exempt from GST.

7.8. The Applicant submits that essential amenities such as toilets and washrooms provided within temple premises for the exclusive use of devotees constitute "public conveniences". As per Entry No. 76 of Notification No. 12/2017–Central Tax (Rate) dated 28.06.2017, services by way of public conveniences, including bathrooms, washrooms, lavatories, urinals, or toilets, are exempt from GST. Accordingly, the assignment of rights for maintenance and operation of such facilities does not attract GST.

7.9. The Applicant submits that the sale of pooja items required for offerings such as Abhishekam is an essential and integral part of temple worship. The Applicant themselves do not sell such pooja items to devotees. Due to practical constraints, vendors are selected through auction or tender for a specified period to sell such items within temple precincts, and basic infrastructure is provided to facilitate availability to devotees. The auction is only a method of vendor selection and price determination. The Applicant submits that this activity is incidental and ancillary to religious worship and does not constitute a taxable supply under GST.

8. Personal Hearing:

The applicant was granted an opportunity for a personal hearing on 26/11/2025. Shri. N.Vijayan, Chartered Accountant represented for the applicant in personal hearing. In the hearing, he explained the nature of activity undertaken by the applicant and reiterated the contentions submitted in the written application.

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9. Discussion and Findings:

9.1. On review of the application, facts, and hearing submissions, it is found that the questions fall under Section 97(2) (b) and (e) of the CGST Act, relating to notification applicability and tax liability determination. The application is therefore admitted for consideration on merits.

9.2. The Applicant is engaged in the administration and management of temples and religious institutions under its jurisdiction and undertakes various activities incidental and ancillary to temple administration. In the course of such administration, the Applicant periodically conducts tenders or auctions. Through auction or tender, certain rights relating to collection and management of offerings, remnants of offerings, agricultural produce, conduct of rituals, provision of amenities, and facilitation of sale of pooja items within temple premises, as detailed in the facts of the issue (Para 4) are auctioned to various bidders.

9.3. In the course of carrying out the aforesaid activities, the Applicant receives consideration in various forms, including weight-based/quantity-based amounts, lump-sum auction amounts, and periodic payments arising from assignment of rights for specified periods.

9.4. Firstly, before examining the taxability of the individual activities undertaken by the Applicant, it is necessary to determine whether the Applicant qualifies as a person engaged in business and whether the impugned activities fall within the scope of "supply" under the CGST Act, 2017.

9.4.1. *Section 2(108) of the CGST Act, 2017 defines "taxable supply" as a supply of goods or services or both which is leviable to tax.*

Section 7(1) of the CGST Act, 2017 provides that "supply" includes all forms of supply of goods or services or both, such as sale, transfer, licence, lease or disposal, made for a consideration in the course or furtherance of business.

Section 2(17) of the CGST Act, 2017 defines "business" in an inclusive and expansive manner, covering all activities undertaken for consideration, whether or not for pecuniary benefit, including activities incidental or ancillary thereto. The absence of a profit motive is therefore not determinative.

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Schedule II of the CGST Act, 2017, clarifies that the grant of a licence to occupy land, the transfer of the right to use any immovable property or goods, and the disposal or making available of business assets for use—where such transfer does not involve a transfer of title—is deemed to constitute a supply of services.

Section 2(105) of the CGST Act, 2017 provides that a "supplier" in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied.

Section 2(31) of the CGST Act, 2017 provides that "consideration" in relation to the supply of goods or services or both includes-

(a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;

(b) the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government:

Section 2(93) of the CGST Act, 2017 provides that a "recipient" of supply of goods or services or both, means-

(a) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;

(b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and

(c) where no consideration is payable for the supply of a service, the person to whom the service is rendered,

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and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied;

9.4.2. Furthermore, the Applicant is constituted under the Travancore-Cochin Hindu Religious Institutions Act, 1950. Section 4(2) of the said Act expressly constitutes the Travancore Devaswom Board as a body corporate having perpetual succession and a common seal.

