

Charitable Trust running medical store to give medicines without profit required to be registered: The AAR, Gujarat

Fact of the Case

Nagri Eye Research Foundation (“the Petitioner”) filed an application for advance ruling to determine whether GST Registration would be required for medical store run by it as medical store would be providing medicines at a lower rate.

AAR, Gujarat- the Petitioner was required to obtain GST Registration for the medical store run by the Trust and that the medical store providing medicines at a lower rate amounted to supply of goods.

AAAR, Gujarat- Dismissed the appeal and confirmed the findings recorded by the AAR, Gujarat.

Decision of the Case

The Hon’ble Gujarat High Court stated that every supplier who falls within ambit of Section 22(1) of the Central Goods and Services Tax Act, 2017 (“the CGST Act”) has to get himself registered under the CGST Act.

Further, held that from a co-joint reading of Section 7(1) of the CGST Act, the expression ‘supply’ includes all forms of supply of goods and services or both such as sale, transfer, barter etc. made or agreed to be made for consideration by a person in the course or furtherance of business. And the term ‘business’ as defined under Section 2(17) of the CGST Act includes any trade or commerce whether or not for a pecuniary benefit.

Thus, the Petitioner would require GST Registration even if supplied at lower rate would amount to supply of goods if the aggregate turnover exceeding threshold limit.