

**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	Kerala Devaswom Recruitment Board
GSTIN	322500000475ARZ (TEMP)
ARN	AD3203250294973
Address	TC 81/254, MG Road, Thiruvananthapuram, Kerala- 695001
Advance Ruling sought for	<b>1:</b> Whether GST Registration is to be obtained by the Board?  <b>2:</b> Whether GST is to be collected from the application fee collected from the candidates?  <b>3:</b> Whether GST is applicable for the activity of conducting examination?
Date of Personal Hearing	19.05.2025
Authorized Representative	Smt.Sreekala.T.P, Secretary.

**ADVANCE RULING No.KER/29/2025 Dated: 08.10.2025**

1. Kerala Devaswom Recruitment Board (hereinafter referred to as the applicant or the Board) is a statutory autonomous institution established under the Kerala Devaswom Recruitment Board Act, 2015, enacted by the Government of Kerala. The objective of the applicant is to conduct examinations for the selection of suitable candidates for appointment to various posts in five Devaswom Boards situated in different geographical areas across the State of Kerala.



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 corresponding provisions of the KSGST Act, Rules or the Notifications issued thereunder.

3. The details of the questions on which advance ruling is sought are given above and are not being reproduced.

#### **4. The contentions of the applicant:**

4.1 The applicant submits that they were constituted by the Government as a recruitment board for the selection of candidates suitable for various permanent posts in the Devaswom Boards, such as Clerk/Cashier, Confidential Assistant, Office Attendant, etc. The main activity undertaken by the applicant in the recruitment process is the conduct of examinations for selecting eligible candidates. The applicant also recruits employees on deputation, contract, or coterminous basis.

4.2 The applicant is a grant-in-aid institution, operating through grants received from the State Government. The applicant has applied for an advance ruling to determine whether they are required to obtain registration under the CGST/KSGST Act. The applicant collects fees from candidates applying for examinations for recruitment to permanent posts in the Devaswom Boards. Hence, they have further sought clarity on the applicability of GST on the activity of conducting examinations by collecting examination fees from the candidates.

4.3. The applicant submits that the recruitment process spans various activities, commencing from the publication of notifications to the final selection of candidates, and is managed through a software system called "Devajalika" to ensure transparency and efficiency. The application fee collected from candidates constitutes the applicant's own fund, which is used to meet various expenses



related to the recruitment process. The major expenses listed by the applicant are as follows:

1. Advertisement of exam notification in newspapers.
2. Printing and transportation of question papers and answer booklets.
3. Purchase of stationery materials for recruitment purpose.
4. Supervision charges and other contingent expenses paid to the schools for conducting the examination
5. Remuneration of the officials deputed for duty on the day of the examination, vehicle rent, accommodation expenses, food expenses and other expenses on the day of exam
6. Conducting Practical tests or interviews after examination.
7. Rent for the practical exam venue and sports materials
8. Valuation of answer scripts.
9. Remuneration to question setters
10. Honorarium to subject experts in the interview board.

4.4. The applicant further submits that the budgetary allocation from the Government is insufficient to meet day-to-day operational and recruitment-related expenses. Therefore, the applicant utilizes its own funds to cover recruitment costs.

##### **5. Comments of the Jurisdictional Officer**

The application was forwarded to the Jurisdictional officer as per provisions of Section 98(1) of the CGST Act. The jurisdictional officer, STO, Tax Payer Services Circle, Fort, Thiruvananthapuram reported that no proceedings were pending or finalized against the applicant relating to the subject case.

##### **6. Personal Hearing:**

The applicant was granted an opportunity for a personal hearing on 19.05.2025. Smt.Sreekala.T.P, Secretary appeared in personal hearing. The representative presented the facts of the case in detail and requested to issue a ruling on the



basis of the submissions made at the time of hearing as well as those submitted along with the application.