9.4.3. Now, applying the above provisions, it is observed that the Applicant undertakes organised and recurring activities such as auctioning and tendering of rights and privileges for consideration through 'competitive tender or auction processes. Such activities are revenue-generating and commercial in character. The adoption of a competitive bidding mechanism is aimed at securing maximum consideration for the grant of such rights for the applicant. The contractor participates in such bidding with the expectation of commercial gain and is authorised, in terms of the agreement, to carry out the activity and recover charges or derive economic benefit therefrom. The religious context in which these arrangements arise does not alter the essential legal character of the transactions, which are contractual grants of rights for consideration.

9.4.4. From the above, it is evident that although the Applicant is a statutory religious board, it is a body corporate engaged in "business" within the meaning of Section 2(17) of the CGST Act, 2017. Accordingly, the assignment of rights and licences for consideration constitutes "supply" under Section 7(1) of the CGST Act, 2017 and is liable to examination under the GST law as supply of taxable goods or services, subject to specific exemptions where applicable.

9.4.5. On perusal of the tender notifications, Monopoly (kuthaka) schedules, and the sample agreements executed with successful bidders submitted by the applicant, it is observed that, in each of the instances forming the subject matter of the present application, the applicant enters into a formal contractual arrangement with third-party contractors selected through a competitive tender process. Under such agreements, the Applicant grants to the successful bidder

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an exclusive and defined right, for a specified period and within specified temple premises, to carry out the activity concerned, whether it be collection, sale, performance, or management of the respective item or facility. The contractor is thereby conferred a limited monopoly or exclusive operational right in respect of the specified activity, subject to the conditions, restrictions, and supervisory control stipulated by the applicant. In exchange for such grant of right, the contractor remits the agreed bid amount, whether in lump sum or in instalments, together with applicable deposits and other charges, to the applicant. It is evident that the consideration in each case flows from the successful contractor to the applicant in return for the conferment of the exclusive right. The actual performance of the underlying activity, whether sanitation, collection of coconuts, operation of pooja stalls, or similar functions, is carried out by the contractor in their own capacity and at their own commercial risk. The applicant does not by themselves provide these services to devotees; rather, it grants a licence or commercial right to the contractor to undertake the specified activity within the temple precincts. The true and essential nature of the transaction, therefore, is not a sale of goods by the Applicant, but the grant of a right or licence to carry out a defined activity for consideration.

9.4.6. Applying the above statutory framework to the facts on record, it is evident that the applicant, by granting an exclusive operational right or licence to the contractor for consideration, acts as the supplier of services, and the successful bidder/contractor, being the person liable to pay the agreed consideration for such grant, is the recipient of the said service. The consideration flows from the contractor to the applicant in return for the conferment of the exclusive right. Accordingly, the applicant is the provider of a service by way of grant of licence or right, and the contractor is the recipient of such service within the meaning of the CGST Act, 2017.

9.4.7. Having determined the essential nature of the Applicant's outward supply, the Authority shall now examine each activity individually for the purpose of determining its taxability under the relevant provisions of the CGST Act, 2017 and the applicable exemption notifications.

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9.5. **Auction of Rights to Collect Rice and Coconuts Offered by Devotees**

9.5.1. The applicant assigns, through a process of competitive auction or tender, the exclusive right to collect remnants of offerings such as rice and coconuts for consideration, with the objective of discovering the maximum price. The Applicant has contended that rice and coconuts are exempt or nil-rated goods under the GST law. However, the Authority notes that the subject tender/auction does not contemplate the sale of identified or ascertained quantities of rice or coconuts as goods at the time of contract. The transaction does not involve the supply of these items as commodities. What is conferred upon the successful bidder is an exclusive permission or licence to collect and appropriate such offering-remnants arising during temple operations.

