

**Rent on Accommodation buildings located outside the boundaries of religious places are chargeable to GST**

The AAR, Gujarat, in the matter of *M/s. Nandini Ashram Trust [Advance Ruling no. GUJ/GAAR/R/2023/18 dated April 26, 2023]* ruled that since the assessee was providing accommodation to pilgrims outside the boundary of the temple and the rooms rent charged was INR 1000 thus, the exemption sought was not available.

**Facts:**

M/s. Nandini Ashram Trust ("**the Applicant**") is registered trust under the Income Tax Act, 1961 ("**the IT Act**") and is engaged in providing accommodation to pilgrims outside the boundary of the temple, who visit the Ambaji Temple and charge INR 1000/- per day for room rent.

The Applicant sought advance ruling before the AAR, Gujarat praying whether the Applicant is liable for GST registration and if yes, whether they are liable to pay GST.

**Issue:**

Whether the Applicant is liable for GST registration and if yes, whether they are liable to pay GST?

**Held:**

The AAR, Gujrat in *Advance Ruling no. GUJ/GAAR/R/2023/18* has held as under:

Stated that, as in terms of Sr. no. 13(b) of *Notification No. 12/2017-Central Tax (Rate) dated June 28, 2017* ("**the Services Exemption Notification**"), the exemption is for the activity of renting of precincts of a religious place meant for general public, which is owned or managed by an entity registered as a charitable or religious trust under section 12AA of the IT Act or a

trust or an institution registered under sub-clause (v) of clause (23c) of section 10 of the IT Act or body or an authority covered under clause (23BBA) of section 10 of the IT Act.

Ruled that, the Applicant is liable to pay GST at the rate of 12%. Since, the premise is not owned by the Ambaji Temple Trust but by the Applicant, which was rented to pilgrims is located outside the boundary of the temple.

Accordingly, the Applicant will be liable to be registered if the aggregate turnover in a financial year exceeds INR 20 Lakhs.

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