#### **7. Discussion and Findings:**

7.1 The issue has been examined in detail. The applicant is a statutory recruitment board, constituted under an Act passed by the Kerala Legislative Assembly. The applicant conducts examinations for the selection of eligible candidates to various permanent posts in five Devaswom Boards, situated in different geographical areas of the State. The applicant has sought a ruling on the taxability of the activities undertaken for conducting examinations for such posts, wherein application fees are collected from candidates. They have also raised a fundamental question regarding whether registration under the CGST/KSGST Act is required. Accordingly, questions 1 and 3 raised by the applicant fall within the scope of clauses (f) and (g) of sub-section (2) of Section 97 of the CGST Act, namely, "whether the applicant is required to be registered" and "whether any particular activity undertaken by the applicant amounts to or results in a supply of goods or services or both", and hence the application is admitted based on its merits. The second question raised by the applicant, whether GST is to be collected or charged on the application/examination fee collected from candidates also falls squarely within the ambit of Section 97(2) of the CGST Act, 2017. Clause (e) thereof empowers the Authority to determine "the liability to pay tax on any goods or services or both," and clause (f) covers "whether the applicant is required to be registered." The question, being one of taxability of the amount collected towards application fees, directly concerns the applicant's liability to pay tax on the underlying service and is therefore admissible for advance ruling.

7.2. The first question raised by the applicant is whether GST registration is to be obtained by them. However, this question can be answered only after finding out whether the services rendered by them are taxable or not, i.e., after answering the third question. Hence, we will first consider the third question viz., "whether GST is applicable for the activity of conducting examination". The



taxable event under GST is the supply of goods or services or both. For a transaction to become taxable, it must fall within the meaning and scope of "supply." As per Section 7 of the CGST Act, 2017, the expression "supply" includes "all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business."

7.3. It is observed that, as per the above definition of "supply," one of the essential elements for an activity to constitute a supply is that it must be undertaken in the course or furtherance of business. The term "business" is defined in Section 2(17) of the CGST Act, 2017 as follows:

"Business" includes-

- (a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;
- (b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);

7.4. The definition of "business" under the CGST Act is an inclusive one, covering all activities or transactions undertaken by a person, whether or not for pecuniary benefit. In the instant case, the applicant is providing recruitment services by conducting examinations for candidates applying to various posts in the Devaswom Boards. Although the applicant operates with the support of grants sanctioned by the State Government, the examination fees collected from candidates are utilized to meet the expenses incurred in conducting examinations and related recruitment activities. These include the deployment of invigilators, printing of question papers and OMR sheets, provision of materials to candidates, evaluation of answer sheets, honorarium to subject experts on the interview board, and preparation and publication of rank lists. Therefore, the services provided by the applicant to candidates, in connection with the recruitment process to permanent posts in the Devaswom Boards, fall within the definition of "business" under the CGST Act and consequently constitute a "supply" as defined in Section 7 of the CGST Act, 2017.



7.5. The issue to be decided is whether GST is applicable to the activities undertaken by the applicant for conducting examinations, by collecting application fees, for permanent posts in the Devaswom Boards. The applicant provides independent recruitment services to candidates for selection to these posts. As a preliminary matter, it must be examined whether the applicant qualifies as a "governmental authority" as defined in Para 2(zf) of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, and thereby becomes eligible for the GST exemption provided in the relevant entries of the said Notification. The term "governmental authority" is defined in the Notification with the same meaning as assigned in the explanation to clause (16) of Section 2 of the IGST Act, 2017, reproduced below:

"Governmental authority" means an authority or a board or any other body,-

- (i) set up by an Act of Parliament or a State Legislature; or
- (ii) established by any Government,

with ninety percent or more participation by way of equity or control, to carry out any function entrusted to a Panchayat under article 243G or to a municipality under article 243W of the Constitution.