9.5.2. It is further observed that once an article is offered by a devotee, it ceases to retain the character of agricultural produce in the hands of a farmer and becomes an asset of the temple. The successful bidder is granted, for a specified period and subject to supervision and periodic weighment, an exclusive commercial right to collect and appropriate the offerings with the intention of further sale or commercial exploitation. The use of a competitive auction or tender mechanism is not merely incidental, but evidences that the transaction is undertaken in the course or furtherance of business with the objective of maximising consideration. The consideration is therefore for the conferment of this exclusive right and the commercial opportunity attached thereto, and not for the supply of pre-ascertained goods.

9.5.3. Such activity squarely falls within the ambit of "licence" or "grant of rights" and constitutes a supply of services within the meaning of Section 7(1) of the CGST Act, 2017, read with Schedule II thereto. In the present case, the Applicant is the supplier of a licensing service, whereby an exclusive commercial right is granted to the contractor for consideration. The contractor, being the person liable to pay such consideration, is the recipient of the said service. Accordingly, the auctioning of the right to collect rice and coconuts offered by devotees is held to be a taxable supply of services under the GST law.

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The above views are further fortified by the following judicial and advance ruling precedents:

1. In **Naresh Women Hair Enterprises v. State of Telangana**, the Hon'ble High Court held that while the act of offering human hair by devotees is religious in nature, the contractual arrangement between the temple authorities and the contractor for collection of such offerings is a distinct commercial transaction. The Court observed that the grant of collection rights for consideration constitutes a commercial activity, notwithstanding the religious origin of the offerings.
2. Similarly, in the **Sri Malai Mahadeshwara Swamy Kshethra Development Authority**, the Authority for Advance Ruling, Karnataka, held that auctioning of rights for collection of vehicle entry fees, performance of tonsuring services, and collection of service charges for vahana pooja amounts to a transfer of the right to provide services for consideration. It was further held that the applicant authority was not itself providing the underlying services but was assigning exclusive rights to third parties through auction, and such transactions constituted taxable supplies under the GST law.

9.6. **Auction of Rights to Collect Abandoned Clothes**

9.6.1. On the issue of auctioning of the right to collect clothes abandoned by pilgrims, the Authority observes that the Applicant does not merely engage a cleaning or sanitation service as an administrative activity. Rather, the applicant assigns, through a tender/auction process, the exclusive right to collect such abandoned garments to a third party for a lump-sum consideration. The Applicant has submitted that devotees leave garments in the Pamba River during pilgrimage and that, in order to maintain hygiene and sanctity of the river, the Board assigns this right for a specified period. It therefore becomes necessary to determine whether the transaction constitutes a sale of goods or a supply of services.

9.6.2. On examination of the arrangement, it is evident that there is no transfer of identified goods at the time of entering into the contract. What is granted to the

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successful bidder is an exclusive commercial privilege or licence to collect and appropriate garments that may arise during the pilgrimage season, the quantity and nature of which remain uncertain and dependent on future events, with the bidder bearing the associated commercial risk. By receiving the auction consideration, the applicant confers upon the successful bidder an exclusive right to collect and deal with such materials in accordance with the terms of the agreement, and the adoption of a competitive auction mechanism indicates that the transaction is undertaken in the course or furtherance of business. The fact that the clothes are abandoned by pilgrims does not alter the legal character of the transaction, and once consideration is received for granting such exclusive right, the activity falls within the scope of "business" as defined under Section 2(17) of the CGST Act, 2017. Under Section 7(1)(a) of the CGST Act, read with Schedule II, the transfer or licensing of rights for consideration constitutes a supply of services. The religious or hygienic objective underlying the arrangement does not alter its contractual character. Accordingly, the transfer of the right to collect clothing left in the Pamba River constitutes a supply of services under the GST law.

