Sadashiv Anajee Shete

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-32/2018-19/B-131 (number partly legible), Mumbai, dt. 23.1… Dated **30.10.2018**

Q Questions Before the Authority

- Whether the exemption under Sr. No. 13 of Notification No. 12/2017 - Central Tax (Rate) dated 28th June 2017 is applicable to the Applicant?
- Whether the Applicant is liable to get registered under section 22/24 of the CGST Act, 2017?
- If the Applicant is liable to pay GST, on what value should the GST liability be discharged: on the commission the Applicant receives from pundits/website users, or on the booking value received from website users?

F Facts

The Applicant runs a website through which devotees book pundits/Brahmins online for religious ceremonies such as pujas and abhisheks. He engages independent pundits to perform these services and works under three payment models, in which the user pays the Applicant online (for example Rs. 2,000 or Rs. 1,800) and the Applicant pays the pundit Rs. 1,800 and retains the balance, or the pundit pays a fee back to the Applicant. The Applicant claimed a turnover of about Rs. 1 lakh in FY 2018-19 and argued that his service fell within the religious-ceremony exemption.

H Ruling

Exemption under Sr. No. 13 of Notification No. 12/2017-CT(Rate) dated 28.06.2017 for the Applicant's services	**Answered in the negative. Exemption not applicable to the Applicant.**	The entry covers services by a person conducting a religious ceremony. The Applicant only facilitates bookings. The pundits who perform the ceremonies are the persons eligible for the exemption.
Liability to register under section 22/24 of the CGST Act, 2017	**Answered in the affirmative. The Applicant is liable to register.**	Registration is required under section 24 as an electronic commerce operator, so the section 22(1) threshold of Rs. 20 lakh does not apply.
Value on which GST is to be discharged: commission received from pundits/website users, or booking value received from website users	**GST is payable on the value of the commission received, not on the total amount received from website users.**	The order treats the commission as the taxable supply of service under section 15, because the bulk of the consideration is passed on to pundits who are not the Applicant's employees.

Exemption not available : the Applicant's services do not fall within Sr. No. 13 of Notification No. 12/2017-CT(Rate), because he does not conduct the ceremony himself but only facilitates bookings between users and pundits. **Registration required** : the Applicant is an electronic commerce operator under section 2(45) and is therefore liable to register under section 24 without regard to the Rs. 20 lakh threshold. **Taxable value** : GST is payable only on the commission the Applicant receives, not on the total amount paid by the user.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

R Reasoning

The order reads entry 13 of Notification 12/2017-CT(Rate) as covering only a person who conducts the religious ceremony. The Applicant only coordinates bookings, so it does not apply to him. Under section 2(44) and 2(45) the Applicant operates an electronic platform for e-commerce and is therefore an electronic commerce operator. Section 24 requires such operators to register irrespective of the threshold in section 22(1). On valuation, the authority applied section 15(1), holding that the parties are unrelated and the price is the sole consideration. It concluded that the Applicant's own taxable supply is the commission, so tax is charged on that amount.

P Provisions Relied On

- Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, Sr. No. 13 (heading 9963, 9972, 9995)
- Section 22(1) of the CGST Act, 2017
- Section 24(x) of the CGST Act, 2017 (every electronic commerce operator)
- Section 2(44) and 2(45) of the CGST/MGST Act (definitions of electronic commerce and electronic commerce operator)
- Section 15(1) and 15(2)(c) of the CGST/MGST Act (transaction value; incidental expenses including commission)
- Section 98 of the CGST and MGST Acts (advance ruling procedure)

! For the Practitioner

The order is useful for online platforms that book third-party religious service providers. It confirms that such a facilitator is not within the religious-ceremony exemption, that it must register as an electronic commerce operator with no threshold, and that GST is charged on its commission rather than on gross collections. It does not decide the position of the pundits themselves, which the order treats as exempt without analysis. It also does not address rate or ITC issues, and the order is appealable to the Maharashtra Appellate Authority for Advance Ruling.

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 -> ara_order_32_2018_maharashtra_sadashiv_anajee_shete.pdf

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