

Shrimad Rajchandra Adhyatmik Satsang Sadhana Kendra

Appellate Authority for Advance Ruling — Maharashtra

MAH/AAAR/SS-RJ/14/2018-19 dated 24.12.2018

Q Questions Before the Authority

- Whether the activities carried out by the appellant fall under the definition of business as defined under Section 2(17) of the CGST Act, 2017.
- Whether the appellant is liable for registration under the provisions of the CGST Act, 2017 and the MGST Act, 2017.
- Whether the sale of spiritual products which are incidental and ancillary to the main charitable object of the appellant can be said to be business as defined under Section 2(17) of the CGST Act, 2017.

F Facts

The appellant is a public charitable and religious trust engaged in spreading the teachings of Paramkrupaludev Shrimad Rajchandra. It conducts activities like satsangs and shibirs, and sells spiritual products such as books, audio CDs, and DVDs at cost or lower than cost. The appellant contends that these activities do not constitute business and therefore it is not liable for GST registration.

H Ruling

Whether activities fall under definition of business	Yes	The definition of business under Section 2(17) is wide enough to include the appellant's activities.
Whether liable for registration	Yes	The appellant is engaged in the supply of goods and services in the course of business.
Whether sale of spiritual products is business	Yes	The sale of goods for consideration constitutes supply in the course of business.

The Appellate Authority upheld the Advance Ruling Authority's decision, concluding that the appellant's activities constitute business under the CGST Act. Consequently, the appellant is liable for registration as it is engaged in the supply of goods and services for consideration. The authority rejected the argument that the charitable nature of the trust exempts it from the definition of business.

R Reasoning

The authority reasoned that the definition of business under Section 2(17) of the CGST Act is inclusive and broad, covering trade and commerce. It noted that the trust's objectives include activities of trade and commerce, and the sale of spiritual products for consideration constitutes a supply. The authority distinguished this from previous judgments under the BST Act, emphasizing that the CGST Act provides specific exemptions for charitable activities, implying that non-exempted activities are taxable. It concluded that the appellant's commercial-like

activities fall within the ambit of supply in the course of business.

P Provisions Relied On

Section 2(17) of the CGST Act, 2017

Section 7 of the CGST Act, 2017

Section 22(1) of the CGST Act, 2017

Notification No. 12/2017 dated 28.06.2017

Notification No. 9/2017 dated 28.06.2017

! For the Practitioner

This ruling clarifies that charitable trusts are not automatically excluded from the definition of business under the GST regime. Practitioners should note that **commercial-like activities** conducted by a trust, such as the sale of books or media for consideration, are likely to be treated as taxable supplies unless specifically exempted. It underscores that the **broad definition of business** in the CGST Act overrides arguments based on the charitable nature of the entity if the activity itself involves supply for consideration.

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 -> mah.aaar no.14-2018-19 24.12.18.pdf

Prepared 13-10-2026.

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