9.6.3. The Authority further examines the issue in the light of Sl. No. 3B of Notification No. 12/2017–Central Tax (Rate), as amended, which exempts specified services such as sanitation conservancy and solid waste management when supplied to a Governmental Authority. In the present case, however, the activity of physically collecting and removing the abandoned clothes is carried out by the successful bidder pursuant to the contractual arrangement. The supply under consideration is not the sanitation activity itself, but the grant by the Applicant of an exclusive contractual right or licence to collect such materials for consideration. The Applicant therefore provides a licensing service to the contractor, who is the recipient of such service. Accordingly, the auctioning of rights to collect abandoned clothes constitutes a taxable supply of services under the GST law.

9.7. **Auction of Rights to Harvest Coconuts from Temple Lands**

In respect of coconuts harvested directly from coconut palms situated on temple properties, the Applicant assigns the right to collect and manage standing crops

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through auction. The activity is limited to disposal of agricultural yield from temple lands. The Authority notes that coconuts on the tree constitute agricultural produce in its primary form. The service of granting the right to collect and manage such produce is directly related to agricultural operations, including harvesting. Entry No. 54 of Notification No. 12/2017–Central Tax (Rate) exempts services relating to cultivation of plants and agricultural operations directly related to production, including harvesting. The said notification is as produced under:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
54	Heading 9986	Services relating to cultivation of plants..... or agricultural produce by way of— (a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing; (d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use; (f) agricultural extension services;	Nil	Nil

On a plain reading of Entry No. 54 of Notification No. 12/2017–Central Tax (Rate), it is evident that services relating to agricultural operations, including harvesting of agricultural produce, are exempt from GST. In the instant case, the activity pertains to harvesting of coconuts from coconut palms situated on temple lands, which constitutes agricultural produce in its primary form. The assignment, through auction, of the right to collect and manage such produce is

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intrinsically linked to the activity of harvesting itself and cannot be viewed in isolation. Accordingly, the auctioning of rights to harvest coconuts is squarely covered under the exemption provided at Sl. No. 54 of Notification No. 12/2017–Central Tax (Rate) and is therefore exempt from GST.

9.8. **Reverse Charge Liability on Honorarium and Sitting Fees**

9.8.1. Notification No. 13/2017–Central Tax (Rate) prescribes reverse charge liability on services supplied by a director to a company or a body corporate, and is as produced below:

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
6	Services supplied by a director of a company or a body corporate to the said company or the body corporate.	A director of a company or a body corporate	The company or a body corporate located in the taxable territory.

9.8.2. In the present case, as submitted by the Applicant, the President and Members of the Board are paid honorarium or sitting fees for discharging functions entrusted to them under the governing statute. Although the Applicant is a body corporate, the applicability of Reverse Charge Mechanism under Notification No. 13/2017–Central Tax (Rate) is restricted only to services supplied by a "director" of a company or a body corporate. The said notification does not extend to services rendered by members of a statutory board or governing body, unless such persons hold the legal status of "directors" in law.

9.8.3. The President and Members of the Board are statutory functionaries appointed in accordance with the relevant legislation and do not constitute a "Board of Directors" nor are they appointed as directors under the Companies Act or any analogous corporate law. Merely being members of a board of a body corporate does not ipso facto render them "directors" for the purposes of Notification No. 13/2017–Central Tax (Rate).

9.8.4. Therefore, the services, if any, rendered by the President and Members of the Board do not fall within the category of services supplied by a director as

envisaged under the said notification. Consequently, the provisions of Reverse Charge Mechanism are not attracted, and no GST is payable by the Applicant on the honorarium or sitting fees paid to the President and Members of the Board.

9.9. **Reverse Charge Liability on Legal Services**

9.9.1. Entry No. 2 of Notification No. 13/2017–Central Tax (Rate) mandates reverse charge on legal services provided by an advocate to a business entity. The definition of "business" under Section 2(17) of the CGST Act, 2017 is wide enough to cover the Applicant, in view of its activities involving auctioning of rights and generation of revenue from temple assets.