7.6 It is observed that the applicant is a recruitment board established under the Kerala Devaswom Recruitment Board Act, 2015, passed by the State Legislative Assembly. Therefore, it satisfies the condition for classification as a "governmental authority" as defined in Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, which is a prerequisite for availing the GST exemption under the said Notification. The entries at Serial Numbers 4 and 5 of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, provide for GST exemption on services rendered by a governmental authority. The relevant part of the Notification is reproduced below:

S1. No.	Chapter/ Section, Heading, Group	Description of Services	Rate (per cent)	Condit ion



	or Service Code( Tariff)			
4	Chapter 99	Services by Central Government, State Government, Union territory, local authority or governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution.	Nil	Nil
5	Chapter 99	Services by governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243 G of the Constitution.	Nil	Nil

7.7. Article 243W of the Constitution empowers municipalities to enable them to function as institutions of self-government to carry out responsibilities and the implementation of schemes entrusted to them in relation to the matters listed in the Twelfth Schedule. The various functions entrusted to a municipality under the 12<sup>th</sup> Schedule of the Constitution are as under;

1. Urban planning including town planning.
2. Regulation of land-use and construction of building.
3. Planning for economic and social development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.



11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, play - grounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds and electric crematoriums.
15. Cattle pounds, prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughter houses and tanneries.

7.8. Similarly; Article 243G Powers authority and responsibilities of Panchayat and to carry out responsibilities and the implementation of schemes entrusted to them in relation to the matters listed in the Eleventh schedule of the Constitution. The functions entrusted to a Panchayat under the Eleventh Schedule of the Constitution are as under:

1. Agriculture, including agricultural extension.
2. Land Improvement, implementation of land reforms, land consolidation and soil conservation.
3. Minor Irrigation, water management and watershed development.
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.
8. Small scale industries, including food processing industries.
9. Khadi, Village and Cottage industries.
10. Rural housing.
11. Drinking Water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of Communication.



14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation program.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities.
22. Markets and fairs.
23. Health and sanitation, including hospitals, primary health centers and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare, including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections and in particular of the scheduled castes and Scheduled tribes.
28. Public Distribution System.
29. Maintenance of the community assets.

7.9. Thus, it is observed that the activities undertaken by the applicant, though categorized as a "governmental authority," do not fall under any of the functions entrusted to a Panchayat or a Municipality under Articles 243G and 243W of the Constitution, respectively. Instead, it is found that the applicant is engaged as an independent recruitment service provider for selecting candidates to various posts in the Devaswom Boards, which are constituted by the Government for the administration of temples in different geographical areas of the State. These services include:

1. Advertisement of exam notification in newspapers.
2. Printing and transportation of question papers and answer booklets.
3. Supply of stationery materials to candidates.
4. Supervision in examination hall by invigilators.



5. Practical tests or interviews after examination.  
6. Evaluation of answer scripts and publishing of results.  
7. Availed services from subject experts in the interview board.

7.10. Having concluded that the applicant is a "person" as defined under Section 2(84) of the CGST Act, 2017, and qualifies as a "governmental authority" under Para 2(zf) of Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, it is held that the services provided by the applicant in conducting examinations for recruitment to permanent posts in the Devaswom Boards constitute taxable services under the CGST Act. These services do not fall within the scope of exemptions provided under Serial Numbers 4 and 5 of the said Notification.

7.11. The next issue to be decided is whether the applicant is required to obtain registration under the CGST Act. The applicant is a governmental authority constituted under an Act passed by the State Legislature, and the services provided in connection with the recruitment of candidates to various posts in the Devaswom Boards constitute taxable supplies. Section 22 of the CGST Act lays down the conditions and liability for registration. Sub-section (1) of Section 22 states that:

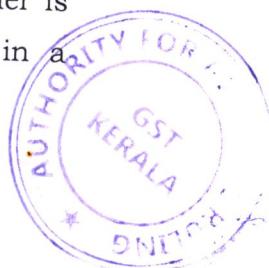
*"Every supplier shall be liable to be registered under this Act in the State or Union Territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees."*

As per the Explanation to this section,

(i) "aggregate turnover" includes all supplies made by the taxable person, whether on his own account or on behalf of his principals.

