

Shrimad Rajchandra Adhyatmik Satsang Sadhana Kendra

Authority for Advance Ruling — Maharashtra

NO.GST-ARA- 41/2017-18/B- 48, Mumbai, dt. 14/6/2018

Dated **14.06.2018**

Q Questions Before the Authority

- Whether the applicant which is a charitable trust with the main object of advancement of religion, spirituality or yoga can be said to be in business so as to attract the provisions of Central Goods and Service Tax Act, 2017 and Maharashtra Goods and Service Tax Act, 2017?
- Whether the applicant which is a charitable trust with main object of the advancement of religion, spirituality or yoga is liable to registration under the provisions of Central Goods and Service Tax Act, 2017 and Maharashtra Goods and Service Tax Act, 2017?
- Whether sales of spiritual products which is incidental / ancillary to main charitable object of the applicant can be said to be business of the applicant in terms of the definition in Section 2(17) of the Central Goods and Service Tax Act 2017 and option provision of Maharashtra Goods and Service Tax Act 2017?
- Whether the sale of spiritual products can be said to be supply under Section 7 of the Central General Sales Tax Act, 2017 and equivalent provision of the Maharashtra Goods and Service Tax Act, 2017 so as to attract GST?

F Facts

The applicant is a public religious and charitable trust registered under Section 12AA of the Income Tax Act, 1961, engaged in spreading Jain philosophy and spiritual teachings. To support its objects, the trust sells spiritual products such as books, audio CDs, DVDs, statues, and magazines, and provides accommodation and food during Shibirs/Satsangs on a chargeable basis. The applicant contended that it lacks a profit motive and its activities do not constitute business under GST law.

H Ruling

Charitable trust advancing religion/spirituality operating in business	Answered in affirmative.	Business u/s 2(17) includes trade or commerce whether or not for pecuniary benefit.
Liability of trust to register under GST	Answered in affirmative.	Provided aggregate turnover in a financial year exceeds limit prescribed u/s 22 of the GST Act.
Sale of spiritual products as business activity	Answered in affirmative.	Incidental or ancillary transactions connected with main activity constitute business.
Sale of spiritual products as supply u/s 7 attracting GST	Answered in affirmative.	Supplies of goods/services for consideration in furtherance of business attract GST.

The AAR held that the applicant trust's sales of spiritual products and provision of accommodation and food for consideration fall within the definition of **business under Section 2(17)** of the CGST Act, regardless of profit

motive. Consequently, these transactions constitute **taxable supplies under Section 7**, making the trust liable to GST registration under Section 22 if its aggregate turnover exceeds the threshold limit.

R Reasoning

The authority observed that under Section 2(17) of the CGST Act, 2017, the definition of business is very broad and explicitly includes any trade, commerce, or similar activity **whether or not for pecuniary benefit**. Therefore, the absence of a profit motive does not remove an entity from the ambit of business. Selling spiritual products and charging participants for Shibir accommodation and food constitute commercial transactions for consideration. As these transactions are covered under Section 7 as supplies made in the course or furtherance of business, and exemption under Notification No. 12/2017-Central Tax (Rate) does not extend to sale of goods or commercial camp fees, GST is applicable.

P Provisions Relied On

Section 2(17) of the CGST Act, 2017

Section 2(84) of the CGST Act, 2017

Section 7 of the CGST Act, 2017

Section 22 of the CGST Act, 2017

Section 23 of the CGST Act, 2017

Section 24 of the CGST Act, 2017

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

Section 12AA of the Income Tax Act, 1961

! For the Practitioner

This ruling establishes that **registration under Income Tax Section 12AA does not grant automatic exemption** from GST on commercial sales or fees. Even non-profit religious or charitable trusts selling goods or providing paid Shibir services are conducting business under GST and must register and pay tax if aggregate turnover crosses statutory threshold limits.

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 aar 41 2017-18 b-48 14.06.2018 srassk.pdf

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