9.9.2. Notification no. No. 13/2017–Central Tax (Rate) is as produced below:

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
2	Services supplied by an individual advocate including a senior advocate by way of representational services before any court, tribunal or authority, directly or indirectly, to any business entity located in the taxable territory, including where contract for provision of such service has been entered through another advocate or a firm of advocates, or by a firm of advocates, by way of legal services, to a business entity.	An individual advocate including a senior advocate or firm of advocates.	Any business entity located in the taxable territory.

9.9.3. In the instant case, the Applicant qualifies as a business entity and is the recipient of legal services. Accordingly, legal services provided by advocates to the Applicant are liable to GST under the Reverse Charge Mechanism, and the Applicant is required to discharge the tax liability as the recipient of such services.

9.10. **Auction of Rights to Perform Religious Rituals**

9.10.1. The Applicant assigns, through auction or tender, the exclusive right to perform specific religious rituals within temple premises for a consideration.

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While the actual performance of religious rituals for devotees may be exempt under Entry No. 13(a) of Notification No. 12/2017–Central Tax (Rate), the transaction between the Applicant and the successful bidder is distinct.

Sl. No.	Chapter/ Section, Heading, Group or Service Code(Tariff)	Description of Services	Rate (per cent)	Condition
13	Heading 9963	Services by a person by way of- (a) conduct of any religious ceremony; (b).....	Nil	Nil

9.10.2. The Applicant is not itself conducting the religious ceremony. Rather, it grants a licence or right to provide services to a third party for consideration. Such transaction is a commercial supply undertaken in the course or furtherance of business and does not qualify as the conduct of a religious ceremony by the Applicant. Accordingly, the auctioning of rights to perform religious rituals constitutes a taxable supply of services.

9.11. **Auction of Rights to Manage and Maintain Toilets and Washrooms**

9.11.1. The Applicant has submitted that essential amenities such as public toilets and bathrooms within temple premises are managed through an annual tender or auction process. Under this arrangement, the successful bidder pays consideration to the Travancore Devaswom Board for obtaining the exclusive right to manage and maintain such facilities. The contractor thereafter operates the toilets and bathrooms independently and recovers user charges directly from devotees.

9.11.2. It is therefore necessary to determine the true nature of the transaction between the Applicant and the contractor. From the facts on record, it is evident that the Applicant does not by themselves provide toilet or bathroom services to devotees. Instead, it grants to a third party, for a specified period and for a predetermined auction amount, an exclusive commercial right or licence to operate and maintain such facilities, with the contractor bearing the operational

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responsibility and commercial risk and collecting usage charges from the public in its own right.

9.11.3. Entry No. 76 of Notification No. 12/2017–Central Tax (Rate) exempts services "by way of public conveniences such as provision of facilities of bathrooms, washrooms, lavatories, urinals or toilets." The entry is produced as below:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
76	Heading 9994	Services by way of public conveniences such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.	Nil	Nil

9.11.4. The said exemption applies to the person who actually supplies the public convenience service to the users. In the present case, the supplier of the exempt service is the contractor and not the Applicant. The supply made by the Applicant is not the provision of 'public conveniences' but the grant of a right or licence to the contractor to operate such facilities within the temple premises, which constitutes a distinct supply made for consideration in the course or furtherance of business. Under Section 7(1)(a) of the CGST Act, "supply" encompasses all forms of supply of goods or services made for consideration in the course or furtherance of business. Schedule II further clarifies that the transfer or licensing of rights for consideration is to be treated as a supply of services. The religious objective of providing amenities to devotees does not alter the contractual and commercial character of the arrangement.

