

M/s. Rangaraj

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 45/ARA/2026

Dated **05.05.2026**

Q Questions Before the Authority

- Whether, the Auction amount that is collected by the Temple Authorities, which is controlled by the HR & CE Department for collection of human hair falls within the ambit of section 7 of CGST Act
- Whether the Temple is business premises
- Sale of Human hair is exempted from GST Tax liabilities, and whether as a consequence the Auction amount paid to the Temple for conducting the activity of collection of hair is also exempted.

F Facts

The applicant participates in an auction conducted by the Arulmigu Mariamman Temple to obtain a license for collecting human hair offered by devotees. The applicant pays an auction amount to the temple authorities for this right. The applicant sought a ruling on whether this payment is subject to GST, arguing that the temple is not engaged in business and that the underlying sale of human hair is exempt.

H Ruling

Taxability of auction amount	Yes, it is a supply of service falling within the ambit of Section 7 of the CGST Act, 2017.	Taxable at 18% (CGST 9% + SGST 9%) under Entry No. 35 of Notification No. 11/2017-Central Tax (Rate).
Whether the Temple is business premises	The query is not covered under any of the sub-clauses (a) to (g) of Section 97(2) of the CGST Act, 2017.	Beyond the jurisdiction of the Authority.
Exemption of auction amount	No, the exemption on the sale of human hair does not apply to the license fee.	The licensing activity is not covered under the exemption notification and is liable to be taxed.

The Authority ruled that the amount collected by the temple for the license to collect human hair constitutes a supply of service under Section 7 of the CGST Act and is taxable. It declined to answer the question regarding whether the temple is business premises, stating it falls outside its jurisdiction. Furthermore, it clarified that the exemption for the sale of human hair does not extend to the licensing activity performed by the temple.

R Reasoning

The Authority determined that the temple is issuing a license for a consideration, which qualifies as a **supply of service** under Section 7 of the CGST Act. It rejected the applicant's contention that the activity is exempt, noting that the exemption for human hair applies to the goods themselves, not the **licensing service** provided by the temple. The Authority relied on the definition of supply and the scope of taxable services under the CGST Act and relevant notifications. It also noted that commercial activities undertaken by religious institutions are not automatically exempt.

P Provisions Relied On

Section 7 of the CGST Act, 2017

Section 97(2) of the CGST Act, 2017

Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017

! For the Practitioner

This ruling clarifies that payments made to religious institutions for the right to collect offerings like human hair are treated as **taxable supplies of service** rather than exempt transactions. Practitioners should note that the Authority will not entertain questions regarding the status of premises if they do not fall strictly within the scope of Section 97(2). It serves as a warning that the tax-exempt status of a product does not necessarily shield the associated **licensing or service fees** from GST.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 3-rangaraj_aar_order-1.pdf

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Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com