M/s J ABDUL RAWOOF KHAN & BROTHERS

Authority for Advance Ruling — Andhra Pradesh

Ruling No. AAR/AP/ 09 (GST)/2018 Dated **20.08.2018**

Q Questions Before the Authority

- He is manufacturer of Biris and his annual business turnover is less than Rs.20 lakhs. He does not have any inter-state outward taxable supply. He requested to clarify whether he is liable for registration under Sec.22 of CGST, SGST Acts 2017?

F Facts

The applicant is a manufacturer of biris operating in Kurnool, Andhra Pradesh, purchasing raw materials (biri leaves and tobacco powder) from registered and unregistered suppliers both within and outside the state. All finished biris are sold exclusively within the state of Andhra Pradesh. The applicant's aggregate annual turnover across preceding financial years was consistently well below Rs. 20 lakhs. The applicant sought clarification on whether GST registration is compulsory under Section 22 of the CGST/APGST Act, 2017.

H Ruling

Liability for registration under Section 22 for intra-state manufacturer with aggregate turnover under Rs. 20 lakhs	****Not mandatory****	Based on aggregate turnover remaining below threshold and absence of inter-state outward taxable supplies

The Authority ruled that **registration under Section 22 of the APGST Act 2017 / CGST Act 2017 is not mandatory** for the applicant under the existing facts and provisions of law. Since the aggregate turnover does not exceed the statutory threshold of Rs. 20 lakhs and no inter-state outward taxable supplies are conducted, registration is not required.

R Reasoning

Section 22(1) of the APGST Act, 2017 and CGST Act, 2017 mandates GST registration only when a supplier's aggregate turnover in a financial year exceeds twenty lakh rupees (or ten lakh rupees for special category states). The applicant's aggregate turnover from past years remained under Rs. 20 lakhs, and the business makes no inter-state outward taxable supplies. The authority also noted Section 29, which permits cancellation of registration when a registered person's turnover falls below threshold or business operations cease.

P Provisions Relied On

Section 22 of APGST Act, 2017	Section 22 of CGST Act, 2017

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Section 29 of APGST Act, 2017

! For the Practitioner

This ruling clarifies that small intra-state manufacturers with **aggregate annual turnover below Rs. 20 lakhs** are not mandatorily required to register under GST. It supports small taxpayers seeking to surrender or avoid GST registration due to low turnover, provided they do not make **inter-state outward taxable supplies** or trigger compulsory registration provisions under Section 24.

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 -> ap_09-2018_20.08.18_j_abdul.pdf

Prepared 23-10-2026.

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