9.11.5. From the perusal of the tender documents floated by the applicant, the authority further notes that the Applicant retains certain supervisory controls over the manner in which the contractor operates and maintains the toilet facilities, including stipulations regarding maintenance standards and the

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maximum user charges to be collected from devotees. Such stipulations are in the nature of regulatory and quality-control safeguards intended to ensure proper upkeep of the facilities and protection of public interest. The existence of such supervisory conditions, by itself, does not alter the fundamental character of the arrangement nor does it render the contractor an agent of the Applicant. The contractor operates the facility in its own right, collects user charges directly from devotees, and bears the attendant operational responsibilities and commercial risks. The arrangement must therefore be examined in substance to determine whether the Applicant is merely facilitating the discharge of a statutory obligation of providing public conveniences, or whether it is auctioning a revenue-generating commercial right to a third party. In the present case, the contractor is permitted to operate the facility independently for the agreed consideration, while the Applicant receives the auction amount irrespective of the revenue generated by the contractor. These features indicate that the contractor functions in an independent commercial capacity, subject only to regulatory oversight by the Applicant.

9.11.6. Additionally, upon perusal of the sample tender documents and schedules submitted by the Applicant, it is observed that the Applicant hands over the latrines/toilets/comfort stations owned by the Applicant to the successful bidder through a tender/auction process, wherein the minimum bid amount is fixed at approximately Rs. One crore or more. The terms and conditions of the contract clearly stipulate that the successful bidder/contractor shall be solely responsible for the operation, maintenance, and upkeep of the toilets and washrooms during the entire contract period. It is further provided that the contractor shall procure the necessary cleaning materials at their own cost and shall also be solely responsible for ensuring the availability of water in the latrines. Moreover, upon expiry of the contract period, the latrines are required to be handed back to the Applicant in the same condition in which they were initially handed over to the contractor.

9.11.7. It is also noted that the consideration received by the Applicant through the tender or auction process is not utilised by the Applicant for the upkeep or maintenance of the said facilities. Instead, the successful bidder undertakes the

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provision of the said services independently by collecting charges from devotees for the use of such facilities. Although the Applicant has prescribed an upper limit on the amount that may be collected from the devotees, the tender documents clearly indicate that such amounts are collected and utilised by the successful bidder who has been awarded the contract for the operation and maintenance of the latrines.

9.11.8. These contractual conditions demonstrate that the Applicant does not by themselves undertake or provide sanitation or public convenience services, but merely grants a right or licence to the successful bidder to operate and maintain such facilities. Had it been that the applicant themselves were paying a consideration to the successful bidder for running of the laterines/toilets, the exemption under Sl.No. 76 of Notification No. 12/2017–Central Tax (Rate) could have been extended. However, in the present case, the Applicant receives substantial consideration approximately Rs. One crore or more, through the tender process for granting the right to operate and maintain the said facilities. This indicates that the activity undertaken by the Applicant is in the nature of granting a commercial licence or right to the successful bidder, which is nothing but a commercial activity.

9.11.9. Accordingly, the consideration received by the Applicant for auctioning or granting the rights to manage, operate, and maintain public toilets and bathrooms constitutes consideration for a supply of services in the nature of granting a licence or right, and is therefore liable to GST under the provisions of the GST law.

9.12. **Auction of Rights to Operate Pooja Item Stalls**

9.12.1. The Applicant, with a view to ensuring that pooja items are readily available to devotees within the temple premises, facilitates the establishment of stalls in the temple precincts. Since it is not feasible for the Applicant to directly set up and operate such stalls in the temple forecourts, it conducts a competitive auction, either annually or for a specified period not exceeding one year, whereby the highest bidder is granted the right to operate pooja item stalls within the temple premises for the stipulated duration. The Applicant provides the requisite infrastructure and facilities for the establishment and maintenance of such stalls,

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the arrangement being incidental and auxiliary to the performance of religious offerings.

9.12.2. The aforesaid arrangement entails the grant, for consideration, of a licence to use space within the temple precincts and, prima facie, constitutes a supply of services by way of licence or renting of immovable property in the course or furtherance of business within the meaning of Section 7(1)(a) read with Section 2(17) of the CGST Act, 2017. However, in terms of Notification No. 12/2017–Central Tax (Rate), Entry 13(b), exemption is provided in respect of services by way of renting of precincts of a religious place meant for the general public, owned or managed by an entity registered as a charitable or religious trust under Section 12AA of the Income-tax Act, 1961, or by an authority covered under clause (23BBA) of Section 10 of the said Act.