Hence, the applicant is liable to be registered if the aggregate value of taxable services exceeds the threshold limit under Section 22, or if the applicant otherwise falls under any of the categories specified in Section 24 of the Act.

7.12. It is also clarified that as per Section 22(1) of the CGST Act, a supplier is liable to be registered if their aggregate turnover exceeds Rs.20 lakhs in



financial year (Rs.10 lakhs for special category states). Hence, the applicant is liable to obtain GST registration if their aggregate turnover of taxable services (including examination fee collected from candidates) exceeds Rs.20 lakhs in a financial year.

7.13 On the second question, regarding whether GST is to be collected on the application or examination fees collected from candidates, it is observed that these receipts are directly linked to the service supplied by the applicant in conducting recruitment examinations. The payment of such fee is not a voluntary contribution or a statutory levy; it is the consideration charged in exchange for permitting the candidate to participate in the selection process and for providing the related administrative and evaluative services. The relationship between the payment and the service rendered is thus one of reciprocal obligation- *quid pro quo*. The Board conducts the examination, arranges evaluation, declares results, and provides a list of eligible candidates, and in return, the candidates pay a prescribed fee. The existence of such a reciprocal relationship squarely brings the transaction within the scope of a supply of service for consideration as contemplated under sections 7(1)(a), 2(17) and 2(31) of the CGST Act. The mere fact that the activity is statutory or that the receipts may only offset costs does not take away its taxable character, since the definition of "business" under section 2(17) expressly includes activities of public authorities whether or not carried out for pecuniary gain. Accordingly, the examination fee collected by the applicant forms part of the taxable value under section 15 of the Act, and GST is required to be collected on such amounts at the rate applicable to recruitment or placement services.

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



## **RULING**

**Question 1:** Whether GST Registration is to be obtained by the board?

**Ruling:** The applicant is a taxable service provider and is liable to be registered if the aggregate value of the supply of services exceeds the threshold limit prescribed under Section 22 of the CGST Act, or if the applicant falls under any of the categories specified under Section 24 of the Act.

**Question 2:** Whether GST is to be collected from the application fee collected from the candidates?

**Ruling:** Yes, the fees collected from candidates represent consideration for services supplied by the applicant in conducting recruitment examinations and related processes. Accordingly, they are chargeable to GST under Section 9 of the CGST Act.

**Question 3:** Whether GST is applicable for the activity of conducting examination?

Ruling: Yes. The services provided by the applicant to candidates in connection with recruitment of eligible persons to various posts in the Devaswom Boards constitute a taxable supply under Section 2(108) of the CGST Act, 2017.



**Jomy Jacob, IRS**

Additional Commissioner of Central Tax  
Member



**Mansur M.I.**

Joint Commissioner of State Tax  
Member



To

The Kerala Devaswom Recruitment Board,  
TC 81/254, MG Road, Thiruvananthapuram,  
Kerala- 695001



Copy submitted to:-

1. The Chief Commissioner of Central Tax and Central Excise, Thiruvananthapuram Zone, C.R. Building, I.S. Press Road, Cochin-682018. [E-mail ID: cccochin@nic.in; ccu-cexcok@nic.in]
2. The Commissioner of State Goods and Services Tax Department, Tax Towers, Karamana, Thiruvananthapuram - 695002.
3. The Commissioner of Central Tax and Central Excise, GST Bhavan, Statue, Thiruvananthapuram.

Copy to:-

1. The Additional Commissioner, TPS (HQ), Thiruvananthapuram
2. The Deputy Commissioner, ITMD, Thiruvananthapuram
3. The State Tax Officer, Tax Payer services Circle, Fort, Thiruvananthapuram.

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