9.12.3. In the present case, the renting of space to the highest bidder for the sale of pooja items within the temple precincts, being incidental and ancillary to religious worship, falls within the scope of Entry 13(b) of the aforesaid notification and is, therefore, eligible for exemption from GST. Provided that, in terms of the proviso appended to the said entry, the exemption shall be available only subject to the monetary thresholds specified therein and upon fulfilment of the other prescribed conditions.

9.13. Based on the submissions made by the Applicant and the facts on record, read in conjunction with the relevant statutory provisions of the CGST Act, 2017 and the applicable exemption notifications, the Authority finds that the Travancore Devaswom Board is liable to pay GST on the following services, being commercial activities undertaken for consideration in the course or furtherance of business, namely:

- auctioning of rights to collect rice and coconuts offered by devotees;
- auctioning of rights to collect abandoned clothes left by devotees;
- auctioning of rights to perform religious rituals within temple premises;
- auctioning of rights to manage and maintain toilets and washrooms within temple premises; and

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• legal services received from advocates, on which GST is payable under the Reverse Charge Mechanism.

9.13.1. However, the Authority holds that GST is not payable under the Reverse Charge Mechanism on honorarium or sitting fees paid to the President and Members of the Board, as they are not "directors" within the meaning of Notification No. 13/2017–Central Tax (Rate).

9.13.2. Further, the Authority finds that the auctioning of rights to harvest coconuts from coconut palms situated on the Applicant's lands constitutes a service directly related to agricultural operations and is, therefore, exempt from GST under Entry No. 54 of Notification No. 12/2017–Central Tax (Rate).

9.13.3. The Authority further holds that the auctioning of rights to sell pooja items/renting of space for operating pooja item stalls within temple precincts is eligible for exemption under Entry 13(b) of Notification No. 12/2017–Central Tax (Rate), subject to the condition that the monthly rental charges are below ten thousand rupees, as stipulated in the proviso thereto.

10. In the light of the facts and legal position as stated above, the following ruling is issued:

RULING

Question 1- Within the Sabarimala Devaswom, the annual rights to collect offerings' remnants, specifically white rice or mixed rice, is assigned to individuals through a competitive tender or auction process. The rice undergoes periodic weighings throughout the temple season, conducted in the presence of the designated contractor, and its value is determined based on pre quoted rates. Subsequently, once the value of the rice has been remitted to the Devaswom Fund, the rice is disbursed to the appointed contractor. Whether Tax is applicable on such receipts?

Ruling- The activity constitutes a supply of services by way of grant of rights or licence to collect and appropriate offerings' remnants for consideration and is a commercial activity undertaken in the course or furtherance of business. The transaction is not a sale of goods and is therefore taxable under Section 7(1) of the CGST Act, 2017. The receipts are liable to GST.

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Question 2- Within the temples including Sabarimala and Pomba Devaswoms under the administration of the Travancore Devaswom Board, a customary practice exists where devotees offer coconuts before the deity' Ganapathy. Annually, the rights to collect these coconuts, both those offered directly and those found among the remnants of offerings (broken coconuts), is assigned to individuals chosen through an annual fender or auction process. Whether Tax is applicable on such receipts?

Ruling- The assignment of rights to collect coconuts offered by devotees constitutes a supply of services by way of grant of rights or licence for consideration and is taxable under Section 7(1) of the CGST Act, 2017. The receipts are liable to GST.

Question 3- The transfer of rights to collect the clothing left by pilgrims in the Pamba River on an annual basis is assigned through a competitive tender or auction process. Whether Tax is applicable on such receipts?

Ruling- The auctioning of rights to collect abandoned clothes constitutes a taxable supply of services by way of grant of commercial rights for consideration, undertaken in the course or furtherance of business. The receipts are liable to GST.

Question 4- Agricultural produce, specifically the yield from coconut palm, is subjected to an annual auction or tendering process. Whether Tax is applicable on such receipts?

Ruling- The auctioning of rights to harvest coconuts from coconut palms constitutes a service directly related to agricultural operations, including harvesting, and is exempt under Entry No. 54 of Notification No. 12/2017–Central Tax (Rate).

Question 5- The remittance of GST on honorarium and sitting fees paid to the President and other members of the Travancore Devoswom Board under the Reverse Charge Mechanism (RCM). Whether Tax is applicable on such receipts?

Ruling- GST is not applicable under the Reverse Charge Mechanism on the honorarium and sitting fees paid to the President and Members of the Board.

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Question 6- The remittance of GST for expenditures like advocate fees or legal fees is typically carried out under the Reverse Charge Mechanism (RCM) when the supplier of such services is an unregistered individual or entity. In such cases, the recipient of the legal services, such as the Travancore Devaswom Board, is responsible for paying the GST directly to the government on behalf of the unregistered supplier. This is in accordance with the provisions of the GST low. Whether Tax is applicable on such receipts?

Ruling- GST is applicable under the Reverse Charge Mechanism. Legal services provided by advocates to the Applicant, being a business entity, attract GST under Entry No. 2 of Notification No. 13/2017–Central Tax (Rate), and the tax is payable by the Applicant as the recipient of services.

Question 7- The transfer of the right to perform rituals and customs, such as Pulluvan Pattu and Balithara, at temples is conducted through a competitive tender or auction process. Whether Tax is applicable on such receipts?

Ruling- The receipts are liable to GST. The auctioning of rights to perform rituals constitutes a supply of services by way of grant of licence or right for consideration and does not qualify as the conduct of a religious ceremony by the Applicant under the exemption notification.

Question 8- The transfer of rights to provide basic amenities to devotees, including public toilets and bathrooms, is carried out through on annual tender or auction process. Whether Tax is applicable on such receipts?

Ruling- The Applicant's activity of auctioning rights to manage and maintain such facilities constitutes a distinct taxable supply of services of licensing and is not covered under the exemption for public conveniences and the receipts are liable to GST.

Question 9- Transfer of rights to sale pooja items in the precincts of temples through tender cum auction carried out once in a year. Whether Tax is applicable on such receipts?

Ruling- The auctioning of rights to operate pooja item stalls amounts to renting of precincts of a religious place meant for the general public. The said supply is

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covered under Entry 13(b) of Notification No. 12/2017–Central Tax (Rate), and is therefore exempt from GST, provided the monetary limits and other stipulated conditions specified in the notification are satisfied.

Jomy Jacob, IRS
Addl. Commissioner of Central Tax
Member

Mansur M.I.
Joint Commissioner of State Tax
Member

To

M/S. TRAVANCORE DEVASWOM BOARD
81/1100 AND 81/1101, DEVASWOM COMMISSIONER OFFICE ULLOOR,
DEVASWOM BOARD JUNCTION, NANTHANCODE,
THIRUVANANTHAPURAM, KERALA- 695003.

Copy submitted to:-

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2. The Commissioner of State Goods and Services Tax Department, Tax Towers, Karamana, Thiruvananthapuram – 695002.
3. The Commissioner of Central Tax and Central Excise, Kochin Commissionerate.
4. The Commissioner of Central Tax and Central Excise, Thiruvananthapuram Commissionerate, GST Bhavan, Statue, Thiruvananthapuram. (E-mail id: commr-tvmhqrs@gov.in)
5. The Commissioner of Central Tax and Central Excise, Calicut Commissionerate.

Copy to:-

1. The Joint Commissioner, TPS, HQ, Thiruvananthapuram.
2. The Deputy Commissioner, ITMD, Thiruvananthapuram.
3. The State Tax Officer, Tax Payer Services Circle, Pattom, Thiruvananthapuram.
4. The Superintendent of Central Tax, Pattom Range, Thiruvananthapuram North Division.